IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBS UNDER RULE 144A OR (2) NON-U.S. PERSONS OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to this offering memorandum, and you are advised to read this carefully before reading, accessing or making any other use of this offering memorandum. In accessing this offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR SOLICITATION IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (WITHIN THE MEANING OF REGULATION S OF THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAW OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of Your Representation: In order to be eligible to view this offering memorandum or make an investment decision with respect to the securities, investors must be either (1) qualified institutional buyers ("QIBs") (as defined in Rule 144A under the Securities Act) or (2) non-U.S. persons (within the meaning of Regulation S of the Securities Act) outside of the United States and to the extent you purchase securities described in the attached offering memorandum, you will be doing so pursuant to Regulation S under the Securities Act. This offering memorandum is being sent at your request and by accepting the e-mail and accessing this offering memorandum, you shall be deemed to have represented to us that you and any customers you are acting on behalf of (a) are QIBs or (b) are non-U.S. persons not located in the United States and (3) you consent to delivery of this offering memorandum by electronic transmission. You are reminded that this offering memorandum has been delivered to you on the basis that you are a person into whose possession this offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. If this is not the case, you must return this offering memorandum to us immediately. You may not, nor are you authorized to, deliver or disclose the contents of this offering memorandum to any other person.

This offering memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

The materials relating to this offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that this offering be made by a licensed banker or dealer and the underwriter or any affiliate of the underwriter is a licensed banker or dealer in that jurisdiction, this offering shall be deemed to be made by the underwriter or such affiliate on behalf of CK Hutchison International (25) Limited in such jurisdiction.

This offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of CK Hutchison Holdings Limited, CK Hutchison International (25) Limited, nor any person who controls any of them nor any director, officer, official, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering memorandum received by you in electronic format and the electronic version initially distributed.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

CK HUTCHISON INTERNATIONAL (25) LIMITED

(incorporated in the Cayman Islands with limited liability)

US$500,000,000 4.250% Guaranteed Notes due 2030
unconditionally and irrevocably guaranteed by

CK Hutchison Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Offer Price: 99.697% plus accrued interest, if any

CK Hutchison International (25) Limited (the "Issuer") will issue US$500,000,000 principal amount of 4.250% guaranteed notes due 2030 (the "notes"). The obligations of the Issuer will be unconditionally and irrevocably guaranteed by CK Hutchison Holdings Limited (the "Guarantor" or "CKHH").

The notes will bear interest from September 26, 2025 at the rates set forth above, payable semi-annually in arrears on March 26 and September 26 of each year (commencing March 26, 2026). The notes will not be redeemable by the Issuer prior to maturity, except (i) upon the occurrence of certain changes in Cayman Islands tax law requiring the payment of Additional Amounts as described herein, (ii) at any time before August 26, 2030, the notes may be redeemed, at the option of the Issuer or the Guarantor, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes redeemed plus an applicable premium as of, and accrued and unpaid interest, if any, to, the redemption date, as described in "Description of the Notes and the Guarantee" and (iii) at any time on or after August 26, 2030, the Notes may be redeemed at the option of the Issuer or the Guarantor, in whole or in part, at the principal amount thereof plus accrued and unpaid interest. The notes will be unsecured.

Application will be made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the notes on the SGX-ST. See "General Information". The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Approval in-principle for the listing and quotation of the notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries or the notes.

The notes are expected to be rated "A–" by Fitch Ratings Ltd., "A2" by Moody's Investors Service Limited and "A" by S&P Global Ratings, a division of the McGraw-Hill Companies, Inc. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. See "Ratings".

Investing in the notes involves risks that are described in the "Risk Factors" section beginning on page 25 of this offering memorandum.

The notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any other jurisdiction. The notes may not be offered or sold within the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any other jurisdiction. Accordingly, the notes are only being offered to "qualified institutional buyers" in reliance on Rule 144A under the Securities Act and non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act. For further details about eligible offerees and resale restrictions, see "Transfer Restrictions".

It is expected that the notes will be ready for delivery through the facilities of The Depository Trust Company against payment in New York City, New York on or about September 26, 2025.

Joint Bookrunners and Joint Lead Managers

Barclays Citigroup HSBC J.P. Morgan Mizuho

The date of this offering memorandum is September 23, 2025

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Except as discussed below or in respect of any statements contained in this offering memorandum with respect to the target market assessment for the notes and distribution channels, CK Hutchison International (25) Limited and CK Hutchison Holdings Limited accept responsibility for the information contained in this document which is material in the context of this offering. To the best knowledge and belief of the Issuer and CKHH (each of which has taken reasonable care to ensure that such is the case), the information contained in this document (subject as set out below in respect of information contained herein provided by other sources referred to herein) is in accordance with material facts and does not omit anything likely to materially affect the import of such information.

The distribution of this offering memorandum and the offer and sale of the notes in certain jurisdictions may be restricted by law. Persons into whose possession this offering memorandum comes must inform themselves about and observe any such restrictions. This offering memorandum does not constitute, and may not be used for or in connection with, an offer to any person to whom it is unlawful to make such an offer or a solicitation by anyone not authorized so to act.

The Initial Purchasers (see "Plan of Distribution" for the identity of the Initial Purchasers) and their respective affiliates and advisors have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Initial Purchasers and their respective affiliates and advisors as to the accuracy or completeness of the information contained in this offering memorandum or any other information provided by the Issuer or the Guarantor in connection with the notes or their distribution.

This offering memorandum is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor or the Initial Purchasers that any recipient of this offering memorandum should purchase any of the notes. Each investor contemplating purchasing notes should make its own independent investigation and appraisal of the business, financial condition and affairs of the Issuer and/or the Guarantor.

Investors of the notes should rely only on the information contained in this offering memorandum. The Issuer and the Guarantor have not, and the Initial Purchasers have not, authorized any other person to provide investors with different information with respect to the issue and offering of the notes. If anyone provides any investor with different or inconsistent information, such investor should not rely on it. The Issuer, the Guarantor and the Initial Purchasers are not making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. Each investor should assume that the information appearing in this offering memorandum is accurate only as of the date on the front cover of this offering memorandum or the date specifically referred to in its contents. The Guarantor's business, financial condition, results of operations and prospects may have changed since that date.

The Issuer and the Guarantor are relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing the notes, investors will be deemed to have made the acknowledgements, representations, warranties and agreements described under the heading "Transfer Restrictions" in this offering memorandum. Investors should understand that they will be required to bear the financial risks of their investment for an indefinite period of time. Prospective purchasers are hereby notified that sellers of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

The Issuer has submitted this offering memorandum to a limited number of institutional investors so that they can consider a purchase of the notes. Neither the Issuer nor the Guarantor has authorized its use for any other purpose. This offering memorandum may not be copied or reproduced in whole or in part. It may be distributed and its contents disclosed only to the prospective investors to whom it is provided. By accepting delivery of this offering memorandum, each investor agrees to these restrictions. See "Transfer Restrictions".

Having made all reasonable inquiries, the Issuer and the Guarantor confirm that this offering memorandum contains all information with respect to the Issuer and the Guarantor and the notes which is material in the context of the issue and the offering of the notes, and that such information is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed herein are honestly held and that the Issuer and the Guarantor are not aware of any facts the omission of which would make any such information or the expression of any such opinions and intentions materially misleading.

This offering memorandum is based on information provided by the Issuer and the Guarantor and by other sources referred to herein that they believe are reliable. The Issuer and the Guarantor accept responsibility for accurately reproducing such information provided by such other sources. The Issuer and the Guarantor accept no further or other responsibility in respect of such information. No assurance can be given that this information is accurate or complete. This offering memorandum summarizes certain documents and other information and investors should refer to them for a more complete understanding of what is discussed in this offering memorandum. In making an investment decision, each investor must rely on its own examination of the Issuer and the Guarantor and the terms of the offering and the notes, including the merits and risks involved.

Neither the Initial Purchasers, the Issuer nor the Guarantor is making any representation to any investor in the notes regarding the legality of an investment in the notes by such investor under any legal investment or similar laws, rules or regulations. Investors should not consider any information in this offering memorandum to be legal, business or tax advice. Each investor should consult its own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the notes.

Investors should contact the Initial Purchasers with any questions about this offering or if they require additional information to verify the information contained in this offering memorandum.

Neither the U.S. Securities and Exchange Commission ("SEC") nor any state securities commission has approved or disapproved of the notes or determined if this offering memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

IN CONNECTION WITH THE ISSUE OF THE NOTES, ANY OF THE INITIAL PURCHASERS (THE "STABILIZING MANAGER") OR ANY PERSON ACTING ON ITS BEHALF MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE TIME OF DELIVERY. HOWEVER, THERE MAY BE NO OBLIGATION ON THE STABILIZING MANAGER OR ANY AGENT OF THE STABILIZING MANAGER TO DO THIS. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE DATE ON WHICH THE ISSUER RECEIVED THE PROCEEDS OF THE ISSUE AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILIZING MANAGER(S) (OR PERSONS ACTING ON THEIR BEHALF) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES AND WILL BE UNDERTAKEN AT THE OFFICES OF THE STABILIZING MANAGER(S) (OR PERSONS ACTING ON THEIR BEHALF).

Prohibition of sales to EEA retail investors – The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of sales to UK retail investors – The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

In connection with the offering, any Initial Purchaser established in the EEA or in the UK is not acting for anyone other than the Issuer and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor for providing advice in relation to the offering.

CURRENCY OF PRESENTATION AND CERTAIN DEFINITIONS

In this offering memorandum, unless otherwise specified or the context otherwise requires, all references to "CKHH" are to CK Hutchison Holdings Limited, a company incorporated in the Cayman Islands with limited liability, and its subsidiaries on the basis set forth in Notes 44(a)(i) to the unaudited reviewed condensed consolidated financial statements of CKHH for the six months ended June 30, 2025 included elsewhere in this offering memorandum, all references to CKHH's consolidated financial statements are to the financial statements of CK Hutchison Holdings Limited and its subsidiaries which include CKHH's interests in associated companies (or "associates") and joint arrangements on the basis set forth in Note 44(a)(ii) to the unaudited reviewed condensed consolidated financial statements of CKHH for the six months ended June 30, 2025, and all references in CKHH's consolidated financial statements to the "Group" are to CK Hutchison Holdings Limited and its subsidiaries. For purposes of this offering memorandum only, "PRC" means the People's Republic of China, "Mainland" means the People's Republic of China excluding Hong Kong, Macau and Taiwan and "Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

Historically, for periods up to and including the year ended December 31, 2024, CKHH prepared its consolidated financial statements in accordance with HKFRS Accounting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Effective January 1, 2025, CKHH has adopted IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board (the "IASB") as its financial reporting framework, with a transition date to IFRS on January 1, 2023. The unaudited reviewed condensed consolidated financial statements of CKHH for the six months ended June 30, 2025 have been prepared using CKHH's accounting policies under IFRS.

To reflect the adoption, certain previously issued consolidated financial information for periods following January 1, 2023, originally prepared in accordance with HKFRS (for annual financial information and statements as of and for the years ended December 31, 2023 and 2024) or Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the HKICPA (for six months interim financial information and statements as of and for the six months ended June 30, 2024), has been adjusted and re-presented in accordance with IFRS or International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the IASB. These adjustments and the effects of the transition are presented in the notes to CKHH's unaudited reviewed consolidated financial statements for the six months ended June 30, 2025.

As the transition date of January 1, 2023, establishes the starting point for IFRS reporting, consolidated financial information for periods prior to this date, including the financial statements as of and for the year ended December 31, 2022, has not been adjusted and re-presented for IFRS and remains as originally reported under HKFRS. Notwithstanding this, no material differences are expected had the consolidated financial statements as of and for the year ended December 31, 2022 been adjusted to comply with IFRS, given the selected transition date, the convergence between HKFRS and IFRS, and the consistency of CKHH's accounting policies between the two frameworks.

IFRS and HKFRS differ in certain respects from generally accepted accounting principles ("GAAP") in other countries, including U.S. GAAP. These differences might be material to the financial information presented in this offering memorandum, and no attempt has been made to quantify the impact of those differences. In particular, no reconciliation of CKHH's consolidated financial statements and information to U.S. GAAP or any other local GAAP has been attempted, and such a reconciliation could have a material impact on the financial information contained in this offering memorandum. Potential investors should consult their own professional advisors for an understanding of the differences between IFRS, HKFRS, U.S. GAAP, and other relevant accounting frameworks, and how those differences might affect the financial information presented in this offering memorandum and their analysis.

CKHH publishes its financial statements in Hong Kong dollars ("HK$"). For the convenience of the readers, this offering memorandum presents translations into U.S. dollars ("US$") of certain Hong Kong dollar amounts at the rate of HK$7.80 = US$1.00. No representation is made that Hong Kong dollars have been, could have been, or could be, converted into U.S. dollars at the rate indicated or at any other rate. On August 29, 2025, the noon buying rate in New York City for cable transfers in foreign currencies, as certified for

customs purposes by the Federal Reserve Bank of New York, was HK$7.7949 = US$1.00. This offering memorandum also includes Pound Sterling ("£"), Euro ("€"), Australian dollar ("A$"), Canadian dollar ("C$"), Renminbi ("RMB"), and certain other currency amounts. The Hong Kong dollar equivalent amounts presented are translated at the approximate exchange rate at the time of the transactions to which they apply.

As used in this offering memorandum, EBIT represents the EBIT of CKHH as well as CKHH's share of the EBIT of associates and joint ventures except for Hutchison Port Holdings Trust ("HPH Trust") which is included based on CKHH's effective share of EBIT for this operation. EBIT is defined as earnings before interest expenses and other finance costs and tax. Information concerning EBIT has been included in CKHH's financial information and consolidated financial statements and is used by many industries and investors as one measure of results from operations. CKHH considers EBIT to be an important performance measure which is used in CKHH's internal financial and management reporting to monitor business performance. EBIT is not a measure of financial performance under IFRS Accounting Standards ("IFRS"), HKFRS Accounting Standards ("HKFRS") nor generally accepted accounting policies in the U.S. ("U.S. GAAP") and the EBIT measures used by CKHH may not be comparable to other similarly titled measures of other companies. EBIT should not necessarily be construed as an alternative to results from operations as determined in accordance with IFRS, HKFRS or U.S. GAAP.

EBITDA represents the EBITDA of CKHH as well as CKHH's share of the EBITDA of associates and joint ventures except for HPH Trust which is included based on CKHH's effective share of EBITDA for this operation. EBITDA is defined as earnings before interest expenses and other finance costs, tax, depreciation and amortization. Information concerning EBITDA has been included in CKHH's financial information and consolidated financial statements and is used by many industries and investors as one measure of gross cashflow generation. CKHH considers EBITDA to be an important performance measure which is used in CKHH's internal financial and management reporting to monitor business performance. EBITDA is not a measure of cash liquidity or financial performance under IFRS, HKFRS nor U.S. GAAP and the EBITDA measures used by CKHH may not be comparable to other similarly titled measures of other companies. EBITDA should not necessarily be construed as an alternative to cash flows or results of operations as determined in accordance with IFRS, HKFRS or U.S. GAAP.

ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is incorporated in the Cayman Islands and the Guarantor is incorporated in the Cayman Islands. All or a substantial portion of the assets of the Issuer and the Guarantor are located outside the United States. In addition, most of the directors and executive officers of the Issuer and the Guarantor are not, and certain of the experts named herein are not, residents of the United States, and all or a substantial portion of the assets of such persons may be located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons, the Issuer or the Guarantor, or to enforce against them judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States. The Issuer has been advised by its Cayman Islands counsel, Maples and Calder (Hong Kong) LLP, that although there is no statutory enforcement in the Cayman Islands of judgments obtained in Hong Kong, England or New York, the courts of the Cayman Islands will, based on the principle that a judgment by a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given, recognize and enforce a judgment of a foreign court of competent jurisdiction without retrial on the merits if such judgment is final and conclusive, for a liquidated sum, not in respect of taxes or a fine or penalty, is not inconsistent with a Cayman Islands judgment in respect of the same matter and was not obtained in such a manner, and is not of a kind the enforcement of which is, contrary to the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). There is doubt, however, as to whether the courts of the Cayman Islands will (i) recognize or enforce judgments of United States courts predicated upon the civil liability provisions of the securities laws of the United States or any state thereof, or (ii) in original actions brought in the Cayman Islands, impose liabilities based upon the civil liability provisions of the securities laws of the United States or any state thereof, on the grounds that such provisions are penal in nature. In addition, a Cayman Islands' court may stay proceedings if concurrent proceedings are being brought elsewhere.

SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this offering memorandum.

The Issuer

The Issuer, a wholly-owned subsidiary of the Guarantor, was incorporated as an exempted company with limited liability under the laws of the Cayman Islands on August 27, 2025 and registered in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong). Its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, incorporation number: 425063.

The Issuer, whose primary purpose is to act as a financing subsidiary of the Guarantor, will remain a wholly-owned subsidiary of the Guarantor as long as the notes are outstanding and will advance the net proceeds of the notes to CKHH and/or one or more of its subsidiaries. The Issuer has no material assets.

CK HUTCHISON HOLDINGS LIMITED

CKHH, an exempted company incorporated in the Cayman Islands on December 11, 2014 with limited liability under incorporation number 294571 and registered in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), is the holding company of the CKHH group of companies. CKHH was incorporated as part of the reorganization and combination of Cheung Kong, Hutchison and their respective subsidiaries, associated companies and joint ventures to create CKHH, which, immediately after such reorganization and combination, then held the non-property related businesses of both groups, and CK Asset Holdings Limited (formerly known as Cheung Kong Property Holdings Limited), which, immediately after such reorganization and combination, then held the property and hotels businesses (the "Property Businesses") of both groups (the "Reorganization"). The Reorganization was completed on June 3, 2015. Further details of the Reorganization can be found in the section "Management's Discussion and Analysis of Results of Operations and Financial Condition of CKHH – The Reorganization" below.

CKHH is a Hong Kong-based multinational conglomerate whose shares are listed on the SEHK. As of June 30, 2025, CKHH operated four core business divisions in about 50 countries: Ports and Related Services; Retail; Infrastructure and Telecommunications as well as finance & investments and other operations. As of June 30, 2025, CKHH owns 17.1% in Cenovus Energy Inc. ("Cenovus Energy"). Significant developments in CKHH's business since June 30, 2025 are summarized below under "Recent Developments".

Ports and Related Services

The Ports and Related Services division comprises the 80%-owned subsidiaries, Hutchison Port Holdings and Hutchison Ports Investments S.à r.l. (collectively "Hutchison Ports"), and HPH Trust, the 30.07% owned associate listed on the Main Board of the SGX-ST. As of June 30, 2025, CKHH had interests in 53 ports comprising 295 operational berths[(1)] in 24 countries in Asia, the Middle East, Africa, Europe, the Americas and Australasia. In 2024 and six months ended June 30, 2025, CKHH's Ports and Related Services division handled combined container throughput of 87.5 million TEU and 44.0 million TEU, respectively. As of June 30, 2025, CKHH has interests in various locations including:

- the Mainland, where Hutchison Ports holds interests in Shanghai Mingdong Container Terminals ("SMCT"), Shanghai Pudong International Container Terminals ("SPICT"), Shanghai Container Terminals ("SCT"), Ningbo Beilun International Container Terminals ("NBCT"), as well as ports in Southern China, and CKHH, through its

(1) Based on 300 meters per berth and is computed by dividing the total berth length by 300 meters, which may be different to the number of physical container berths for vessel mooring. Unless otherwise stated, the number of berths stated elsewhere in this offering memorandum represents the number of physical berths.

associate, HPH Trust holds interests in Phase I, II, III, East Port and West Port at Yantian International Container Terminals ("YICT") and Huizhou International Container Terminals ("HICT"). In January 2023, Hutchison Ports disposed of its entire 50% interest in Huizhou Quanwan Port Development;

- Hong Kong, where CKHH, through its associate, HPH Trust, holds interests in: Hongkong International Terminals ("HIT"); Asia Container Terminals ("ACT HK"), a strategic partnership between HPH Trust and COSCO SHIPPING Ports Limited; as well as COSCO-HIT Terminals ("CHT"), a 50/50 joint venture between HIT and COSCO SHIPPING Ports Limited;
- the Netherlands, where Hutchison Ports holds interests in Europe Container Terminals ("ECT") and Hutchison Ports Delta II ("Delta II") in Rotterdam, Amsterdam Container Terminals ("ACT") and TMA Logistics ("TMA") in Amsterdam;
- the UK, where Hutchison Ports holds interests in Hutchison Ports (UK), which operates in the Port of Felixstowe ("PFL"), London Thamesport ("LTP") and Harwich International Port ("HWH");
- Continental Europe, where Hutchison Ports holds interests in Barcelona Europe South Terminal ("BEST") in Spain and Gdynia Container Terminal ("GCT") in Poland, as well as Hutchison Ports Sweden at the Port of Nynäshamn ("CTN"), Norvik, in Sweden;
- Malaysia, where Hutchison Ports holds interests in Westports Malaysia ("KMT") at Port Klang;
- Indonesia, where Hutchison Ports holds interests in Jakarta International Container Terminal ("JICT") in Tanjung Priok and Terminal Petikemas Koja ("KOJA") at the Port of Tanjung Priok next to JICT;
- South Korea, where Hutchison Ports operates one deep-water container terminal in Busan through Hutchison Korea Terminals ("HKT") and one terminal in Gwangyang through Korea International Terminals ("KIT");
- Thailand, where Hutchison Ports holds interests in Thai Laemchabang Terminal ("TLT") and Hutchison Laemchabang Terminal ("HLT") at Laem Chabang;
- Pakistan, where Hutchison Ports holds interests in Karachi International Container Terminal ("KICT") at the Port of Karachi and South Asia Pakistan Terminals ("SAPT") at the estuary of the Keamari Groyne basin;
- Vietnam, where Hutchison Ports holds interests in Saigon International Terminals Vietnam ("SITV") located within the newly expanded centrally-governed city of Ho Chi Minh City, following its merger with Ba Ria-Vung Tau and Binh Duong provinces, effective July 1, 2025;
- Myanmar, where Hutchison Ports holds interests in Myanmar International Terminals Thilawa ("MITT") at Thilawa;
- Australia, where Hutchison Ports holds interests in Brisbane Container Terminals ("BCT") at the Port of Brisbane and Sydney International Container Terminals ("SICTL") at Port Botany;
- Saudi Arabia, where Hutchison Ports invests and operates multipurpose terminals within the Jazan City for Primary and Downstream Industries in Saudi Arabia which will be developed in two phases. Jazan Port has commenced operation in September 2022;

- Egypt, where Hutchison Ports holds interests in Alexandria International Container Terminals ("AICT"), which operates terminals at Alexandria and El Dekheila Ports. In March 2023, Hutchison Ports entered into two concession agreements with the Egyptian Government for the development and operation of a deep-water container terminal in each of Ain Sokhna Port and El Dekheila Port. Hutchison Ports has completed developing and commenced operating a new container terminal in Abu Qir in January 2024;

- The United Arab Emirates ("UAE"), where Hutchison Ports holds interests in Hutchison Ajman International Terminals ("HAJT") in Ajman, Hutchison Ports RAK ("RAK") in Ras Al Khaimah and Hutchison Ports UAQ ("UAQ") in Umm Al Quwain;

- Oman, where Hutchison Ports holds interests in Oman International Container Terminal ("OICT") at the Port of Sohar;

- Mexico, where Hutchison Ports holds interests in Internacional de Contenedores Asociados de Veracruz ("ICAVE"), which is located at the Port of Veracruz on the east coast, as well as other port operations in Ensenada, Manzanillo and Lazaro Cardenas which are located on the west coast;

- Argentina, where Hutchison Ports holds interests in Buenos Aires Container Terminal Services ("BACTSSA") at the Port of Buenos Aires, which ended its concession on August 31, 2023;

- the Bahamas, where Hutchison Ports holds interests in Freeport Container Port ("FCP") on Grand Bahama Island;

- Panama, where Hutchison Ports holds interests in Panama Ports Company ("PPC"), which manages and operates the ports of Cristobal and Balboa, located on the Atlantic and Pacific sides respectively of the Panama Canal; and

- Tanzania, where Hutchison Ports holds interests in Tanzania International Container Terminal Services ("TICT") at Dar es Salaam which ended its concession on December 31, 2022. Since 2023, TICT has been acting as a subcontractor for the terminal operation. Hutchison Ports has completed the disposal of entire 60% interests in TICT in June 2024 and the subcontractor contract has also ended.

The division also has interests in other logistics and transportation-related businesses. These include cruise ship terminals, air cargo handling services, distribution centers, rail services, dry port and ship repair facilities.

Retail

CKHH currently holds a 75.05% interest in AS Watson, the world's largest international health and beauty retailer in terms of number of stores. With a 175 million loyalty member base, AS Watson is also an operator of major chains of supermarkets and consumer electronics and electrical appliances stores. As of June 30, 2025, AS Watson operated 12 retail brands with 16,935 stores in 31 markets mainly in Europe, Hong Kong, the Mainland and other markets in Asia. AS Watson also manufactures and distributes water and beverage products in Hong Kong and the Mainland.

Infrastructure

CK Infrastructure Holdings Limited ("CKI")

CKHH currently holds a 75.67% interest in CKI[1], the largest publicly listed infrastructure company in Hong Kong in terms of market capitalization, with principal operations in Hong Kong, the Mainland, the UK, Continental Europe, Australia, New Zealand, Canada and the United States. As of June 30, 2025, CKI's major interests include:

- a 36.01% interest in Power Assets Holdings Limited ("Power Assets"), a listed company in Hong Kong that holds a 33.37% interest in HK Electric Investments and HK Electric Investments Limited (collectively "HKEI"). HKEI's wholly-owned subsidiary, The Hongkong Electric Company, Limited ("Hongkong Electric"), generates, transmits and is the sole distributor of electricity to Hong Kong Island and Lamma Island;

- together with Power Assets, an 80% interest (CKI: 40%; Power Assets: 40%) in UK Power Networks Holdings Limited ("UK Power Networks"), which owns, operates and manages three regulated electricity distribution networks in the UK that cover London, the South East and the East of England. UK Power Networks is also engaged in certain non-regulated electricity distribution businesses in the UK, including the distribution of electricity to a number of privately owned sites;

- together with Power Assets, a 45% interest (CKI: 39%; Power Assets: 6%) in Northumbrian Water Group Limited ("Northumbrian Water"), a group comprising one of the ten regulated water and sewerage companies in England and Wales, which provides water and waste water services in the North East of England and water services in the South East of England. In addition, Northumbrian Water's operations include the Kielder Reservoir, the largest man-made reservoir in Northwestern Europe, as well as a portfolio of water and waste water contracts. CKI's and Power Assets' interest in Northumbrian Water reduced from 52% and 8% respectively to 39% and 6% respectively following the disposal of their respective 13% and 2% direct interest in Northumbrian Water in December 2022;

- together with Power Assets, an 88.35% interest (CKI: 47.06%; Power Assets: 41.29%) in Northern Gas Networks Holdings Limited ("Northern Gas"), which distributes gas to homes and businesses across the North of England, an area covering the North East, Northern Cumbria and much of Yorkshire;

- together with Power Assets, a 75% interest (CKI: 39%; Power Assets: 36%) in each of West Gas Networks Limited ("West Gas Networks") and Western Gas Networks Limited ("Western Gas Networks"), which together owns a 100% interest in Wales & West Utilities Limited ("Wales & West Utilities"). Wales & West Utilities is a gas distribution network that serves Wales and the South West of England;

- together with Power Assets, a 75% interest (CKI: 65%; Power Assets: 10%) in Eversholt UK Rails Group Limited ("UK Rails")[2], one of the three major rolling stock leasing companies that were established at the time of privatization of the UK rail industry. UK Rails offers a diverse range of rolling stock, including regional, commuter and high speed passenger trains, as well as freight locomotives, on long term contracts to train and freight operating companies;

- together with Power Assets, a 60% interest (CKI: 40%; Power Assets: 20%) in Phoenix Energy, the largest natural gas distribution network company in Northern Ireland;

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(1) In August 2024, CKI completed the secondary listing on the London Stock Exchange.

(2) In July 2025, Eversholt UK Rails Group Limited, a joint venture company of CKI, CK Asset Holdings Limited, Power Assets and CKHH, entered into an agreement to divest 100% interests in UK Rails. Completion of the transaction is subject to the fulfilment of certain conditions under the sales and purchase agreement.

- together with Power Assets, a 60% interest (CKI: 40%; Power Assets: 20%) in UK Renewables Energy, a portfolio of operating onshore wind farms in the UK comprising 32 wind farms in England, Scotland and Wales, totaling 175 MW in installed capacity and 137 MW in net attributable capacity;

- together with Power Assets, a 100% interest (on a 50/50 basis) in Electricity First Limited, which owns a 50% interest in Seabank Power Limited ("Seabank Power"). Seabank Power owns and operates Seabank Power Station located near Bristol, England;

- together with Power Assets, a 72.5% interest (CKI: 45.5%; Power Assets: 27%) in Dutch Enviro Energy Holdings B.V. ("Dutch Enviro Energy") which in turn owns AVR-Afvalverwerking B.V. ("AVR"). AVR is principally engaged in the business of waste processing and production and supply of sustainable energy from the incineration of waste in the Netherlands;

- a 35% interest in ista, a fully integrated energy management services provider that runs submetering businesses over 20 countries for heat and water consumption. It also sells a range of meter hardware and provides a range of related services such as maintenance, meter reading, data processing and billing;

- together with Power Assets, a 51% interest (CKI: 23.07%; Power Assets: 27.93%) in each of (i) SA Power Networks, the primary electricity distributor in the State of South Australia; (ii) Powercor Australia Limited ("Powercor"), the largest electricity distributor in the State of Victoria; and (iii) the CitiPower Trust ("CitiPower"), another major electricity distributor in the State of Victoria;

- together with Power Assets, a 100% interest (on a 50/50 basis) in Australian Energy Operations Pty Ltd which owns and operates approximately 100 kilometers of transmission lines and terminal stations in Victoria, Australia that connect Mount Mercer, Elaine, Moorabool and Ararat wind farms to the national power grid;

- together with Power Assets, a 72.48% interest (CKI: 44.97%; Power Assets: 27.51%) in Australian Gas Networks Holdings Pty Ltd ("AGN"), one of the largest natural gas distribution companies in Australia that owns natural gas distribution networks and transmission pipelines in South Australia, Victoria, Queensland, New South Wales and the Northern Territory;

- together with Power Assets, a 60% interest (CKI: 40%; Power Assets: 20%) in CK William Group, international owner and operator of energy utility assets, providing low emissions and remote energy generation solutions, gas transmission through the Dampier Bunbury Pipeline in Western Australia and distribution of gas and electricity in Victoria;

- together with Power Assets, a 100% interest (on a 50/50 basis) in Wellington Electricity Distribution Network Limited ("Wellington Electricity"), which supplies electricity to the city of Wellington, the capital of New Zealand, and extends to the Porirua and Hutt Valley regions of New Zealand;

- a 100% interest in Enviro (NZ) Limited ("EnviroNZ"), a diversified, vertically integrated waste management business that has national coverage across New Zealand. It is one of only two vertically integrated waste collection and disposal companies operating throughout New Zealand, offering waste-related services to approximately half a million commercial and household customers via collection services, organics processing, landfills and transfer stations across the country;

- together with Power Assets, a 100% interest (on a 50/50 basis) in Canadian Power Holdings Inc. ("Canadian Power"), which is the owner of Meridian Cogeneration Plant and Okanagan Wind and owns a 49.99% partnership interest in TransAlta Cogeneration, L.P. The Meridian Cogeneration Plant is a natural gas-fired

cogeneration plant in Saskatchewan, Canada. TransAlta Cogeneration, L.P. has ownership stakes in four electricity generation plants, including three natural gas-fired cogeneration plants in Alberta and Ontario, Canada and a gas-fired generation plant in Alberta, Canada. Okanagan Wind operates two wind farms located in the Okanagan region of British Columbia, Canada;

- together with Power Assets, a 75% interest (CKI: 65%; Power Assets: 10%) in Park'N Fly ("Park'N Fly"), the largest off-airport car park provider in Canada and the only national operator. The company provides parking facilities at most major airports in Canada, including Toronto, Vancouver, Montreal, Edmonton, Ottawa, Winnipeg and Halifax;

- together with Power Assets, a 65% interest (CKI: 16.25%; Power Assets: 48.75%) in Husky Midstream Limited Partnership ("HMLP"), which holds a portfolio of oil pipeline assets in Canada including approximately 2,300 kilometers of oil pipeline across the provinces of Alberta and Saskatchewan, oil storage capacity of approximately 6.0 million barrels at the Hardisty and Lloydminster terminals, and other ancillary assets in Alberta and Saskatchewan. The remaining 35% interest in HMLP is held by Cenovus Energy, an associate in which CKHH owned a 17.1% interest as of June 30, 2025;

- a 25% interest in Reliance, which operates in the building equipment services sector providing water heaters, heating, ventilation and air conditioning ("HVAC") equipment, comfort protection plans and other services to homeowners in Canada and the United States;

- interests in joint ventures that own and operate approximately 149.8 kilometers of toll roads and bridges in the Mainland; and

- various interests in an infrastructure materials business that produces cement, concrete, asphalt and aggregates mainly in Hong Kong and the Mainland.

CKI and Power Assets acquired 30% and 20% economic benefits respectively in CKHH's interests in the six co-owned infrastructure investments – Northumbrian Water, UK Rails, Wales & West Utilities, AGN, Park'N Fly and Dutch Enviro Energy for a consideration of approximately HK$7,200 million and HK$4,800 million respectively under the Economic Benefits Agreements entered between CKHH, CK Asset Holdings Limited ("CKAH"), CKI and Power Assets during 2018. By the end of 2019, CKI and Power Assets completed the supplemental agreements with CKHH for the effective transfer of the proportionate voting rights of the co-owned investments in Europe and Canada from CKHH to the respective parties. As such, CKI's and Power Assets' respective interests in these co-owned infrastructure investments as of June 30, 2025 as stated above include their respective additional interest arising from the supplemental agreements.

Co-owned infrastructure investments

Post-Reorganization, CKHH's infrastructure division held interests in six co-owned infrastructure investments ("Co-owned Infrastructure Investments") with CKI, comprising 40% interest in Northumbrian Water, 30% interest in Wales & West Utilities, 50% interest in UK Rails, 35% interest in Dutch Enviro Energy, 27.51% interest in AGN and 50% interest in Park'N Fly.

In October 2018, CKHH completed the divestiture of an aggregated 90% economic benefits in its direct interest in the Co-owned Infrastructure Investments as stated above for a cash consideration of HK$21.6 billion under the Economic Benefits Agreements entered with CKAH, CKI and Power Assets, which resulted in a reduction of CKHH's economic interest in its direct interest in these projects to 10% of the shareholding interests as stated above. By the end of 2019, CKHH completed the supplemental agreements with CKAH, CKI and Power Assets for the effective transfer of the proportionate voting rights of the co-owned investments in Europe and Canada from CKHH to the respective parties. Accordingly, Northumbrian Water, UK Rails and Park'N Fly ceased to be consolidated by CKHH as subsidiaries.

In December 2022, together with CKI and Power Assets, CKHH partially disposed of its direct interest in Northumbrian Water, resulting in a 1% reduction of economic interest therein from 4% to 3%.

Telecommunications

CKHH is a leading worldwide operator of mobile telecommunications networks with CK Hutchison Group Telecom or CKHGT consolidating unlisted mobile telecommunications businesses in Europe ("**3** Group Europe") and an approximate 66.09% interest in Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH") which is listed on the main board of SEHK. Effective from January 1, 2024, CKHH revised its reportable segments to align with performance review and assessment process. Hutchison Asia Telecommunications ("HAT") which was previously reported under "Telecommunications" segment is reported under the "Finance & Investments and Others" segment under the revised business segment information.

- **3** Group Europe comprises mobile telecommunications businesses in Sweden, Denmark, Austria and Ireland, offering mobile telecommunications services under the brand name "Three" or "**3**", in Italy where Wind Tre S.p.A. ("Wind Tre"), in which CKHH previously indirectly held a 50% interest until it became a wholly-owned operation of CKHH following the completion of the acquisition by CKHH from Veon the remaining 50% interest in Wind Tre in September 2018, and in the UK where the merger of **3** UK, previously a wholly-owned operation of CKHH, and Vodafone UK was completed in May 2025 with the formation of the combined business, VodafoneThree Holdings Limited ("VodafoneThree"), now a 49% associated company of CKHH. As of June 30, 2025, CKHH's **3** Group Europe operations had approximately 60.5 million registered customers.

  – In the UK, VodafoneThree, in which CKHH holds a 49% interest, serviced a registered customer base of approximately 28.8 million as of June 30, 2025.

  – In Italy, Wind Tre serviced a registered mobile customer base of approximately 19.0 million as well as 2.7 million fixed line customers as of June 30, 2025.

  – In Sweden, Hi3G Access AB ("Hi3G Access"), in which CKHH holds a 60% interest, serviced a registered customer base of approximately 2.8 million as of June 30, 2025.

  – In Denmark, Hi3G Denmark ApS ("Hi3G Denmark"), in which CKHH holds a 60% interest and a wholly-owned subsidiary of Hi3G Access, serviced a registered customer base of approximately 1.7 million as of June 30, 2025.

  – In Austria, Hutchison Drei Austria GmbH ("**3** Austria") serviced a registered customer base of approximately 3.0 million as of June 30, 2025.

  – In Ireland, Three Ireland (Hutchison) Limited ("**3** Ireland") serviced a registered customer base of approximately 5.2 million as of June 30, 2025.

In November 2020, CKHH entered into an agreement to dispose of its European telecommunications tower assets for an aggregate consideration of €10 billion. The disposals of tower assets in Denmark, Austria and Ireland, pursuant to this agreement, were completed in December 2020. Disposals of the remaining tower assets in Sweden, Italy and the UK were completed in January 2021, June 2021 and November 2022, respectively.

In June 2023, CKHGT reached an agreement to combine their UK telecommunication businesses with that of Vodafone UK, with the merged entity being 49% owned by CKHGT upon completion. On May 31, 2025, the merger of Vodafone UK and **3** UK successfully completed. The combined business, named VodafoneThree, is 51% owned by Vodafone and 49% by CKHGT.

- HTHKH, which was listed on the SEHK in May 2009, is a mobile telecommunications operator that provides services in Hong Kong and Macau under the **3**, SUPREME, 3Business, MO+ and SoSIM brands. HTHKH has a combined active mobile customer base of approximately 6.1 million in Hong Kong and Macau as of June 30, 2025.

Finance & Investments and Others

CKHH receives income from its finance & investments and others segment, which is responsible for the management of CKHH's cash deposits, liquid assets held in managed funds and other investments. CKHH operates a central cash management system for all of its subsidiaries, except for listed subsidiaries and certain overseas entities conducting businesses in non-Hong Kong or non-U.S. dollar currencies. Income from this division includes interest income, dividends from equity investments, profits and losses from sale of securities, and foreign exchange gains and losses of non-Hong Kong dollar denominated liquid assets. The interest expense and finance costs related to CKHH's various operating businesses are not attributed to this division but are borne by the operating businesses.

CKHH's share of the results of Hutchison Whampoa (China) Limited ("HWCL"), Hutchison E-Commerce operations, listed associate TOM Group, the Marionnaud Group, listed associate CK Life Sciences Int'l., (Holdings) Inc. ("CKLS"), Hutchison Telecommunications (Australia) Limited ("HTAL"), a 50% joint venture in Ooredoo Hutchison Asia Pte. Ltd, which has 65.6% interest in listed entity, Indosat Ooredoo Hutchison ("IOH"), telecommunications operations in Sri Lanka, as well as listed associate, Cenovus Energy, are reported under this division. HAT which was previously reported under "Telecommunications" segment is reported under the "Finance & Investments and Others" segment under the revised business segment information.

- HWCL is engaged in the businesses of manufacturing, service and distribution in the Mainland and Hong Kong, and also has 38.14% interest in HUTCHMED (China) Limited ("HUTCHMED"), which is currently listed on the SEHK, the AIM Market of the London Stock Exchange in the UK and the Nasdaq Global Select Market ("Nasdaq") in the U.S.. HUTCHMED is an innovative, commercial-stage, biopharmaceutical company committed to the discovery and global development and commercialization of targeted therapies and immunotherapies for the treatment of cancer and immunological diseases. During 2019, CKHH partially disposed of its interest in HUTCHMED, reducing CKHH's shareholding from 60.15% to 49.86%. Subsequent to the follow-on offering of HUTCHMED's ADS in January 2020 and private placements in July and November 2020, CKHH's shareholding was further diluted to 45.69%. The private placement in April 2021, initial public offering in Hong Kong in June 2021 and subsequent exercise of share options resulted in further dilution of shareholding to 38.14% as of June 30, 2025;

- CKHH has an approximate 45.32% interest in CKLS, a company listed on SEHK. CKLS is engaged in the business of research and development, manufacturing, commercialization, marketing, sale of, and investment in nutraceuticals, pharmaceuticals and agriculture-related products and assets as well as investment in various financial and investment products;

- CKHH has an approximate 36.1% interest in the TOM Group, a technology and media company listed on the SEHK. TOM Group has technology operations in mobile internet; investments in e-commerce, fintech, and advanced data analytics sectors. In addition, its media businesses cover both publishing and advertising segments;

- CKHH has a 100% interest in the Marionnaud Group, a luxury perfumery and cosmetic retail chain in Europe;

- HTAL, a wholly-owned subsidiary as at August 26, 2025, has a 25.05% interest in TPG Telecom Limited ("TPG") which is also listed on the Australian Securities Exchange ("ASX"). TPG has a mobile subscriber base of approximately 5.62 million as of June 30, 2025;

- In January 2022, the merger transaction between CKHH's Indonesia telecommunication business, Hutchison 3 Indonesia ("H3I") and PT Indosat Tbk ("Indosat") was completed. The newly merged company, IOH, is listed on the Indonesia Stock Exchange and became the second largest telecommunication operator in Indonesia upon the merger. Following the completion of the transaction, CKHH holds 50% interest in Ooredoo Hutchison Asia Pte. Ltd, which in turn holds 65.6% in IOH;

- CKHH provides mobile telecommunications services in Sri Lanka through Hutch Lanka in which CKHH holds 90.36% of the business; and

- CKHH has an approximate 17.1% interest in Cenovus Energy, a Canadian integrated oil and natural gas company listed on the Toronto Stock Exchange and New York Stock Exchange.

Recent Developments

- On May 22, 2025, Hutchison Telecommunications (Amsterdam) B.V. ("HTABV"), an indirect wholly owned subsidiary of CKHH, owned approximately 87.87% of HTAL's issued shares at that time, announced its intention to make an off-market takeover bid for all of the ordinary shares in HTAL that it did not already own. On July 15, 2025 HTABV exercised its right to compulsorily acquire all of the remaining shares in HTAL. HTAL was delisted from the ASX on July 25, 2025. On August 26, 2025, the compulsory acquisition process was completed and accordingly, HTABV currently owns 100% of the issued shares in HTAL.

- In July 2025, Eversholt UK Rails Group Limited, a joint venture company of CKI, CK Asset Holdings Limited, Power Assets and CKHH, entered into an agreement to divest 100% interests in UK Rails. Completion of the transaction is subject to the fulfilment of certain conditions under the sales and purchase agreement.

- On July 31, 2025, TPG announced the completion of the sale of its fiber network infrastructure assets and Enterprise, Government and Wholesale fixed business to Vocus Group Limited ("Vocus Transaction") generating net cash proceeds of approximately A$4.7 billion. Following the completion of the Vocus Transaction, TPG communicated to the market the capital management plans including return of up to A$3 billion of the Vocus Transaction proceeds to all shareholders via a pro rata Capital Reduction (subject to shareholder approval), the Reinvestment Plan of up to A$688 million to increase minority ownership and total Debt Repayment of up to A$2.4 billion of bank borrowings using A$1.7 billion of the Vocus Transaction proceeds and up to A$688 million of Reinvestment Plan proceeds.

- In August 2025, Cenovus Energy entered into a definitive agreement to acquire MEG Energy Corp. in a cash and stock transaction valued at C$7.9 billion, inclusive of assumed debt. The completion is subject to satisfaction of closing conditions, including regulatory approvals and approval of the transactions by MEG shareholders.

- In September 2025, CKHH disposed of its 48% interests in Vietnamobile.

THE OFFERING

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the notes, see "Description of the Notes and the Guarantee" in this offering memorandum.

Issuer	CK Hutchison International (25) Limited
Guarantor	CK Hutchison Holdings Limited
Notes Offered	US$500,000,000 principal amount of 4.250% guaranteed notes due 2030. The notes are being offered (i) in the United States to "qualified institutional buyers" in reliance on Rule 144A under the Securities Act and (ii) to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act. See "Plan of Distribution".
Guarantee	The Guarantor will fully and unconditionally guarantee (the "Guarantee") to each holder of a note authenticated and delivered by the Fiscal Agent the due and punctual payment of the principal of and interest on such note (and any Additional Amounts (as hereinafter defined) payable in respect thereof) when and as the same shall become due and payable, whether at the stated maturity of the note, by declaration of acceleration, call for redemption, or otherwise, in accordance with the terms of such note and of the Fiscal Agency Agreement.
Status of Notes and Guarantee	The notes will constitute direct, unconditional, unsecured (subject to the lien covenant in the notes) and unsubordinated obligations of the Issuer ranking (subject as aforesaid) *pari passu*, without any preference or priority of payment among themselves and with all other present and future unsecured and unsubordinated indebtedness of the Issuer, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors rights. The Guarantee will constitute a direct, unconditional, unsecured (subject to the lien covenant in the notes) and unsubordinated obligation of the Guarantor and will (subject as aforesaid) rank *pari passu* with all other present and future unsecured and unsubordinated indebtedness of the Guarantor, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors rights.
Issue Prices	99.697% of principal amount plus accrued interest, if any, from September 26, 2025.
Maturity Dates	September 26, 2030
Interest	The notes will bear interest at 4.250% from September 26, 2025 and be payable semi-annually in arrears. Interest will be calculated on the basis of a 360-day year and twelve 30-day months.
Interest Payment Dates	March 26 and September 26 of each year, commencing March 26, 2026, and at maturity, being September 26, 2030.

Covenants	The Issuer and the Guarantor have agreed to observe certain covenants. See "Description of the Notes and the Guarantee – Certain Covenants".
Additional Amounts	In the event that certain Cayman Islands taxes are payable in respect of certain payments pursuant to the notes or pursuant to the Guarantee, the Issuer or the Guarantor, as the case may be, will, subject to certain exceptions, pay such additional amounts as will result in the receipt by the holders of the notes of such amounts as would have been payable to those holders had no such deduction or withholding been required. Any amounts to be paid by the Issuer or the Guarantor on the notes will be paid net of any FATCA Withholding (as defined below) and neither the Guarantor nor the Issuer will be required to pay additional amounts on account of any FATCA Withholding. See "Description of the Notes and the Guarantee – Additional Amounts", and "Description of the Notes and the Guarantee – Redemption".
Redemption	None, except that (i) notes may be redeemed at the option of the Issuer or the Guarantor, in whole but not in part, at the principal amount thereof plus accrued and unpaid interest, in the event the Issuer or the Guarantor would become obligated to pay certain withholding taxes in respect of the notes; (ii) at any time before August 26, 2030 and, the notes may be redeemed, at the option of the Issuer or the Guarantor, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes redeemed plus an applicable premium as of, and accrued and unpaid interest, if any, to, the redemption date; and (iii) at any time on or after August 26, 2030, the notes may be redeemed at the option of the Issuer or the Guarantor, in whole or in part, at the principal amount thereof plus accrued and unpaid interest. See "Description of the Notes and the Guarantee – Redemption".
Denomination, Form and Registration	The notes will be issued in minimum denominations of US$200,000 and integral multiples of US$1,000 above that amount. Notes offered in the United States to qualified institutional buyers in reliance on Rule 144A will be initially represented by one or more permanent global notes representing the relevant notes in fully registered form without coupons deposited with The Bank of New York Mellon as custodian for and registered in the name of Cede & Co., as nominee of DTC. Notes offered outside the United States in reliance on Regulation S will be initially represented by one or more permanent global notes representing the relevant notes in fully registered form without coupons deposited with The Bank of New York Mellon as custodian for, and registered in the name of a nominee of DTC for the respective accounts of Euroclear Bank S.A./N.V. ("Euroclear"), as operator of the Euroclear System, and Clearstream Banking S.A. ("Clearstream"), each of which is a participant in DTC.

	DTC will credit the account of each of its participants, including Euroclear and Clearstream, with the principal amount of notes being purchased by or through such participant. Beneficial interests in the global notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, including Euroclear and Clearstream.
Governing Law	The Fiscal Agency Agreement, the notes and the Guarantee will be governed by New York law.
Ratings	The notes are expected to be rated "A–" by Fitch Ratings Ltd., "A2" by Moody's Investor Service Limited and "A" by S&P Global Ratings, a division of the McGraw-Hill Companies, Inc. Security ratings are not recommendations to buy, sell or hold the notes. Ratings are subject to revision or withdrawal at any time by the rating agencies.
Transfer Restrictions	The notes have not been registered under the Securities Act or any state securities law. Unless they are registered, the notes may not be offered or sold except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws.
Risk Factors	See "Risk Factors" and the other information in this offering memorandum for a discussion of factors that should be carefully considered before deciding to invest in the notes.
Listing	Application will be made to the SGX-ST for the listing and quotation of the notes on the SGX-ST but an application may instead be made to another stock exchange which is: (a) a member of the World Federation of Exchanges; or (b) located in a state that is a member of the Organization for Economic Co-operation and Development, for permission to deal in and the listing of the notes. No assurance is made that the application to the SGX-ST will be approved. The offering and settlement of the notes are not conditional on obtaining such listing. For so long as any of the notes are listed on the SGX-ST and the rules of the SGX-ST so require, such notes will be traded on the SGX-ST in a minimum board lot size of US$200,000.
Use of Proceeds	See "Use of Proceeds".
Identification Numbers for the Notes	*Rule 144A* Global Certificates Common Code: 319078851 CUSIP: 178909 AA5 ISIN: US178909AA53 *Regulation S* Global Certificates Common Code: 319078886 CUSIP: G21913 AA9 ISIN: USG21913AA93
Legal Entity Identifier (LEI) of the Issuer:	25490034BP1Z4Y4HOG05

SELECTED FINANCIAL INFORMATION

(A) Consolidated Income Statement, Statement of Financial Position and Statement of Cash Flows of CKHH

The tables in this section A below show certain selected historical consolidated financial information of CKHH.

The information as of and for the year ended December 31, 2022 is derived from CKHH's audited consolidated financial statements for the year ended December 31, 2022 prepared in accordance with HKFRS Accounting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The information as of and for the years ended December 31, 2023 and 2024 is derived from CKHH's unaudited reviewed condensed consolidated financial statements for the six months ended June 30, 2025 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board (the "IASB"), and has been adjusted for the adoption of IFRS Accounting Standards ("IFRS") issued by the IASB as described below.

The information as of and for the six months ended June 30, 2024 and 2025 is derived from CKHH's unaudited reviewed condensed consolidated financial statements for the six months ended June 30, 2025. The information as of and for the six months ended June 30, 2024 has been adjusted for the adoption of IFRS as described below.

This selected information should be read in conjunction with the consolidated financial statements and the accompanying notes, from which it has been derived.

PricewaterhouseCoopers ("PwC"), Certified Public Accountants, Hong Kong, served as CKHH's auditor. Their unqualified audit reports on the audited consolidated financial statements for the years ended December 31, 2022, 2023, and 2024, dated March 16, 2023, March 21, 2024, and March 20, 2025, respectively, and their unqualified review reports on the unaudited reviewed condensed consolidated financial statements for the six months ended June 30, 2024 and 2025, dated August 15, 2024 and August 14, 2025, respectively, are included elsewhere in this offering memorandum.

Effective January 1, 2025, CKHH has adopted IFRS issued by the IASB as its financial reporting framework, with a date of transition to IFRS of January 1, 2023.

To reflect this change, certain previously issued consolidated financial information for periods following January 1, 2023, originally prepared in accordance with HKFRS (for annual financial information and statements as of and for the years ended December 31, 2023 and 2024) or Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the HKICPA (for six months interim financial information and statements as of and for the six months ended June 30, 2024), has been adjusted and re-presented in accordance with IFRS or IAS 34. These adjustments and the effects of the transition are presented in the notes to CKHH's unaudited reviewed condensed consolidated financial statements as of and for the six months ended June 30, 2025.

As the transition date of January 1, 2023 establishes the starting point for IFRS reporting, consolidated financial information for periods prior to this date, including the financial statements as of and for the year ended December 31, 2022, has not been adjusted and re-presented for IFRS and remains as originally reported under HKFRS. Notwithstanding this, no material differences are expected had the consolidated financial statements as of and for the year ended December 31, 2022 been adjusted to comply with IFRS, given the selected transition date, the convergence between HKFRS and IFRS, and the consistency of CKHH's accounting policies between the two frameworks.

IFRS and HKFRS differ in certain respects from generally accepted accounting principles ("GAAP") in other countries, including U.S. GAAP. These differences might be material to the financial information presented in this offering memorandum, and no attempt has been made to

quantify the impact of those differences. In particular, no reconciliation of CKHH's consolidated financial statements and information to U.S. GAAP or any other local GAAP has been attempted, and such a reconciliation could have a material impact on the financial information contained in this offering memorandum. Potential investors should consult their own professional advisors for an understanding of the differences between IFRS, HKFRS, U.S. GAAP, and other relevant accounting frameworks, and how those differences might affect the financial information presented in this offering memorandum and their analysis.

Amounts in CKHH's consolidated financial statements are stated in Hong Kong dollars (HK$). The translation of Hong Kong dollar amounts into U.S. dollars (US$) at the rate of HK$7.80 to US$1.00 is included solely for convenience. No representation is made that Hong Kong dollars have been, could have been, or could be converted into U.S. dollars at this or any other rate.

Consolidated Income Statement

	Note 1	Note 2					
		Year Ended December 31,			Six Months Ended June 30,		
	2022	2023	2024	2024	2024	2025	2025
	HK$ million (other than per share amounts)	HK$ million (other than per share amounts)	HK$ million (other than per share amounts)	US$ million (other than per share amounts)	HK$ million (other than per share amounts)	HK$ million (other than per share amounts)	US$ million (other than per share amounts)
Revenue	262,497	275,575	281,351	36,071	136,451	139,130	17,837
Cost of inventories sold	(101,724)	(105,739)	(106,194)	(13,615)	(50,823)	(53,622)	(6,875)
Staff costs	(37,170)	(39,226)	(41,591)	(5,332)	(20,539)	(21,727)	(2,786)
Expensed customer acquisition and retention costs	(14,527)	(15,188)	(15,433)	(1,979)	(7,471)	(6,128)	(786)
Depreciation and amortization	(39,788)	(40,083)	(40,460)	(5,187)	(19,826)	(19,862)	(2,546)
Other expenses and losses	(55,727)	(47,845)	(52,895)	(6,781)	(24,351)	(34,443)	(4,416)
Other income and gains	28,180	2,159	524	67	466	887	114
Share of profits less losses of:							
Associated companies	11,822	8,138	6,903	885	3,908	4,726	606
Joint ventures	7,422	7,990	9,757	1,251	4,633	5,121	657
Profit before the following:	60,985	45,781	41,962	5,380	22,448	14,082	1,805
Interest expenses and other finance costs	(9,052)	(12,227)	(13,392)	(1,717)	(6,630)	(6,321)	(810)
Profit before tax	51,933	33,554	28,570	3,663	15,818	7,761	995
Current tax charge	(5,435)	(4,119)	(4,189)	(537)	(2,063)	(1,944)	(249)
Deferred tax credit (charge)	(2,839)	1,116	(528)	(68)	(198)	(1,362)	(175)
Profit after tax	43,659	30,551	23,853	3,058	13,557	4,455	571
Profit attributable to non-controlling interests and holders of perpetual capital securities	(6,979)	(6,712)	(6,765)	(867)	(3,352)	(3,603)	(462)
Profit attributable to ordinary shareholders	36,680	23,839	17,088	2,191	10,205	852	109
Earnings per share for profit attributable to ordinary shareholders	HK$9.57	HK$6.22	HK$4.46	US$0.57	HK$2.66	HK$0.22	US 2.9 cents

1) The information is derived from CKHH's audited consolidated financial statements for the year ended December 31, 2022 which were prepared in accordance with HKFRS.

2) The information is derived from CKHH's unaudited reviewed condensed consolidated financial statements for the six months ended June 30, 2025 which were prepared in accordance with IAS 34. The information as of and for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 has been adjusted for the adoption of IFRS as described in the notes to the aforementioned financial statements. Amounts in CKHH's consolidated financial statements are stated in Hong Kong dollars (HK$). The translation of Hong Kong dollar amounts into U.S. dollars (US$) at the rate of HK$7.80 to US$1.00 is included solely for convenience.

Consolidated Statement of Financial Position

	Note 1	Note 2					
		As of December 31,			As of June 30,		
	2022	2023	2024	2024	2024	2025	2025
	HK$ million	HK$ million	HK$ million	US$ million	HK$ million	HK$ million	US$ million
Non-current assets							
Fixed assets	112,650	119,826	111,777	14,330	112,848	96,399	12,359
Right-of-use assets	59,337	61,198	57,589	7,383	58,342	60,547	7,763
Telecommunications licenses	60,689	64,264	63,869	8,188	62,630	48,930	6,273
Brand names and other rights	83,694	83,396	79,241	10,159	81,105	77,712	9,963
Goodwill	268,008	271,136	267,325	34,272	268,714	273,906	35,116
Associated companies	140,711	143,638	139,855	17,931	142,625	185,129	23,735
Interests in joint ventures	148,561	156,337	154,208	19,770	156,318	168,380	21,587
Deferred tax assets	18.509	21,074	18,140	2,326	20,520	7,390	948
Liquid funds and other listed investments	16,103	15,786	8,142	1,044	11,477	7,655	981
Other non-current assets	15,900	19,862	20,203	2,591	20,269	12,803	1,641
	924,162	956,517	920,349	117,994	934,848	938,851	120,366
Current assets							
Cash and cash equivalents	138,085	127,323	121,303	15,552	131,599	129,613	16,617
Inventories	23,283	24,473	24,923	3,195	25,162	27,228	3,491
Trade receivables and other current assets	56,811	50,590	45,967	5,893	46,878	41,894	5,371
	218,179	202,386	192,193	24,640	203,639	198,735	25,479
Assets classified as held for sale	6,096	–	–	–	–	–	–
	224,275	202,386	192,193	24,640	203,639	198,735	25,479
Current liabilities							
Bank and other debts	70,130	58,324	30,956	3,969	69,327	19,061	2,444
Interest bearing loan from a non-controlling shareholder	–	–	1,874	240	2,007	–	–
Current tax liabilities	4,001	4,166	3,368	432	3,703	1,632	209
Lease liabilities	12,128	13,616	12,142	1,557	12,415	14,036	1,799
Trade payables and other current liabilities	89,129	86,419	82,645	10,595	79,345	82,861	10,624
	175,388	162,525	130,985	16,793	166,797	117,590	15,076
Liabilities directly associated with assets classified as held for sale	1,127	–	–	–	–	–	–
	176,515	162,525	130,985	16,793	166,797	117,590	15,076
Net current assets	47,760	39,861	61,208	7,847	36,842	81,145	10,403
Total assets less current liabilities	971,922	996,378	981,557	125,841	971,690	1,019,996	130,769
Non-current liabilities							
Bank and other debts	214,196	213,598	225,436	28,902	208,690	235,894	30,243
Interest bearing loans from non-controlling shareholders	2,567	3,245	1,597	205	1,134	3,932	504
Lease liabilities	53,931	54,307	52,377	6,715	51,691	54,131	6,940
Deferred tax liabilities	19,290	19,572	17,974	2,304	19,578	17,293	2,217
Pension obligations	2,730	3,536	3,197	410	3,088	3,289	421
Other non-current liabilities	31,899	31,571	28,384	3,639	30,549	29,592	3,794
	324,613	325,829	328,965	42,175	314,730	344,131	44,119
Net assets	647,309	670,549	652,592	83,666	656,960	675,865	86,650

	Note 1	Note 2					
		As of December 31,			As of June 30,		
	2022	2023	2024	2024	2024	2025	2025
	HK$ million	HK$ million	HK$ million	US$ million	HK$ million	HK$ million	US$ million
Capital and reserves							
Share capital	3,830	3,830	3,830	491	3,830	3,830	491
Share premium	242,972	242,972	242,972	31,150	242,972	242,972	31,150
Reserves	276,711	297,233	287,913	36,912	292,639	307,988	39,486
Total ordinary shareholders' funds	523,513	544,035	534,715	68,553	539,441	554,790	71,127
Perpetual capital securities	4,561	4,566	–	–	–	–	–
Non-controlling interests	119,235	121,948	117,877	15,113	117,519	121,075	15,523
Total equity	647,309	670,549	652,592	83,666	656,960	675,865	86,650

1) The information is derived from CKHH's audited consolidated financial statements for the year ended December 31, 2022 which were prepared in accordance with HKFRS.

2) The information is derived from CKHH's unaudited reviewed condensed consolidated financial statements for the six months ended June 30, 2025 prepared which were in accordance with IAS 34. The information as of and for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 has been adjusted for the adoption of IFRS as described in the notes to the aforementioned financial statements. Amounts in CKHH's consolidated financial statements are stated in Hong Kong dollars (HK$). The translation of Hong Kong dollar amounts into U.S. dollars (US$) at the rate of HK$7.80 to US$1.00 is included solely for convenience.

Consolidated Statement of Cash Flows

	Note 1	Note 2					
		Year Ended December 31,			Six Months Ended June 30,		
	2022	2023	2024	2024	2024	2025	2025
	HK$ million	HK$ million	HK$ million	US$ million	HK$ million	HK$ million	US$ million
Operating activities							
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	73,897	75,416	75,130	9,632	37,035	36,918	4,733
Interest expenses and other finance costs paid (net of capitalization)	(9,051)	(12,083)	(13,267)	(1,701)	(6,567)	(6,252)	(802)
Tax paid	(3,552)	(3,931)	(4,652)	(596)	(2,274)	(2,792)	(358)
Funds from operations (before principal elements of lease payments)	61,294	59,402	57,211	7,335	28,194	27,874	3,573
Changes in working capital	(4,580)	(7,965)	(2,983)	(382)	(5,229)	3,087	396
Net cash from operating activities	56,714	51,437	54,228	6,953	22,965	30,961	3,969
Investing activities							
Purchase of fixed assets	(23,885)	(21,670)	(20,365)	(2,611)	(8,817)	(7,719)	(990)
Additions to telecommunications licenses	(160)	(1,956)	(72)	(9)	(60)	–	–
Additions to brand names and other rights	(1,807)	(1,675)	(1,913)	(245)	(751)	(869)	(111)
Purchase of subsidiary companies, net of cash acquired	–	(55)	(4,114)	(527)	(10)	–	–
Additions to unlisted investments	(564)	(74)	(44)	(6)	(22)	(59)	(8)
Repayments of loans from associated companies and joint ventures	374	2,829	1,242	159	350	317	41
Purchase of and advances to associated companies and joint ventures	(3,464)	(819)	(2,470)	(317)	(1,604)	(492)	(63)
Proceeds from disposal of fixed assets	335	168	146	19	115	21	3
Proceeds from disposal of subsidiary companies, net of cash disposed	17,096	2,563	333	43	333	14,902	1,910
Proceeds from disposal of financial instruments	–	2,451	–	–	–	–	–
Proceeds from partial disposal / disposal of associated companies and joint ventures	5,226	734	179	23	179	926	119
Proceeds from disposal of other unlisted investments	2,336	74	266	34	262	14	2
Cash flows from (used in) investing activities before additions to / disposal of liquid funds and other listed investments	(4,513)	(17,430)	(26,812)	(3,437)	(10,025)	7,041	903
Disposal of liquid funds and other listed investments	157	2,088	7,172	919	3,297	926	119
Additions to liquid funds and other listed investments	–	(73)	(262)	(34)	(75)	(88)	(12)
Cash flows from (used in) investing activities	(4,356)	(15,415)	(19,902)	(2,552)	(6,803)	7,879	1,010
Net cash inflow before financing activities	52,358	36,022	34,326	4,401	16,162	38,840	4,979

	Note 1	Note 2					
		Year Ended December 31,			Six Months Ended June 30,		
	2022	2023	2024	2024	2024	2025	2025
	HK$ million	HK$ million	HK$ million	US$ million	HK$ million	HK$ million	US$ million
Financing activities							
New borrowings	37,147	58,211	54,594	7,000	32,341	25,832	3,312
Repayment of borrowings	(68,063)	(75,361)	(60,201)	(7,718)	(19,817)	(39,516)	(5,066)
Principal elements of lease payments	(14,307)	(14,476)	(14,103)	(1,808)	(7,370)	(7,956)	(1,020)
Net loans from (to) non-controlling shareholders	2,118	527	466	60	(21)	(8)	(1)
Issue of equity securities by subsidiary companies to non-controlling shareholders	85	–	624	80	27	56	7
Payments to acquire additional interests in subsidiary companies	(904)	–	–	–	–	(223)	(29)
Proceeds from partial disposal of subsidiary companies	–	61	–	–	–	–	–
Redemption of perpetual capital securities	(7,800)	–	(4,180)	(536)	(4,180)	–	–
Payments for buy-back and cancellation of issued shares	(197)	–	–	–	–	–	–
Dividends paid to ordinary shareholders	(10,353)	(10,885)	(9,433)	(1,210)	(6,798)	(5,799)	(743)
Dividends paid to non-controlling interests	(4,816)	(4,694)	(7,951)	(1,019)	(5,906)	(2,916)	(374)
Distributions paid on perpetual capital securities	(316)	(167)	(162)	(21)	(162)	–	–
Cash flows used in financing activities	(67,406)	(46,784)	(40,346)	(5,172)	(11,886)	(30,530)	(3,914)
Increase (decrease) in cash and cash equivalents	(15,048)	(10,762)	(6,020)	(771)	4,276	8,310	1,065
Cash and cash equivalents at January 1	153,133	138,085	127,323	16,323	127,323	121,303	15,552
Cash and cash equivalents at December 31 / June 30	138,085	127,323	121,303	15,552	131,599	129,613	16,617

1) The information is derived from CKHH's audited consolidated financial statements for the year ended December 31, 2022 which were prepared in accordance with HKFRS.

2) The information is derived from CKHH's unaudited reviewed condensed consolidated financial statements for the six months ended June 30, 2025 which were prepared in accordance with IAS 34. The information as of and for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 has been adjusted for the adoption of IFRS as described in the notes to the aforementioned financial statements. Amounts in CKHH's consolidated financial statements are stated in Hong Kong dollars (HK$). The translation of Hong Kong dollar amounts into U.S. dollars (US$) at the rate of HK$7.80 to US$1.00 is included solely for convenience.

(B) Financial Performance Summary

CKHH's consolidated financial statements are prepared and presented in accordance with IFRS / HKFRS as set forth in (A) of this section. CKHH has adopted IFRS 16 / HKFRS 16 "Leases" accounting standard ("IFRS 16" / "HKFRS 16"), which relates to accounting for leases, for its statutory reporting but its management reporting has remained on the precedent lease accounting standard International Accounting Standard 17 / Hong Kong Accounting Standard 17 "Leases" ("IAS 17" / "HKAS 17"). CKHH believes that the IAS 17 / HKAS 17 basis metrics ("Pre-IFRS 16 basis" / "Pre-HKFRS 16 basis"), which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 / HKFRS 16 basis ("Post-IFRS 16 basis" / "Post-HKFRS 16 basis"), better reflect management's view of CKHH's underlying operational performance. Pre-IFRS 16 basis / Pre-HKFRS 16 basis metrics financial information is regularly reviewed by CKHH's most senior executive management. As a result, CKHH has provided an alternative presentation of CKHH's EBITDA, EBIT, interest expenses and other finance costs, tax, non-controlling interests and perpetual capital securities holders' interests and profit attributable to ordinary shareholders prepared under the Pre-HKFRS 16 basis relating to the accounting for leases for the year ended December 31, 2022, and under the Pre-IFRS 16 basis relating to the accounting for leases for each of the years ended December 31, 2023 and 2024, and for each of six months ended June 30, 2024 and 2025.

The table in this section sets out the financial performance information of CKHH

(1) prepared under Pre-HKFRS 16 basis relating to the accounting for leases for the year ended December 31, 2022 and under the Pre-IFRS 16 basis relating to the accounting for leases for each of the years ended December 31, 2023 and 2024, and for each of the six months ended June 30, 2024 and 2025; and

(2) prepared under Post-HKFRS 16 basis relating to the accounting for leases for the year ended December 31, 2022 and under the Post-IFRS 16 basis relating to the accounting for leases for each of the years ended December 31, 2023 and 2024, and for each of the six months ended June 30, 2024 and 2025.

The selected financial performance information

- for the year ended December 31, 2022 has been extracted from CKHH's Financial Performance Summary for the year ended December 31, 2022, except to the extent of incorporating the changes adopted by CKHH in 2024 in reporting Hutchison Asia Telecommunications results under Finance & Investments and Others segment as described in footnote (1) to the table "Finance Performance Summary";

- for each of the years ended December 31, 2023 and 2024 has been extracted from CKHH's Financial Performance Summary for the year ended December 31, 2024, except to the extent of incorporating the impact on the transition to IFRS as described in footnote (5) to the table "Finance Performance Summary"; and

- for each of the six months ended June 30, 2024 and 2025 has been extracted from CKHH's Financial Performance Summary for the six months ended June 30, 2025.

The selected financial performance information set out in this section should be read in conjunction with the aforementioned financial performance summaries of CKHH, including the notes thereto, and other financial information that is included elsewhere in this offering memorandum.

Amounts in CKHH's Financial Performance Summary are stated in Hong Kong dollars. The translation of Hong Kong dollar amounts into U.S. dollars is for convenience only and has been made at the rate of HK$7.80 to US$1.00. No representation is made that Hong Kong dollars have been, could have been, or could be converted into U.S. dollars at the rate indicated or at any other rate.

Financial Performance Summary:

	Pre-HKFRS 16	Pre-IFRS 16					
		Year Ended December 31[1],			Six Months Ended June 30,		
	2022	2023	2024	2024	2024	2025	2025
	HK$ million	HK$ million	HK$ million	US$ million	HK$ million	HK$ million	US$ million
Revenue							
Ports and Related Services	44,141	40,851	45,282	5,805	21,594	23,597	3,025
Retail	169,645	183,344	190,193	24,384	91,469	98,840	12,672
Infrastructure	54,441	54,714	55,324	7,093	27,098	28,627	3,670
CK Hutchison Group Telecom	83,289	86,814	88,371	11,330	42,934	45,012	5,771
Finance & Investments and Others	105,713	95,835	97,512	12,501	49,549	44,587	5,716
Total Revenue	457,229	461,558	476,682	61,113	232,644	240,663	30,854
EBITDA							
Ports and Related Services[5]	15,805	13,643	16,172	2,073	7,938	8,719	1,118
Retail	14,309	16,226	16,395	2,102	7,089	7,974	1,022
Infrastructure	28,815	29,201	29,614	3,797	14,679	15,565	1,996
CK Hutchison Group Telecom[5]	32,192	22,670	24,129	3,093	11,732	1,800	231
Finance & Investments and Others	27,889	23,484	16,290	2,089	10,763	10,940	1,402
Total EBITDA[5]	119,010	105,224	102,600	13,154	52,201	44,998	5,769
– Underlying	106,207	105,224	106,340	13,634	52,201	55,920	7,169
– One-off items[2][3][4]	12,803	–	(3,740)	(480)	–	(10,922)	(1,400)
EBIT							
Ports and Related Services[5]	11,426	9,343	11,873	1,522	5,785	6,508	834
Retail	11,048	12,888	13,018	1,669	5,433	6,180	792
Infrastructure	18,833	19,562	19,180	2,459	9,726	10,161	1,303
CK Hutchison Group Telecom[5]	12,803	2,594	3,485	447	1,822	(8,842)	(1,133)
Finance & Investments and Others	18,754	14,525	6,875	881	6,077	6,480	831
Total EBIT[5]	72,864	58,912	54,431	6,978	28,843	20,487	2,627
– Underlying	60,061	58,912	58,171	7,458	28,843	31,409	4,027
– One-off items[2][3][4]	12,803	–	(3,740)	(480)	–	(10,922)	(1,400)
Interest expenses and other finance costs	(14,860)	(20,147)	(19,655)	(2,520)	(9,828)	(9,624)	(1,234)
Profit before tax[5]	58,004	38,765	34,776	4,458	19,015	10,863	1,393
Tax							
Current tax	(9,421)	(7,705)	(8,793)	(1,127)	(4,351)	(4,494)	(576)
Deferred tax	(6,670)	(795)	(2,193)	(281)	(1,160)	(2,330)	(299)
Profit after tax[5]	41,913	30,265	23,790	3,050	13,504	4,039	518
Non-controlling interests and perpetual capital securities holders' interests[5]	(7,044)	(6,681)	(6,760)	(867)	(3,312)	(3,599)	(462)
Profit attributable to ordinary shareholders[5]	34,869	23,584	17,030	2,183	10,192	440	56
– Underlying	25,140	23,584	20,770	2,663	10,192	11,362	1,456
– One-off items[2][3][4]	9,729	–	(3,740)	(480)	–	(10,922)	(1,400)

Financial Performance Summary:

	Post-HKFRS 16	Post-IFRS 16					
		Year Ended December 31[1],			Six Months Ended June 30,		
	2022	2023	2024	2024	2024	2025	2025
	HK$ million	HK$ million	HK$ million	US$ million	HK$ million	HK$ million	US$ million
Revenue							
Ports and Related Services	44,141	40,851	45,282	5,805	21,594	23,597	3,025
Retail	169,645	183,344	190,193	24,384	91,469	98,840	12,672
Infrastructure	54,441	54,714	55,324	7,093	27,098	28,627	3,670
CK Hutchison Group Telecom	83,289	86,814	88,371	11,330	42,934	45,012	5,771
Finance & Investments and Others	105,713	95,835	97,512	12,501	49,549	44,587	5,716
Total Revenue	457,229	461,558	476,682	61,113	232,644	240,663	30,854
EBITDA							
Ports and Related Services[5]	19,007	16,428	18,848	2,416	9,319	10,132	1,299
Retail	23,359	25,507	25,594	3,281	11,760	12,771	1,637
Infrastructure	29,109	29,526	29,953	3,840	14,847	15,734	2,017
CK Hutchison Group Telecom[5]	39,002	29,410	31,257	4,007	15,134	5,903	757
Finance & Investments and Others	31,655	26,780	19,456	2,495	12,362	12,443	1,596
Total EBITDA[5]	142,132	127,651	125,108	16,039	63,422	56,983	7,306
– Underlying	128,119	127,651	128,848	16,519	63,422	67,452	8,648
– One-off items[2][3][4]	14,013	–	(3,740)	(480)	–	(10,469)	(1,342)
EBIT							
Ports and Related Services[5]	13,024	10,596	13,123	1,682	6,472	7,161	918
Retail	11,831	13,849	14,099	1,808	6,023	6,805	872
Infrastructure	18,872	19,616	19,231	2,466	9,754	10,193	1,307
CK Hutchison Group Telecom[5]	14,216	3,520	4,490	575	2,169	(7,962)	(1,021)
Finance & Investments and Others	20,318	15,531	7,815	1,002	6,537	6,964	893
Total EBIT[5]	78,261	63,112	58,758	7,533	30,955	23,161	2,969
– Underlying	64,248	63,112	62,498	8,013	30,955	33,630	4,311
– One-off items[2][3][4]	14,013	–	(3,740)	(480)	–	(10,469)	(1,342)
Interest expenses and other finance costs	(18,398)	(24,200)	(24,050)	(3,083)	(11,933)	(12,042)	(1,544)
Profit before tax[5]	59,863	38,912	34,708	4,450	19,022	11,119	1,425
Tax							
Current tax	(9,418)	(7,701)	(8,783)	(1,126)	(4,351)	(4,494)	(576)
Deferred tax	(6,762)	(690)	(2,141)	(275)	(1,134)	(2,211)	(284)
Profit after tax[5]	43,683	30,521	23,784	3,049	13,537	4,414	565
Non-controlling interests and perpetual capital securities holders' interests[5]	(7,003)	(6,682)	(6,696)	(858)	(3,332)	(3,562)	(456)
Profit attributable to ordinary shareholders[5]	36,680	23,839	17,088	2,191	10,205	852	109
– Underlying	25,741	23,839	20,828	2,671	10,205	11,321	1,451
– One-off items[2][3][4]	10,939	–	(3,740)	(480)	–	(10,469)	(1,342)

1) The Hutchison Asia Telecommunications results are reported under Finance & Investments and Others segment from January 1, 2024 and the comparative results have been reclassified to the Finance & Investments and Others segment to conform with these changes in presentation to enable a better comparison of performance.

2) Under Pre-IFRS 16 basis, the one-off item for the six months ended June 30, 2025 of HK$10,922 million include HK$9,915 million of non-cash disposal loss arising from the **3** UK merger and other transaction related impact of HK$1,007 million.

   Under Post-IFRS 16 basis, the one-off item for the six months ended June 30, 2025 of HK$10,469 million include HK$9,462 million of non-cash disposal loss arising from the **3** UK merger and other transaction related impact of HK$1,007 million.

3) Under Pre-IFRS 16 and Post-IFRS 16 basis, the one-off item for the year ended December 31, 2024 comprise non-cash impairment and other provisions on CKHH's telecommunication business in Vietnam of HK$3,740 million.

4) Under Pre-HKFRS 16 basis, the one-off items for the year ended December 31, 2022 comprise HK$18,957 million gain (before tax) from the disposal of UK tower assets (disposal gain after tax: HK$15,823 million) and Indonesian telecommunication business merger gain (HK$6,100 million), partly offset by non-cash impairments of CKHH's telecommunication businesses in Italy (HK$11,039 million) and Sri Lanka (HK$962 million), as well as HK$253 million non-cash impairment charges (before tax) of Cenovus Energy (impairment charges after tax: HK$193 million).

   Under Post-HKFRS 16 basis, the one-off items for the year ended December 31, 2022 comprise HK$19,060 million gain (before tax) from the disposal of UK tower assets (disposal gain after tax: HK$15,926 million) and Indonesian telecommunication business merger gain (HK$7,245 million), partly offset by non-cash impairments of CKHH's telecommunication businesses in Italy (HK$11,039 million) and Sri Lanka (HK$1,000 million), as well as HK$253 million non-cash impairment charges (before tax) of Cenovus Energy (impairment charges after tax: HK$193 million).

5) Historically, CKHH prepared its consolidated financial statements in accordance with HKFRS issued by the HKICPA. Effective from January 1, 2025, CKHH has adopted IFRS as its financial reporting framework, with a transition date to IFRS on January 1, 2023. Certain previously issued consolidated financial information for periods following January 1, 2023, originally prepared in accordance with HKFRS (for annual financial information and statements as of and for the years ended December 31, 2023 and 2024) or Hong Kong Accounting Standards 34 "Interim Financial Reporting" issued by the HKICPA (for the six months interim financial information and statements as of and for the six months ended June 30, 2024) has been adjusted and re-presented in accordance with IFRS or IAS 34. These adjustments and the effects of the transition are presented in the notes to CKHH's unaudited reviewed condensed consolidated financial statements as of and for the six months ended June 30, 2025.

   As the transition date of January 1, 2023, establishes the starting point for IFRS reporting, consolidated financial information for periods prior to this date, including the financial statements as of and for the year ended December 31, 2022, has not been adjusted and re-presented for IFRS and remains as originally reported under HKFRS. Accordingly, the consolidated financial information for each of the years ended December 31, 2023 and 2024, and for the six months ended June 30, 2024 are re-presented under IFRS.

	Under previous GAAP (Pre-HKFRS 16)	Remeasurements and reclassifications[(a)]	Under Pre-IFRS 16
	2023		2023
	HK$ million	HK$ million	HK$ million
Total EBITDA	104,880	344	105,224
Total EBIT	58,568	344	58,912
Profit before tax	38,421	344	38,765
Profit after tax	29,921	344	30,265
Non-controlling interests and perpetual capital securities holders' interests	(6,678)	(3)	(6,681)
Profit attributable to ordinary shareholders	23,243	341	23,584

Note a: Upon transitioning to IFRS, CKHH's total EBITDA, total EBIT, profit before tax and profit after tax for the year ended December 31, 2023, increased by HK$344 million which are arising from the adjustments to the recycled cumulative currency translation differences upon disposals of CKHH's foreign operations, in which (i) HK$15 million from the disposal of entire 50% interest in Huizhou Quanwan Port Development in Ports division and (ii) HK$329 million from the disposal of 50% interest in Zefiro Net S.r.l which then became a 50% owned joint venture for rural area network rollout in CKGHT division. Consequently, the profit attributable to non-controlling interests and perpetual capital securities holders' interests was higher by HK$3 million in Ports division and profit attributable to ordinary shareholders was higher by HK$341 million. There was no impact on the financial performance for the year ended December 31, 2024 and for the six months ended June 30, 2024.

	Under previous GAAP (Post-HKFRS 16)	Remeasurements and reclassifications[(b)]	Under Post-IFRS 16
	2023		2023
	HK$ million	HK$ million	HK$ million
Total EBITDA	127,309	342	127,651
Total EBIT	62,770	342	63,112
Profit before tax	38,570	342	38,912
Profit after tax	30,179	342	30,521
Non-controlling interests and perpetual capital securities holders' interests	(6,679)	(3)	(6,682)
Profit attributable to ordinary shareholders	23,500	339	23,839

Note b: Upon transitioning to IFRS, CKHH's total EBITDA, total EBIT, profit before tax and profit after tax for the year ended December 31, 2023, increased by HK$342 million which are arising from the adjustments to the recycled cumulative currency translation differences upon disposals of CKHH's foreign operations, in which (i) HK$13 million from the disposal of entire 50% interest in Huizhou Quanwan Port Development in Ports division and (ii) HK$329 million from the disposal of 50% interest in Zefiro Net S.r.l which then became a 50% owned joint venture for rural area network rollout in CKGHT division. Consequently, the profit attributable to non-controlling interests and perpetual capital securities holders' interests was higher by HK$3 million in Ports division and profit attributable to ordinary shareholders was higher by HK$339 million. There was no impact on the financial performance for the year ended December 31, 2024 and for the six months ended June 30, 2024.

Investors should consider, among other things, the factors set forth below, as well as other considerations with respect to investment in Cayman Islands corporations not normally associated with investments in the securities of issuers in European countries, the United States ("U.S.") and other jurisdictions. This offering memorandum, including particularly the information set forth under the caption "Business of CKHH" to the extent that it describes properties, projects, business ventures or strategies at an early stage of development or fulfilment, includes "forward-looking statements". Although CKHH believes that its plans, intentions and expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such plans, intentions or expectations will be achieved. Important factors that could cause actual results to differ materially from CKHH's historical results and forward-looking statements are set forth in this offering memorandum, but particularly include those set forth below. All forward-looking statements attributable to CKHH or persons acting on its behalf are expressly qualified in their entirety by the investment considerations set forth below.

Global Economy

As a global business, CKHH is exposed to the developments in the global economy as well as developments in the industries and geographical markets in which it operates. As a result, CKHH's financial condition and results of operations may be influenced by the general state of the global economy or the general state of a specific market or economy. Any significant decrease in the level of economic growth in the global or regional or a specific economy could adversely affect CKHH's financial condition or results of operations.

In general, volatility in the U.S. and worldwide credit and financial markets, the COVID-19 pandemic, fluctuations in commodity prices and rising energy costs mounting inflationary pressures, interest hikes, increasing geopolitical risks and political turbulence, global trade competition, trade conflicts and supply chain disruptions have all contributed to the increased uncertainty of global economic prospects and dampen economic growth. The major rating actions of the countries in which CKHH operates included Moody's revising Hong Kong's rating to Aa3 (negative outlook) in December 2023 and revising Hong Kong's rating to Aa3 (stable outlook) in May 2025. Moody's revised United Kingdom's ("UK") rating outlook to Aa3 (negative outlook) in October 2022 and further revised UK's rating outlook to Aa3 (stable) in October 2023. S&P revised UK's rating outlook to AA (negative outlook) in September 2022 and revised UK's rating outlook to AA– (stable outlook) in April 2023. Fitch revised UK's rating outlook to AA– (negative outlook) in December 2022 and AA– (stable outlook) in March 2024.

Furthermore, the last global financial crisis affected not only the banking and financial sectors, but also the commercial sectors which rely on the availability of banking facilities and bank borrowings. If CKHH's customers are unable to borrow money, experience financial difficulty, or are put into liquidation, CKHH may not be paid by such customers on time or at all, and may experience a significant decline in the demand for its products and services. The more recent trade conflicts between the U.S. and China could potentially reduce international trade and dampen economic growth in the longer run. Impact of such conflicts may result in lower throughput in its ports businesses and reduce demand for its related services. If another economic downturn occurs and results in weak economic sentiments, CKHH's business, financial condition, results of operations and prospects could experience deterioration.

CKHH's overall success as a global business depends, in part, upon its ability to succeed in different economic, social and political conditions. There can be no assurance that CKHH will continue to succeed in developing and implementing policies and strategies that are effective in each location where it conducts business. Moreover, any deterioration in the economic, social and/or political conditions in the markets in which CKHH conducts business could have a material adverse effect on CKHH's financial condition and results of operations.

Industry Trends, Interest Rates and Currency Markets

CKHH's results are affected by trends in the industries in which it operates, including the Ports and Related Services, Retail, Infrastructure and Telecommunications industries. While CKHH believes that its diverse operations, geographical spread and extensive customer base reduce its exposure to particular industry cycles, its results have in the past been adversely

affected by industry trends. For example, CKHH's results have been negatively impacted by declines in retail consumer sentiment, decline in the value of securities investments, and volatility in currencies and interest rates, as well as increase in inflationary pressures, including energy costs. There can be no assurance that the combination of industry trends, currencies and interest rates experienced by CKHH in the future will not adversely affect its financial condition and results of operations.

In particular, income from CKHH's finance and treasury operations is dependent upon interest rates, the currency environment and market conditions, and therefore there can be no assurance that changes in these conditions will not materially and adversely affect CKHH's financial condition and results of operations.

Ports and Related Services

The container throughput handled by CKHH's Ports and Related Services division is primarily dependent on global trading volume. The 2008 global economic crisis in the last decade and the resulting economic and financial uncertainty continue to have an adverse effect to varying degrees on the markets and geographies in which the Ports and Related Services division operates. Recent global market and economic conditions have been unprecedented and challenging with tight credit conditions and recession or stagnation in most major economies. Concerns over inflation or deflation, uncertainty relating to currency exchange rates and interest rates, the availability and cost of credit, the sovereign debt crisis in Europe, volatility in commodity and oil prices, geopolitical issues, policy changes affecting international trade and the imposition of tariffs, and unstable financial markets and the global housing and mortgage markets have contributed to increased market volatility, weakened business and consumer confidence and diminished expectations for economic growth around the world. If economic conditions deteriorate again, global throughput levels may decrease.

In the Mainland, imports and exports were affected by the economic performance of the U.S. and Europe as well as regulations imposed by the Mainland government authorities on tariffs or charges. In particular, the concerns over the trade war between the U.S. and the Mainland may impact trade volumes. Since February 2025, the U.S. government has imposed a number of different tariffs on Chinese imports under several different legal authorities, some of which apply broadly to all Chinese imports and others of which are product- or industry-specific. In response, the Mainland government imposed retaliatory tariffs on U.S. imports and other countermeasures. Currently, consistent with the Joint Statement on China-US Economic and Trade Meeting in Geneva issued on May 12, 2025 and subsequent discussions, certain of the tariffs and counter-measures have been suspended at least through November 10, 2025. The progress of trade talks between the Mainland government and the U.S. government is subject to uncertainties, and there can be no assurance as to whether the U.S. will maintain or reduce tariffs, or impose additional tariffs on Chinese products in the near future. Additionally, certain of the U.S. tariffs are subject to ongoing legal challenges that create further uncertainty as to whether the tariffs will remain in place or may be removed or modified. Changes to national trade or investment policies, treaties and tariffs, and fluctuations in exchange rates could adversely affect the financial and economic conditions in the jurisdictions in which CKHH operate, as well as our financial condition and results of operations. See also "Risk Factors – Widespread Health Epidemic or Other Outbreaks or Natural Disasters". Any adverse development in the trade conflicts as well as regulatory imposed tariffs or charges restrictions may have an impact on the business operations and financial results of CKHH's Ports and Related Services division.

CKHH's ports business is subject to significant competition, including continued consolidation and vertical integrations of international shipping lines that are major clients of CKHH's ports operations. Shipping lines are increasingly investing in seaports and in their own dedicated terminal facilities and may not require the use of CKHH's terminal facilities. Furthermore, ports are often viewed by governments as critical national assets and in many countries are subject to government control and regulations. Regime or sentiment changes in less politically stable countries may affect port concessions granted to foreign international port operations including CKHH's port operations. There can be no assurance that any of the above factors will not materially and adversely affect CKHH's financial condition and results of operations.

Retail

CKHH's retail division has regularly experienced fluctuations in consumer sentiments and price competition. Significant competition and pricing pressure regularly experienced by the retail business of CKHH from both online and brick and mortar retail competitors, as well as shifting consumer behaviors to online, are expected to continue, which may materially and adversely affect the financial performance of CKHH's retail operations. Recent geopolitical tensions, social unrest across various countries, as well as the COVID-19 pandemic also introduce further risks to CKHH's operations and financial results. See also *"Risk Factors – Widespread Health Epidemic or Other Outbreaks or Natural Disasters"*.

Retail Product Liability

CKHH's retail operations may be subject to product liability claims if consumers are injured or otherwise harmed by the products purchased from them. Customers count on CKHH's retail operations to provide them with safe products. Concerns regarding the safety of food and non-food products that are sourced from a wide variety of suppliers could cause shoppers to avoid purchasing certain products from CKHH's retail operations, even if the basis for the concern may be outside of CKHH's control. Claims, recalls or actions could be based on allegations that, among other things, the products sold by the retail operations are misbranded, contain contaminants or impermissible ingredients, provide inadequate instructions regarding their use or misuse, include inadequate warnings concerning flammability or interactions with other substances or in the case of any handset and other electrical devices that the retail operations sell, are not fit for purpose or pose a safety hazard. While CKHH maintains product liability insurance coverage in amounts and with deductibles that CKHH believes are prudent, there can be no assurance that the coverage will be applicable and adequate to cover all possible adverse outcomes of claims and legal proceedings against CKHH. Any material shortfall in coverage may have an adverse impact on the results of CKHH's retail operations. In addition, any lost confidence on the part of CKHH's customers would be difficult and costly to re-establish. As such, any material issue regarding the safety of any food and non-food items that CKHH sells, regardless of the cause, could materially and adversely affect the business, and results of CKHH's retail operations.

Infrastructure

CK Infrastructure Holdings Limited ("CKI")

CKI is the largest publicly listed infrastructure company in Hong Kong with diversified investments in energy, transportation and water infrastructure, waste management, waste-to-energy, and household infrastructure as well as infrastructure related businesses in Hong Kong, the Mainland, the UK, Continental Europe, Australia, New Zealand, Canada and the United States. Investments in large infrastructure and infrastructure related businesses are subject to potential political risks in the countries of operation. Although CKI's operations have not been adversely affected by any political actions to date, there can be no assurance that potential political risks associated with large infrastructure and infrastructure related businesses will not materially and adversely affect financial condition and results of operations in the future.

CKI has acquired and may continue to acquire businesses as opportunities arise. There could be difficulties managing or integrating the acquisitions, and the anticipated benefits of the acquisitions may or may not materialize. These difficulties could disrupt business, distract management and employees and increase expenses, any of which could materially and adversely affect CKHH's business, financial condition and results of operations.

In addition, certain infrastructure investments of CKI (for example, water, gas and electricity distribution) are subject to regulatory pricing and strict licensing requirements, codes and guidelines established by the relevant regulatory authorities from time to time. Failure to comply with these licensing requirements, codes or guidelines may lead to penalties, or, in extreme circumstances, amendment, suspension or cancellation of the relevant licenses by the authorities. Furthermore, certain regulated operations of CKI's investments are subject to price control by government regulatory authorities. The relevant government regulatory authorities will periodically review and reset the price control terms for certain projects in accordance with a predetermined timetable. There can be no assurance that such events or price resets will not have a material adverse effect on CKHH's financial conditions and results of operations.

Capital expenditure investment plans for CKI's businesses, particularly its regulated businesses, require a highly skilled labor force to execute and can be constrained by the availability of such labor. High targets could require significant capital investment in a short period of time. Excess demand could further increase capital investment project costs, which might result in the cost of funding not being justified by the weighted average cost of capital return allowed by the relevant regulators. Infrastructure projects typically require substantial capital expenditures during the construction phases before they become operational and generate revenue. The time taken and the costs involved in completing construction can be adversely affected by many factors, including shortages of materials, equipment and labor, adverse weather conditions, natural disasters, labor disputes, disputes with sub-contractors, accidents, changes in government priorities and unforeseen problems and circumstances, any of which could give rise to delays in the completion of construction and/or to cost overruns. Construction delays can result in the loss of revenues. The failure to complete construction according to its specifications may result in liabilities, reduced efficiency and lower returns. As a result of the capital-intensive nature of the infrastructure businesses, in the event of a sale of infrastructure assets, there may be a limited number of potential buyers available.

Furthermore, new market entrants and intensified price competition among existing market players of CKI's non-regulated businesses could adversely affect the financial performance of CKI's non-regulated businesses.

Telecommunications

CKHH faces significant competition in each of the markets in which it operates its telecommunications businesses. Competition among providers of mobile and fixed-line telecommunications services, including new entrants, is expected to continue and may adversely affect the prices chargeable for services and handsets. In addition, mobile number portability policies and procedures in markets where CKHH currently operates enable customers to switch their providers of mobile telecommunications services without changing their mobile phone numbers. This has led to increased movement of customers among providers of mobile telecommunications services. Such movements increase marketing, distribution and administrative costs, slow growth in customer numbers and reduce revenues. CKHH's ability to collect revenues from services provided to both consumer and business customers depends on financial viability of these customers to settle bills as they fall due, as well as the effectiveness of various collections procedures executed by CKHH. CKHH's marketing position also depends on effective marketing initiatives and its ability to anticipate and respond to various competitive factors affecting the industry. This includes new entrants, new services, aggressive pricing and tariff plans and customer acquisition and retention strategies by competitors and changes in consumer preferences and economic, political and social conditions in the countries in which it operates. Any failure by CKHH to compete effectively, including in terms of pricing of services, acquisition of customers and retention of existing customers, as well as collectability of revenues, could decrease the revenue that CKHH receives as a major provider of telecommunications services. See also *"Risk Factors – Widespread Health Epidemic or Other Outbreaks or Natural Disasters"*.

The telecommunications industry is subject to changes in customer needs, evolving industry standards and frequent introductions of new products and services. For example, many Internet products have been developed with the proliferation of Internet usage. The development of Internet products such as over-the-top content and voice-over-IP have resulted in a reduction in the usage of traditional text and long distance voice calls provided by CKHH's telecommunications businesses. The innovative nature of these products and services, their rapid evolution and shorter life cycles require CKHH to be able to respond quickly to offerings of these products by competitors. CKHH also faces competition from entities providing alternate telecommunications access technologies and may face competition in the future from technologies being developed or to be developed.

CKHH's telecommunications businesses are highly regulated. CKHH is only permitted to provide telecommunications services and operate networks under licenses (including spectrum licenses for mobile telecommunications) and/or authorizations granted under the national laws of each country in which it operates. Some spectrum licenses have historically been issued for fixed terms and subsequently renewed and/or reauctioned. There can be no assurance, however, that any application for the renewal or participation in any auction of one or more of

these licenses will be successful or granted on equivalent or satisfactory terms. Governments and/or regulatory authorities may also impose auction rules and/or license conditions relating to national security, which could result in an operator being denied access to the spectrum and/or revocation of a license.

In addition, CKHH may not be successful in obtaining licenses for spectrum bands enabling new mobile technologies that may be developed in the future and will likely face competition for any such licenses. Due to changes in legislation, CKHH's mobile telecommunications licenses in Italy effectively provide for perpetual renewal rights. Telecommunications licenses (including spectrum licenses) and authorizations may contain regulatory requirements and carrier obligations regarding the way the operator must conduct its business (such as price controls and non-discrimination obligations), as well as network quality and coverage. Failure to meet these requirements could result in damage awards, fines, penalties, suspensions or other sanctions including, ultimately, revocation of the licenses.

Decisions by regulators with respect to the granting, amendment or renewal of licenses to CKHH or other parties (such as spectrum allocation to other parties or relaxation of constraints with respect to the technology or specific service that may be deployed in the given spectrum band), or changes to the process of or the conditions or criteria to, obtaining or maintaining spectrum or other licenses necessary for CKHH's mobile telecommunications business, could result in CKHH facing unforeseen competition and/or could materially and adversely affect CKHH's financial condition and results of operations.

In addition, CKHH's business activities in certain countries are or may be subject to price control regulation with respect to their wholesale mobile termination rates and wholesale and retail international roaming rates, and such price control regulation may impact costs and revenues and therefore could have a material adverse effect on CKHH's financial condition and results of operations. Furthermore, any new regulatory initiatives or changes in legislation, regulation or government policy affecting CKHH's telecommunications businesses, as well as decisions by regulatory authorities or courts, could have a material adverse effect on CKHH's financial condition and results of operations.

CKHH's ability to provide telecommunications services depends, in part, on its interconnection agreements, as well as international roaming arrangements, with other telecommunications operators. There can be no assurance that CKHH will be able to maintain its interconnection and international roaming agreements on terms that are commercially acceptable to it.

CKHH is also exposed to legal and regulatory requirements, such as those required by the EU or other regulatory bodies. These include competition (anti-trust) laws applicable to CKHH's activities, including the regulation of monopolies and conduct of dominant firms, the prohibition of anti-competitive agreements and policies, and laws requiring the approval of mergers, acquisitions and joint ventures which could restrict CKHH's ability to acquire or merge operations in certain jurisdictions and/or subject the relevant operations to fines.

CKHH and/or its group companies may need to increase borrowings or issue shares to pay for the operation and further build-out of their networks as well as for possible future acquisition of mobile telecommunications licenses. There can be no assurance that CKHH and/or its group companies will be able to obtain such financing on favorable terms or at all.

CKHH is also addressing other challenges in the markets where it operates such as developing successful pricing and tariff strategies in response to local competition, strengthening its product distribution channels, responding to technical problems, and other issues relating to network stability, ensuring innovative content and strong customer service support. Competition in telecommunications markets continues as competitors enhance the quality and speed of their networks. This may result in lower than expected revenue per user and net margins, as well as higher than anticipated CACs and churn rates. There can be no assurance that CKHH will be successful in addressing these issues. In addition, CKHH may have to make substantial investments to acquire licenses and upgrade its mobile networks to the next generations of technologies, including 5G, or its product offerings from the chosen 3G and 4G (LTE) technologies may become obsolete or less profitable. There can be no assurance that CKHH will be able to effectively anticipate and respond to such new technologies, or to

new consumer trends or changing consumer preferences. As a result of the volatility in economic conditions, customers may be more cautious in their mobile usage which may significantly reduce revenues and profits.

CK Hutchison Group Telecom or CKHGT

CKHH has made substantial investments in acquiring telecommunications licenses and developing and upgrading its mobile networks in Europe, Hong Kong and Macau. For example, CKHH has invested in the combination of Vodafone's and its respective telecommunications operations in the UK, which will enable CKHH to transform customer experience and create a best-in-class mobile telecommunications network in the UK for coverage and reliability. While CK Hutchison Group Telecom is reporting overall positive operating results, CKHH will need to continue increasing the customer base and operating margins to remain profitable as well as grow profitability. In order to grow and retain its customer base, CKHH has made significant investments in customer acquisition costs ("CACs") in each of the markets in which it operates. CKHH may need to incur more capital expenditure to expand or improve its mobile network and incur more CACs to retain and build the customer base. CKHH may not be successful in growing the customer base and improving operating margins to cover incremental operating costs, customer acquisition and retention costs and capital expenditure requirements. In particular, the growth in the CK Hutchison Group Telecom operations is impacted by the effect of changes in regulatory regimes and competition. If these operations are unsuccessful in their initiatives to remedy the effects of these adverse factors, CK Hutchison Group Telecom's financial results will be materially and adversely affected, and there can be no assurance that CK Hutchison Group Telecom will remain profitable.

In addition, the mobile telecommunications licenses in Italy and brand names allocated to the businesses, which are accounted for as indefinite life assets, and goodwill allocated to the businesses are subject to annual impairment tests to assess whether their carrying values are supported by the net present value of future cashflows forecast to be derived from the use of these assets. Changing the assumptions used to determine the level, if any, of impairment, including the discount rates or the growth rate assumptions in the cashflow projections, could materially affect the net present value used in the impairment test and as a result may materially and adversely affect CKHH's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cashflow projections, it may be necessary to take an impairment charge to the income statement. See Note 43(b)(i) to the unaudited reviewed condensed consolidated financial statements of CKHH for the six months ended June 30, 2025 included elsewhere in this offering memorandum. Accordingly, there can be no assurance that the operating results of CK Hutchison Group Telecom will not be substantially reduced in the near term.

Under IFRS, deferred tax assets are recognized for the deductible temporary differences and the carry forward of unused tax losses and tax credits to the extent it is probable that future taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilized. The carrying amount of deferred tax assets and related financial models and budgets are reviewed at the end of the reporting period and to the extent that there is insufficient evidence that sufficient taxable profits will be available within the utilization periods to allow utilization of the deductible temporary differences and the carry forward of unutilized losses and tax credits, the asset balance will be reduced and charged to the income statement. A variety of other factors are also evaluated in considering whether there is evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realized, such as the existence of taxable temporary differences, group relief, the percentages and the periods in which estimated tax losses can be utilized. As of June 30, 2025, CKHH had a total deferred tax asset balance[(1)] of HK$3,283 million (US$421 million) related to the CK Hutchison Group Telecom mobile operations. The ultimate realization of deferred tax assets recognized depends principally on these businesses achieving profitability and generating sufficient taxable profits to utilize the underlying unused tax losses. In each of the countries and locations that CK Hutchison Group Telecom operates, taxation losses may be carried forward indefinitely. In addition, in the UK, CKHH benefits from the

(1) Under Post-IFRS 16 basis, CKHH had a total deferred tax asset balance of HK$3,338 million (US$428 million) related to the CK Hutchison Group Telecom mobile operations.

availability of group relief in relation to taxation losses generated by its telecommunications operations to offset taxable profits from its other businesses in the same period. If there is a significant adverse change in taxation rates and legislations, or in the projected performance and resulting cashflow projections of these businesses, some or all of these deferred tax assets may need to be reduced and charged to the consolidated income statement, which could have a material adverse effect on CKHH's financial condition and results of operations.

In August 2019, CK Hutchison Group Telecom was assigned long term credit ratings of "BBB+" from Fitch, "Baa1" from Moody's and "A–" from S&P. In December 2021, Fitch upgraded CK Hutchison Group Telecom's rating from "BBB+" to "A–". No assurance can be given that CK Hutchison Group Telecom's credit ratings or outlook will remain for any given period of time or that a credit rating will not be lowered or withdrawn by the relevant rating agency. Although CK Hutchison Group Telecom aims to maintain a capital structure that is appropriate for long-term investment grade ratings, actual credit ratings may deviate from these levels due to economic circumstances. If liquidity in the capital and loan markets declines and/or any of the ratings of CK Hutchison Group Telecom declines, the availability and cost of borrowings could be affected and adversely impact CK Hutchison Group Telecom's and therefore CKHH's financial condition and results of operations, liquidity and cashflows.

Hutchison Telecommunications International Limited ("HTIL")

On May 8, 2007, HTIL completed the sale of its entire indirect interest in CGP Investments (Holdings) Limited ("CGP"), then a Cayman Islands incorporated subsidiary, to a subsidiary of Vodafone Group Plc incorporated in the Netherlands. CGP held, through various subsidiaries, all of HTIL's indirect interests in the Indian mobile telecommunications operation, comprising Vodafone India Limited (then known as Hutchison Essar Limited) and its subsidiaries. As a result of the sale, the HTIL Group realized a pre-tax gain of approximately HK$69,343 million (US$8,890 million).

On May 28, 2012, the Government of India enacted several amendments to the Income Tax Act, 1961, that are retrospective to April 1, 1962.

HTIL received an assessment order from the ITA dated January 25, 2017 ("AO") in respect of the transaction. The AO imposes tax ("CGT") of approximately INR79 billion (US$948 million) on the aforementioned gains as well as interest on the unpaid CGT ("Interest") of approximately INR164.3 billion (US$1.97 billion). HTIL also received a penalty order from the ITA dated July 3, 2017 ("PO") for a penalty of approximately INR79 billion (US$948 million) ("Penalty") relating to the CGT (CGT, Interest and Penalty together referred to as the "Taxes"). In this paragraph, the US$ amounts have been converted from INR amounts at the rate of INR1 to US$0.012 for illustrative purposes only.

On August 13, 2021, the Government of India amended the Income Tax Act, 1961 nullifying all tax demands raised for the indirect transfer of Indian assets in respect of transactions that occurred before May 28, 2012 on fulfillment of specified conditions, including, withdrawal or furnishing of an undertaking for withdrawal of pending litigation and furnishing of an undertaking waiving the right to seek or pursue any remedy or claim whatsoever in relation to the applicable income and litigation to be filed by the taxpayer concerned by a specified date ("Nullification").

The Income Tax Department of India ("ITD") subsequently notified HTIL on 13 October 2021 about the Nullification and further notified HTIL in October and November 2021 that orders may have been issued by the ITD against HTIL which may be eligible under the Nullification.

HTIL believes that the Taxes cannot be validly imposed, and it has obtained legal advice that the AO and the PO cannot create any liability for taxes, interest, penalties or otherwise that is legally enforceable. Given this belief, and after HTIL taking legal advice, HTIL made the decision not to apply for Nullification. Furthermore, as a consequence of the Nullification, HTIL believes that it is unlikely that the Government of India will seek to enforce any tax demand in respect of the aforementioned transaction.

Cash Flow, Liquidity and Credit Ratings

From time to time, CKHH accesses short-term and long-term capital markets to obtain financing. The availability of financing with acceptable terms and conditions may be impacted by many factors which include, among others, liquidity in the capital markets and CKHH's credit, Environmental, Social and Governance (ESG) ratings. Although CKHH aims to maintain a capital structure that is appropriate for long-term investment grade ratings, actual credit ratings may deviate from these levels due to economic circumstances or other factors such as how CKHH formulates, implements and integrates its strategies (including sustainability) in relation to its core businesses. If liquidity in the capital markets declines, and/or credit ratings and/or ESG ratings of CKHH decline or other factors, such as the availability of financing reduces and cost of borrowings increases, occurs, these changes could impact CKHH's financial condition and results of operations, liquidity and cash flows.

After the completion of the Reorganization of Cheung Kong (Holdings) Limited ("Cheung Kong") and Hutchison Whampoa Limited ("Hutchison") on June 3, 2015, CKHH was assigned long-term credit ratings of A3 from Moody's on June 3, 2015, "A–" from S&P on July 6, 2015 and "A–" from Fitch on July 13, 2015. In November 2017, Moody's revised CKHH's rating from "A3" to "A2" with a stable outlook. In September 2018, S&P revised CKHH's rating from "A–" to "A" with a stable outlook. In October 2023, Moody's affirmed CKHH's rating at "A2" with a stable outlook. In October 2024, S&P affirmed CKHH's rating at "A" with a stable outlook. In March 2025, Fitch revised CKHH's long term rating outlook from "A–" (Stable) to "A–" (Rating Watch Positive). However, no assurance can be given that any of CKHH's credit ratings or outlook will remain for any given period of time or that a credit rating will not be lowered by the relevant rating agency. A negative change in one or more of CKHH's credit ratings could, notwithstanding that it is not a rating of the notes or the Guarantee, adversely impact the market price and the liquidity of the notes.

Currency Fluctuations

CKHH reports its results in Hong Kong dollars but its subsidiaries, associates and joint ventures around the world receive revenue and incur expenses in around 50 different local currencies. CKHH's subsidiaries, associates and joint ventures may also incur debt in these local currencies. Consequently, CKHH is exposed to potential adverse impact of currency fluctuations on translation of the results and balance sheet items of these subsidiaries, associates and joint ventures and also on repatriation of earnings, equity investments and loans. Although CKHH actively manages its currency exposures, depreciation or fluctuation of the currencies in which CKHH conducts its operations relative to the Hong Kong dollar could have a material adverse effect on CKHH's financial condition and results of operations.

Strategic Partners

CKHH conducts some of its businesses through non-wholly-owned subsidiaries, associates and joint ventures in which it shares control (in whole or in part) and has formed strategic alliances with certain leading international companies, government authorities and other strategic partners. There can be no assurance that any of these strategic or business partners will continue their relationships with CKHH in the future or that CKHH will be able to pursue its stated strategies with respect to its non-wholly-owned subsidiaries, associates and joint ventures and the markets in which they operate. Furthermore, other investors in CKHH's non-wholly-owned subsidiaries, associates and joint ventures may undergo a change of control or financial difficulties, which may negatively impact CKHH's financial condition and results of operations.

In addition, following the disposal of CKHH's interests in tower assets supporting CKHH's mobile businesses in Austria, Denmark, Ireland, Italy, Sweden and the UK, respectively, to a third party, CKHH's ability to provide telecommunications services in such jurisdictions depends, in part, on the relevant third party companies which have entered into master services agreements with subsidiaries of CKHH operating CKHH's telecommunications business in the relevant jurisdictions. While each master services agreement provides for the relevant counterparty to provide infrastructure and built-to-suit services to CKHH's telecommunication business in such jurisdictions, such agreements may be terminated for cause by either party and may be partially terminated in respect of part of the telecommunications infrastructure

services which are affected by any material failure to meet service levels. Should any of these arrangements be terminated, this could result in delays or disruptions to CKHH's telecommunications operations in the relevant jurisdictions and could result in CKHH incurring additional costs. There can be no assurance that changes in the relationship or rearrangements between CKHH and the relevant counterparties will not materially and adversely affect CKHH's financial condition and results of operations.

Widespread Health Epidemic or Other Outbreaks or Natural Disasters

Our business could be materially and adversely affected by the outbreak of a widespread health epidemic, such as COVID-19, swine flu, avian influenza, severe acute respiratory syndrome, Ebola and Zika; natural disasters, such as earthquakes, snowstorms, storm surges, floods, fires, drought and other extreme weather events and other effects of climate change; or other events, such as wars, acts of terrorism, environmental accidents, power shortages or communication interruptions. The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments or adverse social and economical events could materially disrupt our industry and our business and operations, and have a material adverse effect on our business, financial condition and results of operations. CKHH's business could be impacted in a number of ways, including:

- the deterioration of socio-economic conditions leading to disruptions to CKHH's operations, such as reduction in CKHH's ports operation's throughput as a result of factory closures in the Mainland or reduced demand in Europe and the US, or mandatory store closures and a decline in footfall in the CKHH's retail stores;

- reductions or volatility in consumer demand for CKHH's products due to quarantine or illness, or other travel restrictions, economic hardship, or retail closures, which may impact CKHH's revenue and market share;

- significant volatility in financial markets (including interest rate and foreign currency rate volatilities) and commodities market and measures adopted by governments and central banks, which may limit CKHH's access to funds, lead to shortages of cash or increase the cost of raising such funds; and

- an adverse impact on CKHH's ability to engage in new, or consummate pending, strategic transactions on the agreed terms and timetable or at all.

These impacts have threatened and could continue to threaten CKHH's facilities and transport of CKHH's products, cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of CKHH's employees, and have and could continue to have a material adverse effect on CKHH's results of operations, cash flows and financial condition.

Impact of National, EU and International Law and Regulatory Requirements

As a global business, CKHH is exposed to local business risks in several different countries, which could have a material adverse effect on its financial condition and results of operations. CKHH operates in many countries around the world and may increasingly become exposed to different and changing government policies, political, social, legal and regulatory requirements at the national or international level, including but not limited to those required by the EU or the World Trade Organization ("WTO") or national authorities. These include:

- changes in tariffs and trade barriers, including changes which may result from the UK's withdrawal from the EU (see *"Risk Factors – UK's Exit from the European Union"* for further details), as well as government-determined tariff resets of CKHH regulated infrastructure assets;

- changes in taxation regulations and interpretations;

- competition (anti-trust) laws applicable to CKHH's activities, including the regulation of monopolies and the conduct of dominant firms, the prohibition of anti-competitive agreements and practices; and merger control, national security, and foreign investment and foreign subsidy laws requiring the approval of certain mergers,

acquisitions and joint ventures which could restrict CKHH's ability to own or operate subsidiaries or acquire new businesses in certain jurisdictions and/or result in imposition of fines on the relevant operations;

- state aid and/or state subsidy control rules which could require the repayment of grants or other financial support if aid or subsidies have been provided by national governments and/or public authorities to CKHH businesses;

- changes in the process of or the conditions or criteria to obtaining or maintaining licenses, permits and governmental approvals necessary to operate certain businesses;

- conditions or criteria to obtaining or maintaining assets that may be viewed by governments or regulatory authorities as critical assets for national security purposes, for example in the telecommunications and ports sectors;

- comprehensive sustainability disclosure requirements for CKHH, with the requirements varying from jurisdiction to jurisdiction, for example, the Corporate Sustainability Reporting Directive in the EU ("CSRD"), Task Force on Climate-related Financial Disclosures ("TCFD") recommendations in the UK and the local sustainability disclosure standards in Hong Kong to be developed to align with the International Sustainability Standards Board standards;

- emerging regulation around the development and use of Artificial Intelligence ("AI"), including the introduction of the EU AI Act in August 2024; and

- environmental, safety, employee and consumer protection laws, rules and regulations.

See *"Operations – Telecommunications – CK Hutchison Group Telecom – European Union Regulation"* and *"Operations – Telecommunications – CK Hutchison Group Telecom – UK Regulation"* for a discussion of the EU and UK regulatory framework applicable to CKHH's CK Hutchison Group Telecom businesses in Europe and the UK. There can be no assurance that the European institutions and/or the regulatory authorities of the countries in which **3** Group Europe operates will not make decisions or interpret and implement regulations in a manner that materially and adversely affects CKHH's financial condition and results of operations in the future.

CKHH's overall success as a global business depends, in part, upon its ability to succeed in different economic, social, and political conditions. There can be no assurance that CKHH will continue to succeed in developing and implementing policies and strategies that are effective in each location where it conducts business.

Hong Kong and the Mainland

CKHH is a Cayman Islands company listed on The Stock Exchange of Hong Kong Limited ("SEHK") with a number of its businesses operating in Hong Kong. As a result, CKHH's financial condition and results of operations may be influenced by the political situation in Hong Kong and by the general state of the Hong Kong economy and the economies in the surrounding region, particularly the Mainland.

As of July 1, 1997, Hong Kong ceased to be a Crown Colony of the UK and became a Special Administrative Region of the PRC. Although the Sino-British Joint Declaration on the Question of Hong Kong and the Basic Law of Hong Kong provide that Hong Kong will have a high degree of legislative, judicial and economic autonomy, there can be no assurance that CKHH's financial condition and results of operations will not be materially and adversely affected as a consequence of the exercise of Chinese sovereignty over Hong Kong or other economic, social and/or political unrest or developments in Hong Kong. In addition, political, social and economic developments in the Mainland and the Mainland's trading relationships with other countries have from time to time materially and adversely affected the Hong Kong economy.

CKHH currently has investments via subsidiaries and joint venture companies in the Mainland. CKHH could decide to invest considerable additional capital resources to enter various markets in the Mainland. The value of CKHH's investments in the Mainland may be adversely affected by significant changes in economic, social or legal environments and could materially and adversely affect CKHH's investments in the Mainland.

Future Growth

CKHH continues to cautiously expand the scale and geographic spread of its businesses through investment in organic growth, as well as undertaking selective mergers, acquisitions and disposal activities when appropriate opportunities in the market arise. Success of CKHH's mergers and acquisitions will depend on, among other things, the ability of CKHH to realize the expected synergies, cost savings and growth opportunities upon integration of the merged or acquired businesses. These businesses may require significant investment and the commitment of executive management time and other resources. There can be no assurance that a failure to operate the merged or acquired businesses successfully, or a longer than projected period to realize the expected synergies, will not have a material adverse effect on CKHH's financial condition, results of operations and prospects.

Completion risk of mergers, acquisitions and disposals

CKHH may from time to time engage in mergers, acquisitions, joint ventures or other consolidation transactions between its businesses and certain third party companies (including competitors), or disposals. From time to time, CKHH receives proposals and explores and evaluates opportunities that may be available, with a view to enhancing long term value to shareholders, including possible transactions relating to the assets and operations of CKHH's global telecommunication businesses. Contemplated transactions may not be consummated due to various reasons, which may have a negative impact on our business. Such transactions are typically subject to negotiations and definitive agreements to be entered into, and even if definitive agreements are entered into, may still be subject to merger, anti-trust, national security, foreign investment, foreign subsidy and other regulatory approvals by the competent authorities who may only approve the transaction subject to conditions, or who may prohibit the transaction. High-profile mergers and dispositions are often complex and may require consents and approvals from authorities and regulatory bodies in multiple jurisdictions, the process of which could be unpredictable. There can be no assurance that any such transaction and proposals will proceed, or any such approvals or other conditions would be obtained or satisfied and, even if such approvals are obtained, third parties may initiate proceedings to appeal against such approvals. If a proposed transaction is prohibited or the relevant approvals are revoked and the transaction cannot be completed, CKHH will have incurred significant legal, accounting and other costs in connection with the transaction without realizing its anticipated benefits, which may have included increased earnings, scale, competitive strength and market share. As a consequence, CKHH's financial position and results of operations could be negatively impacted. In the case of potential mergers or acquisitions, such third party companies may also choose to merge with or be acquired by another of CKHH's competitors, which could result in a new competitor with greater scale, financial strength and other resources. As a result, if a transaction is prohibited by a competent authority or if a transaction is approved but such approval is subsequently revoked, it could have a material adverse impact on CKHH's business, financial condition and results of operations. Furthermore, any potential merger or disposition may attract media attention and public scrutiny, and it is uncertain how such attention and scrutiny would affect our public perception and brand equity and, as a result, our business both domestically and abroad.

Accounting

The IASB has from time to time issued new and revised IFRS. The IASB may in the future issue new and revised standards, amendments and interpretations. In addition, interpretations on the application of the IFRS will continue to develop. Such factors may require adoption of new accounting policies. There can be no assurance that the adoption of new accounting policies or new IFRS will not have a significant impact on CKHH's financial condition and results of operations.

In the course of auditing CKHH's consolidated financial statements, CKHH's independent auditor has in the past identified issues relating to, and made recommendations to improve, the internal controls of various CKHH operating units. While CKHH has taken steps to address these issues based on the recommendations of its independent auditor, there is no assurance that these steps will be effective or that these or other internal control issues would not be identified by CKHH's independent auditor in the future.

Differences between IFRS/HKFRS and GAAP in other countries, including U.S. GAAP

IFRS and HKFRS differ in certain respects from GAAP in other countries, including U.S. GAAP. These differences might be material to the financial information presented in this offering memorandum, and no attempt has been made to quantify the impact of those differences. In particular, no reconciliation of CKHH's consolidated financial statements and information to U.S. GAAP or any other local GAAP has been attempted, and such a reconciliation could have a material impact on the financial information contained in this offering memorandum. Potential investors should consult their own professional advisors for an understanding of the differences between IFRS, HKFRS, U.S. GAAP, and other relevant accounting frameworks, and how those differences might affect the financial information presented in this offering memorandum and their analysis.

Publicly Available Financial Information of Certain Subsidiaries, Associates and Joint Ventures

Certain of CKHH's subsidiaries, associates and joint ventures may, or are required to, make publicly available their financial results from time to time (on an annual, interim, quarterly basis or otherwise). Due to different accounting policies and measurement bases used in preparing CKHH's financial information and the financial information of certain subsidiaries, associates and joint ventures, consolidation adjustments are required to be made to the financial information of these subsidiaries, associates and joint ventures to align accounting policies and measurement bases when preparing CKHH's consolidated financial statements. Such adjustments may be significant and the actual impact of the financial results of CKHH's subsidiaries, associates and joint ventures on the financial results of CKHH may not be known until the consolidation of CKHH's financial results is complete. In addition, there can be no assurance that these publicly available financial results of such CKHH's subsidiaries, associates and joint ventures on an individual basis can be relied upon as an indication of the consolidated financial results of CKHH.

Impact of Regulatory Reviews

CKHH and some of its subsidiaries and associates are listed on various stock exchanges around the world and are subject to regulatory reviews of their various filings by the respective stock exchange's regulatory bodies and/or other regulatory authorities. While all of CKHH's publicly listed companies endeavor to comply with all regulatory requirements of the various stock exchanges and other authorities in the countries in which they operate, and obtain independent professional advice as appropriate, there can be no assurance that the regulatory bodies' review will not result in a disagreement with CKHH's interpretations and judgments and that any required actions mandated by the authorities will not have an adverse impact on CKHH's financial position and results of operations.

Climate Change

Scientific evidence has shown that the Earth's temperature is rising due to an increase in greenhouse gases. This has already created, and will continue to create, a number of negative effects to the environment including loss of sea ice, rise in sea levels, and more frequent and severe weather events.

Some of CKHH's assets, businesses and supply chain are located in areas that would be affected in the medium to long term by the effects of climate change. Extreme weather events may also pose increased risks for CKHH's stakeholders such as CKHH's employees, customers and suppliers living and working in those locations. Further, as many countries seek to transition to low carbon economies, governments are increasingly introducing legislations to

restrict emissions and incentivize environmental protection measures. Other market changes may also influence CKHH's business such as changing consumer preferences in favor of companies that are more sustainable.

Together these physical and transition risks arising from climate change could have a material impact on CKHH's business and adversely affect CKHH's financial condition and results of operations.

Political Unrest, Terrorist Attacks and Military Tensions

CKHH has presence in about 50 countries around the world. There can be no assurance that all of these countries will remain politically stable or immune to terrorist attacks or military tensions, and if any of these countries suffers from political unrest or terrorist attacks or military tensions, it may have an adverse impact on CKHH's financial condition and results of operations.

Impact of Possible Economic Sanctions on Business Partners, Suppliers or Businesses in General

Governments and multinational organizations (including the State Department and the Department of the Treasury's Office of Foreign Assets Control ("OFAC") of the US and the United Nations), from time to time administer certain laws and regulations that impose restrictions with respect to activities or transactions with certain countries, governments, entities and individuals that are the subject of economic sanctions. There can be no assurance that such sanctions or other restrictions will not affect the jurisdictions in which CKHH conducts its business, any of CKHH's business partners or suppliers or otherwise. To the extent that any such sanction or restriction is imposed in any jurisdictions where CKHH's business operates, CKHH may need to cease operations in those jurisdictions and suffer losses in that regard. If any of CKHH's business partners or suppliers is impacted by sanctions or restrictions, provision of goods, services or support by them may be disrupted or discontinued, which may affect CKHH's ability to continue to operate related businesses. If any of CKHH's business partners is affected by sanctions or restrictions, the continuation or disruption of strategic alliance with such business partners may also affect CKHH's ability to continue to operate related businesses and/or may result in suspension of operations. There can be no assurance that CKHH will be able to obtain alternative goods, services, support or alliance it needs for the operation of its business, in a timely manner or at competitive terms, and no assurance that any compensation recoverable from business partners or suppliers for the discontinued or disrupted supply, service, support or alliance will be available or adequate. Any of these factors could have a material adverse effect on CKHH's financial condition and results of operations.

Cyber Security Risks

Cyber attacks, including through the use of malware, computer viruses, dedicated denial of services attacks, credential harvesting and other means for obtaining unauthorized access to or disrupting the operation of CKHH's networks, systems and data base of CKHH or its suppliers, vendors and other service providers, could have an adverse effect on CKHH's business, operations and reputation. Cyber attacks may cause equipment failures, loss or leakage of data, including personal data of customers or employees and technical and trade information, as well as disruptions to CKHH's or its customers' operations. Corporate cyber attacks have increased in frequency, scale and severity in recent years. Further, the perpetrators of cyber attacks are not restricted to particular groups or persons. These attacks may be committed by company employees or external parties operating in any geography, including jurisdictions where law enforcement measures to address such attacks are unavailable or ineffective, and may even be launched by or at the behest of nation states. The measures deployed by CKHH may not be able to prevent, eliminate or minimize the risks associated with cyber attacks.

Any operational impacts caused by cyber attacks to the networks, systems and data base of CKHH or its suppliers, vendors and other service providers, even for a limited period of time, may result in costly remedial expenses and/or a loss of business. The costs required to remedy a major cyber attack on CKHH could include expensive incentives to certain existing customers and business partners, increased expenditures on cyber security measures and the use of alternate resources. CKHH may also suffer a loss of revenue owing to business interruption and claims from regulators and other third parties. The potential costs associated with these attacks

could exceed the insurance coverage CKHH maintains. In addition, a compromise of security or leakage of data, such as personal data and technical and trade information, could result in third party claims and/or regulatory claims or investigations. Any of these occurrences could damage CKHH's reputation, adversely impact customer and investor confidence, and materially and adversely affect CKHH's financial condition and results of operations.

Compliance with Data Protection Legislation

In the ordinary course of its operations, various members of the CKHH group of companies collect, store and use data that is protected by data protection laws in the different countries in which they operate. As regulatory focus on privacy issues continues to increase and worldwide laws and regulations concerning the handling of personal information expand and become more complex, potential risks related to data collection and use within CKHH's business are expected to intensify. For example, the General Data Protection Regulation (EU) (2016/679) ("GDPR"), the UK GDPR (the retained EU law version of the GDPR) and the United Kingdom's Data Protection Act 2018, which apply to CKHH companies in applicable jurisdictions, levy administrative penalties of up to 4 percent of CKHH's global annual turnover in cases of significant non-compliance and direct liability for breach by data processors.

In the event that any relevant member of the CKHH group of companies is unable to meet its obligations under applicable data protection laws, it may be subject to regulatory action or civil claims. The cost of regulatory or legal action, and any monetary and/or reputational damage suffered as a result of such action, could have a material adverse effect on CKHH's financial condition and results of operations.

UK's Exit from the European Union

The UK formally left the EU on January 31, 2020. As agreed in the Withdrawal Agreement, a transition period was implemented until December 31, 2020, during which time EU laws and regulations continued to apply broadly as before. Within the context of the Withdrawal Agreement of which the Protocol on Ireland/Northern Ireland ("NI Protocol") is part, the European Union and the UK Government reached a political agreement on February 27, 2023 ("Windsor Framework") to adjust the operation of the NI Protocol including solutions on, inter alia, the system of checks on goods moving across the land border between Great Britain and Northern Ireland enabling a smoother transition for goods destined for use in Northern Ireland. The Windsor Framework was formally adopted by EU and UK on March 24, 2023 and came into effect on October 1, 2023.

The EU and the UK Government signed the UK-EU Trade and Cooperation Agreement ("TCA") on December 30, 2020. The TCA sets out all aspects of the new UK-EU relationship, including trade in goods and in services, digital trade, intellectual property, public procurement, aviation and road transport, fisheries, social security coordination, law enforcement and judicial cooperation in criminal matters, thematic cooperation and participation in EU programmes. The TCA was applied provisionally from January 1, 2021 and entered into force on May 1, 2021.

In the UK, the Retained EU Law (Revocation and Reform) Act 2023 which received Royal Assent on June 29, 2023, has been enacted into UK law. Under the Act, certain retained EU laws (listed in Schedule 1 to the Act) were repealed automatically at the end of 2023. The Act further enables the revocation, restatement, replacement or updating of certain retained EU laws until June 23, 2026, and inter alia removes the special features that EU laws have in the UK legal system and repeals the principle of supremacy of EU law from UK law. The impact of the Act on CKHH's business is currently unclear.

The long-term impact of the UK's decision to leave the EU continues to be unclear and will depend on the implementation of the final terms agreed between the UK and the EU in the TCA as well as on the UK's ability to secure favorable trade and investment terms with countries outside the EU. Following the July 2024 General Election, the UK Government has indicated that it will seek an improved trading relationship with the EU. On May 19, 2025, the UK and the EU confirmed a new 'Common Understanding' covering cooperation on a range of security, defence and energy matters. The impact of the Common Understanding on CKHH's business is currently unclear. There is considerable uncertainty as to the impact of the UK's exit from the EU on the general economic conditions in the UK or its wider impact in the EU. As such, no assurance can be given as to the impact of the UK's departure from the EU and, in particular, no assurance can be given that such matters would not adversely affect CKHH's financial condition and results of operations.

Controlling Shareholder

Mr. Li Ka-shing, the Senior Advisor of CKHH, and Mr. Li Tzar Kuoi, Victor, the Chairman of CKHH, respectively owned one-third and two-thirds of the issued share capital of certain holding companies which in turn own one-third or more of the issued share capital of the trustees in a certain trust structure. Such trust structure, through companies 100% owned, held approximately 30.35% of the issued shares of CKHH as of June 30, 2025.

Although CKHH believes that its relationship with such trust structure and its associates provides it with significant business advantages, the relationship results in various related party, or "connected" transactions. Such trust structure is a connected person of CKHH for the purposes of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and accordingly any transactions entered into between CKHH and/or subsidiaries of CKHH and such trust structure, its subsidiaries or associates thereof are connected transactions which, unless one of the exemptions is available or relevant waivers are applied for and granted, will be subject to the relevant requirements of Chapter 14A of the Listing Rules. These requirements include the issuance of certain announcements, the inclusion of certain disclosures in annual reports and accounts, and the obtaining of independent shareholders' approval at general meetings, the obtaining of which cannot be assured.

Holding Company Structure and Structural Subordination

The Issuer is a wholly-owned subsidiary of CKHH and its primary purpose is to act as a financing subsidiary of CKHH. The Guarantee is solely an obligation of the Guarantor. The Guarantor is primarily a holding company and its ability to make payments to holders of the notes pursuant to the Guarantee in respect of the notes depends largely upon the receipt of dividends, distributions, interest or advances from its wholly or partially owned subsidiaries and associates. The ability of the subsidiaries and associates of the Guarantor to pay dividends are subject to applicable laws. Payments on the notes are structurally subordinated to all existing and future liabilities and obligations of each of the Guarantor's subsidiaries (other than the Issuer) and associates. These subsidiaries had an aggregate of HK$86,131 million (US$11,042 million) principal amount of bank and other debts outstanding as of June 30, 2025. Claims of creditors of such companies will have priority as to the assets of such companies over the Guarantor and its creditors, including holders of the notes seeking to enforce the Guarantee. The terms and conditions of the notes do not contain any restrictions on the ability of the Issuer, CKHH or its subsidiaries to incur additional indebtedness. In addition, the terms and conditions of the notes contain a cross acceleration provision, but that provision is limited to the Issuer, the Guarantor and any Principal Subsidiary (as defined therein) (other than Listed Principal Subsidiaries (as defined therein) and their Subsidiaries) and contains certain carve outs for, among others, project financing indebtedness and subsidiary indebtedness with a certain credit rating which is not guaranteed by the Guarantor or any Principal Subsidiary. For further detail see *"Description of the Notes and the Guarantee – Events of Default".*

The Issuer and the Guarantor May Raise Other Capital Which Affects the Price of the Notes

The Issuer and/or the Guarantor may from time to time without prior consultation of the holders of the notes raise additional capital through the issue of other notes or other means. Under the terms of the notes, there is no restriction, contractual or otherwise, on the amount of debt securities or other liabilities which the Issuer and the Guarantor may issue or incur and which rank senior to, or *pari passu* with, the notes. The issue of any such debt securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of the notes on a winding-up of the Issuer and/or the Guarantor, and may also have an adverse impact on the trading price of the notes and/or the ability of holders of the notes to sell the notes. There can be no assurance that such future issuance or capital raising activities will not result in a significant decrease of the market price of the notes.

No Prior Market for the Notes and the Trading Price of the Notes could be Materially and Adversely Affected

The notes are new issues of securities for which there is currently no trading market. If the notes are traded after they are issued, they may trade at a discount from their initial offering price, depending on many factors, including prevailing interest rates, the market for similar securities, general economic conditions, and CKHH's financial condition, performance and prospects. Although application will be made to the SGX-ST for the listing and quotation of the notes on the SGX-ST, no assurance is made that the application to the SGX-ST will be approved or that such listing will be maintained, or that, if listed, a liquid trading market will develop or continue. If an active trading market for the notes does not develop or continue, the market price and liquidity of the notes may be adversely affected. The Issuer may elect to apply for a de-listing of the notes from any stock exchange or markets of such stock exchange on which they are traded because the maintenance of such listing is or would be unduly burdensome.

USE OF PROCEEDS

The net proceeds of the sale of the notes after deducting commissions will be approximately US$496 million and will initially be advanced by the Issuer to CKHH. CKHH intends to use the net proceeds of this offering to refinance certain indebtedness, including recourse or non-recourse indebtedness owed by CKHH, indebtedness falling due in the near term and indebtedness which would provide an economic benefit to CKHH upon early repayment. Such indebtedness has been incurred for general corporate purposes, including the funding of capital expenditures and investments in CKHH's core business activities. In the event that CKHH determines not to use certain of the proceeds for this purpose, such proceeds will be used for general corporate purposes, including the funding of capital expenditures.

THE ISSUER

CK Hutchison International (25) Limited, a wholly-owned subsidiary of the Guarantor, was incorporated as an exempted company with limited liability under the laws of the Cayman Islands on August 27, 2025 and registered in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong). Its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, incorporation number: 425063.

The Issuer, whose primary purpose is to act as a financing subsidiary of the Guarantor, will remain a wholly-owned subsidiary of the Guarantor as long as the notes issued by it are outstanding. The Issuer has no material assets.

The directors of the Issuer are as follows:

Name	Position
Frank John SIXT	Director
Dominic Kai Ming LAI	Director
Edith SHIH	Director and Company Secretary

The business address of the abovementioned directors for the purposes of their directorships of the Issuer is 48th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

Further information on the particulars and experience of the directors of CKHH is set forth below in "Management of CKHH".

The objects for which the Issuer is established are set forth in clause 3 of the Issuer's Memorandum of Association (copies of which are available as described under "General Information"). The Issuer has full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.

The authorized share capital of the Issuer is US$50,000, divided into 50,000 shares of US$1.00 par value each, of which one ordinary share is issued and outstanding and has been fully paid.

No part of the equity securities of the Issuer is listed or dealt on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought. As of the date of this offering memorandum, the Issuer does not have any debt outstanding.

The Issuer has no subsidiaries. The Issuer has not audited or published, and does not propose to audit or publish, any of its accounts since it is not required to do so under the laws of the Cayman Islands. The Issuer's non-audited financial statements are not published and are prepared only for internal purposes. The Issuer is, however, required to keep such accounts and records as are necessary to give a true and fair view of the Issuer's affairs and to explain its transactions. If the Issuer publishes any of its accounts, such published accounts of the Issuer will, in the event that and for as long as the notes are listed on the SGX-ST and the rules of the SGX-ST so require (or for as long as the notes are listed on another stock exchange and its rules so require), be made available free of charge at the offices of the Fiscal Agent.

CAYMAN ISLANDS DATA PROTECTION

The Issuer has certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the "DPA").

Prospective investors should note that, by virtue of making investments in the notes and the associated interactions with the Issuer and its affiliates and/or delegates, or by virtue of providing the Issuer with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Issuer and its affiliates and/or delegates with information which constitutes personal data within the meaning of the DPA. The Issuer may constitute a data controller in respect of this personal data and its affiliates and/or delegates may act as data processors (or data controllers in their own right in some circumstances).

By investing in the notes, the holders of the notes and individuals connected with the holders of the notes shall be deemed to acknowledge that they have read in detail and understood the Privacy Notice set out below and that such Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the notes.

Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Issuer could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

PRIVACY NOTICE

Introduction

The purpose of this notice is to provide holders of the notes and individuals connected with the holders of the notes with information on the Issuer's use of their personal data in accordance with the DPA. In the following discussion, "Issuer" refers to the Issuer and its or their affiliates and/or delegates, except where the context requires otherwise.

Investor Data

By virtue of making an investment in the Issuer and a holder's associated interactions with the Issuer (including any subscription (whether past, present or future), including the recording of electronic communications or phone calls where applicable) or by virtue of a holder of the notes otherwise providing the Issuer with personal information on individuals connected with the holder of the notes as an investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents), the holder of the notes will provide the Issuer with certain information which constitutes personal data within the meaning of the DPA ("Investor Data"). The Issuer may also obtain Investor Data from other public sources. Investor Data includes, without limitation, the following information relating to a holder of the Notes and/or any individuals connected with a holder of the notes as an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit history, correspondence records, passport number, bank account details, source of funds details and details relating to the holder's investment activity. In the Issuer's use of Investor Data, the Issuer may be characterized as a "data controller" for the purposes of the DPA. The Issuer's affiliates and delegates may act as "data processors" for the purposes of the DPA.

Who this Affects

If a holder of the notes is a natural person, this will affect such holder directly. If a holder of the notes is a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides the Issuer with Investor Data on individuals connected to such holder for any reason in relation to such holder's investment with the Issuer, this will be relevant for those individuals and such holder should transmit the content of this Privacy Notice to such individuals or otherwise advise them of its content.

How the Issuer May Use Personal Data of a Holder of the Notes

The Issuer may collect, store and use Investor Data for lawful purposes, including, in particular: (i) where this is necessary for the performance of the rights and obligations under the notes and any subscription agreements or purchase agreements and other documents relating to the notes; (ii) where this is necessary for compliance with a legal and regulatory obligation to which CKHH is subject (such as compliance with anti-money laundering and FATCA/CRS requirements); and/or (iii) where this is necessary for the purposes of the legitimate interests of CKHH and such interests are not overridden by the holder's interests, fundamental rights or freedoms. Should the Issuer wish to use Investor Data for other specific purposes (which requires consent of the holder of the notes with respect to such specific purposes), the Issuer will contact the applicable holder of the notes.

Why the Issuer May Transfer Personal Data of a Holder of the Notes

In certain circumstances, the Issuer and/or its authorized affiliates or delegates may be legally obliged to share Investor Data and other information with respect to a holder's interest in the Issuer with the relevant regulatory authorities such as the Cayman Islands Monetary Authority or the Tax Information Authority. They, in turn, may exchange this information with foreign authorities, including tax authorities.

The Issuer anticipates Investor Data will be disclosed by the Issuer or the holders of the notes to others who provide services to the Issuer, CKHH or their respective affiliates (which may include certain entities located outside the Cayman Islands or the European Economic Area), who will process a holder's personal data on the Issuer's behalf.

The Data Protection Measures the Issuer Takes

The Issuer and/or its duly authorized affiliates and/or delegates shall apply appropriate technical and organizational information security measures designed to protect against unauthorized or unlawful processing of Investor Data, and against accidental loss or destruction of, or damage to, Investor Data. The Issuer shall notify a holder of the notes of any Investor Data breach that is reasonably likely to result in a risk to the interests, fundamental rights or freedoms of either such holder or those data subjects to whom the relevant Investor Data relates.

CAPITALIZATION OF CKHH

The following table sets forth the consolidated capitalization of CKHH as of June 30, 2025 as adjusted to give effect to the offering of the notes. The table has been prepared on a basis consistent with the material accounting policies of CKHH. A summary of material accounting policies of CKHH is set out in note 44(a) to CKHH's unaudited reviewed condensed consolidated financial statements as of and for the six months ended June 30, 2025, which are included elsewhere in this offering memorandum and should be read in conjunction with such unaudited reviewed condensed consolidated financial statements.

	Unaudited As of June 30, 2025		
	Actual	As adjusted	As adjusted
	(in million)	(in million)	(in million)
Short-term bank and other debts[1] (including current portion of long-term debt)	HK$19,100	HK$19,100	US$2,449
Long-term bank and other debts[1] (net of current portion)	HK$237,390	HK$237,390	US$30,434
Interest bearing loans from non-controlling shareholders	HK$3,932	HK$3,932	US$504
Notes offered hereby[2]	–	HK$3,900	US$500
Total ordinary shareholders' funds[3]	HK$554,790	HK$554,790	US$71,127
Non-controlling interests	HK$121,075	HK$121,075	US$15,523
Total capitalization	HK$917,187	HK$921,087	US$118,088
Total short-term bank and other debts[1] and capitalization	HK$936,287	HK$940,187	US$120,537

(1) Short-term bank and other debts and long-term bank and other debts represent the respective current and non-current portion of bank and other debts. Bank and other debts comprise the principal amount and the unamortized fair value adjustments arising from acquisitions in respect of the bank and other debts, and are stated before the unamortized loan facilities fees and premiums or discounts related to debts.

(2) Translated based on an exchange rate of US$1.00 = HK$7.80.

(3) Total ordinary shareholders' funds comprise share capital, share premium and reserves as of June 30, 2025. The number stated above is before deducting the proposed 2025 interim dividend of HK$2,719 million.

As of June 30, 2025, the share capital comprised 3,830,044,500 issued and fully paid ordinary shares.

Except for the adjustments included in the table above, there has been no material change in the total capitalization of CKHH since June 30, 2025.

SELECTED FINANCIAL INFORMATION

(A) Consolidated Income Statement, Statement of Financial Position and Statement of Cash Flows of CKHH

The tables in this section A below show certain selected historical consolidated financial information of CKHH.

The information as of and for the year ended December 31, 2022 is derived from CKHH's audited consolidated financial statements for the year ended December 31, 2022 prepared in accordance with HKFRS Accounting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The information as of and for the years ended December 31, 2023 and 2024 is derived from CKHH's unaudited reviewed condensed consolidated financial statements for the six months ended June 30, 2025 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board (the "IASB"), and has been adjusted for the adoption of IFRS Accounting Standards ("IFRS") issued by the IASB as described below.

The information as of and for the six months ended June 30, 2024 and 2025 is derived from CKHH's unaudited reviewed condensed consolidated financial statements for the six months ended June 30, 2025. The information as of and for the six months ended June 30, 2024 has been adjusted for the adoption of IFRS as described below.

This selected information should be read in conjunction with the consolidated financial statements and the accompanying notes, from which it has been derived.

PricewaterhouseCoopers ("PwC"), Certified Public Accountants, Hong Kong, served as CKHH's auditor. Their unqualified audit reports on the audited consolidated financial statements for the years ended December 31, 2022, 2023, and 2024, dated March 16, 2023, March 21, 2024, and March 20, 2025, respectively, and their unqualified review reports on the unaudited reviewed condensed consolidated financial statements for the six months ended June 30, 2024 and 2025, dated August 15, 2024 and August 14, 2025, respectively, are included elsewhere in this offering memorandum.

Effective January 1, 2025, CKHH has adopted IFRS issued by the IASB as its financial reporting framework, with a date of transition to IFRS of January 1, 2023.

To reflect this change, certain previously issued consolidated financial information for periods following January 1, 2023, originally prepared in accordance with HKFRS (for annual financial information and statements as of and for the years ended December 31, 2023 and 2024) or Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the HKICPA (for six months interim financial information and statements as of and for the six months ended June 30, 2024), has been adjusted and re-presented in accordance with IFRS or IAS 34. These adjustments and the effects of the transition are presented in the notes to CKHH's unaudited reviewed condensed consolidated financial statements as of and for the six months ended June 30, 2025.

As the transition date of January 1, 2023, establishes the starting point for IFRS reporting, consolidated financial information for periods prior to this date, including the financial statements as of and for the year ended December 31, 2022, has not been adjusted and re-presented for IFRS and remains as originally reported under HKFRS. Notwithstanding this, no material differences are expected had the consolidated financial statements as of and for the year ended December 31, 2022 been adjusted to comply with IFRS, given the selected transition date, the convergence between HKFRS and IFRS, and the consistency of CKHH's accounting policies between the two frameworks.

IFRS and HKFRS differ in certain respects from generally accepted accounting principles ("GAAP") in other countries, including U.S. GAAP. These differences might be material to the financial information presented in this offering memorandum, and no attempt has been made to quantify the impact of those differences. In particular, no reconciliation of CKHH's consolidated financial statements and information to U.S. GAAP or any other local GAAP has been

attempted, and such a reconciliation could have a material impact on the financial information contained in this offering memorandum. Potential investors should consult their own professional advisors for an understanding of the differences between IFRS, HKFRS, U.S. GAAP, and other relevant accounting frameworks, and how those differences might affect the financial information presented in this offering memorandum and their analysis.

Amounts in CKHH's consolidated financial statements are stated in Hong Kong dollars (HK$). The translation of Hong Kong dollar amounts into U.S. dollars (US$) at the rate of HK$7.80 to US$1.00 is included solely for convenience. No representation is made that Hong Kong dollars have been, could have been, or could be converted into U.S. dollars at this or any other rate.

Consolidated Income Statement

	Note 1	Note 2					
		Year Ended December 31,			Six Months Ended June 30,		
	2022	2023	2024	2024	2024	2025	2025
	HK$ million (other than per share amounts)	HK$ million (other than per share amounts)	HK$ million (other than per share amounts)	US$ million (other than per share amounts)	HK$ million (other than per share amounts)	HK$ million (other than per share amounts)	US$ million (other than per share amounts)
Revenue	262,497	275,575	281,351	36,071	136,451	139,130	17,837
Cost of inventories sold	(101,724)	(105,739)	(106,194)	(13,615)	(50,823)	(53,622)	(6,875)
Staff costs	(37,170)	(39,226)	(41,591)	(5,332)	(20,539)	(21,727)	(2,786)
Expensed customer acquisition and retention costs	(14,527)	(15,188)	(15,433)	(1,979)	(7,471)	(6,128)	(786)
Depreciation and amortization	(39,788)	(40,083)	(40,460)	(5,187)	(19,826)	(19,862)	(2,546)
Other expenses and losses	(55,727)	(47,845)	(52,895)	(6,781)	(24,351)	(34,443)	(4,416)
Other income and gains	28,180	2,159	524	67	466	887	114
Share of profits less losses of:							
Associated companies	11,822	8,138	6,903	885	3,908	4,726	606
Joint ventures	7,422	7,990	9,757	1,251	4,633	5,121	657
Profit before the following:	60,985	45,781	41,962	5,380	22,448	14,082	1,805
Interest expenses and other finance costs	(9,052)	(12,227)	(13,392)	(1,717)	(6,630)	(6,321)	(810)
Profit before tax	51,933	33,554	28,570	3,663	15,818	7,761	995
Current tax charge	(5,435)	(4,119)	(4,189)	(537)	(2,063)	(1,944)	(249)
Deferred tax credit (charge)	(2,839)	1,116	(528)	(68)	(198)	(1,362)	(175)
Profit after tax	43,659	30,551	23,853	3,058	13,557	4,455	571
Profit attributable to non-controlling interests and holders of perpetual capital securities	(6,979)	(6,712)	(6,765)	(867)	(3,352)	(3,603)	(462)
Profit attributable to ordinary shareholders	36,680	23,839	17,088	2,191	10,205	852	109
Earnings per share for profit attributable to ordinary shareholders	HK$9.57	HK$6.22	HK$4.46	US$0.57	HK$2.66	HK$0.22	US 2.9 cents

1) The information is derived from CKHH's audited consolidated financial statements for the year ended December 31, 2022 which were prepared in accordance with HKFRS.

2) The information is derived from CKHH's unaudited reviewed condensed consolidated financial statements for the six months ended June 30, 2025 which were prepared in accordance with IAS 34. The information as of and for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 has been adjusted for the adoption of IFRS as described in the notes to the aforementioned financial statements. Amounts in CKHH's consolidated financial statements are stated in Hong Kong dollars (HK$). The translation of Hong Kong dollar amounts into U.S. dollars (US$) at the rate of HK$7.80 to US$1.00 is included solely for convenience.

Consolidated Statement of Financial Position

	Note 1	Note 2					
		As of December 31,			As of June 30,		
	2022	2023	2024	2024	2024	2025	2025
	HK$ million	HK$ million	HK$ million	US$ million	HK$ million	HK$ million	US$ million
Non-current assets							
Fixed assets	112,650	119,826	111,777	14,330	112,848	96,399	12,359
Right-of-use assets	59,337	61,198	57,589	7,383	58,342	60,547	7,763
Telecommunications licenses	60,689	64,264	63,869	8,188	62,630	48,930	6,273
Brand names and other rights	83,694	83,396	79,241	10,159	81,105	77,712	9,963
Goodwill	268,008	271,136	267,325	34,272	268,714	273,906	35,116
Associated companies	140,711	143,638	139,855	17,931	142,625	185,129	23,735
Interests in joint ventures	148,561	156,337	154,208	19,770	156,318	168,380	21,587
Deferred tax assets	18.509	21,074	18,140	2,326	20,520	7,390	948
Liquid funds and other listed investments	16,103	15,786	8,142	1,044	11,477	7,655	981
Other non-current assets	15,900	19,862	20,203	2,591	20,269	12,803	1,641
	924,162	956,517	920,349	117,994	934,848	938,851	120,366
Current assets							
Cash and cash equivalents	138,085	127,323	121,303	15,552	131,599	129,613	16,617
Inventories	23,283	24,473	24,923	3,195	25,162	27,228	3,491
Trade receivables and other current assets	56,811	50,590	45,967	5,893	46,878	41,894	5,371
	218,179	202,386	192,193	24,640	203,639	198,735	25,479
Assets classified as held for sale	6,096	–	–	–	–	–	–
	224,275	202,386	192,193	24,640	203,639	198,735	25,479
Current liabilities							
Bank and other debts	70,130	58,324	30,956	3,969	69,327	19,061	2,444
Interest bearing loan from a non-controlling shareholder	–	–	1,874	240	2,007	–	–
Current tax liabilities	4,001	4,166	3,368	432	3,703	1,632	209
Lease liabilities	12,128	13,616	12,142	1,557	12,415	14,036	1,799
Trade payables and other current liabilities	89,129	86,419	82,645	10,595	79,345	82,861	10,624
	175,388	162,525	130,985	16,793	166,797	117,590	15,076
Liabilities directly associated with assets classified as held for sale	1,127	–	–	–	–	–	–
	176,515	162,525	130,985	16,793	166,797	117,590	15,076
Net current assets	47,760	39,861	61,208	7,847	36,842	81,145	10,403
Total assets less current liabilities	971,922	996,378	981,557	125,841	971,690	1,019,996	130,769
Non-current liabilities							
Bank and other debts	214,196	213,598	225,436	28,902	208,690	235,894	30,243
Interest bearing loans from non-controlling shareholders	2,567	3,245	1,597	205	1,134	3,932	504
Lease liabilities	53,931	54,307	52,377	6,715	51,691	54,131	6,940
Deferred tax liabilities	19,290	19,572	17,974	2,304	19,578	17,293	2,217
Pension obligations	2,730	3,536	3,197	410	3,088	3,289	421
Other non-current liabilities	31,899	31,571	28,384	3,639	30,549	29,592	3,794
	324,613	325,829	328,965	42,175	314,730	344,131	44,119
Net assets	647,309	670,549	652,592	83,666	656,960	675,865	86,650

	Note 1	Note 2					
		As of December 31,			As of June 30,		
	2022	2023	2024	2024	2024	2025	2025
	HK$ million	HK$ million	HK$ million	US$ million	HK$ million	HK$ million	US$ million
Capital and reserves							
Share capital	3,830	3,830	3,830	491	3,830	3,830	491
Share premium	242,972	242,972	242,972	31,150	242,972	242,972	31,150
Reserves	276,711	297,233	287,913	36,912	292,639	307,988	39,486
Total ordinary shareholders' funds	523,513	544,035	534,715	68,553	539,441	554,790	71,127
Perpetual capital securities	4,561	4,566	–	–	–	–	–
Non-controlling interests	119,235	121,948	117,877	15,113	117,519	121,075	15,523
Total equity	647,309	670,549	652,592	83,666	656,960	675,865	86,650

1) The information is derived from CKHH's audited consolidated financial statements for the year ended December 31, 2022 which were prepared in accordance with HKFRS.

2) The information is derived from CKHH's unaudited reviewed condensed consolidated financial statements for the six months ended June 30, 2025 which were prepared in accordance with IAS 34. The information as of and for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 has been adjusted for the adoption of IFRS as described in the notes to the aforementioned financial statements. Amounts in CKHH's consolidated financial statements are stated in Hong Kong dollars (HK$). The translation of Hong Kong dollar amounts into U.S. dollars (US$) at the rate of HK$7.80 to US$1.00 is included solely for convenience.

Consolidated Statement of Cash Flows

	Note 1	Note 2					
		Year Ended December 31,			Six Months Ended June 30,		
	2022	2023	2024	2024	2024	2025	2025
	HK$ million	HK$ million	HK$ million	US$ million	HK$ million	HK$ million	US$ million
Operating activities							
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	73,897	75,416	75,130	9,632	37,035	36,918	4,733
Interest expenses and other finance costs paid (net of capitalization)	(9,051)	(12,083)	(13,267)	(1,701)	(6,567)	(6,252)	(802)
Tax paid	(3,552)	(3,931)	(4,652)	(596)	(2,274)	(2,792)	(358)
Funds from operations (before principal elements of lease payments)	61,294	59,402	57,211	7,335	28,194	27,874	3,573
Changes in working capital	(4,580)	(7,965)	(2,983)	(382)	(5,229)	3,087	396
Net cash from operating activities	56,714	51,437	54,228	6,953	22,965	30,961	3,969
Investing activities							
Purchase of fixed assets	(23,885)	(21,670)	(20,365)	(2,611)	(8,817)	(7,719)	(990)
Additions to telecommunications licenses	(160)	(1,956)	(72)	(9)	(60)	–	–
Additions to brand names and other rights	(1,807)	(1,675)	(1,913)	(245)	(751)	(869)	(111)
Purchase of subsidiary companies, net of cash acquired	–	(55)	(4,114)	(527)	(10)	–	–
Additions to unlisted investments	(564)	(74)	(44)	(6)	(22)	(59)	(8)
Repayments of loans from associated companies and joint ventures	374	2,829	1,242	159	350	317	41
Purchase of and advances to associated companies and joint ventures	(3,464)	(819)	(2,470)	(317)	(1,604)	(492)	(63)
Proceeds from disposal of fixed assets	335	168	146	19	115	21	3
Proceeds from disposal of subsidiary companies, net of cash disposed	17,096	2,563	333	43	333	14,902	1,910
Proceeds from disposal of financial instruments	–	2,451	–	–	–	–	–
Proceeds from partial disposal / disposal of associated companies and joint ventures	5,226	734	179	23	179	926	119
Proceeds from disposal of other unlisted investments	2,336	74	266	34	262	14	2
Cash flows from (used in) investing activities before additions to / disposal of liquid funds and other listed investments	(4,513)	(17,430)	(26,812)	(3,437)	(10,025)	7,041	903
Disposal of liquid funds and other listed investments	157	2,088	7,172	919	3,297	926	119
Additions to liquid funds and other listed investments	–	(73)	(262)	(34)	(75)	(88)	(12)
Cash flows from (used in) investing activities	(4,356)	(15,415)	(19,902)	(2,552)	(6,803)	7,879	1,010
Net cash inflow before financing activities	52,358	36,022	34,326	4,401	16,162	38,840	4,979

	Note 1	Note 2					
		Year Ended December 31,			Six Months Ended June 30,		
	2022	2023	2024	2024	2024	2025	2025
	HK$ million	HK$ million	HK$ million	US$ million	HK$ million	HK$ million	US$ million
Financing activities							
New borrowings	37,147	58,211	54,594	7,000	32,341	25,832	3,312
Repayment of borrowings	(68,063)	(75,361)	(60,201)	(7,718)	(19,817)	(39,516)	(5,066)
Principal elements of lease payments	(14,307)	(14,476)	(14,103)	(1,808)	(7,370)	(7,956)	(1,020)
Net loans from (to) non-controlling shareholders	2,118	527	466	60	(21)	(8)	(1)
Issue of equity securities by subsidiary companies to non-controlling shareholders	85	–	624	80	27	56	7
Payments to acquire additional interests in subsidiary companies	(904)	–	–	–	–	(223)	(29)
Proceeds from partial disposal of subsidiary companies	–	61	–	–	–	–	–
Redemption of perpetual capital securities	(7,800)	–	(4,180)	(536)	(4,180)	–	–
Payments for buy-back and cancellation of issued shares	(197)	–	–	–	–	–	–
Dividends paid to ordinary shareholders	(10,353)	(10,885)	(9,433)	(1,210)	(6,798)	(5,799)	(743)
Dividends paid to non-controlling interests	(4,816)	(4,694)	(7,951)	(1,019)	(5,906)	(2,916)	(374)
Distributions paid on perpetual capital securities	(316)	(167)	(162)	(21)	(162)	–	–
Cash flows used in financing activities	(67,406)	(46,784)	(40,346)	(5,172)	(11,886)	(30,530)	(3,914)
Increase (decrease) in cash and cash equivalents	(15,048)	(10,762)	(6,020)	(771)	4,276	8,310	1,065
Cash and cash equivalents at January 1	153,133	138,085	127,323	16,323	127,323	121,303	15,552
Cash and cash equivalents at December 31 / June 30	138,085	127,323	121,303	15,552	131,599	129,613	16,617

1) The information is derived from CKHH's audited consolidated financial statements for the year ended December 31, 2022 which were prepared in accordance with HKFRS.

2) The information is derived from CKHH's unaudited reviewed condensed consolidated financial statements for the six months ended June 30, 2025 which were prepared in accordance with IAS 34. The information as of and for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 has been adjusted for the adoption of IFRS as described in the notes to the aforementioned financial statements. Amounts in CKHH's consolidated financial statements are stated in Hong Kong dollars (HK$). The translation of Hong Kong dollar amounts into U.S. dollars (US$) at the rate of HK$7.80 to US$1.00 is included solely for convenience.

(B) Financial Performance Summary

CKHH's consolidated financial statements are prepared and presented in accordance with IFRS / HKFRS as set forth in (A) of this section. CKHH has adopted IFRS 16 / HKFRS 16 "Leases" accounting standard ("IFRS 16" / "HKFRS 16"), which relates to accounting for leases, for its statutory reporting but its management reporting has remained on the precedent lease accounting standard International Accounting Standard 17 / Hong Kong Accounting Standard 17 "Leases" ("IAS 17" / "HKAS 17"). CKHH believes that the IAS 17 / HKAS 17 basis metrics ("Pre-IFRS 16 basis" / "Pre-HKFRS 16 basis"), which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 / HKFRS 16 basis ("Post-IFRS 16 basis" / "Post-HKFRS 16 basis"), better reflect management's view of CKHH's underlying operational performance. Pre-IFRS 16 basis / Pre-HKFRS 16 basis metrics financial information is regularly reviewed by CKHH's most senior executive management. As a result, CKHH has provided an alternative presentation of CKHH's EBITDA, EBIT, interest expenses and other finance costs, tax, non-controlling interests and perpetual capital securities holders' interests and profit attributable to ordinary shareholders prepared under the Pre-HKFRS 16 basis relating to the accounting for leases for the year ended December 31, 2022, and under the Pre-IFRS 16 basis relating to the accounting for leases for each of the years ended December 31, 2023 and 2024, and for each of the six months ended June 30, 2024 and 2025.

The table in this section sets out the financial performance information of CKHH

(1) prepared under Pre-HKFRS 16 basis relating to the accounting for leases for the year ended December 31, 2022 and under the Pre-IFRS 16 basis relating to the accounting for leases for each of the years ended December 31, 2023 and 2024, and for each of the six months ended June 30, 2024 and 2025; and

(2) prepared under Post-HKFRS 16 basis relating to the accounting for leases for the year ended December 31, 2022 and under the Post-IFRS 16 basis relating to the accounting for leases for each of the years ended December 31, 2023 and 2024, and for each of the six months ended June 30, 2024 and 2025.

The selected financial performance information

- for the year ended December 31, 2022 has been extracted from CKHH's Financial Performance Summary for the year ended December 31, 2022, except to the extent of incorporating the changes adopted by CKHH in 2024 in reporting Hutchison Asia Telecommunications results under Finance & Investments and Others segment as described in footnote (1) to the table "Finance Performance Summary";

- for each of the years ended December 31, 2023 and 2024 has been extracted from CKHH's Financial Performance Summary for the year ended December 31, 2024, except to the extent of incorporating the impact on the transition to IFRS as described in footnote (5) to the table "Finance Performance Summary"; and

- for each of the six months ended June 30, 2024 and 2025 has been extracted from CKHH's Financial Performance Summary for the six months ended June 30, 2025.

The selected financial performance information set out in this section should be read in conjunction with the aforementioned financial performance summaries of CKHH, including the notes thereto, and other financial information that is included elsewhere in this offering memorandum.

Amounts in CKHH's Financial Performance Summary are stated in Hong Kong dollars. The translation of Hong Kong dollar amounts into U.S. dollars is for convenience only and has been made at the rate of HK$7.80 to US$1.00. No representation is made that Hong Kong dollars have been, could have been, or could be converted into U.S. dollars at the rate indicated or at any other rate.

Financial Performance Summary:

	Pre-HKFRS 16	Pre-IFRS 16					
		Year Ended December 31[1],			Six Months Ended June 30,		
	2022	2023	2024	2024	2024	2025	2025
	HK$ million	HK$ million	HK$ million	US$ million	HK$ million	HK$ million	US$ million
Revenue							
Ports and Related Services	44,141	40,851	45,282	5,805	21,594	23,597	3,025
Retail	169,645	183,344	190,193	24,384	91,469	98,840	12,672
Infrastructure	54,441	54,714	55,324	7,093	27,098	28,627	3,670
CK Hutchison Group Telecom	83,289	86,814	88,371	11,330	42,934	45,012	5,771
Finance & Investments and Others	105,713	95,835	97,512	12,501	49,549	44,587	5,716
Total Revenue	457,229	461,558	476,682	61,113	232,644	240,663	30,854
EBITDA							
Ports and Related Services[5]	15,805	13,643	16,172	2,073	7,938	8,719	1,118
Retail	14,309	16,226	16,395	2,102	7,089	7,974	1,022
Infrastructure	28,815	29,201	29,614	3,797	14,679	15,565	1,996
CK Hutchison Group Telecom[5]	32,192	22,670	24,129	3,093	11,732	1,800	231
Finance & Investments and Others	27,889	23,484	16,290	2,089	10,763	10,940	1,402
Total EBITDA[5]	119,010	105,224	102,600	13,154	52,201	44,998	5,769
– Underlying	106,207	105,224	106,340	13,634	52,201	55,920	7,169
– One-off items[2][3][4]	12,803	–	(3,740)	(480)	–	(10,922)	(1,400)
EBIT							
Ports and Related Services[5]	11,426	9,343	11,873	1,522	5,785	6,508	834
Retail	11,048	12,888	13,018	1,669	5,433	6,180	792
Infrastructure	18,833	19,562	19,180	2,459	9,726	10,161	1,303
CK Hutchison Group Telecom[5]	12,803	2,594	3,485	447	1,822	(8,842)	(1,133)
Finance & Investments and Others	18,754	14,525	6,875	881	6,077	6,480	831
Total EBIT[5]	72,864	58,912	54,431	6,978	28,843	20,487	2,627
– Underlying	60,061	58,912	58,171	7,458	28,843	31,409	4,027
– One-off items[2][3][4]	12,803	–	(3,740)	(480)	–	(10,922)	(1,400)
Interest expenses and other finance costs	(14,860)	(20,147)	(19,655)	(2,520)	(9,828)	(9,624)	(1,234)
Profit before tax[5]	58,004	38,765	34,776	4,458	19,015	10,863	1,393
Tax							
Current tax	(9,421)	(7,705)	(8,793)	(1,127)	(4,351)	(4,494)	(576)
Deferred tax	(6,670)	(795)	(2,193)	(281)	(1,160)	(2,330)	(299)
Profit after tax[5]	41,913	30,265	23,790	3,050	13,504	4,039	518
Non-controlling interests and perpetual capital securities holders' interests[5]	(7,044)	(6,681)	(6,760)	(867)	(3,312)	(3,599)	(462)
Profit attributable to ordinary shareholders[5]	34,869	23,584	17,030	2,183	10,192	440	56
– Underlying	25,140	23,584	20,770	2,663	10,192	11,362	1,456
– One-off items[2][3][4]	9,729	–	(3,740)	(480)	–	(10,922)	(1,400)

	Post-HKFRS 16	Post-IFRS 16					
		Year Ended December 31[1],			Six Months Ended June 30,		
	2022	2023	2024	2024	2024	2025	2025
	HK$ million	HK$ million	HK$ million	US$ million	HK$ million	HK$ million	US$ million
Revenue							
Ports and Related Services	44,141	40,851	45,282	5,805	21,594	23,597	3,025
Retail	169,645	183,344	190,193	24,384	91,469	98,840	12,672
Infrastructure	54,441	54,714	55,324	7,093	27,098	28,627	3,670
CK Hutchison Group Telecom	83,289	86,814	88,371	11,330	42,934	45,012	5,771
Finance & Investments and Others	105,713	95,835	97,512	12,501	49,549	44,587	5,716
Total Revenue	457,229	461,558	476,682	61,113	232,644	240,663	30,854
EBITDA							
Ports and Related Services[5]	19,007	16,428	18,848	2,416	9,319	10,132	1,299
Retail	23,359	25,507	25,594	3,281	11,760	12,771	1,637
Infrastructure	29,109	29,526	29,953	3,840	14,847	15,734	2,017
CK Hutchison Group Telecom[5]	39,002	29,410	31,257	4,007	15,134	5,903	757
Finance & Investments and Others	31,655	26,780	19,456	2,495	12,362	12,443	1,596
Total EBITDA[5]	142,132	127,651	125,108	16,039	63,422	56,983	7,306
– Underlying	128,119	127,651	128,848	16,519	63,422	67,452	8,648
– One-off items[2][3][4]	14,013	–	(3,740)	(480)	–	(10,469)	(1,342)
EBIT							
Ports and Related Services[5]	13,024	10,596	13,123	1,682	6,472	7,161	918
Retail	11,831	13,849	14,099	1,808	6,023	6,805	872
Infrastructure	18,872	19,616	19,231	2,466	9,754	10,193	1,307
CK Hutchison Group Telecom[5]	14,216	3,520	4,490	575	2,169	(7,962)	(1,021)
Finance & Investments and Others	20,318	15,531	7,815	1,002	6,537	6,964	893
Total EBIT[5]	78,261	63,112	58,758	7,533	30,955	23,161	2,969
– Underlying	64,248	63,112	62,498	8,013	30,955	33,630	4,311
– One-off items[2][3][4]	14,013	–	(3,740)	(480)	–	(10,469)	(1,342)
Interest expenses and other finance costs	(18,398)	(24,200)	(24,050)	(3,083)	(11,933)	(12,042)	(1,544)
Profit before tax[5]	59,863	38,912	34,708	4,450	19,022	11,119	1,425
Tax							
Current tax	(9,418)	(7,701)	(8,783)	(1,126)	(4,351)	(4,494)	(576)
Deferred tax	(6,762)	(690)	(2,141)	(275)	(1,134)	(2,211)	(284)
Profit after tax[5]	43,683	30,521	23,784	3,049	13,537	4,414	565
Non-controlling interests and perpetual capital securities holders' interests[5]	(7,003)	(6,682)	(6,696)	(858)	(3,332)	(3,562)	(456)
Profit attributable to ordinary shareholders[5]	36,680	23,839	17,088	2,191	10,205	852	109
– Underlying	25,741	23,839	20,828	2,671	10,205	11,321	1,451
– One-off items[2][3][4]	10,939	–	(3,740)	(480)	–	(10,469)	(1,342)

1) The Hutchison Asia Telecommunications results are reported under Finance & Investments and Others segment from January 1, 2024 and the comparative results have been reclassified to the Finance & Investments and Others segment to conform with these changes in presentation to enable a better comparison of performance.

2) Under Pre-IFRS 16 basis, the one-off item for the six months ended June 30, 2025 of HK$10,922 million include HK$9,915 million of non-cash disposal loss arising from the **3** UK merger and other transaction related impact of HK$1,007 million.

   Under Post-IFRS 16 basis, the one-off item for the six months ended June 30, 2025 of HK$10,469 million include HK$9,462 million of non-cash disposal loss arising from the **3** UK merger and other transaction related impact of HK$1,007 million.

3) Under Pre-IFRS 16 and Post-IFRS 16 basis, the one-off item for the year ended December 31, 2024 comprise non-cash impairment and other provisions on CKHH's telecommunication business in Vietnam of HK$3,740 million.

4) Under Pre-HKFRS 16 basis, the one-off items for the year ended December 31, 2022 comprise HK$18,957 million gain (before tax) from the disposal of UK tower assets (disposal gain after tax: HK$15,823 million) and Indonesian telecommunication business merger gain (HK$6,100 million), partly offset by non-cash impairments of CKHH's telecommunication businesses in Italy (HK$11,039 million) and Sri Lanka (HK$962 million), as well as HK$253 million non-cash impairment charges (before tax) of Cenovus Energy (impairment charges after tax: HK$193 million).

   Under Post-HKFRS 16 basis, the one-off items for the year ended December 31, 2022 comprise HK$19,060 million gain (before tax) from the disposal of UK tower assets (disposal gain after tax: HK$15,926 million) and Indonesian telecommunication business merger gain (HK$7,245 million), partly offset by non-cash impairments of CKHH's telecommunication businesses in Italy (HK$11,039 million) and Sri Lanka (HK$1,000 million), as well as HK$253 million non-cash impairment charges (before tax) of Cenovus Energy (impairment charges after tax: HK$193 million).

5) Historically, CKHH prepared its consolidated financial statements in accordance with HKFRS issued by the HKICPA. Effective from January 1, 2025, CKHH has adopted IFRS as its financial reporting framework, with a transition date to IFRS on January 1, 2023. Certain previously issued consolidated financial information for periods following January 1, 2023, originally prepared in accordance with HKFRS (for annual financial information and statements as of and for the years ended December 31, 2023 and 2024) or Hong Kong Accounting Standards 34 "Interim Financial Reporting" issued by the HKICPA (for the six months interim financial information and statements as of and for the six months ended June 30, 2024) has been adjusted and re-presented in accordance with IFRS or IAS 34. These adjustments and the effects of the transition are presented in the notes to CKHH's unaudited reviewed condensed consolidated financial statements as of and for the six months ended June 30, 2025.

   As the transition date of January 1, 2023, establishes the starting point for IFRS reporting, consolidated financial information for periods prior to this date, including the financial statements as of and for the year ended December 31, 2022, has not been adjusted and re-presented for IFRS and remains as originally reported under HKFRS. Accordingly, the consolidated financial information for each of the years ended December 31, 2023 and 2024, and for the six months ended June 30, 2024 are re-presented under IFRS.

	Under previous GAAP (Pre-HKFRS 16)	Remeasurements and reclassifications[(a)]	Under Pre-IFRS 16
	2023		2023
	HK$ million	HK$ million	HK$ million
Total EBITDA	104,880	344	105,224
Total EBIT	58,568	344	58,912
Profit before tax	38,421	344	38,765
Profit after tax	29,921	344	30,265
Non-controlling interests and perpetual capital securities holders' interests	(6,678)	(3)	(6,681)
Profit attributable to ordinary shareholders	23,243	341	23,584

Note a: Upon transitioning to IFRS, CKHH's total EBITDA, total EBIT, profit before tax and profit after tax for the year ended December 31, 2023, increased by HK$344 million which are arising from the adjustments to the recycled cumulative currency translation differences upon disposals of CKHH's foreign operations, in which (i) HK$15 million from the disposal of entire 50% interest in Huizhou Quanwan Port Development in Ports division and (ii) HK$329 million from the disposal of 50% interest in Zefiro Net S.r.l which then became a 50% owned joint venture for rural area network rollout in CKGHT division. Consequently, the profit attributable to non-controlling interests and perpetual capital securities holders' interests was higher by HK$3 million and profit attributable to ordinary shareholders was higher by HK$341 million. There was no impact on the financial performance for the year ended December 31, 2024 and for the six months ended June 30, 2024.

	Under previous GAAP (Post-HKFRS 16)	Remeasurements and reclassifications[(b)]	Under Post-IFRS 16
	2023		2023
	HK$ million	HK$ million	HK$ million
Total EBITDA	127,309	342	127,651
Total EBIT	62,770	342	63,112
Profit before tax	38,570	342	38,912
Profit after tax	30,179	342	30,521
Non-controlling interests and perpetual capital securities holders' interests	(6,679)	(3)	(6,682)
Profit attributable to ordinary shareholders	23,500	339	23,839

Note b: Upon transitioning to IFRS, CKHH's total EBITDA, total EBIT, profit before tax and profit after tax for the year ended December 31, 2023, increased by HK$342 million which are arising from the adjustments to the recycled cumulative currency translation differences upon disposals of CKHH's foreign operations, in which (i) HK$13 million from the disposal of entire 50% interest in Huizhou Quanwan Port Development in Ports division and (ii) HK$329 million from the disposal of 50% interest in Zefiro Net S.r.l which then became a 50% owned joint venture for rural area network rollout in CKGHT division. Consequently, the profit attributable to non-controlling interests and perpetual capital securities holders' interests was higher by HK$3 million and profit attributable to ordinary shareholders was higher by HK$339 million. There was no impact on the financial performance for the year ended December 31, 2024 and for the six months ended June 30, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION OF CKHH

Overview

CKHH, an exempted company incorporated in the Cayman Islands on December 11, 2014 with limited liability under no. MC-294571 and registered in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), is the holding company of the CKHH group of companies. CKHH was incorporated as part of the reorganization and combination of Cheung Kong, Hutchison and their respective subsidiaries, associated companies and joint ventures to create CKHH, which, immediately after such reorganization and combination, then held the non-property related businesses of both groups, and CK Asset Holdings Limited (formerly known as Cheung Kong Property Holdings Limited), which, immediately after such reorganization and combination, then held the property and hotels businesses (the "Property Businesses") of both groups (the "Reorganization"). The Reorganization was completed on June 3, 2015. Further details of the Reorganization can be found in the section *"The Reorganization"* below.

CKHH is a Hong Kong-based multinational conglomerate whose shares are listed on the SEHK. As of June 30, 2025, CKHH operated four core business divisions in about 50 countries: Ports and Related Services; Retail; infrastructure and telecommunications as well as finance & investments and other operations. As of June 30, 2025, CKHH owns 17.1% in Cenovus Energy. Significant developments in CKHH's business since June 30, 2025 are summarized below under *"Business of CKHH – Recent Developments"*.

Based on the closing price of its shares on the SEHK on June 30, 2025, CKHH had a market capitalization of approximately HK$184,991 million (approximately US$23,717 million). CKHH, its listed subsidiary, CKI and its listed associated company, Power Assets Holdings Limited ("Power Assets"), are three of the 82 constituent stocks of the Hang Seng Index in Hong Kong.

CKHH's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. CKHH's principal place of business is 48th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

The Reorganization

On January 9, 2015, the boards of Cheung Kong and Hutchison put forward to their respective shareholders the proposals whereby:

(i) CKHH would become the holding company of the Cheung Kong group of companies by way of a scheme of arrangement;

(ii) an indirect wholly-owned subsidiary of Hutchison would purchase from the Li Ka-Shing Trust approximately 6.24% shareholding interest in Husky Energy, an associate of Hutchison listed on the Toronto Stock Exchange;

(iii) CKHH would become the holding company of the Hutchison group of companies by way of a scheme of arrangement (the "Hutchison Proposal"); and

(iv) immediately following completion of (iii) above, the Property Businesses of both groups would be transferred into CK Asset Holdings Limited and then distributed out of the CKHH Group by way of a distribution in specie.

The Reorganization was completed on June 3, 2015 and resulted in the non-Property Businesses and the Property Businesses of the Cheung Kong group of companies and the Hutchison group of companies being combined, and the combined non-Property Businesses and combined Property Businesses then being separated and held by two companies listed on the SEHK, namely CKHH and CK Asset Holdings Limited. The listing status of Hutchison on the SEHK was withdrawn on June 3, 2015.

Cheung Kong

Cheung Kong was incorporated in June 1971 and became a public listed company on the SEHK in November 1972. In 1979, Cheung Kong acquired a strategic stake of approximately 22.4% of the issued share capital of Hutchison. Immediately prior to the completion of the Reorganization, Cheung Kong's shareholding in Hutchison was approximately 49.97%. Prior to the Reorganization, Cheung Kong engaged principally in property development and investment in Hong Kong and in different regions of the world, including the Mainland, the UK and Singapore and developed high quality and large-scale properties for sale and investment in the residential, retail, office, hotel and industrial sectors.

Hutchison

Hutchison was initially established as the result of the merger between Hutchison International Limited and Hongkong and Whampoa Dock Company Limited. Hongkong and Whampoa Dock Company Limited, incorporated in 1866, was the first company to be registered in Hong Kong. Hutchison became a public listed company on the SEHK in 1978. Cheung Kong became a major shareholder of Hutchison in 1979 and Mr. Li Ka-shing, the Chairman of Cheung Kong, became the Chairman of Hutchison in 1981. Immediately prior to the completion of the Reorganization, Hutchison operated six core business divisions in over 50 countries: Ports and Related Services; property and hotels; retail; infrastructure; energy and telecommunications as well as finance & investments and other operations.

Spin-off Proposal

Under the Spin-off Proposal, immediately following completion of the Hutchison Proposal, the Property Businesses of Cheung Kong and Hutchison were transferred to CK Asset Holdings Limited, which, prior to the completion of the Spin-off Proposal, was wholly-owned by CKHH. All the CK Asset Holdings Limited shares were then distributed by CKHH by way of the distribution in specie to the CKHH shareholders at the distribution ratio of one CK Asset Holdings Limited share for every one CKHH share and CK Asset Holdings Limited was separately listed on the SEHK.

Presentation of financial information for the years ended December 31, 2022, 2023, and 2024

As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this offering memorandum interchangeably with HKFRS 16 and HKAS 17, respectively. CKHH believes that the IAS 17 basis metrics ("Pre-IFRS 16 basis"), which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 basis ("Post-IFRS 16 basis"), better reflect management's view of CKHH's underlying operational performance. Pre-IFRS 16 basis metrics financial information is regularly reviewed by CKHH's most senior executive management. As a result, CKHH has provided an alternative presentation of CKHH's financial results prepared under the Pre-HKFRS 16 basis relating to the accounting for leases for the year ended December 31, 2022, and under Pre-IFRS 16 basis relating to the accounting for leases for the years ended 2023 and 2024. Unless otherwise specified, the discussion of CKHH's operating results in this offering memorandum is on a Pre-IFRS 16 basis or Pre-HKFRS 16 basis as mentioned above. See also note 5(c) to CKHH's audited consolidated financial statements for the year ended December 31, 2024 for details on the effect of the adoption of IFRS 16.

Presentation of financial information for the six months ended June 30, 2024, and 2025

CKHH has also provided an alternative presentation of CKHH's financial results prepared under the Pre-IFRS 16 basis relating to the accounting for leases for the six months ended June 30, 2024 and 2025. Unless otherwise specified, the discussion of CKHH's operating results for the six months ended June 30, 2024 and 2025 is on a Pre-IFRS 16 basis as mentioned above. See also note 6(c) to CKHH's unaudited reviewed condensed consolidated financial statements for the six months ended June 30, 2025 for details on the effect of the adoption of IFRS 16.

Revenue

The following table shows the revenue including share of associates and joint ventures, by business divisions:

	Year Ended December 31[1],			Six Months Ended[1] June 30,	
	2022	2023	2024	2024	2025
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services[2]	44,141	40,851	45,282	21,594	23,597
Retail	169,645	183,344	190,193	91,469	98,840
Infrastructure[3]	54,441	54,714	55,324	27,098	28,627
CK Hutchison Group Telecom	83,289	86,814	88,371	42,934	45,012
Finance & Investments and Others	105,713	95,835	97,512	49,549	44,587
Total Revenue[2]	457,229	461,558	476,682	232,644	240,663

(1) The Hutchison Asia Telecommunications results are reported under Finance & Investments and Others segment from January 1, 2024 and the comparative results have been reclassified to the Finance & Investments and Others segment to conform with these changes in presentation to enable a better comparison of performance.

(2) Total revenue includes CKHH's proportionate share of associated companies and joint ventures' revenue, and was adjusted to exclude non-controlling interests' share of revenue of HPH Trust.

(3) Total revenue for the years ended December 31, 2022, 2023 and 2024, and the six months ended June 30, 2024 and 2025 included CKHH's share of revenue from its interests in the co-owned infrastructure investments with CKI.

EBITDA

Information concerning EBITDA has been included in CKHH's financial information and consolidated financial statements and is used by many industries and investors as one measure of gross cash flow generation. CKHH considers EBITDA to be an important performance measure which is used in CKHH's internal financial and management reporting to monitor business performance. EBITDA is not a measure of cash liquidity or financial performance under IFRS, HKFRS nor U.S. GAAP and the EBITDA measures used by CKHH may not be comparable to other similarly titled measures of other companies. EBITDA should not necessarily be construed as an alternative to cash flows or results of operations as determined in accordance with IFRS, HKFRS or U.S. GAAP.

The following table shows the EBITDA including share of associates and joint ventures, by business divisions:

	Year Ended December 31[1][2],			Six Months Ended June 30[1][2],	
	2022	2023	2024	2024	2025
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services[3][5]	15,805	13,643	16,172	7,938	8,719
Retail	14,309	16,226	16,395	7,089	7,974
Infrastructure[4]	28,815	29,201	29,614	14,679	15,565
CK Hutchison Group Telecom[5]	32,192	22,670	24,129	11,732	1,800
Finance & Investments and Others	27,889	23,484	16,290	10,763	10,940
Total EBITDA[3][5]	119,010	105,224	102,600	52,201	44,998

(1) As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, IFRS 16 and the precedent lease accounting standard IAS 17 are referred to in this offering memorandum interchangeably with HKFRS 16 and HKAS 17, respectively. CKHH believes that the Pre-IFRS 16 basis, which are not intended to be a substitute for, or superior to, the reported metrics on a Post-IFRS 16 basis, better reflect management's view of CKHH's underlying operational performance. Pre-IFRS 16 basis metrics financial information is regularly reviewed by CKHH's most senior executive management. As a result, CKHH has provided an alternative presentation of CKHH's EBITDA

prepared under the Pre-HKFRS 16 basis relating to the accounting for leases for the year ended December 31, 2022, and under Pre-IFRS 16 basis relating to the accounting for leases for the years ended 2023 and 2024, and the six months ended June 30, 2024 and 2025. Unless otherwise specified, the discussion of CKHH's operating results in this offering memorandum is on a Pre-IFRS 16 basis as mentioned above.

Under Post-IFRS 16 basis, CKHH's EBITDA for the years ended December 31, 2022, 2023 and 2024, and the six months ended June 30, 2024 and 2025 were as follows:

	Post-IFRS 16				
	Year Ended December 31[2],			Six Months Ended June 30[2],	
	2022	2023	2024	2024	2025
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services[3][5]	19,007	16,428	18,848	9,319	10,132
Retail	23,359	25,507	25,594	11,760	12,771
Infrastructure[4]	29,109	29,526	29,953	14,847	15,734
CK Hutchison Group Telecom[5]	39,002	29,410	31,257	15,134	5,903
Finance & Investments and Others	31,655	26,780	19,456	12,362	12,443
Total EBITDA[3][5]	142,132	127,651	125,108	63,422	56,983

(2) The Hutchison Asia Telecommunications results are reported under Finance & Investments and Others segment from January 1, 2024 and the comparative results have been reclassified to the Finance & Investments and Others segment to conform with these changes in presentation to enable a better comparison of performance.

(3) Total EBITDA include CKHH's proportionate share of associated companies and joint ventures' EBITDA, and was adjusted to exclude non-controlling interests' share of EBITDA of HPH Trust.

(4) Total EBITDA for the years ended December 31, 2022, 2023 and 2024, and the six months ended June 30, 2024 and 2025 included CKHH's share of EBITDA from its interests in the co-owned infrastructure investments with CKI.

(5) Total EBITDA for the year ended December 31, 2023 were HK$344 million higher under Pre-IFRS 16 basis and HK$342 million higher under Post-IFRS 16 basis following the adoption of IFRS 1. For details of the impact refer to the footnote (5) to the table in "Financial Performance Summary".

EBIT

The following table shows the EBIT including share of associates and joint ventures, by business divisions:

	Year Ended December 31[1][2],			Six Months Ended June 30[1][2],	
	2022	2023	2024	2024	2025
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services[3][5]	11,426	9,343	11,873	5,785	6,508
Retail	11,048	12,888	13,018	5,433	6,180
Infrastructure[4]	18,833	19,562	19,180	9,726	10,161
CK Hutchison Group Telecom[5]	12,803	2,594	3,485	1,822	(8,842)
Finance & Investments and Others	18,754	14,525	6,875	6,077	6,480
Total EBIT[3][5]	72,864	58,912	54,431	28,843	20,487

(1) As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, IFRS 16 and the precedent lease accounting standard IAS 17 are referred to in this offering memorandum interchangeably with HKFRS 16 and HKAS 17, respectively. CKHH believes that the Pre-IFRS 16 basis, which are not intended to be a substitute for, or superior to, the reported metrics on a Post-IFRS 16 basis, better reflect management's view of CKHH's underlying operational performance. Pre-IFRS 16 basis metrics financial information is regularly reviewed by CKHH's most senior executive management. As a result, CKHH has provided an alternative presentation of CKHH's EBIT prepared under the Pre-HKFRS 16 basis relating to the accounting for leases for the year ended December 31, 2022, and under Pre-IFRS 16 basis relating to the accounting for leases for the years ended 2023 and 2024, and the six months ended June 30, 2024 and 2025. Unless otherwise specified, the discussion of CKHH's operating results in this offering memorandum is on a Pre-IFRS 16 basis as mentioned above.

Under Post-IFRS 16 basis, CKHH's EBIT for the years ended December 31, 2022, 2023 and 2024, and the six months ended June 30, 2024 and 2025 were as follows:

	Post-IFRS 16				
	Year Ended December 31[2],			Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services[3][5]	13,024	10,596	13,123	6,472	7,161
Retail	11,831	13,849	14,099	6,023	6,805
Infrastructure[4]	18,872	19,616	19,231	9,754	10,193
CK Hutchison Group Telecom[5]	14,216	3,520	4,490	2,169	(7,962)
Finance & Investments and Others	20,318	15,531	7,815	6,537	6,964
Total EBIT[3][5]	78,261	63,112	58,758	30,955	23,161

(2) The Hutchison Asia Telecommunications results are reported under Finance & Investments and Others segment from January 1, 2024 and the comparative results have been reclassified to the Finance & Investments and Others segment to conform with these changes in presentation to enable a better comparison of performance.

(3) Total EBIT include CKHH's proportionate share of associated companies and joint ventures' EBIT, and was adjusted to exclude non-controlling interests' share of EBIT of HPH Trust.

(4) Total EBIT for the years ended December 31, 2022, 2023 and 2024, and the six months ended June 30, 2024 and 2025 included CKHH's share of EBIT from its interests in the co-owned infrastructure investments with CKI.

(5) Total EBIT for the year ended December 31, 2023 were HK$344 million higher under Pre-IFRS 16 basis and HK$342 million higher under Post-IFRS 16 basis following the adoption of IFRS 1. For details of the impact refer to the footnote (5) to the table in "Financial Performance Summary".

Ratios and Other Information:

Under Pre-IFRS 16 basis, CKHH's EBITDA and EBIT for the six months ended June 30, 2025 covered total interest expenses and other finance costs, including share of associates and joint ventures, by 4.7 times[6] (June 30, 2024: 5.3 times[6]) and 2.1 times[7] (June 30, 2024: 2.9 times[7]), respectively.

Under Pre-IFRS 16 basis, CKHH's EBITDA for the years ended December 31, 2024, 2023 and 2022 covered total interest expenses and other finance costs[8], including share of associates and joint ventures, by 5.2 times, 5.2 times and 8.0 times, respectively, and CKHH's EBIT for 2024, 2023 and 2022 covered total interest expenses and other finance costs[9], including share of associates and joint ventures, by 2.8 times, 2.9 times and 4.9 times, respectively.

(6) Under Post-IFRS 16 basis, CKHH's EBITDA for six months ended June 30, 2025 and 2024 covered total interest expenses and other finance costs, including share of associates and joint ventures, by 4.7 times and 5.3 times, respectively.

(7) Under Post-IFRS 16 basis, CKHH's EBIT for six months ended June 30, 2025 and 2024 covered total interest expenses and other finance costs, including share of associates and joint ventures, by 1.9 times and 2.6 times, respectively.

(8) Under Post-IFRS 16 basis, CKHH's EBITDA for 2024, 2023 and 2022 covered total interest expenses and other finance costs, including share of associates and joint ventures, by 5.2 times, 5.3 times and 7.7 times, respectively.

(9) Under Post-IFRS 16 basis, CKHH's EBIT for 2024, 2023 and 2022 covered total interest expenses and other finance costs, including share of associates and joint ventures, by 2.4 times, 2.6 times and 4.3 times, respectively.

Significant judgements, estimates and assumptions

In applying CKHH's accounting policies, the directors are required to make judgements that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements and assumptions are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstance. Although our current estimates contemplate current and, as applicable, expected future conditions, it is reasonably possible that actual achievements, results, performance or other future events or conditions could differ from those on which the estimates are based. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Significant judgements in applying CKHH's accounting policies

The following are the significant judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying CKHH's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

(i) Basis of consolidation and classification of investee entities

The determination if CKHH has control, joint control or significant influence over another entity will require exercise of judgement under certain circumstances. CKHH controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. CKHH also considers, in particular, whether it obtains benefits, including non-financial benefits, from its power to control the entity. As such, the classification of the entity as a subsidiary, a joint venture, a joint operation, an associated company or a cost investment might require the application of judgement through the analysis of various indicators, such as the practical ability to direct the relevant activities of the investee, the participation in policy-making processes of the investee, the representation on the board of directors or equivalent governing body of the investee, the percentage of ownership interest held in the investee, and various other factors including, if relevant, the existence of agreement with other shareholders, applicable statutes and regulations and their requirements.

(ii) Allocation of revenue for bundled telecommunications transactions with customers

CKHH has bundled transactions under contract with customers including sales of both services and hardware (for example handsets). Revenue is allocated to the respective element in an amount that reflects the consideration to which CKHH expects to be entitled in exchange for the services and device. Device revenue is recognized at the inception of the contract upon delivery to the customer and services revenue is recognized throughout the contract period as the services are provided. Significant judgement is required in assessing fair values of both of these elements by considering inter alia, standalone selling price, the consideration to which CKHH expects to be entitled in exchange for transferring the services and hardware to the customer, and other relevant observable market data. Changes in the allocation may cause the revenue recognized for sales of services and hardware to change individually but not the total bundled revenue from a specific customer throughout its contract term. CKHH periodically re-assesses the allocation of the elements as a result of changes in market conditions.

(iii) Determination of lease term

Lease term is the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. CKHH has lease contracts that include extension and termination options. CKHH applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. In determining the lease term, CKHH considers all facts and circumstances

that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not to extend), CKHH is typically reasonably certain to extend (or not to terminate).
- If any leasehold improvements are expected to have a significant remaining value, CKHH is typically reasonably certain to extend (or not to terminate).
- Otherwise, CKHH considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or CKHH becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(iv) Business combinations

CKHH applies the provisions of IFRS 3 to transactions and other events that meet the definition of a business combination within the scope of IFRS 3. When CKHH completes a business combination, the identifiable assets acquired and the liabilities assumed, including intangible assets, contingent liabilities and commitments, are recognized at their fair value. Judgement is required to determine the fair values of the assets acquired, the liabilities assumed, the date of acquisition, and the purchase consideration, and on the allocation of the purchase consideration to the identifiable assets and liabilities. If the purchase consideration exceeds the fair value of the net assets acquired then the incremental amount paid is recognized as goodwill. If the purchase price consideration is lower than the fair value of the net assets acquired then the difference is recorded as a gain in the consolidated income statement. Allocation of the purchase consideration between finite lived assets and indefinite lived assets such as goodwill affects the subsequent results of CKHH as finite lived intangible assets are amortized, whereas indefinite lived intangible assets, including goodwill, are not amortized.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. CKHH based its estimates and assumptions on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of CKHH. Revisions to accounting estimates and assumptions are recognized prospectively and could impact fair value and carrying amounts of assets and liabilities, amount and timing of results of operations and cash flows in future periods.

(i) Impairment of goodwill and long-lived assets

Goodwill and intangible assets that have an indefinite useful life (including telecommunication licenses and brand names) are not subject to amortization and are tested for impairment annually and when there is an indication that the asset may be impaired. Other assets are reviewed for impairment to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other

assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In assessing whether these assets have suffered any impairment, the carrying value of the asset or its respective business unit, including the goodwill, is compared with its recoverable amount, which is the higher of the fair value less costs of disposal and value-in-use. Fair value is derived, when available and appropriate, by making reference to performance metrics (such as revenue, EBITDA, earnings) and valuation multiples (such as Enterprise value / EBITDA, Enterprise value / Sales, Price / Earnings) of completed transactions of comparable businesses or comparable public companies, or by making reference to traded prices and with consideration for possible premiums, or is measured using discounted cash flow projections (Level 3 of the IFRS 13 fair value hierarchy). The selection of comparable companies requires management judgement and is based on a number of factors, including comparable companies' location, sizes, growth rates, industries, and development stages.

In determining the value-in-use of the investment, discounted cash flow models will be used to estimate the present value of the estimated future cash flows expected to be generated from the operations and from the ultimate disposal of the investment. The cash flows used in the financial projections (discounted cash flow models) are based on the latest approved financial budgets for the next five years. CKHH prepared the financial budgets reflecting current and prior year performance and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of estimates and assumptions involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Significant estimates and assumptions inherent in the discounted cash flow models include the amount and timing of future cash flows attributable to the respective business unit. Other key estimates and assumptions, where applicable, include the respective business unit's projected revenue, costs, gross margin, inventory level, working capital and capital investments, as well as the discount rate and long term growth rate applied, and the estimated terminal value assumptions.

It is reasonably possible that the judgements, estimates and assumptions described above could change in future periods. Further, unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions. Changes to the judgements, estimates and assumptions can significantly affect the carrying amount of the asset in future periods.

(ii) Impairment assessment on investment accounted for using equity method

Investments accounted for using equity method are subject to impairment testing requirements. The requirements to test for impairment are applied to the net investment in the equity-accounted investee. Fair value adjustments and goodwill recognized on acquisitions of equity-accounted investees are not recognized separately. Goodwill recognized on acquisitions of an equity-accounted investee is not subject to annual impairment test. Instead, after applying equity accounting method, the net investment is tested for impairment when there is an indication of possible impairment. The guidance in IAS 28 "Investments in Associates and Joint Ventures" is used to determine whether it is necessary to perform an impairment test for investments in equity-accounted investees. If there is an indication of impairment, then the impairment test applied follows the principles in IAS 36 "Impairment of Assets".

In assessing whether these assets have suffered any impairment, the net investment is compared with its recoverable amount, which is the higher of the fair value less costs of disposal and value-in-use. Fair value is derived, when available and appropriate, by making reference to performance metrics (such as revenue, EBITDA, earnings) and valuation multiples (such as Enterprise value / EBITDA, Enterprise value / Sales, Price / Earnings) of completed transactions of comparable businesses or comparable public companies, or by making reference to traded prices and with consideration for possible premiums, or, where financial projections are available, is measured using discounted cash flow projections (Level 3 of the IFRS 13 fair value hierarchy). The selection of comparable companies requires management judgement and is based on a number of factors, including comparable companies' location, sizes, growth rates, industries, and development stages.

In determining the value-in-use of the investment in an equity-accounted investee, discounted cash flow models will be used to estimate (i) CKHH's share of the present value of the estimated future cash flows expected to be generated by the associated company or joint venture, including the cash flows from the operations of the associated company or joint venture and from the ultimate disposal of the investment; or (ii) the present value of the estimated future cash flows to CKHH expected to arise from dividends to be received from the investment and from its ultimate disposal.

Significant estimates and assumptions inherent in the discounted cash flow models include the amount and timing of future cash flows attributable to the estimated future cash flows expected to be generated by the associated company or joint venture, including the cash flows from the operations of the associated company or joint venture, the present value of the estimated future cash flows to CKHH expected to arise from dividends to be received from the investment and the ultimate disposal of the investment. Other key estimates and assumptions, where applicable, include estimates of the investee's projected revenue, costs, gross margin, inventory level, working capital and capital investments, as well as the discount rate and long term growth rate applied, and, where applicable, dividend yield, and the estimated terminal value assumptions.

It is reasonably possible that the judgements, estimates and assumptions described above could change in future periods. Further, unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions. Changes to the judgements, estimates and assumptions can significantly affect the carrying amount of the investment in future periods.

(iii) Pension costs and estimation of defined benefit pension obligation

CKHH operates several defined benefit plans. Pension costs for defined benefit plans are assessed using the projected unit credit method in accordance with IAS 19, "Employee Benefits". Under this method, the cost of providing pensions is charged to the consolidated income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The liability or asset recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The present value of the defined benefit obligation is measured by discounting the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations. Remeasurements arising from defined benefit plans are recognized in other comprehensive income in the period in which they occur and reflected immediately in retained profit. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Management appoints actuaries to carry out full valuations of these pension plans to determine the pension obligations that are required to be disclosed and accounted for in the financial statements in accordance with the IFRS requirements.

The actuaries use assumptions and estimates in determining the fair value of the defined benefit plans and evaluate and update these assumptions on an annual basis. Judgement is required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

(iv) Provisions for commitments, onerous contracts and other guarantees

CKHH has entered into a number of procurement, supply and other contracts related to specific assets in the ordinary course of its business and provided guarantees in respect of bank and other borrowing facilities to associated companies and joint ventures. Where the unavoidable costs of meeting the obligations under these procurement and supply contracts exceed the associated, expected future net benefits, an onerous contract provision is recognized, or where the borrowing of associated companies and joint ventures are assessed

to be unable to repay the indebtedness that CKHH has guaranteed, a provision is recognized. The calculation of these provisions will involve the use of estimates and assumptions. These onerous provisions are calculated by taking the unavoidable costs that will be incurred under the contract and deducting any estimate revenues or predicted income to be derived from the assets, or by taking the unavoidable costs that will be incurred under the guarantee and deducting any estimated recoverable value from the investment in such associated companies and joint ventures.

(v) Provision for income tax and recognition of deferred tax asset

CKHH is subject to income taxes in numerous jurisdictions. Significant judgement and estimate are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. CKHH recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were previously recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognized to the extent it is probable that future taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilized, based on all available evidence. Recognition primarily involves judgement regarding the future financial performance of the particular legal entity or tax group. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realized, such as the existence of taxable temporary differences, group relief, tax planning strategies and the periods in which estimated tax losses can be utilized.

The ultimate realization of deferred tax assets recognized for certain of CKHH's businesses depends principally on these businesses maintaining profitability and generating sufficient taxable profits to utilize the underlying unused tax losses. It may be necessary for some or all of the deferred tax assets recognized to be reduced and charged to the consolidated income statement if there is a significant adverse change in the projected performance and resulting projected taxable profits of these businesses. Judgement is required to determine key assumptions adopted in the taxable profit and loss projections and changes to key assumptions used and estimates made can significantly affect these taxable profit and loss projections.

(vi) Estimation of useful life: Fixed assets

Depreciation of operating assets constitutes a substantial operating cost for CKHH. The cost of fixed assets is charged as depreciation expense over the estimated useful lives of the respective assets using the straight-line method. CKHH periodically reviews changes in technology and industry conditions, asset retirement activity and residual values to determine adjustments to estimated remaining useful lives and depreciation rates. Actual economic lives may differ from estimated useful lives. Periodic reviews could result in a change in depreciable lives and therefore depreciation expense in future periods.

(vii) Estimation of useful life: Telecommunications licenses, other licenses, brand names, trademarks and other rights

Telecommunications licenses, other licenses, brand names, trademarks and other rights with a finite useful life are carried at cost less accumulated amortization and are reviewed for impairment annually. Telecommunications licenses, other licenses, brand names, trademarks and other rights that are considered to have an indefinite useful life are not amortized and are tested for impairment annually and when there is an indication that they may be impaired. Certain brand names related to Retail and Telecommunications are considered to have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate net cash inflows.

Judgement is required to estimate the useful lives of the telecommunications licenses, other licenses, brand names, trademarks and other rights. The actual economic lives of these assets may differ from the current contracted or expected usage periods, which could impact the amount of amortization expense charged to the income statement. In addition, governments from time to time revise the terms of licenses to change, amongst other terms, the contracted or expected license period, which could also impact the amount of amortization expense charged to the consolidated income statement.

(viii) Estimation of the amortization period: Customer acquisition and retention costs

In accordance with IFRS 15, customer acquisition and retention costs, which comprise the net costs to acquire and retain customers, are expensed and recognized in the consolidated income statement in the period in which they are incurred, where (i) the costs are incurred; (ii) the costs are incremental of obtaining a contract and they are expected to be recovered; and (iii) the costs relate directly to the contract, generate resources used in satisfying the contract and are expected to be recovered, then they are capitalized and amortized over the customer contract period. Appropriate allowances are recognized if the carrying amounts of the capitalized costs exceed the remaining amount that CKHH expects to receive less any directly related costs that have not been recognized as expenses.

Judgement is required to determine the amount of the provision and the amortization period. The actual amount to be received from the customer and customer period may differ from the expected amount and the contract periods, which could impact the amount of expense charged to the consolidated income statement.

(ix) Estimation of fair value of CKHH's 49% interest in VodafoneThree at the time of its constitution

On May 31, 2025, CKHH completed the merger of its UK telecommunications operations, **3** UK, with Vodafone Group's corresponding UK operations to form the combined entity, VodafoneThree. As a result of the transaction, **3** UK and its subsidiaries ceased to be subsidiaries of CKHH and were de-consolidated from CKHH's financial statements. CKHH now holds a 49% interest in VodafoneThree, which is accounted for as an associated company under the equity method, while Vodafone has a 51% ownership stake.

This transaction has been accounted for as a disposal of CKHH's entire interest in **3** UK, coupled with the concurrent acquisition of a 49% stake in VodafoneThree. The fair value of CKHH's 49% interest in VodafoneThree was determined to be HK$40,766 million (US$5,226 million), derived from the average of five independent mid-point valuation analyses. The fair value assessment incorporated comparable companies analysis (using EBITDA after leases and adjusted free cash flow) and discounted cash flow ("DCF") analysis, based on the combined business's forward-looking financial plan, including projections for revenue, operating costs, capital expenditures, and terminal value. The five valuations yielded the following estimated fair values for the CKHH's 49% interest: HK$35.8 billion, HK$38.5 billion, HK$39.4 billion, HK$44.1 billion and HK$46.1 billion, with the final fair value reflecting the average of these outcomes.

The valuation process required significant judgement, particularly in selecting appropriate peer companies for benchmarking, considering factors such as market position, growth profile, and geographic focus, and determining key assumptions in the DCF model, including discount rates, long-term growth rates, and cash flow projections.

Given the inherent uncertainties in these estimates, alternative judgements or assumptions could result in a materially different fair value, which would impact the gain or loss recognised on the disposal of **3** UK.

(c) Climate-related matters

CKHH considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on CKHH due to both physical and transition risks. Even though CKHH believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in

estimates and assumptions underpinning the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, CKHH is closely monitoring relevant changes and developments, such as new climate-related legislation.

Six months ended June 30, 2025 compared to six months ended June 30, 2024

As per the above tables, the Revenue, EBITDA and EBIT in this section include share of associates and joint ventures, adjusted to exclude non-controlling interests' share of HPH Trust operations in both periods and are prepared under Pre-IFRS 16 basis relating to the accounting for leases for the six months ended June 30, 2025. Unless otherwise specified, the discussion of the CKHH's operating results below is on a Pre-IFRS 16 basis as mentioned above. See "– Presentation of financial information for the six months ended June 30, 2024 and 2025".

Overview

Total revenue for the six months ended June 30, 2025 of HK$240,663 million (US$30,854 million) represented an increase of 3% from HK$232,644 million compared to the same period in 2024. In local currencies, total revenue for the six months ended June 30, 2025 increased 3% compared to the same period in 2024.

Excluding one-time non-cash loss arising from the UK merger and related impacts of HK$10,922 million (US$1,400 million), underlying EBITDA[(1)] of HK$55,920 million (US$7,169 million) and EBIT[(1)] of HK$31,409 million (US$4,027 million) increased 7% and 9%, respectively, in reported currency compared to the first half of last year. Excluding the favourable translation impact from the appreciation of major foreign currencies, EBITDA and EBIT increased 6% and 8% respectively against the same period in 2024 in local currencies, primarily from strong growth in the Ports division, improvements in the Retail division, higher contribution from the Infrastructure division and favourable performance from CK Hutchison Group Telecom including treasury operations, as well as CKHH's share of a gain on the partial disposal of a non-core asset by HUTCHMED. Growth was adversely impacted by a lower contribution from Cenovus Energy due to lower commodity prices and significant maintenance and turnaround activities during the half.

Total consolidated interest expenses and other finance costs[(2)] for the six months ended June 30, 2025, including its share of associated companies' and joint ventures' interest expenses, amortization of finance costs and after deducting interest capitalized on assets under development, amounted to HK$9,624 million (US$1,234 million), increased by 2% when compared to the same period in 2024.

Total current and deferred taxation[(3)] charges for the six months ended June 30, 2025 totaled HK$6,824 million (US$875 million), an increase of 24% primarily reflected the higher underlying profit before tax for the first half of 2025.

On a Post-IFRS 16 basis, reported profit attributable to ordinary shareholders, including the one-time non-cash UK merger loss and related impacts, for the first half of 2025 was HK$852 million (US$109 million), a 92% decrease compared to the same period in 2024. Reported profit attributable to ordinary shareholders on a Pre-IFRS 16 basis of HK$440 million (US$56 million) was a decrease of 96% in reported currency and 98% in local currencies when compared to the first half of 2024, reflecting the one-time non-cash loss and related impacts in connection with the UK merger.

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(1) Under Post-IFRS 16 basis, underlying EBITDA was HK$67,452 million (US$8,648 million) (June 30, 2024: HK$63,422 million); underlying EBIT was HK$33,630 million (US$4,311 million) (June 30, 2024: HK$30,955 million).

(2) Under Post-IFRS 16 basis, total consolidated interest expenses and other finance costs were HK$12,042 million (US$1,544 million) (June 30, 2024: HK$11,933 million).

(3) Under Post-IFRS 16 basis, total current and deferred taxation charges were HK$6,705 million (US$860 million) (June 30, 2024: HK$5,485 million).

Ports and Related Services

The Ports and Related Services division handled 44.0 million twenty-foot equivalent units ("TEU") through 295 operating berths in the six months ended June 30, 2025, a 4% growth compared to the same period in 2024. Overall throughput growth was primarily attributable to HPH Trust, with a 7% year-on-year increase driven by Yantian from growth in export to Europe and higher transhipment volume from new shipping alliances formed in early 2025, despite revenue only increased by 5% as it had a higher portion of transhipment cargoes which had a lower tariff in general, along with 5% volume growth in the Asia, Australia and Others segment, reflecting increased activities in Asia and Middle East due to supply chain reallocation and heightened consumer spending, as well as a 3% increased volume in the Mainland China and Other Hong Kong segment mainly contributed by Shanghai Ports. Throughput in European ports was flat compared to the same period last year, with local volume growth at Rotterdam being offset by reduced transhipment volume at Barcelona.

This division reported revenue of HK$23,597 million (US$3,025 million), an increase of 9% compared to the first half of 2024. This was primarily driven by 4% higher throughput mainly from Yantian Ports, Shanghai Ports, and terminals in Asia and Middle East, as well as a 27% surge in storage income contributed by Mexico and European ports and the favourable performance of a shipping line associated company. EBITDA[(4)] of HK$8,719 million (US$1,118 million) and EBIT[(4)] of HK$6,508 million (US$834 million), increased by 10% and 12% respectively in the first half of 2025, as a result of increased revenue from strong performance and efficient cost management.

Retail

The Retail division had 16,935 stores across 31 markets as of June 30, 2025, an increase of 2% compared to the same period last year, primarily driven by strategic expansion in high-performing markets.

The division's total revenue for the six months ended June 30, 2025 of HK$98,840 million (US$12,672 million) increased by 6% in local currencies basis, while EBITDA[(5)] and EBIT[(5)] of HK$7,974 million (US$1,022 million) and HK$6,180 million (US$792 million) increased by 8% and 9% respectively in local currencies against the same period in 2024 driven by robust growth in the Health and Beauty businesses in the UK, Poland and the Philippines. This was partly offset by adverse performance of Health and Beauty China which continue to suffer from weak consumer demand.

Infrastructure

Infrastructure division comprises a 75.67% interest in CKI, a subsidiary listed in Hong Kong[(6)] as well as interests in six co-owned infrastructure investments with CKI.

Total reported revenue of this division in the six months ended June 30, 2025 was HK$28,627 million (US$3,670 million), an increase of 6% compared to the same period in 2024, while EBITDA[(7)] of HK$15,565 million (US$1,996 million) and EBIT[(7)] of HK$10,161 million (US$1,303 million) increased by 6% and 4%, respectively, reflecting steady performance of the portfolio of infrastructure assets. In local currencies, total revenue and EBITDA were 6% higher, while EBIT increased by 4%, compared to the same period in 2024.

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(4) Under Post-IFRS 16 basis, EBITDA was HK$10,132 million (US$1,299 million) (June 30, 2024: HK$9,319 million); EBIT was HK$7,161 million (US$918 million) (June 30, 2024: HK$6,472 million).

(5) Under Post-IFRS 16 basis, EBITDA was HK$12,771 million (US$1,637 million) (June 30, 2024: HK$11,760 million); EBIT was HK$6,805 million (US$872 million) (June 30, 2024: HK$6,023 million).

(6) In August 2024, CKI completed the secondary listing on the London Stock Exchange.

(7) Under Post-IFRS 16 basis, EBITDA was HK$15,734 million (US$2,017 million) (June 30, 2024: HK$14,847 million); EBIT was HK$10,193 million (US$1,307 million) (June 30, 2024: HK$9,754 million).

CK Hutchison Group Telecom

Revenue of this division in the six months ended June 30, 2025 of HK$45,012 million (US$5,771 million) was 5% higher than the same period in 2024. EBITDA and EBIT included one-time non-cash loss on the UK merger and related impacts of HK$11,360 million[8], excluding which, underlying EBITDA[9] of HK$13,160 million (US$1,687 million) was 12% higher than the same period in 2024, primarily due to treasury gains of HK$0.7 billion from bond buybacks, and higher underlying EBITDA contribution from **3** Group Europe. Underlying EBIT[9] of HK$2,518 million (US$323 million) was 38% higher than the same period in 2024 due to EBITDA growth, partly offset by higher depreciation of **3** Group Europe following the UK merger completion.

3 *Group Europe*

3 Group Europe's revenue in the six months ended June 30, 2025 of HK$41,958 million (US$5,379 million) was 3% higher against the same period in 2024 in local currencies. Excluding one-time UK merger related impacts of HK$774 million, **3** Group Europe's underlying EBITDA[10] of HK$11,816 million (US$1,515 million) in the six months ended June 30, 2025 was 4% higher against the same period in 2024 in local currencies, primarily due to one-month accretive EBITDA contribution from VodafoneThree and margin growth of other operations, partly offset by increased network costs from network expansion. Underlying EBIT[10] of HK$1,737 million (US$223 million) was 1% lower against the same period in 2024 in local currencies as depreciation and amortization increased by 5% in local currencies due to enlarged network asset base and share of higher depreciation of VodafoneThree following merger completion in May 2025, which more than offset the underlying EBITDA growth.

Hutchison Telecommunications Hong Kong Holdings

Total revenue of HK$2,216 million (US$284 million) for the six months ended June 30, 2025 was 8% higher as compared to the same period in 2024, primarily due to increase in roaming service revenue driven by the persistent growth in international travel. EBITDA[11] of HK$646 million (US$83 million) for the six months ended June 30, 2025 was 4% higher as compared to the same period in 2024, primarily attributable to effective and disciplined cost management. EBIT[11] of HK$84 million (US$11 million) was 40% higher as compared to the first half of 2024 as a result of the aforesaid improvement in EBITDA with broadly stable depreciation and amortization expenses.

Finance & Investments and Others

For the six months ended June 30, 2025, Finance & Investments and Others reported revenue of HK$ 44,587 million (US$5,716 million) was 10% lower as compared to the same period in 2024. In the first half of 2025, EBITDA and EBIT in this segment included the transactional intercompany credit of HK$438 million. Excluding the one-off item, underlying EBITDA[12] and EBIT[12] of HK$10,502 million (US$1,346 million) and HK$ 6,042 million (US$775 million) respectively, representing a 2% and 1% decrease in reported currency respectively compared to the same period in 2024.

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(8) The HK$11,360 million (US$1,456 million) on a Pre-IFRS 16 basis one-time losses included HK$9,915 million (US$1,271 million) of non-cash disposal loss and HK$1,445 million (US$185 million) of transactional related expenses. Under Post-IFRS 16 basis, the one-time non-cash loss arising from the UK merger and related impacts totaled HK$10,907 million (US$1,398 million).

(9) Under Post-IFRS 16 basis, underlying EBITDA was HK$16,810 million (US$2,155 million) (June 30, 2024: HK$15,134 million); underlying EBIT was HK$2,945 million (US$378 million) (June 30, 2024: HK$2,169 million).

(10) Under Post-IFRS 16 basis, underlying EBITDA was HK$$15,253 million (US$1,956 million) (June 30, 2024: HK$14,238 million); underlying EBIT was HK$2,154 million (US$276 million) (June 30, 2024: HK$2,031 million).

(11) Under Post-IFRS 16 basis, EBITDA was HK$859 million (US$110 million) (June 30, 2024: HK$826 million); EBIT was HK$94 million (US$12 million) (June 30, 2024: HK$69 million).

(12) Under Post-IFRS 16 basis, EBITDA was HK$12,005 million (US$1,539 million) (June 30, 2024: HK$12,362 million); EBIT was HK$6,526 million (US$837 million) (June 30, 2024: HK$6,537 million).

CKHH's 17.1% share of Cenovus Energy's Post-IFRS 16 EBITDA, EBIT and net earnings were HK$4,716 million (US$605 million), HK$2,304 million (US$295 million) and HK$1,636 million (US$210 million) in the six months ended June 30, 2025, a decrease of 14%, 26% and 23% compared to the same period last year, respectively, mainly due to decline in commodity prices and major maintenance and turnaround activities, partly offset by higher downstream throughput during the period.

IOH, CKHH's telecommunications joint venture in Indonesia, reported 4% and 15% decrease in EBITDA and net profit in the six months ended June 30, 2025, respectively, mainly due to challenging business environment.

Year ended December 31, 2024 compared to year ended December 31, 2023

As per the above tables, the Revenue, EBITDA and EBIT in this section include share of associates and joint ventures, adjusted to exclude non-controlling interests' share of HPH Trust operations in both periods and are prepared under Pre-IFRS 16 basis relating to the accounting for leases for the year ended December 31, 2024. Unless otherwise specified, the discussion of the CKHH's operating results below is on a Pre-IFRS 16 basis as mentioned above. See "– Presentation of financial information for years ended December 31, 2022, 2023 and 2024".

Overview

Total revenue for 2024 of HK$476,682 million (US$61,113 million) represented an increase of 3% in reported currency and 4% in local currencies from HK$461,558 million in 2023, primarily due to good growth in the Ports division, improvements across all of the operations in CKHGT, as well as stable performance from the Retail and Infrastructure divisions, partly offset by lower contribution from Cenovus Energy[(1)].

EBITDA[(2)] of HK$102,600 million (US$13,154 million) and EBIT[(2)] of HK$54,431 million (US$6,978 million) for 2024 decreased 2%[(2)] and 8%[(2)], respectively, compared to 2023 in reported currency. EBITDA and EBIT in 2024 included one-time non-cash impairment and other provisions on its telecommunication business in Vietnam of HK$3,740 million (US$480 million) as the operating conditions continue to be under significant pressure. Excluding the above one-off impacts in 2024, CKHH's underlying EBITDA increased by 1%[(2)], in 2024, compared to 2023 in local currencies. Underlying EBIT decreased by 1%[(2)], compared to 2023 in local currencies, due to higher depreciation and amortization and higher share of depreciation of Cenovus Energy. On the whole, CKHH's underlying operating results were relatively stable.

Total consolidated interest expenses and other finance costs[(3)] for 2024, including share of associated companies' and joint ventures' interest expenses, amortization of finance costs and after deducting interest capitalized on assets under development amounted to HK$19,655 million (US$2,520 million), 2% lower compared to 2023, driven mainly by lower share of interest expenses of the associates and joint ventures, partly offset by the increased effective interest rate of consolidated debt.

Total current and deferred taxation[(4)] charges for 2024 totaled HK$10,986 million (US$1,408 million), an increase of 29% compared to 2023, primarily due to the higher underlying profit before tax and higher effective tax rate in 2024.

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(1) As of December 31, 2024, CKHH owns 17.4% in Cenovus Energy.

(2) Total EBITDA and total EBIT for the year ended December 31, 2023 were HK$344 million higher under Pre-IFRS 16 following the adoption of IFRS 1. For details of the impact refer to the footnote (5) to the table in "Financial Performance Summary". Accordingly, respective changes in % against comparatives were restated. Under Post-IFRS 16 basis, EBITDA was HK$125,108 million (US$16,039 million) (December 31, 2023: HK$127,651 million); EBIT was HK$58,758 million (US$7,533 million) (December 31, 2023: HK$63,112 million).

(3) Under Post-IFRS 16 basis, total consolidated interest expenses and other finance costs were HK$24,050 million (US$3,083 million) (December 31, 2023: HK$24,200 million).

(4) Under Post-IFRS 16 basis, total current and deferred taxation charges were HK$10,924 million (US$1,401 million) (December 31, 2023: HK$8,391 million).

On a Pre-IFRS 16 basis, underlying profit attributable to ordinary shareholders[5] for 2024 of HK$20,770 million (US$2,663 million) was a decrease of 12%[5] and 11%[5], respectively, in reported currency and local currencies compared to 2023. In 2024, on a Post-IFRS 16 basis and in reported currency, EBITDA, EBIT and profit attributable to ordinary shareholders decreased by 2%[5], 7%[5] and 28%[5], respectively, compared to 2023.

Ports and Related Services

The Ports and Related Services division handled throughput of 87.5 million twenty-foot equivalent units ("TEU") through 295 operating berths in 2024, an increase of 6% compared to 2023, primarily due to strong export activities in Yantian driven by solid consumer spending in the US and Europe, supply chain relocations benefiting ports in Asia and Latin America, as well as volume growth in European ports from mild recovery of consumer demand and service reshuffling by shipping lines.

In reported currency, total revenue of HK$45,282 million (US$5,805 million), EBITDA[6] of HK$16,172 million (US$2,073 million) and EBIT[6] of HK$11,873 million (US$1,522 million) increased by 11%, 19%[6] and 27%[6], respectively, compared to 2023 due to a 13% higher in storage income, along with strong throughput growth in Pakistan, as well as surge in cargo demand in Europe and HPH Trust, coupled with higher contribution from the associated company in the container shipping line business, partly offset by slightly lower performance in Mainland China and Hong Kong. In local currencies, total revenue, EBITDA and EBIT increased 12%, 19%[6] and 27%[6], respectively, compared to 2023.

Retail

The Retail division operated 12 retail brands with 16,820 stores across 30 markets as of December 31, 2024, a 2% increase in store portfolio compared to 2023, while its loyalty member base expanded by 7% to 170 million with 66% sales participation. The division's total revenue, EBITDA[7] and EBIT[7] of HK$190,193 million (US$24,384 million), HK$16,395 million (US$2,102 million) and HK$13,018 million (US$1,669 million) increased by 4%, 1% and 1%, respectively, in reported currency against 2023. In local currencies, total revenue, EBITDA and EBIT increased by 5%, 2% and 2%, respectively. The increases were primarily due to better overall results in ASEAN Asia regions and Europe from increase in store traffic, partly offset by weak performance in non-ASEAN Asia markets and Other Retail due to soft consumer sentiment and intense competition.

Infrastructure

Infrastructure division comprises 75.67% interest in CK Infrastructure Holdings Limited ("CKI"), a subsidiary listed in Hong Kong as well as interests in six co-owned infrastructure investments with CKI.

Total reported revenue, EBITDA[8] and EBIT[8] of this division in 2024 were HK$55,324 million (US$7,093 million), HK$29,614 million (US$3,797 million) and HK$19,180 million (US$2,459 million), respectively. Total revenue and EBITDA both increased by 1% compared to 2023, whereas EBIT decreased by 2%. The higher EBITDA reflected good operational performance across the global portfolio of infrastructure businesses, partly offset by lower

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(5) Profit attributable to ordinary shareholders for the year ended December 31, 2023 were HK$341 million higher under Pre-IFRS 16 following the adoption of IFRS 1. For details of the impact refer to the footnote (5) to the table in "Financial Performance Summary". Accordingly, respective changes in % against comparatives were restated. Under Post-IFRS 16 basis, profit attributable to ordinary shareholders was HK$17,088 million (US$2,191 million) (December 31, 2023: HK$23,839 million).

(6) Total EBITDA and total EBIT for the year ended December 31, 2023 were HK$15 million higher under Pre-IFRS 16 following the adoption of IFRS 1. For details of the impact refer to the footnote (5) to the table in "Financial Performance Summary". Accordingly, respective changes in % against comparatives were restated. Under Post-IFRS 16 basis, EBITDA was HK$18,848 million (US$2,416 million) (December 31, 2023: HK$16,428 million); EBIT was HK$13,123 million (US$1,682 million) (December 31, 2023: HK$10,596 million).

(7) Under Post-IFRS 16 basis, EBITDA was HK$25,594 million (US$3,281 million) (December 31, 2023: HK$25,507 million); EBIT was HK$14,099 million (US$1,808 million) (December 31, 2023: HK$13,849 million).

(8) Under Post-IFRS 16 basis, EBITDA was HK$29,953 million (US$3,840 million) (December 31, 2023: HK$29,526 million); EBIT was HK$19,231 million (US$2,466 million) (December 31, 2023: HK$19,616 million).

foreign exchange gain, with EBIT impacted by higher depreciation and amortization from increased asset base. In local currencies, total revenue and EBITDA were 1% higher in 2024 compared to 2023, whereas EBIT was 3% lower.

CK Hutchison Group Telecom

Revenue of this division was HK$88,371 million (US$11,330 million), 2% higher than 2023 due to higher revenue of **3** Group Europe. EBITDA[(9)] and EBIT[(9)] of HK$24,129 million (US$3,093 million) and HK$3,485 million (US$447 million), were 6%[(9)] and 34%[(9)] higher than 2023 respectively in reported currency, primarily due to better performance from **3** Group Europe operations.

***3** Group Europe*

3 Group Europe's revenue of HK$81,710 million (US$10,476 million) was 2% higher than 2023 in local currencies, primarily driven by moderate growth in net customer services revenue from the higher customer base and favorable revenue initiatives phased throughout the year, coupled with higher MVNO and other wholesale revenue. **3** Group Europe's EBITDA[(10)] and EBIT[(10)] increased by 8% and 48% respectively in local currencies to HK$23,122 million (US$2,964 million) and HK$3,603 million (US$462 million) in 2024, primarily due to improvement in overall total margin, coupled with stable operating expenses as various cost saving initiatives mostly offset higher network costs from expanded networks. Depreciation and amortization increased by 3% in local currencies due to enlarged network asset base across the footprint and a one-time accelerated depreciation from the swap out of certain network equipment in the Denmark operation, partly offset by the favorable variance from accelerated depreciation on the legacy IT system recognized by **3** UK in 2023 not recurring in 2024.

Hutchison Telecommunications Hong Kong Holdings

Total revenue of HK$4,782 million (US$613 million) was 2% lower compared to 2023, primarily due to lower hardware revenue and reduced local service revenue driven by the continued competitive landscape, partly offset by the increase in roaming service revenue from continuous growth in international travel. EBITDA[(11)] of HK$1,290 million (US$165 million) was 4% higher compared to 2023, mainly due to effective cost control measures. EBIT[(11)] of HK$168 million (US$22 million) was 45% higher than that of 2023 as a result of the aforesaid improvement in EBITDA and stabilized depreciation and amortization.

Finance & Investments and Others (including the results of Hutchison Asia Telecommunications)

In 2024, Finance & Investments and Others segment reported revenue of HK$97,512 million (US$12,501 million), a 2% increase in reported currency, primarily due to increased production volume in the energy business, as well as IOH's revenue growth as explained below, partly offset by the share of lower revenue of HUTCHMED from the recognition of Takeda upfront revenue.

EBITDA[(12)] and EBIT[(12)] were 31% and 53% lower, respectively, compared to 2023, included a one-time non-cash impairment and other provisions on the telecommunication business in Vietnam of HK$3,740 million (US$480 million). Excluding the one-off items,

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(9) Total EBITDA and total EBIT for the year ended December 31, 2023 were HK$329 million higher under Pre-IFRS 16 following the adoption of IFRS 1. For details of the impact refer to the footnote (5) to the table in "Financial Performance Summary". Accordingly, respective changes in % against comparatives were restated. Under Post-IFRS 16 basis, EBITDA was HK$31,257 million (US$4,007 million) (December 31, 2023: HK$29,410 million); EBIT was HK$4,490 million (US$575 million) (December 31, 2023: HK$3,520 million).

(10) Under Post-IFRS 16 basis, EBITDA was HK$29,824 million (US$3,824 million) (December 31, 2023: HK$27,675 million); EBIT was HK$4,590 million (US$588 million) (December 31, 2023: HK$3,312 million).

(11) Under Post-IFRS 16 basis, EBITDA was HK$1,716 million (US$220 million) (December 31, 2023: HK$1,656 million); EBIT was HK$186 million (US$24 million) (December 31, 2023: HK$130 million).

(12) Under Post-IFRS 16 basis, EBITDA was HK$19,456 million (US$2,495 million) (December 31, 2023: HK$26,780 million); EBIT was HK$7,815 million (US$1,002 million) (December 31, 2023: HK$15,531 million).

underlying EBITDA and EBIT decreased by 15% and 27%, respectively, from 2023, mainly due to certain gains on non-core asset disposals in 2023 not recurring in 2024 and share of lower contribution from the energy business mainly due to lower commodity prices.

IOH, which is included in the Finance & Investments and Others segment, reported robust revenue growth of 9%, driven by increased mobile data usage and strong growth in Information and Communication Technology (ICT) services revenue, resulting in CKHH's share of IOH's EBITDA increasing by 4% in reported currency. Excluding net gains from the disposal of tower assets and data center in 2023 not recurring in 2024, CKHH' s share of IOH's underlying EBITDA increased by 12% year-on-year, reflecting revenue growth and disciplined cost control.

Year ended December 31, 2023 compared to year ended December 31, 2022

As per the above tables, the Revenue, EBITDA and EBIT in this section include share of associates and joint ventures, adjusted to exclude non-controlling interests' share of HPH Trust operations in both periods and are prepared under Pre-IFRS 16 basis relating to the accounting for leases for the year ended December 31, 2023. Unless otherwise specified, the discussion of the CKHH's operating results below is on a Pre-IFRS 16 basis as mentioned above. See "– Presentation of financial information for years ended December 31, 2022, 2023 and 2024".

Overview

Total revenue for 2023 of HK$461,558 million represented an increase of 1% in reported currency and local currencies from HK$457,229 million in 2022, primarily due to favorable performance from the Retail division, partly offset by lower revenue from the Ports division as well as lower contribution from Cenovus Energy[(1)]. The Infrastructure division continued to perform steadily.

EBITDA[(2)] of HK$105,224 million and EBIT[(2)] of HK$58,912 million for 2023 decreased 12%[(2)] and 19%[(2)], respectively, compared to 2022 in reported currency. EBITDA and EBIT in 2022 included net gain of HK$12.8 billion from one-off items comprising HK$19.0 billion gain from disposal of CKHH's interest in the UK tower asset to Cellnex completed in November 2022 and a net gain of HK$6.1 billion from the completion of the merger of the Indonesian telecommunication business in the first half of 2022, but was partly offset by a non-cash impairment of goodwill on CKHH's telecommunication businesses in Italy and Sri Lanka totalling HK$12.0 billion. Excluding the above one-off impacts in 2022, CKHH's underlying EBITDA and EBIT decreased by 1%[(2)] and 2%[(2)], respectively, in 2023 compared to 2022 in local currencies. Overall, headwinds continued to affect the ports division as well as profit contribution from Cenovus Energy, the latter being significantly impacted by FIFO losses resulting from sharp declines in commodity prices in the fourth quarter, offsetting improving operating performance. The telecommunications division, although growing revenues, continued to be adversely impacted by cost price inflation. The Infrastructure division continued to perform steadily, and the Retail division overall achieved strong year-on-year growth despite continued weakness in consumer spending in Hong Kong and the Mainland.

Total consolidated interest expenses and other finance costs[(3)] for 2023, including share of associated companies' and joint ventures' interest expenses, amortization of finance costs and after deducting interest capitalized on assets under development amounted to HK$20,147 million, 36% higher compared to 2022, driven mainly by the higher effective interest rates.

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(1) As of December 31, 2023, CKHH owns 16.9% in Cenovus Energy.

(2) Total EBITDA and total EBIT for the year ended December 31, 2023 were HK$344 million higher under Pre-IFRS 16 following the adoption of IFRS 1. For details of the impact refer to the footnote (5) to the table in "Financial Performance Summary". Accordingly, respective changes in % against comparatives were restated. Under Post-IFRS 16 basis, EBITDA was HK$127,651 million (December 31, 2022: HK$142,132 million); EBIT was HK$63,112 million (December 31, 2022: HK$78,261 million).

(3) Under Post-IFRS 16 basis, total consolidated interest expenses and other finance costs were HK$24,200 million (December 31, 2022: HK$18,398 million).

Total current and deferred taxation[4] charges for 2023 totaled HK$8,500 million, a decrease of 47% compared to 2022, primarily due to the higher deferred tax charges from the disposal of tower assets in 2022 and lower profit before tax in 2023.

On a Pre-IFRS 16 basis, profit attributable to ordinary shareholders[5] for 2023 of HK$23,584 million was a decrease of 32%[5] in reported currency and local currencies compared to 2022. In 2023, on a Post-IFRS 16 basis and in reported currency, EBITDA, EBIT and profit attributable to ordinary shareholders decreased by 10%[5], 19%[5] and 35%[5], respectively, compared to 2022.

Ports and Related Services

The Ports and Related Services division handled throughput of 82.1 million twenty-foot equivalent units ("TEU") through 293 operating berths in 2023, a 3% drop compared to 2022, primarily attributable to reduced volume in HPH Trust due to diminished demand on Chinese exports particularly in the first half of 2023, together with the decline in European throughput volume owing to weakened consumer sentiment exacerbated by elevated global interest rates atmosphere, affecting major ports in Barcelona in Spain and Rotterdam in the Netherlands in 2023. The overall throughput in Asia, Australia and Others segment was relatively stable as reduction in throughput as a result of concession expiry in Tanzania since 2023 was mostly offset by throughput growth in South East Asia (Klang, Laemchabang, Jakarta), Pakistan and Middle East ports.

In reported currency, total revenue of HK$40,851 million, EBITDA[6] of HK$13,643 million and EBIT[6] of HK$9,343 million decreased by 7%, 14% and 18%, respectively, compared to 2022 due to a 24% drop in storage income as a result of gradual easing of supply chain disruptions and port congestion particularly in Europe and HPH Trust segment, and the adverse performance of a shipping line associated company which was heavily affected by the sharp decline of freight rates in 2023. In local currencies, total revenue, EBITDA and EBIT decreased 9%[6], 14%[6] and 18%[6], respectively, compared to 2022.

Retail

The Retail division operated 12 retail brands with 16,491 stores across 28 markets as of December 31, 2023, a 2% increase in store portfolio compared to 2022, while its loyalty member base expanded by 13% to 159 million with 64% sales participation. The division's total revenue, EBITDA[7] and EBIT[7] of HK$183,344 million, HK$16,226 million and HK$12,888 million increased by 8%, 13% and 17%, respectively, in reported currency against 2022. In local currencies, total revenue, EBITDA and EBIT increased by 8%, 11% and 14%, respectively. The increases were primarily due to favorable results in Europe and Asia, partly offset by weak performance in Hong Kong and the Mainland mainly due to stagnant store traffic and soft consumer sentiment.

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(4) Under Post-IFRS 16 basis, total current and deferred taxation charges were HK$8,391 million (December 31, 2022: HK$16,180 million).

(5) Profit attributable to ordinary shareholders for the year ended December 31, 2023 were HK$341 million higher under Pre-IFRS 16 following the adoption of IFRS 1. For details of the impact refer to the footnote (5) to the table in "Financial Performance Summary". Accordingly, respective changes in % against comparatives were restated. Under Post-IFRS 16 basis, profit attributable to ordinary shareholders was HK$23,839 million (December 31, 2022: HK$36,680 million).

(6) Total EBITDA and total EBIT for the year ended December 31, 2023 were HK$15 million higher under Pre-IFRS 16 following the adoption of IFRS 1. For details of the impact refer to the footnote (5) to the table in "Financial Performance Summary". Accordingly, respective changes in % against comparatives were restated. Under Post-IFRS 16 basis, EBITDA was HK$16,428 million (December 31, 2022: HK$19,007 million); EBIT was HK$10,596 million (December 31, 2022: HK$13,024 million).

(7) Under Post-IFRS 16 basis, EBITDA was HK$25,507 million (December 31, 2022: HK$23,359 million); EBIT was HK$13,849 million (December 31, 2022: HK$11,831 million).

Infrastructure

Infrastructure division comprises 75.67% interest in CK Infrastructure Holdings Limited ("CKI"), a subsidiary listed in Hong Kong as well as interests in six co-owned infrastructure investments with CKI.

Total reported revenue, EBITDA[8] and EBIT[8] of this division in 2023 were HK$54,714 million, HK$29,201 million and HK$19,562 million, respectively, an increase of 1%, 1% and 4%, respectively, compared to 2022, reflecting good operational performance across the global portfolio of infrastructure businesses, partly offset by the one-off gain from the partial disposal of Northumbrian Water in 2022. In local currencies, total revenue, EBITDA and EBIT were 2% and 3% and 5% higher, respectively, in 2023 compared to 2022.

CK Hutchison Group Telecom

Revenue of this division was HK$86,814 million, 4% higher than 2022 due to higher revenue of **3** Group Europe. EBITDA[9] and EBIT[9] of HK$22,670 million and HK$2,594 million, excluding the impact of one-time net gain[10] of HK$7,918 million recognized in 2022, were 7%[9] and 47%[9] lower than 2022 in reported currency, primarily due to lower contribution from **3** Group Europe. On a reported basis, EBITDA and EBIT were 30%[9] and 80%[9] lower than 2022 respectively in reported currency.

3 *Group Europe*

Although Italy's wholesale revenue continued to decline year-on-year by approximately HK$1.4 billion, **3** Group Europe's revenue of HK$80,231 million was 1% higher than 2022 in local currencies, primarily driven by the healthy growth in net customer services revenue from the higher customer base and favorable revenue initiatives phased throughout the year, coupled with higher roaming income from increased travelling by European customers. **3** Group Europe's 2023 results reflected the full year adverse impact from the tower disposal in the UK of around HK$1.0 billion. Together with increased operating expenses due to HK$1.2 billion higher energy cost and HK$0.9 billion other inflationary impacts, as well as higher network costs from the expanded networks, particularly in the UK, EBITDA[11] decreased by 12% against 2022 in local currencies to HK$21,348 million. **3** UK recognized £38 million accelerated depreciation on the legacy IT system in 2023 upon transitioning to an enhanced digital platform, excluding which, depreciation and amortization of **3** Group Europe was flat year-on-year in local currencies as the higher depreciation in the UK from continued 5G rollout was offset by the savings arising from tower assets disposal and lower depreciation in Italy following the transfer of certain network assets to a newly setup joint venture in January 2023 and lower 5G network investment. After taking into account this accelerated depreciation, EBIT[11] declined by 59% in local currencies to HK$2,400 million.

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(8) Under Post-IFRS 16 basis, EBITDA was HK$29,526 million (December 31, 2022: HK$29,109 million); EBIT was HK$19,616 million (December 31, 2022: HK$18,872 million).

(9) Total EBITDA and total EBIT for the year ended December 31, 2023 were HK$329 million higher under Pre-IFRS 16 following the adoption of IFRS 1. For details of the impact refer to the footnote (5) to the table in "Financial Performance Summary". Accordingly, respective changes in % against comparatives were restated. Under Post-IFRS 16 basis, EBITDA was HK$29,410 million (December 31, 2022: HK$39,002 million); EBIT was HK$3,520 million (December 31, 2022: HK$14,216 million).

(10) Comprising gain from the disposal of CKHH's interest in the UK tower assets to Cellnex of HK$18,957 million, partly offset by a non-cash impairment of goodwill on CKHH's telecommunication business in Italy of HK$11,039 million. Under Post-IFRS 16 basis, the net gain was HK$8,021 million.

(11) Under Post-IFRS 16 basis, EBITDA was HK$27,675 million (December 31, 2022: HK$30,144 million); EBIT was HK$3,312 million (December 31, 2022: HK$6,859 million).

Hutchison Telecommunications Hong Kong Holdings

Total revenue of HK$4,896 million was flat compared to 2022, primarily due to higher net customer service revenue driven by the recovery of roaming market, fully offset by decline in hardware sales arising from softened demand. EBITDA[(12)] of HK$1,243 million was 17% higher compared to 2022, mainly due to higher margin driven by substantial resurgence in revenue from roaming services and higher interest income from interest rate hikes, partly offset by higher network costs resulting from the network infrastructure expansion and related costs incurred in the deployment of 5G technology. Despite the impact of higher amortization costs from capitalized CACs and increased depreciation from the enlarged asset base resulting from network channel expansion, there was some improvement in EBIT, reversing LBIT of HK$30 million reported in 2022 to a positive EBIT[(12)] of HK$116 million in 2023.

Finance & Investments and Others (including the results of Hutchison Asia Telecommunications)

In 2023, Finance & Investments and Others segment reported revenue of HK$95,835 million, a 9% decrease in reported currency, primarily due to lower contribution from the energy business, reflecting the decline in commodity prices, as well as reduced production volume due to unplanned outages and delays in completing certain downstream facility turnarounds during the first half of 2023.

EBITDA[(13)] and EBIT[(13)] were 16% and 23% lower, respectively, compared to 2022, mainly due to net gain of HK$4.9 billion[(14)] from the completion of the merger of the Indonesian telecommunication business, partly offset by a non-cash impairment in CKHH's telecommunication business in Sri Lanka and CKHH's share of non-cash pre-tax impairment on the energy business' US refinery assets in 2022.

Excluding the one-off items, underlying EBITDA and EBIT grew 2% and 5%, respectively, from 2022, mainly due to certain gains on non-core asset disposals, higher interest income from money market deposits and higher contribution from HWCL, which more than offset CKHH's share of lower profit of the energy business and lower net gain arising from disposal of non-core assets in IOH.

IOH, which is included in the Finance & Investments and Others segment, demonstrated solid performance in 2023 and reported 10% increase in total revenue to IDR51,229 billion, driven by a strong data traffic growth. EBITDA under post-IFRS 16 basis of IDR23,938 billion (approximately US$1,568 million) increased by 23% year-on-year, through maintaining top line growth and continued cost optimization after the merger. Profit for the Period Attributable to Owners of the Parent under Post-IFRS 16 basis, was IDR4,506 billion (approximately US$295 million), decreased by 5% year-on-year. IOH reported an underlying net profit increased by 144% compared to last year, after normalization of one-off items mainly on disposal of non-core assets in both years.

Liquidity and Capital Resources

Treasury Management

CKHH's treasury function sets financial risk management policies in accordance with policies and procedures that are approved by the Executive Directors, and which are also subject to periodic review by CKHH's internal audit function. CKHH's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates on CKHH's overall financial position and to minimize CKHH's financial risks. CKHH's treasury function operates as a centralized service for managing financial risks, including interest rate and foreign exchange risks, and for providing cost-efficient funding to CKHH and its companies. It

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(12) Under Post-IFRS 16 basis, EBITDA was HK$1,656 million (December 31, 2022: HK$1,485 million); EBIT was HK$130 million (December 31, 2022: LBIT of HK$15 million).

(13) Under Post-IFRS 16 basis, EBITDA was HK$26,780 million (December 31, 2022: HK$31,655 million); EBIT was HK$15,531 million (December 31, 2022: HK$20,318 million).

(14) Under Post-IFRS 16 basis, the net gain was HK$6.0 billion. For further information, please see Notes 5(b)(xviii) and 5(b)(xix) to CKHH's Financial Statements for the year ended December 31, 2023 which are included elsewhere in this offering memorandum.

manages the majority of CKHH's funding needs, interest rate, foreign currency and credit risk exposures. It is CKHH's policy not to have credit rating triggers that would accelerate the maturity dates of CKHH's borrowings. CKHH uses interest rate and foreign currency swaps and forward contracts as appropriate for risk management purposes only, for hedging transactions and for managing CKHH's exposure to interest rate and foreign exchange rate fluctuations. CKHH generally does not enter into foreign currency hedges in respect of its foreign currency earnings and no derivative instruments to hedge CKHH's earnings were entered during the period or remain outstanding at the end of the period. It is CKHH's policy not to enter into derivative transactions for speculative purposes. It is also CKHH's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, that have significant underlying leverage or derivative exposure.

Cash Management and Funding

CKHH operates a central cash management system for all of its unlisted subsidiaries. Except for listed and certain overseas entities conducting businesses in non-HK or non-U.S. dollar currencies, CKHH generally obtains long-term financing at CKHH level to on-lend or contribute as equity to its subsidiaries and associated companies to meet their funding requirements and provide more cost-efficient financing. These borrowings include a range of capital market issues and bank borrowings, for which the proportions will change depending upon financial market conditions and projected interest rates. CKHH regularly and closely monitors its overall debt position and reviews its funding costs and maturity profile to facilitate refinancing.

Interest Rate Exposure

CKHH manages its interest rate exposure with a focus on reducing CKHH's overall cost of debt and exposure to changes in interest rates. When considered appropriate, CKHH uses derivatives such as interest rate swaps and cross-currency swaps to manage its interest rate exposure. CKHH's main interest rate exposure relates to U.S. dollar, Pound Sterling, Euro and HK dollar borrowings.

At June 30, 2025, approximately 37% of CKHH's total principal amount of bank and other debts were at floating rates and the remaining 63% were at fixed rates (December 31, 2024: 34% floating; 66% fixed). CKHH has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$6,294 million (US$807 million) principal amount of floating interest rate borrowings that were used to finance long term investments have been swapped to fixed interest rate borrowings. After taking into consideration these interest rate swaps, approximately 34% of CKHH's total principal amount of bank and other debts were at floating rates and the remaining 66% were at fixed rates at June 30, 2025 (December 31, 2024: 33% floating; 67% fixed). All of the aforementioned interest rate derivatives are designated as hedges and these hedges are considered highly effective. CKHH's weighted average cost of debt for the period ended June 30, 2025 is 3.4% (June 30, 2024: 3.6%).

Foreign Currency Exposure

For subsidiaries, associated companies, joint arrangements, branches and other investments (the activities of which are based or conducted in non-HK dollar or non-U.S. dollar), CKHH generally endeavors to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. For businesses (the activities of which are based or conducted in non-HK dollar or non-U.S. dollar) that are in the development phase, or where borrowings in local currency are not or are no longer attractive, CKHH may not borrow in the local currency or may repay existing borrowings and monitor the development of the businesses' cash flow and the relevant debt markets with a view to refinance these businesses with local currency borrowings in the future when conditions are more appropriate. Exposure to movements in exchange rates for individual transactions (such as major procurement contracts) directly related to its underlying businesses is minimized by using forward foreign exchange contracts and currency swaps where active markets for the relevant currencies exist. CKHH generally does not enter into foreign currency hedges in respect of its long-term equity investments in foreign operations, except in relation to certain infrastructure investments.

CKHH has operations in over 50 countries and conducts businesses in around 50 currencies. CKHH's functional currency for reporting purposes is Hong Kong Dollars and CKHH's reported results in Hong Kong Dollars are exposed to exchange translation on its foreign currency earnings, net debt and net assets, in particular for Euro and Pound Sterling. Reported EBITDA[(1)] for the first half of 2025 was HK$44,998 million (US$5,769 million) and underlying EBITDA (excluding one-time non-cash loss arising from the UK merger and related impacts)[(2)] was HK$55,920 million (US$7,169 million), of which 54% was derived from European operations, including 22% from the UK. At June 30, 2025, of CKHH's total principal amount of bank and other debts, 32% and 3% were denominated in Euro and Pound Sterling, respectively, whilst liquid assets comprised 26% Euro, and 11% Pound Sterling denominated cash and cash equivalents. As a result, 38% of CKHH's consolidated net debt[(3)] of HK$119,321 million (US$15,298 million) were denominated in Euro, with Pound Sterling in a net cash position. Net assets[(4)] was HK$688,894 million (US$88,320 million), with 27% and 20% attributable to Continental Europe and the UK operations respectively.

In terms of exposure to other foreign currencies, at June 30, 2025, CKHH's total principal amount of bank and other debts were denominated as follows: 32% in Euro, 44% in U.S. dollars, 12% in HK dollars, 3% in Pound Sterling and 9% in other currencies. CKHH does not have any currency swap arrangements with banks.

Credit Exposure

CKHH's holdings of cash, managed funds and other liquid investments, interest rate and foreign currency swaps and forward currency contracts with financial institutions expose CKHH to credit risk of counterparties. CKHH controls its credit risk to non-performance by its counterparties through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed.

CKHH is also exposed to counterparties credit risk from its operating activities, particularly in its ports businesses. Such risks are continuously monitored by the management of local operations.

Credit Profile

Our long term credit rating from Moody's and S&P remained at A2 (stable outlook), A (stable outlook) respectively. In March 2025, Fitch changed CKHH's A– rating from a stable outlook to rating watch positive. CKHH aims to maintain a capital structure that is appropriate for long-term investment grade ratings of A2 on the Moody's Investor Service scale, A on the S&P Rating Services scale and A– on the Fitch Ratings scale. Actual credit ratings may depart from these levels from time to time due to economic circumstances.

CK Hutchison Group Telecom, a wholly-owned subsidiary of CKHH, obtained long term credit rating from Moody's, S&P and Fitch at Baa1 (stable outlook), A– (stable outlook) and A– (rating watch positive) respectively. CK Hutchison Group Telecom will seek to maintain its ratings by applying the same financial disciplines as CKHH.

As at June 30, 2025, the consolidated net debt[(3)] of CKHH, excluding interest bearing loans from non-controlling shareholders which are viewed as quasi-equity, was HK$119,321 million (US$15,298 million) (December 31, 2024: HK$129,614 million), an 8% decrease compared to the net debt at the beginning of the year mainly due to net proceeds from the UK merger and net cash generated from operating activities, partly offset by dividend payments, capital expenditure and investment spending. CKHH's consolidated net debt to net total capital

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(1) Under Post-IFRS 16 basis, reported EBITDA was HK$56,983 million (US$7,306 million).

(2) The HK$10,922 million (US$1,400 million) on a Pre-IFRS 16 basis one-time losses included HK$9,915 million (US$1,271 million) of non-cash disposal loss, HK$1,445 million (US$185 million) of transactional related expenses under CKHGT and transactional intercompany credit of HK$438 million (US$56 million) under Finance & Investments and Others. Under Post-IFRS 16 basis, the one-time non-cash loss arising from the UK merger and related impacts totalled HK$10,469 million (US$1,342 million).

(3) Under Post-IFRS 16 basis, consolidated net debt was HK$119,222 million (US$15,285 million).

(4) Under Post-IFRS 16 basis, net assets was HK$675,865 million (US$86,650 million).

ratio[5] was 14.7% as of June 30, 2025 (December 31, 2024: 16.2%; June 30, 2024: 17.0%). CKHH's consolidated cash and liquid investments as of June 30, 2025 were sufficient to repay all of CKHH's outstanding debt maturing before December 31, 2028 and cover 35% of outstanding debt due in 2029.

Market Price Risk

CKHH's main market price risk exposures relate to listed debt and equity securities as described in "*Operations – Finance & Investments and Others*" below and the interest rate swaps as described in "*Interest Rate Exposure*" above. CKHH's holding of listed debt and equity securities represented approximately 6% (December 31, 2024: approximately 6%) of the cash, liquid funds and other listed investments ("liquid assets") as of June 30, 2025. CKHH controls this risk through active monitoring of price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

CKHH'S LIQUIDITY AND CAPITAL RESOURCES FOR THE SIX MONTHS ENDED 30 JUNE, 2025 AND 2024, AND THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

CKHH's capital expenditures and investments are primarily funded by cash generated from operations, cash on hand and, to the extent appropriate, by external borrowings. CKHH finances its working capital requirements primarily through funds generated from operations. CKHH had cash, liquid funds and other listed investments of HK$137,268 million (US$17,598 million) as of June 30, 2025, HK$129,445 million (US$16,596 million) as of December 31, 2024, HK$143,109 million as of December 31, 2023 and HK$154,188 million as of December 31, 2022.

Net Cash from Operating Activities

Reported EBITDA[1][6][7] amounted to HK$44,998 million (US$5,769 million) for the six months ended June 30, 2025, HK$102,600 million (US$13,154 million) in 2024, HK$105,224 million in 2023 and HK$119,010 million in 2022.

Consolidated funds from operations ("FFO")[8] before cash profits from disposals, capital expenditures, investments and changes in working capital amounted to HK$20,797 million (US$2,666 million) for the six months ended June 30, 2025, HK$42,708 million (US$5,475 million) in 2024, HK$45,067 million in 2023 and HK$47,040 million in 2022.

One-off items listed below have been excluded from the EBITDA of Company and subsidiaries in the respective periods:

a) June 30, 2025: disposal loss arising from the UK merger and related impact;

b) 2024: non-cash impairment and other provisions on the telecommunication business in Vietnam; and

c) 2022: gains on disposal of the UK tower assets, disposal gain from merger of Indonesia telecommunication business completed in 2022 and the non-cash impairment of telecommunication businesses in Italy and Sri Lanka.

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(5) Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts and unamortized fair value adjustments arising from acquisitions. Net debt is defined as total bank and other debts less total cash, liquid funds and other listed investments. Net total capital is defined as total bank and other debts plus total equity (adjusted to exclude IFRS 16 effects) and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments. The consolidated net debt to net total capital ratio under IFRS 16 basis, after including IFRS 16 impact in total equity, was 14.9% as of June 30, 2025.

(6) Total EBITDA includes CKHH's proportionate share of associated companies and joint ventures' EBITDA, and was adjusted to exclude non-controlling interests' share of EBITDA of HPH Trust.

(7) Reported EBITDA for the year ended December 31, 2023 were HK$344 million higher under Pre-IFRS 16 basis and HK$342 million higher under Post-IFRS 16 basis. For details of the impact refer to the footnote (5) to the table in "Financial Performance Summary".

(8) Under Post-IFRS 16 basis, FFO amounted to HK$27,874 million (US$3,573 million) for the six months ended June 30, 2025, HK$57,211 million (US$7,335 million) in 2024, HK$59,402 million in 2023 and HK$61,294 million in 2022, and represents funds from operations before principal elements of lease payments, where such payments are included under "Cash flows used in financing activities".

Net cash from operating activities[9] was HK$23,260 million (US$2,982 million) for the six months ended June 30, 2025, an increase of 47% compared to HK$15,847 million for the same period last year mainly due to an increase in cash inflow from changes in working capital[10] by HK$7,809 million (US$1,001 million), an increase in EBITDA of Company and subsidiaries[11] (excluding the aforementioned one-off items in first half of 2025) by HK$757 million (US$97 million), partly offset by a decrease in dividends received from associated companies and joint ventures of HK$726 million (US$93 million).

Net cash from operating activities[9] was HK$40,519 million (US$5,195 million) in 2024, compared to HK$37,158 million in 2023, mainly due to a decrease in cash outflow from changes in working capital[10] by HK$5,720 million (US$733 million) and an increase in dividends received from associated companies and joint ventures of HK$121 million (US$16 million), partly offset by an increase in interest and tax paid[12] of HK$1,698 million (US$218 million) and a decrease in EBITDA of Company and subsidiaries[11] (excluding the aforementioned one-off items in 2024) by HK$409 million (US$52 million).

Net cash from operating activities[9] was HK$37,158 million in 2023, compared to HK$42,586 million in 2022, mainly due to an increase in cash outflow from changes in working capital[10] by HK$3,455 million, an increase in interest and tax paid[12] of HK$3,138 million and a decrease in dividends received from associated companies and joint ventures of HK$1,395 million, partly offset by an increase in EBITDA of Company and subsidiaries[11] (excluding the aforementioned one-off items in 2022) by HK$3,037 million.

Cash Flows used in Investing Activities

Net cash from investing activities[13] was HK$7,787 million (US$998 million) for the six months ended June 30, 2025, net cash used in investing activities[13] was HK$20,132 million (US$2,581 million) in 2024, HK$15,624 million in 2023 and HK$4,723 million in 2022, which mainly consisted of purchase of fixed assets and brand names and other rights, additions to telecommunications licenses, purchase of and advances to associated companies and joint ventures, net of repayments of loans from associates and joint ventures, proceeds from the UK merger in 2025, proceeds from tower assets disposal in 2022, proceeds from disposal of subsidiary companies, net of cash disposed, proceeds from partial disposal / disposal of associated companies and joint ventures, and proceeds from disposal of liquid funds and other listed investments and financial instruments.

Net cash from investing activities[13] of HK$7,787 million (US$998 million) for six months ended June 30, 2025 was HK$14,708 million higher than the same period in 2024, mainly due to increase in proceeds from the UK merger, net of cash disposed of HK$14,902 million (US$1,910 million), decrease in purchase of and advance to (net of loan repayment) associated companies and joint ventures of HK$1,079 million (US$138 million) and a decrease in additions

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(9) Under Post-IFRS 16 basis, net cash from operating activities was HK$30,961 million (US$3,969 million) for the six months ended June 30, 2025, HK$22,965 million for the six months ended June 30, 2024, HK$54,228 million (US$6,953 million) in 2024, HK$51,437 million in 2023 and HK$56,714 million in 2022.

(10) Under Post-IFRS 16 basis, an increase in cash inflows from changes in working capital was HK$8,316 million (US$1,066 million) for the six months ended June 30, 2025, a decrease in cash outflows from changes in working capital was HK$4,982 million (US$639 million) in 2024, and an increase in cash outflows from changes in working capital was HK$3,385 million in 2023.

(11) EBITDA of Company and subsidiaries (excluding the aforementioned one-off items) for the year ended December 31, 2023 were HK$344 million higher under Pre-IFRS 16 basis and HK$342 million higher under Post-IFRS 16 basis. For details of the impact refer to the footnote (5) to the table in "Financial Performance Summary".

Under Post-IFRS 16 basis, an increase in EBITDA of Company and subsidiaries (excluding the aforementioned one-off items in first half of 2025) was HK$833 million (US$107 million) for the six months ended June 30, 2025, a decrease in EBITDA of Company and subsidiaries (excluding the aforementioned one-off items in 2024) was HK$234 million (US$30 million) in 2024, and an increase in EBITDA of Company and subsidiaries (excluding the aforementioned one-off items in 2022) was HK$2,473 million in 2023.

(12) Under Post-IFRS 16, an increase in interest and tax paid was HK$203 million (US$26 million) for the six months ended June 30, 2025, an increase in interest and tax paid was HK$1,905 million (US$244 million) in 2024 and an increase in interest and tax paid was HK$3,411 million in 2023.

(13) Under Post-IFRS 16 basis, net cash from investing activities was HK$7,879 million (US$1,010 million) for the six months ended June 30, 2025, net cash used in investing activities was HK$19,902 million (US$2,552 million) in 2024, HK$15,415 million in 2023 and HK$4,356 million in 2022.

to fixed assets and brand names and other rights[13] by HK$1,006 million (US$129 million), partly offset by decrease in proceeds from disposal of liquid funds and other listed investments of HK$2,371 million (US$304 million).

Net cash used in investing activities[13] of HK$20,132 million (US$2,581 million) in 2024 was higher than the HK$15,624 million in 2023, mainly due to decrease in proceeds from disposal of subsidiaries and associated companies and joint ventures by HK$2,785 million (US$357 million), increase in purchase of and advance to (net of loan repayment) associated companies and joint ventures of HK$3,238 million (US$415 million), an increase of purchase of subsidiary companies, net of cash disposed of HK$4,059 million (US$520 million) and proceeds on disposal of financial instruments of HK$2,451 million (US$314 million) in 2023, partly offset by increase in proceeds from disposal of liquid funds and other listed investments of HK$5,084 million (US$652 million), decrease in additions to telecommunications licences by HK$1,884 million (US$242 million), as well as a decrease in additions to fixed assets and brand names and other rights[14] by HK$1,046 million (US$134 million).

Net cash used in investing activities[13] of HK$15,624 million in 2023 was higher than the HK$4,723 million in 2022, mainly due to the absence of proceeds from disposal of tower assets of HK$18,606 million in 2023, decrease in proceeds from partial disposal/disposal of associated companies and joint ventures of HK$4,492 million and increase in additions to telecommunications licenses costs by HK$1,796 million, partly offset by a decrease in additions to fixed assets and brand names and others rights[14] by HK$2,505 million, proceeds from disposal of subsidiaries of HK$2,563 million in 2023, a decrease of purchase of and advance to (net of loan repayment) associates and joint ventures of HK$5,100 million, and an increase in proceeds on disposal of financial instruments by HK$2,451 million.

(i) Capital Expenditure

The following table sets forth CKHH's capital expenditure (including license, brand name and other rights, but excluding capital expenditure of assets classified as held for sale) by business divisions for six months ended June 30, 2025 and June 30, 2024, and for the years ended December 31, 2024, 2023 and 2022.

Capital Expenditure

	Pre-IFRS 16[1]				
	Year Ended December 31[2],			Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	3,801	5,521	3,820	1,110	1,119
Retail	2,387	2,814	3,240	1,108	897
Infrastructure	477	322	363	247	132
CK Hutchison Group Telecom	19,069	16,533	14,799	7,160	6,421
Finance & Investments and Others	485	320	358	121	111
Total	26,219	25,510	22,580	9,746	8,680

(1) As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, IFRS 16 and the precedent lease accounting standard IAS 17 are referred to in this offering memorandum interchangeably with IFRS 16 and HKAS 17, respectively. CKHH believes that the Pre-IFRS 16 basis, which are not intended to be a substitute for, or superior to, the reported metrics on a Post-IFRS 16 basis, better reflect management's view of CKHH's underlying operational performance. Pre-IFRS 16 basis metrics financial information is regularly reviewed by CKHH's most senior executive management. As a result, CKHH has provided an alternative presentation of CKHH's capital expenditure prepared under the Pre-HKFRS 16 basis relating to the accounting for leases for the year ended December 31, 2022, and under Pre-IFRS 16 basis relating to the accounting for leases for the year ended 2023 and 2024. Unless otherwise specified, the discussion of CKHH's operating results for the six months ended June 30, 2025 and 2024 and the years ended December 31, 2024, 2023 and 2022 are on a Pre-IFRS 16 basis as mentioned above.

(14) Under Post-IFRS 16 basis, a decrease in additions to fixed assets and brand names and other rights was HK$980 million (US$126 million) for the six months ended June 30, 2025, a decrease in additions to fixed assets and brand names and other rights was HK$1,067 million (US$137 million) in 2024 and a decrease in additions to fixed assets and brand names and other rights was HK$2,347 million in 2023.

	Post-IFRS 16				
	Year Ended December 31[2],			Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	3,801	5,521	3,820	1,110	1,119
Retail	2,387	2,814	3,240	1,108	897
Infrastructure	477	322	363	247	132
CK Hutchison Group Telecom	18,748	16,340	14,609	7,057	6,360
Finance & Investments and Others	439	304	318	106	80
Total	25,852	25,301	22,350	9,628	8,588

[2] The Hutchison Asia Telecommunications results are reported under Finance & Investments and Others segment from January 1, 2024 and the comparative results for the years ended December 31, 2022 and 2023 have been reclassified to the Finance & Investments and Others segment to conform with these changes in presentation to enable a better comparison of performance.

In the six months ended June 30, 2025, CKHH's total capital expenditure was HK$8,680 million (US$1,113 million). The Ports and Related Services division incurred capital expenditure of HK$1,119 million (US$144 million), mainly for the operations in Mexico, Thailand and ECT Rotterdam. The Retail division incurred capital expenditure of HK$897 million (US$115 million), mainly for digital technology, new store openings and store fit-outs. The Infrastructure division incurred capital expenditure of HK$132 million (US$17 million), mainly for Enviro Waste and Infrastructure materials division. CK Hutchison Group Telecom incurred capital expenditure of HK$6,421 million (US$823 million), mainly for network rollout and IT infrastructure enhancements. Finance & Investments and Others incurred capital expenditure of HK$111 million (US$14 million), mainly for network expansion in Sri Lanka and store fit-outs and closure costs for Marionnaud Group.

In 2024, CKHH's total capital expenditure was HK$22,580 million (US$2,895 million). The Ports and Related Services division incurred capital expenditure of HK$3,820 million (US$490 million), mainly for the operations in Mexico, Thailand and ECT Rotterdam. The Retail division incurred capital expenditure of HK$3,240 million (US$415 million), mainly for digital technology, new store openings and store fit-outs. The Infrastructure division incurred capital expenditure of HK$363 million (US$47 million), mainly for Enviro Waste and Infrastructure materials division. CK Hutchison Group Telecom incurred capital expenditure of HK$14,799 million (US$1,897 million), mainly for network rollout and IT infrastructure enhancements. Finance & Investments and Others incurred capital expenditure of HK$358 million (US$46 million), mainly for network expansion in Sri Lanka and store fit-outs for Marionnaud Group.

In 2023, CKHH's total capital expenditure was HK$25,510 million. The Ports and Related Services division incurred capital expenditure of HK$5,521 million, mainly for the development of the greenfield container terminal at Abu Qir, as well as the operations in Thailand, Mexico, the UK and Rotterdam. The Retail division incurred capital expenditure of HK$2,814 million, mainly for digital technology, new store openings and store fit-outs. The Infrastructure division incurred capital expenditure of HK$322 million, mainly for Enviro Waste and infrastructure materials division. CK Hutchison Group Telecom incurred capital expenditure of HK$16,533 million, mainly for network rollout and IT infrastructure enhancements. Finance & Investments and Others incurred capital expenditure of HK$320 million, mainly for network expansion in Vietnam and Sri Lanka.

In 2022, CKHH's total capital expenditure was HK$26,219 million. The Ports and Related Services division incurred capital expenditure of HK$3,801 million, mainly for the development of the greenfield container terminal at Abu Qir, as well as the operations in Thailand, Mexico, the UK and Rotterdam. The Retail division incurred capital expenditure of HK$2,387 million, mainly for digital technology, new store openings and store fit-outs. The Infrastructure division incurred capital expenditure of HK$477 million, mainly for Enviro Waste and infrastructure materials division. CK Hutchison Group Telecom incurred capital expenditure of HK$19,069 million, mainly for network rollout and IT infrastructure enhancements. Finance & Investments and Others incurred capital expenditure of HK$485 million, mainly for network expansion in Vietnam and Sri Lanka.

(ii) Purchase of subsidiary companies, net of cash acquired

In the six months ended June 30, 2025, there were no significant purchase of subsidiary companies.

In 2024, the net cash outflow of HK$4,114 million (US$527 million) mainly represented acquisition made by the telecommunications division in Italy.

In 2023, the net cash outflow of HK$55 million mainly represented acquisition made by the telecommunications division in Italy.

In 2022, there were no significant purchase of subsidiary companies.

(iii) Purchase of and advances to associated companies and joint ventures, net of repayments of loans from associated companies and joint ventures

In the six months ended June 30, 2025, the net cash outflow was HK$175 million (US$22 million).

In 2024, the net cash outflow was HK$1,228 million (US$158 million).

In 2023, the net cash inflow was HK$2,010 million.

In 2022, the net cash outflow was HK$3,090 million.

(iv) Proceeds from disposal of subsidiary companies, net of cash disposed

In the six months ended June 30, 2025, the net cash inflow of HK$14,902 million (US$1,910 million) mainly represented cash proceeds (net of cash disposed) on the merger of CKHH's UK telecommunications operations, **3** UK, with Vodafone Group's corresponding UK operations to form the combined entity, VodafoneThree.

In 2024, the net cash inflows of HK$333 million (US$43 million) mainly represented cash proceeds (net of cash disposed) on the disposal of CKHH's former non-wholly owned subsidiary Abu Qir Container Terminal Company S.A.E., which became a 41% owned associated company.

In 2023, the net cash inflow of HK$2,563 million mainly represented cash proceeds (net of cash disposed) on disposal of 50% interest in Zefiro Net S.r.l. which became a joint venture of the telecommunications division engaged in network rollout in the rural areas of Italy.

In 2022, the net cash inflow of HK$17,096 million mainly represented cash proceeds (net of cash disposed) on disposal of interest in tower assets in the UK and cash disposed in Indonesia telecommunications businesses.

Cash Flows from Financing Activities

In the six months ended June 30, 2025, the net cash used in financing activities[(15)] of HK$22,737 million (US$2,915 million) was mainly due to cash outflow on payment of dividends of HK$8,715 million (US$1,117 million), payments to acquire additional interests in subsidiary companies of HK$223 million (US$29 million) and a net cash outflow in borrowings[(16)] of HK$13,847 million (US$1,775 million).

In 2024, the net cash used in financing activities[(15)] of HK$26,407 million (US$3,386 million) was mainly due to cash outflow on payment of dividends and distributions of HK$17,546 million (US$2,249 million), redemption of perpetual capital securities of HK$4,180 million (US$536 million) and a net cash outflow in borrowings[(16)] of HK$5,771 million (US$740 million).

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(15) Under Post-IFRS 16 basis, net cash used in financing activities was HK$30,530 million (US$3,914 million) for the six months ended June 30,2025, HK$40,346 million (US$5,172 million) in 2024, HK$46,784 million in 2023 and HK$67,406 million in 2022.

(16) Under Post-IFRS 16 basis, net cash outflow in borrowings was HK$13,684 million (US$1,754 million) for the six months ended June 30,2025, HK$5,607 million (US$718 million) in 2024, HK$17,150 million in 2023 and HK$30,916 million in 2022.

In 2023, the net cash used in financing activities[15] of HK$32,296 million was mainly due to cash outflow on payment of dividends and distributions of HK$15,746 million and a net cash outflow in borrowings[16] of HK$17,138 million.

In 2022, the net cash used in financing activities[15] of HK$52,911 million was mainly due to cash outflow on payment of dividends and distributions of HK$15,485 million, payments for buy-back of CKHH issued shares of HK$197 million, redemption of perpetual capital securities of HK$7,800 million and a net cash outflow in borrowings[16] of HK$30,728 million.

Bank and Other Interest Bearing Borrowings

CKHH's borrowings, excluding interest bearing loans from non-controlling shareholders, which are viewed as quasi-equity, including unamortized fair value adjustments from acquisitions[17], totaled HK$256,589 million (US$32,896 million) as of June 30, 2025, HK$259,059 million (US$33,213 million) as of December 31, 2024, HK$274,919 million as of December 31, 2023 and HK$287,297 million as of December 31, 2022.

As of June 30, 2025, approximately 44% of CKHH's total principal amounts of borrowings were denominated in U.S. dollar, 12% in Hong Kong dollar, 32% in Euro, 3% in Pound Sterling and the remaining 9% in other currencies. As of June 30, 2025, approximately 15% of CKHH's principal amounts of borrowings were repayable within 2026, 34% were repayable between 2027 and 2028 and 51% were repayable beyond 2029. Finance costs on CKHH's borrowings were HK$4,822 million (US$618 million) for the six months ended June 30, 2025, and HK$10,656 million (US$1,366 million), HK$9,947 million and HK$6,834 million in the year ended December 31, 2024, 2023 and 2022, respectively.

CKHH's borrowings, excluding interest bearing loans from non-controlling shareholders, including unamortized fair value adjustments arising from acquisition, and net of total cash, liquid funds and other listed investments, were a net debt balance of HK$119,321 million (US$15,298 million) as of June 30, 2025, HK$129,614 million (US$16,617 million), HK$131,810 million and HK$133,109 million as of December 31, 2024, 2023 and 2022, respectively.

Security Interests

As of June 30, 2025, December 31, 2024, 2023 and 2022, assets of CKHH, in the amount of HK$1,603 million (US$206 million), HK$1,449 million (US$186 million), HK$1,533 million and HK$1,442 million, respectively, were pledged as security for bank loans.

Undrawn Borrowing Facilities

Committed borrowing facilities available to CKHH but not drawn were HK$1,196 million (US$153 million), HK$2,762 million (US$354 million), HK$12,730 million and HK$8,252 million as of June 30, 2025, December 31, 2024, 2023 and 2022, respectively.

Off-Balance Sheet Arrangements

CKHH entered into various interest rate agreements with major financial institutions to swap approximately HK$6,294 million (US$807 million), HK$3,129 million (US$401 million), HK$3,461 million and HK$21,360 million principal amount of floating interest rate borrowings to fixed interest rate borrowings as of June 30, 2025, December 31, 2024, 2023 and 2022, respectively.

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[17] Under Post-IFRS 16 basis, CKHH's borrowings, excluding interest bearing loans from non-controlling shareholders, which are viewed as quasi-equity, including unamortized fair value adjustments arising from acquisitions was HK$256,490 million (US$32,883 million) as of June 30,2025, HK$258,003 million (US$33,077 million) as of December 31, 2024, HK$273,694 million as of December 31, 2023 and HK$286,230 million as of December 31, 2022

Cash, Liquid Funds and Other Listed Investments

CKHH's total cash, liquid funds and other listed investments amounted to HK$137,268 million (US$17,598 million) as of June 30, 2025, HK$129,445 million (US$16,596 million) as of December 31, 2024, HK$143,109 million as of December 31, 2023 and HK$154,188 million as of December 31, 2022. As of June 30, 2025, cash represented 94% of the total cash, liquid funds and other listed investments, and U.S. Treasury notes and listed debt securities 6%. As of December 31, 2024, cash represented 94% of the total cash, liquid funds and other listed investments, U.S. Treasury notes and listed debt securities 5% and listed equity securities 1%. As of December 31, 2023, cash represented 89% of the total cash, liquid funds and other listed investments, U.S. Treasury notes and listed debt securities 5% and listed equity securities 6%. As of December 31, 2022, cash represented 90% of the total cash, liquid funds and other listed investments, U.S. Treasury notes and listed debt securities 4% and listed equity securities 6%.

As of June 30, 2025, CKHH's total cash, liquid funds and other listed investments were denominated 10% in Hong Kong dollar, 42% in U.S. dollar, 26% in Euro, 3% in Renminbi, 11% in Pound Sterling and 8% in other currencies. As of December 31, 2024, CKHH's total cash, liquid funds and other listed investments were denominated 16% in Hong Kong dollar, 45% in U.S. dollar, 23% in Euro, 3% in Renminbi, 5% in Pound Sterling and 8% in other currencies. As of December 31, 2023, CKHH's total cash, liquid funds and other listed investments were denominated 17% in Hong Kong dollar, 45% in U.S. dollar, 23% in Euro, 3% in Renminbi, 5% in Pound Sterling and 7% in other currencies. As of December 31, 2022, CKHH's total cash, liquid funds and other listed investments were denominated 15% in Hong Kong dollar, 55% in U.S. dollar, 14% in Euro, 3% in Renminbi, 7% in Pound Sterling and 6% in other currencies.

Current and Long-Term Liabilities, Commitments and Contingent Liabilities

A summary of CKHH's current and long-term liabilities as of June 30, 2025 and December 31, 2024 are set forth below.

The obligations as of June 30, 2025 are reflected in CKHH's unaudited reviewed condensed consolidated statement of financial position as of June 30, 2025 and in note 6(c)(iii) to the CKHH's unaudited reviewed condensed consolidated financial statements for the six months ended June 30, 2025 included elsewhere in this offering memorandum.

The obligations as of December 31, 2024 are reflected in CKHH's audited consolidated statement of financial position as of December 31, 2024 and in note 5(c)(iii) to the CKHH's audited consolidated financial statements for the year ended December 31, 2024 included elsewhere in this offering memorandum.

Current and Long-Term Liabilities

	As of December 31, 2024 Payment due by period			As of June 30, 2025 Payment due by period		
	Total	Due within one year	Due after one year	Total	Due within one year	Due after one year
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Principal amount of bank loans, other loans, notes and bonds[18] ...	257,104	31,439	225,665	254,787	19,131	235,656
Unamortized fair value adjustments arising from acquisitions	1,955	–	1,955	1,802	–	1,802
Total bank and other debts before the following items	259,059	31,439	227,620	256,589	19,131	237,458
Unamortized loan facilities fee and premiums or discounts related to debts	(1,611)	(12)	(1,599)	(1,535)	(39)	(1,496)
Interest bearing loans from non-controlling shareholders.....	3,471	1,874	1,597	3,932	–	3,932
Trade payables and other current liabilities[19]	84,097	84,097	–	84,407	84,407	–
Total.....	345,016	117,398	227,618	343,393	103,499	239,894

The principal amount of bank and other debts scheduled for repayment by calendar year were as follows:

Debt Maturity Profile

	As of December 31, 2024	As of June 30, 2025
	HK$ million	HK$ million
2025 (and remainder of the year for June 30, 2025)	31,439	450
2026.....	41,809	37,969
2027.....	33,008	31,129
2028.....	34,889	54,464
2029.....	35,781	37,752
2030 to 2034.....	63,137	76,563
2035 to 2044.....	5,341	5,273
2045 and thereafter	11,700	11,187
	257,104	254,787

(18) Under Post-IFRS 16 basis, the total principal amount of bank loans, other loans, notes and bonds was HK$254,688 million (US$32,652 million) as of June 30, 2025 and HK$256,048 million (US$32,827 million) as of December 31, 2024.

(19) Under Post-IFRS 16 basis, trade payables and other current liabilities was HK$82,861 million (US$10,624 million) as of June 30, 2025 and HK$82,645 million (US$10,595 million) as of December 31, 2024.

CKHH's capital commitments as of June 30, 2025 are summarized below. Contracted for commitments represent amounts payable pursuant to agreements signed as of June 30, 2025.

Capital and Other Commitments

	As of June 30, 2025
	Contracted for
	HK$ million
Ports and Related Services	367
Telecommunications	
– **3** Group Europe	166
– Hong Kong and Asia	803
Total	1,336

CKHH has provided guarantees as of June 30, 2025 and December 31, 2024, as shown in note 35 to the CKHH's unaudited reviewed condensed consolidated financial statements for the six months ended June 30, 2025 and note 36 to the CKHH's audited consolidated financial statements for the year ended December 31, 2024, respectively, included elsewhere in this offering memorandum, which are summarized as follows:

Contingent Liabilities

	As of December 31, 2024	As of June 30, 2025
	Total	Total
	HK$ million	HK$ million
Guarantees in respect of bank and other borrowing facilities for associated companies and joint ventures	10,753	10,697
Performance and other guarantees	4,860	5,533
	15,613	16,230

Ports and Related Services

The Ports and Related Services division comprises the 80%-owned subsidiaries, Hutchison Port Holdings and Hutchison Ports Investments S.à r.l. (collectively "Hutchison Ports"), and HPH Trust, the 30.07% owned associate listed on the Main Board of the SGX-ST. As of June 30, 2025, CKHH had interests in 53 ports comprising 295 operational berths[(1)] in 24 countries in Asia, the Middle East, Africa, Europe, the Americas and Australasia. In 2024 and six months ended June 30, 2025, CKHH's Ports and Related Services division handled combined container throughput of 87.5 million TEU and 44.0 million TEU, respectively. As of June 30, 2025, CKHH has interests in various locations including:

- the Mainland, where Hutchison Ports holds interests in Shanghai Mingdong Container Terminals ("SMCT"), Shanghai Pudong International Container Terminals ("SPICT"), Shanghai Container Terminals ("SCT"), Ningbo Beilun International Container Terminals ("NBCT"), as well as ports in Southern China, and CKHH, through its associate, HPH Trust holds interests in Phase I, II, III, East Port and West Port at Yantian International Container Terminals ("YICT") and Huizhou International Container Terminals ("HICT"). In January 2023, Hutchison Ports disposed of its entire 50% interest in Huizhou Quanwan Port Development;

- Hong Kong, where CKHH, through its associate, HPH Trust, holds interests in: Hongkong International Terminals ("HIT"); Asia Container Terminals ("ACT HK"), a strategic partnership between HPH Trust and COSCO SHIPPING Ports Limited; as well as COSCO-HIT Terminals ("CHT"), a 50/50 joint venture between HIT and COSCO SHIPPING Ports Limited;

- the Netherlands, where Hutchison Ports holds interests in Europe Container Terminals ("ECT") and Hutchison Ports Delta II ("Delta II") in Rotterdam, Amsterdam Container Terminals ("ACT") and TMA Logistics ("TMA") in Amsterdam;

- the UK, where Hutchison Ports holds interests in Hutchison Ports (UK), which operates in the Port of Felixstowe ("PFL"), London Thamesport ("LTP") and Harwich International Port ("HWH");

- Continental Europe, where Hutchison Ports holds interests in Barcelona Europe South Terminal ("BEST") in Spain and Gdynia Container Terminal ("GCT") in Poland, as well as Hutchison Ports Sweden at the Port of Nynäshamn ("CTN"), Norvik in Sweden;

- Malaysia, where Hutchison Ports holds interests in Westports Malaysia ("KMT") at Port Klang;

- Indonesia, where Hutchison Ports holds interests in Jakarta International Container Terminal ("JICT") in Tanjung Priok and Terminal Petikemas Koja ("KOJA") at the Port of Tanjung Priok next to JICT;

- South Korea, where Hutchison Ports operates one deep-water container terminal in Busan through Hutchison Korea Terminals ("HKT") and one terminal in Gwangyang through Korea International Terminals ("KIT");

- Thailand, where Hutchison Ports holds interests in Thai Laemchabang Terminal ("TLT") and Hutchison Laemchabang Terminal ("HLT") at Laem Chabang;

- Pakistan, where Hutchison Ports holds interests in Karachi International Container Terminal ("KICT") at the Port of Karachi and South Asia Pakistan Terminals ("SAPT") at the estuary of the Keamari Groyne basin;

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(1) Based on 300 meters per berth and is computed by dividing the total berth length by 300 meters, which may be different to the number of physical container berths for vessel mooring. Unless otherwise stated, the number of berths stated elsewhere in this offering memorandum represents the number of physical berths.

- Vietnam, where Hutchison Ports holds interests in Saigon International Terminals Vietnam ("SITV") located within the newly expanded centrally-governed city of Ho Chi Minh City, following its merger with Ba Ria-Vung Tau and Binh Duong provinces, effective July 1, 2025;

- Myanmar, where Hutchison Ports holds interests in Myanmar International Terminals Thilawa ("MITT") at Thilawa;

- Australia, where Hutchison Ports holds interests in Brisbane Container Terminals ("BCT") at the Port of Brisbane and Sydney International Container Terminals ("SICTL") at Port Botany;

- Saudi Arabia, where Hutchison Ports invests and operates multipurpose terminals within the Jazan City for Primary and Downstream Industries in Saudi Arabia which will be developed in two phases. Jazan Port has commenced operation in September 2022;

- Egypt, where Hutchison Ports holds interests in Alexandria International Container Terminals ("AICT"), which operates terminals at Alexandria and El Dekheila Ports. In March 2023, Hutchison Ports entered into two concession agreements with the Egyptian Government for the development and operation of a deep-water container terminal in each of Ain Sokhna Port and El Dekheila Port. Hutchison Ports has completed developing and commenced operating a new container terminal in Abu Qir in January 2024;

- The United Arab Emirates ("UAE"), where Hutchison Ports holds interests in Hutchison Ajman International Terminals ("HAJT") in Ajman, Hutchison Ports RAK ("RAK") in Ras Al Khaimah and Hutchison Ports UAQ ("UAQ") in Umm Al Quwain;

- Oman, where Hutchison Ports holds interests in Oman International Container Terminal ("OICT") at the Port of Sohar;

- Mexico, where Hutchison Ports holds interests in Internacional de Contenedores Asociados de Veracruz ("ICAVE"), which is located at the Port of Veracruz on the east coast, as well as other port operations in Ensenada, Manzanillo and Lazaro Cardenas which are located on the west coast;

- Argentina, where Hutchison Ports holds interests in Buenos Aires Container Terminal Services ("BACTSSA") at the Port of Buenos Aires, which ended its concession on August 31, 2023;

- the Bahamas, where Hutchison Ports holds interests in Freeport Container Port ("FCP") on Grand Bahama Island;

- Panama, where Hutchison Ports holds interests in Panama Ports Company ("PPC"), which manages and operates the ports of Cristobal and Balboa, located on the Atlantic and Pacific side respectively of the Panama Canal; and

- Tanzania, where Hutchison Ports holds interests in Tanzania International Container Terminal Services ("TICT") at Dar es Salaam which ended its concession on December 31, 2022. Since 2023, TICT has been acting as a subcontractor for the terminal operation. Hutchison Ports has completed the disposal of entire 60% interests in TICT in June 2024 and the subcontractor contract has also ended.

The division also has interests in other logistics and transportation-related businesses. These include cruise ship terminals, air cargo handling services, distribution centers, rail services, dry port and ship repair facilities.

Retail

CKHH currently holds a 75.05% interest in AS Watson, the world's largest international health and beauty retailer in terms of number of stores. With a 175 million loyalty member base, AS Watson is also an operator of major chains of supermarkets and consumer electronics and electrical appliances stores. As of June 30, 2025, AS Watson operated 12 retail brands with 16,935 stores in 31 markets mainly in Europe, Hong Kong, the Mainland and other markets in Asia. AS Watson also manufactures and distributes water and beverage products in Hong Kong and the Mainland.

Infrastructure

CK Infrastructure Holdings Limited ("CKI")

CKHH currently holds a 75.67% interest in CKI[(1)], the largest publicly listed infrastructure company in Hong Kong in terms of market capitalization, with principal operations in Hong Kong, the Mainland, the UK, Continental Europe, Australia, New Zealand, Canada and the United States. As of June 30, 2025, CKI's major interests include:

- a 36.01% interest in Power Assets Holdings Limited ("Power Assets"), a listed company in Hong Kong that holds a 33.37% interest in HK Electric Investments and HK Electric Investments Limited (collectively "HKEI"). HKEI's wholly-owned subsidiary, The Hongkong Electric Company, Limited ("Hongkong Electric"), generates, transmits and is the sole distributor of electricity to Hong Kong Island and Lamma Island;

- together with Power Assets, an 80% interest (CKI: 40%; Power Assets: 40%) in UK Power Networks Holdings Limited ("UK Power Networks"), which owns, operates and manages three regulated electricity distribution networks in the UK that cover London, the South East and the East of England. UK Power Networks is also engaged in certain non-regulated electricity distribution businesses in the UK, including the distribution of electricity to a number of privately owned sites;

- together with Power Assets, a 45% interest (CKI: 39%; Power Assets: 6%) in Northumbrian Water Group Limited ("Northumbrian Water"), a group comprising one of the ten regulated water and sewerage companies in England and Wales, which provides water and waste water services in the North East of England and water services in the South East of England. In addition, Northumbrian Water's operations include the Kielder Reservoir, the largest man-made reservoir in Northwestern Europe, as well as a portfolio of water and waste water contracts. CKI's and Power Assets' interest in Northumbrian Water reduced from 52% and 8% respectively to 39% and 6% respectively following the disposal of their respective 13% and 2% direct interest in Northumbrian Water in December 2022;

- together with Power Assets, an 88.35% interest (CKI: 47.06%; Power Assets: 41.29%) in Northern Gas Networks Holdings Limited ("Northern Gas"), which distributes gas to homes and businesses across the North of England, an area covering the North East, Northern Cumbria and much of Yorkshire;

- together with Power Assets, a 75% interest (CKI: 39%; Power Assets: 36%) in each of West Gas Networks Limited ("West Gas Networks") and Western Gas Networks Limited ("Western Gas Networks"), which together owns a 100% interest in Wales & West Utilities Limited ("Wales & West Utilities"). Wales & West Utilities is a gas distribution network that serves Wales and the South West of England;

- together with Power Assets, a 75% interest (CKI: 65%; Power Assets: 10%) in Eversholt UK Rails Group Limited ("UK Rails")[(2)], one of the three major rolling stock leasing companies that were established at the time of privatization of the UK rail

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(1) In August 2024, CKI completed the secondary listing on the London Stock Exchange.

(2) In July 2025, Eversholt UK Rails Group Limited, a joint venture company of CKI, CK Asset Holdings Limited, Power Assets and CKHH, entered into an agreement to divest 100% interests in UK Rails. Completion of the transaction is subject to the fulfilment of certain conditions under the sales and purchase agreement.

industry. UK Rails offers a diverse range of rolling stock, including regional, commuter and high speed passenger trains, as well as freight locomotives, on long term contracts to train and freight operating companies;

- together with Power Assets, a 60% interest (CKI: 40%; Power Assets: 20%) in Phoenix Energy, the largest natural gas distribution network company in Northern Ireland;

- together with Power Assets, a 60% interest (CKI: 40%; Power Assets: 20%) in UK Renewables Energy, a portfolio of operating onshore wind farms in the UK, comprising 32 wind farms in England, Scotland and Wales, totaling 175 MW in installed capacity and 137 MW in net attributable capacity;

- together with Power Assets, a 100% interest (on a 50/50 basis) in Electricity First Limited, which owns a 50% interest in Seabank Power Limited ("Seabank Power"). Seabank Power owns and operates Seabank Power Station located near Bristol, England;

- together with Power Assets, a 72.5% interest (CKI: 45.5%; Power Assets: 27%) in Dutch Enviro Energy Holdings B.V. ("Dutch Enviro Energy") which in turn owns AVR-Afvalverwerking B.V. ("AVR"). AVR is principally engaged in the business of waste processing and production and supply of sustainable energy from the incineration of waste in the Netherlands;

- a 35% interest in ista, a fully integrated energy management services provider that runs submetering businesses over 20 countries for heat and water consumption. It also sells a range of meter hardware and provides a range of related services such as maintenance, meter reading, data processing and billing;

- together with Power Assets, a 51% interest (CKI: 23.07%; Power Assets: 27.93%) in each of (i) SA Power Networks, the primary electricity distributor in the State of South Australia; (ii) Powercor Australia Limited ("Powercor"), the largest electricity distributor in the State of Victoria; and (iii) the CitiPower Trust ("CitiPower"), another major electricity distributor in the State of Victoria;

- together with Power Assets, a 100% interest (on a 50/50 basis) in Australian Energy Operations Pty Ltd which owns and operates approximately 100 kilometers of transmission lines and terminal stations in Victoria, Australia that connect Mount Mercer, Elaine, Moorabool and Ararat wind farms to the national power grid;

- together with Power Assets, a 72.48% interest (CKI: 44.97%; Power Assets: 27.51%) in Australian Gas Networks Holdings Pty Ltd ("AGN"), one of the largest natural gas distribution companies in Australia that owns natural gas distribution networks and transmission pipelines in South Australia, Victoria, Queensland, New South Wales and the Northern Territory;

- together with Power Assets, a 60% interest (CKI: 40%; Power Assets: 20%) in CK William Group, international owner and operator of energy utility assets, providing low emissions and remote energy generation solutions, gas transmission through the Dampier Bunbury Pipeline in Western Australia and distribution of gas and electricity in Victoria;

- together with Power Assets, a 100% interest (on a 50/50 basis) in Wellington Electricity Distribution Network Limited ("Wellington Electricity"), which supplies electricity to the city of Wellington, the capital of New Zealand, and extends to the Porirua and Hutt Valley regions of New Zealand;

- a 100% interest in Enviro (NZ) Limited ("EnviroNZ"), a diversified, vertically integrated waste management business that has national coverage across New Zealand. It is one of only two vertically integrated waste collection and disposal companies operating throughout New Zealand, offering waste-related services to approximately half a million commercial and household customers via collection services, organics processing, landfills and transfer stations across the country;

- together with Power Assets, a 100% interest (on a 50/50 basis) in Canadian Power Holdings Inc. ("Canadian Power"), which is the owner of Meridian Cogeneration Plant and Okanagan Wind and owns a 49.99% partnership interest in TransAlta Cogeneration, L.P. The Meridian Cogeneration Plant is a natural gas-fired cogeneration plant in Saskatchewan, Canada. TransAlta Cogeneration, L.P. has ownership stakes in four electricity generation plants, including three natural gas-fired cogeneration plants in Alberta and Ontario, Canada and a gas-fired generation plant in Alberta, Canada. Okanagan Wind operates two wind farms located in the Okanagan region of British Columbia, Canada;

- together with Power Assets, a 75% interest (CKI: 65%; Power Assets: 10%) in Park'N Fly ("Park'N Fly"), the largest off-airport car park provider in Canada and the only national operator. The company provides parking facilities at most major airports in Canada, including Toronto, Vancouver, Montreal, Edmonton, Ottawa, Winnipeg and Halifax;

- together with Power Assets, a 65% interest (CKI: 16.25%; Power Assets: 48.75%) in Husky Midstream Limited Partnership ("HMLP"), which holds a portfolio of oil pipeline assets in Canada including approximately 2,300 kilometers of oil pipeline across the provinces of Alberta and Saskatchewan, oil storage capacity of approximately 6.0 million barrels at the Hardisty and Lloydminster terminals, and other ancillary assets in Alberta and Saskatchewan. The remaining 35% interest in HMLP is held by Cenovus Energy, an associate in which CKHH owned a 17.1% interest as of June 30, 2025;

- a 25% interest in Reliance, which operates in the building equipment services sector providing water heaters, heating, ventilation and air conditioning ("HVAC") equipment, comfort protection plans and other services to homeowners in Canada and the United States;

- interests in joint ventures that own and operate approximately 149.8 kilometers of toll roads and bridges in the Mainland; and

- various interests in an infrastructure materials business that produces cement, concrete, asphalt and aggregates mainly in Hong Kong and the Mainland.

CKI and Power Assets acquired 30% and 20% economic benefits respectively in CKHH's interests in the six co-owned infrastructure investments – Northumbrian Water, UK Rails, Wales & West Utilities, AGN, Park'N Fly and Dutch Enviro Energy for a consideration of approximately HK$7,200 million and HK$4,800 million respectively under the Economic Benefits Agreements entered between CKHH, CK Asset Holdings Limited ("CKAH"), CKI and Power Assets during 2018. By the end of 2019, CKI and Power Assets completed the supplemental agreements with CKHH for the effective transfer of the proportionate voting rights of the co-owned investments in Europe and Canada from CKHH to the respective parties. As such, CKI's and Power Assets' respective interests in these co-owned infrastructure investments as of June 30, 2025 as stated above include their respective additional interest arising from the supplemental agreements.

Co-owned infrastructure investments

Post-Reorganization, CKHH's Infrastructure division held interests in six co-owned infrastructure investments ("Co-owned Infrastructure Investments") with CKI, comprising 40% interest in Northumbrian Water, 30% interest in Wales & West Utilities, 50% interest in UK Rails, 35% interest in Dutch Enviro Energy, 27.51% interest in AGN and 50% interest in Park'N Fly.

In October 2018, CKHH completed the divesture of an aggregated 90% economic benefits in its direct interest in the Co-owned Infrastructure Investments as stated above for a cash consideration of HK$21.6 billion under the Economic Benefits Agreements entered with CKAH, CKI and Power Assets, which resulted in a reduction of CKHH's economic interest in its direct interest in these projects to 10% of the shareholding interests as stated above. By the end of 2019, CKHH completed the supplemental agreements with CKAH, CKI and Power Assets for the effective transfer of the proportionate voting rights of the co-owned investments in Europe and Canada from CKHH to the respective parties. Accordingly, Northumbrian Water, UK Rails and Park'N Fly ceased to be consolidated by CKHH as subsidiaries.

In December 2022, together with CKI and Power Assets, CKHH partially disposed of its direct interest in Northumbrian Water, resulting in a 1% reduction of economic interest therein from 4% to 3%.

Telecommunications

CKHH is a leading worldwide operator of mobile telecommunications networks with CK Hutchison Group Telecom or CKHGT consolidating unlisted mobile telecommunications businesses in Europe ("**3** Group Europe") and an approximate 66.09% interest in HTHKH which is listed on the main board of SEHK. Effective from January 1, 2024, CKHH revised its reportable segments to align with performance review and assessment process. Hutchison Asia Telecommunications ("HAT") which was previously reported under "Telecommunications" segment is reported under the "Finance & Investments and Others" segment under the revised business segment information.

- **3** Group Europe comprises mobile telecommunications businesses in Sweden, Denmark, Austria and Ireland, offering mobile telecommunications services under the brand name "Three" or "**3**", in Italy where Wind Tre S.p.A. ("Wind Tre"), in which CKHH previously indirectly held a 50% interest until it became a wholly-owned operation of CKHH following the completion of the acquisition by CKHH from Veon the remaining 50% interest in Wind Tre in September 2018, and in the UK where the merger of **3** UK, previously a wholly-owned operation of CKHH, and Vodafone UK was completed in May 2025 with the formation of the combined business, VodafoneThree Holdings Limited ("VodafoneThree"), now a 49% associated company of CKHH. As of June 30, 2025, CKHH's **3** Group Europe operations had approximately 60.5 million registered customers.

  – In the UK, VodafoneThree, in which CKHH holds a 49% interest, serviced a registered customer base of approximately 28.8 million as of June 30, 2025.

  – In Italy, Wind Tre serviced a registered mobile customer base of approximately 19.0 million as well as 2.7 million fixed line customers as of June 30, 2025.

  – In Sweden, Hi3G Access AB ("Hi3G Access"), in which CKHH holds a 60% interest, serviced a registered customer base of approximately 2.8 million as of June 30, 2025.

  – In Denmark, Hi3G Denmark ApS ("Hi3G Denmark"), in which CKHH holds a 60% interest and a wholly-owned subsidiary of Hi3G Access, serviced a registered customer base of approximately 1.7 million as of June 30, 2025.

  – In Austria, Hutchison Drei Austria GmbH ("**3** Austria") serviced a registered customer base of approximately 3.0 million as of June 30, 2025.

  – In Ireland, Three Ireland (Hutchison) Limited ("**3** Ireland") serviced a registered customer base of approximately 5.2 million as of June 30, 2025.

In November 2020, CKHH entered into an agreement to dispose of its European telecommunications tower assets for an aggregate consideration of €10 billion. The disposals of tower assets in Denmark, Austria and Ireland, pursuant to this agreement, were completed in December 2020. Disposals of the remaining tower assets in Sweden, Italy and the UK were completed in January 2021, June 2021 and November 2022, respectively.

In June 2023, CKHGT reached an agreement to combine their UK telecommunication businesses with that of Vodafone UK, with the merged entity being 49% owned by CKHGT upon completion. On May 31, 2025, the merger of Vodafone UK and **3** UK successfully completed. The combined business, named VodafoneThree, is 51% owned by Vodafone and 49% by CKHGT.

- HTHKH, which was listed on the SEHK in May 2009, is a mobile telecommunications operator that provides services in Hong Kong and Macau under the **3**, SUPREME, 3Business, MO+ and SoSIM brands. HTHKH has a combined active mobile customer base of approximately 6.1 million in Hong Kong and Macau as of June 30, 2025.

Finance & Investments and Others

CKHH receives income from its Finance & Investments and Others segment, which is responsible for the management of CKHH's cash deposits, liquid assets held in managed funds and other investments. CKHH operates a central cash management system for all of its subsidiaries, except for listed subsidiaries and certain overseas entities conducting businesses in non-Hong Kong or non-U.S. dollar currencies. Income from this division includes interest income, dividends from equity investments, profits and losses from sale of securities, and foreign exchange gains and losses of non-Hong Kong dollar denominated liquid assets. The interest expense and finance costs related to CKHH's various operating businesses are not attributed to this division but are borne by the operating businesses.

CKHH's share of the results of HWCL, Hutchison E-Commerce operations, listed associate TOM Group, the Marionnaud Group, listed associate CKLS, HTAL, a 50% joint venture in Ooredoo Hutchison Asia Pte. Ltd, which has a 65.6% interest in listed entity, IOH, telecommunications operations in Sri Lanka, as well as listed associate, Cenovus Energy, are reported under this division. HAT which was previously reported under "Telecommunications" segment is reported under the "Finance & Investments and Others" segment under the revised business segment information.

- HWCL is engaged in the businesses of manufacturing, service and distribution in the Mainland and Hong Kong, and also has 38.14% interest in HUTCHMED, which is currently listed on the SEHK, the AIM Market of the London Stock Exchange in the UK and the Nasdaq in the U.S.. HUTCHMED is an innovative, commercial-stage, biopharmaceutical company committed to the discovery and global development and commercialization of targeted therapies and immunotherapies for the treatment of cancer and immunological diseases. During 2019, CKHH partially disposed of its interest in HUTCHMED, reducing CKHH's shareholding from 60.15% to 49.86%. Subsequent to the follow-on offering of HUTCHMED's ADS in January 2020 and private placements in July and November 2020, CKHH's shareholding was further diluted to 45.69%. The private placement in April 2021, initial public offering in Hong Kong in June 2021 and subsequent exercise of share options resulted in further dilution of shareholding to 38.14% as of June 30, 2025;

- CKHH has an approximate 45.32% interest in CKLS, a company listed on SEHK. CKLS is engaged in the business of research and development, manufacturing, commercialization, marketing, sale of, and investment in nutraceuticals, pharmaceuticals and agriculture-related products and assets as well as investment in various financial and investment products;

- CKHH has an approximate 36.1% interest in the TOM Group, a technology and media company listed on the SEHK. TOM Group has technology operations in mobile internet; investments in e-commerce, fintech, and advanced data analytics sectors. In addition, its media businesses cover both publishing and advertising segments;

- CKHH has a 100% interest in the Marionnaud Group, a luxury perfumery and cosmetic retail chain in Europe;

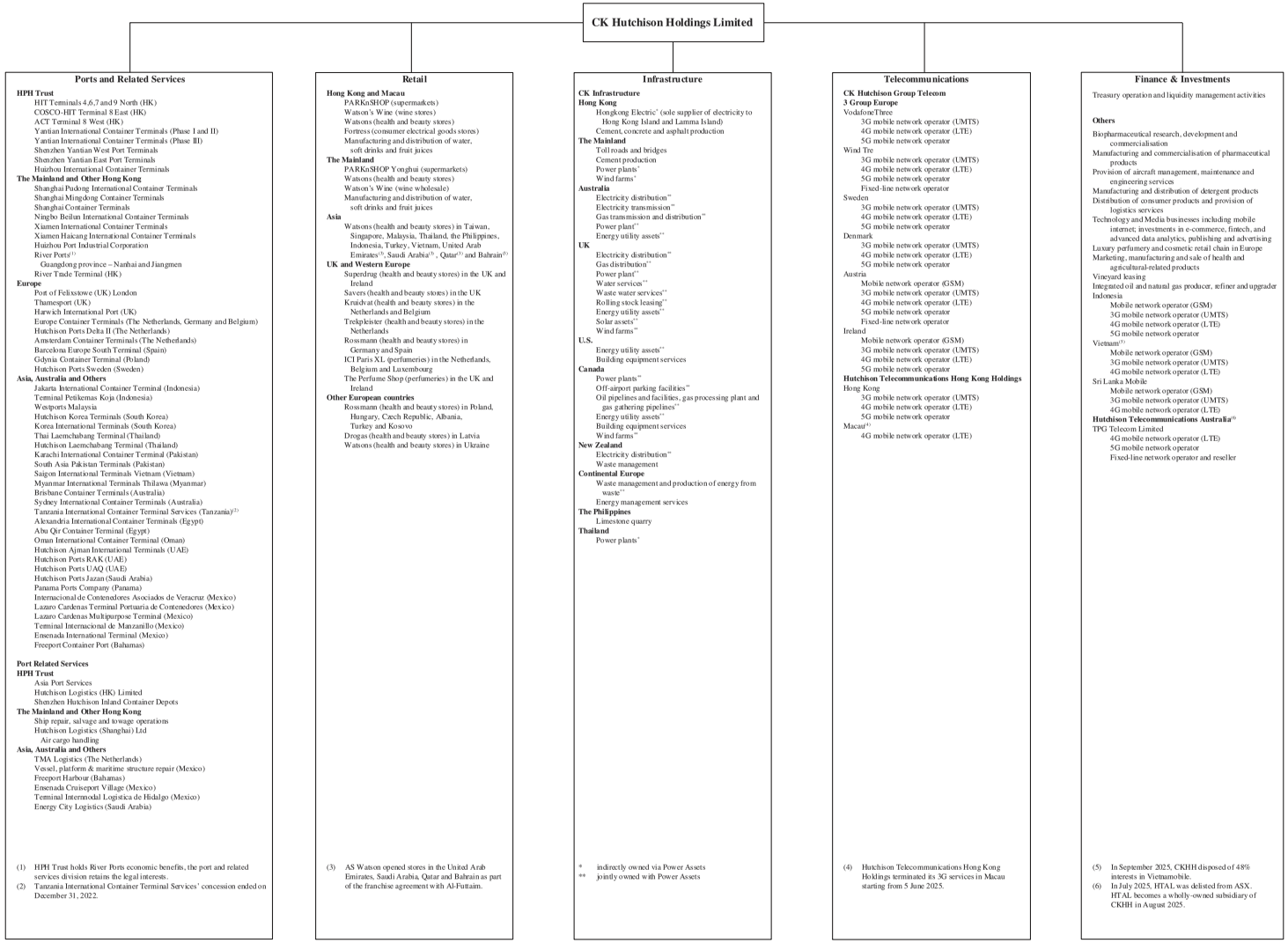
- HTAL, a wholly-owned subsidiary as at August 26, 2025, has a 25.05% interest in TPG which is listed on the ASX. TPG has a mobile subscriber base of approximately 5.62 million as of June 30, 2025;

- In January 2022, the merger transaction between CKHH's Indonesia telecommunication business, H3I and Indosat was completed. The newly merged company, IOH, is listed on the Indonesia Stock Exchange and became the second largest telecommunication operator in Indonesia upon the merger. Following the completion of the transaction, CKHH holds 50% interest in Ooredoo Hutchison Asia Pte. Ltd, which in turn holds 65.6% in IOH;

- CKHH provides mobile telecommunications services in Sri Lanka through Hutch Lanka in which CKHH holds 90.36% of the business; and

- CKHH has an approximate 17.1% interest in Cenovus Energy, a Canadian integrated oil and natural gas company listed on the Toronto Stock Exchange and New York Stock Exchange.

The following chart illustrates the main activities of CKHH and its associates and joint ventures by business segment as of June 30, 2025:



Recent Developments

- On May 22, 2025, Hutchison Telecommunications (Amsterdam) B.V. ("HTABV"), an indirect wholly owned subsidiary of CKHH, owned approximately 87.87% of HTAL's issued shares at that time, announced its intention to make an off-market takeover bid for all of the ordinary shares in HTAL that it did not already own. On July 15, 2025 HTABV exercised its right to compulsorily acquire all of the remaining shares in HTAL. HTAL was delisted from the ASX on July 25, 2025. On August 26, 2025, the compulsory acquisition process was completed and accordingly, HTABV currently owns 100% of the issued shares in HTAL.

- In July 2025, Eversholt UK Rails Group Limited, a joint venture company of CKI, CK Asset Holdings Limited, Power Assets and CKHH, entered into an agreement to divest 100% interests in UK Rails. Completion of the transaction is subject to the fulfilment of certain conditions under the sales and purchase agreement.

- On July 31, 2025, TPG announced the completion of the sale of its fiber network infrastructure assets and Enterprise, Government and Wholesale fixed business to Vocus Group Limited ("Vocus Transaction") generating net cash proceeds of approximately A$4.7 billion. Following the completion of the Vocus Transaction, TPG communicated to the market the capital management plans including return of up to A$3 billion of the Vocus Transaction proceeds to all shareholders via a pro rata Capital Reduction (subject to shareholder approval), the Reinvestment Plan of up to A$688 million to increase minority ownership and total Debt Repayment of up to A$2.4 billion of bank borrowings using A$1.7 billion of the Vocus Transaction proceeds and up to A$688 million of Reinvestment Plan proceeds.

- In August 2025, Cenovus Energy entered into a definitive agreement to acquire MEG Energy Corp. in a cash and stock transaction valued at C$7.9 billion, inclusive of assumed debt. The completion is subject to satisfaction of closing conditions, including regulatory approvals and approval of the transactions by MEG shareholders.

- In September 2025, CKHH disposed of its 48% interests in Vietnamobile.

BUSINESS STRATEGY

In the current global economic environment, CKHH focuses on maintaining financial discipline and the strength of its financial position in order to successfully execute its business strategies. CKHH's overall business strategy is to focus on and continue to cautiously expand its core businesses and its market share in all markets in which it operates, mainly by organic growth, and through selective acquisitions where opportunities exist. CKHH has focused primarily in the markets which it has existing operations and with a stable economic and political environment. CKHH expects to continue to cautiously expand in its core businesses in line with demand for its products and services. CKHH also seeks to establish a strong and diversified local presence in each market in which it operates.

CKHH's divisions have the following specific business strategies:

- The Ports and Related Services division plans to continue to optimize the performance of its existing port operations and to continue to grow and expand its existing position as a leading global competitor in container terminal operations. The division plans to pursue selective expansion opportunities to meet demand in its existing port locations to maintain market share and to cautiously expand into new markets elsewhere around the world. In addition, the division seeks to maximize the operational efficiencies among its global port operations as well as to improve the operating results of the ports through strict cost management strategies in order to maintain stable growth.
- The Retail division seeks to build its leading market position by expanding its businesses through organic growth with new store openings mainly in markets with high growth potential. CKHH believes that it can use its retail expertise as a global retailer to expand and continue to grow its operations. In addition to network expansion, the Retail division has been creating differentiation through developing its own brand products and building customer relationship management and digital capabilities that provide multi-channel shopping experiences, as well as increase insight into customer preferences to enhance the effectiveness of marketing campaigns. The division will also drive the digital transformation to accelerate the integration of its physical store portfolio and online channels.
- CKI seeks to ascertain further opportunities to invest in infrastructure projects with stable returns and accretive earnings and cashflow profiles.
- CK Hutchison Group Telecom aims to offer its customers the best network quality and coverage. Key strategies include:
  - **Operational strategies.** CKHGT aims to offer its customer the best network quality and coverage through (i) improving its network through data-centric digitalization to optimize service quality, increase overall network coverage and expand market share; (ii) IT transformation program, retail point-of-sales, billing systems and new product catalogues to enhance customer experience; and (iii) being actively involved in developing 5G and standardizing operation support systems and core network for 5G. CKHGT has already obtained sufficient 5G spectrums in all operations and has launched 5G services in almost all markets in which it operates.
  - **Business strategies.** CKHGT focuses on (i) increasing contract customer base to protect short term volatility; (ii) expanding revenue streams to increase margins and drive growth, including fixed-wireless access, data analytics, accessories sales, and financial services; and (iii) increasing margin by enhancing cost structure and capturing full cost efficiencies from network and IT transformations.
  - **Financial strategies.** CKHGT aims to maintain investment grade rating and CKHH's standard of financial management, discipline and system. In addition, CKHGT demonstrates its operational efficiency and disciplined cost control, and aims to maintain a strong balance sheet, through (i) prudent financial management and strong financial flexibility through regular and close cash flow monitoring; (ii) stringent capex approval policies consistent with CKHH's standards; and (iii) strict dividend policy based on net debt to EBITDA threshold, to ensure healthy liquidity of all operating units before considering any form of capital return to CKHH.

Ports and Related Services

The Ports and Related Services division comprises Hutchison Ports, and HPH Trust, the 30.07% owned associate listed on the Main Board of the SGX-ST. CKHH is one of the world's largest privately-owned container terminal operators in terms of throughput handled. The division handled combined container throughput of 87.5 million TEU and 44.0 million TEU in 2024 and the six months ended June 30, 2025, respectively. As of June 30, 2025, CKHH had interests in 53 ports comprising 295 operational berths[(1)] in 24 countries.

The market for Ports and Related Services is dependent on a variety of factors. The geographic location of each port is important to its traffic flow. A terminal operator must also have sufficient capacity to meet the demands of its customers. In addition, through its interests in Shanghai, Ningbo, and Delta ports and, through its associate HPH Trust, Yantian Port and Huizhou Port, CKHH is one of the largest private container terminal operators in the Mainland. Through its European operations, CKHH is positioned as one of the market leaders in container terminal operations with businesses in the UK, the Netherlands, Belgium, Germany, Spain, Poland and Sweden. CKHH also operates the largest container terminal operation in Indonesia and Thailand. Shipping lines focus on turnaround time at ports in order to minimize the amount of time their vessels spend at ports. CKHH utilizes the latest technology and management systems in all of its port operations in order to maximize turnaround performance.

The following table set out the container throughput by type of shipment and geographic location, respectively, of the portfolio of ports operated by CKHH's subsidiaries, associates and joint ventures:

Container Throughput[(2)]

	Year Ended December 31, 2024	Six months Ended June 30, 2025
	in thousands of TEU	in thousands of TEU
Local	57,207.3	28,709.4
Transshipment	30,258.5	15,289.9
Total	87,465.8	43,999.3
HPH Trust	22,304.9	11,103.3
The Mainland and Other Hong Kong	13,366.7	6,710.2
Europe	16,525.6	8,222.1
Asia, Australia and Others	35,268.6	17,963.7
Total	87,465.8	43,999.3

(1) Based on 300 meters per berth and is computed by dividing the total berth length by 300 meters, which may be different to the number of physical container berths for vessel mooring. Unless otherwise stated, the number of berths stated elsewhere in this offering memorandum represents the number of physical berths.

(2) The published statistics to the Hong Kong Marine Department are not directly comparable to the throughput figures of HIT, CHT and ACT HK included in the figure for HPH Trust above. HIT, CHT and ACT HK figures include volumes in relation lighterwork, etc. and are more comparable to statistics used by the industry.

HPH TRUST

Yantian Port

YICT, a joint venture between HPH Trust and Shenzhen Port Group, is located in Da Peng Bay, three kilometers from the Hong Kong border.

HPH Trust has a 56.4% interest in YICT, which owns and manages Phases I and II of Yantian Port, the first deep-water port in the southern Mainland. Phases I and II of Yantian Port provide 130 hectares of yard space, five container berths and one barge berth. Yantian Phase

III, in which HPH Trust holds a 51.6% interest, was formed to develop terminal facilities at Phase III and Phase III expansion of Yantian Port. Together they provide a total yard space of 226 hectares and 11 container berths.

HPH Trust holds a 51.6% interest in Yantian West Port Phases I and II, which are adjacent to existing Yantian Port Phases I and II facilities. Yantian West Port Phase I provides one container berth and two barge berths with yard space of 17 hectares. Yantian West Port Phase II provides three container berths with yard space of 44 hectares.

In June 2021, HPH Trust entered into a joint venture agreement with Shenzhen Port Group Company Limited to construct, develop, operate and manage Phase I of a container terminal with an approximate size of 120 hectares located in the eastern side of YICT, with an approximately 1,470-meter quay length.

Yantian Port handled throughput of 15.0 million TEU in 2024 and 7.6 million TEU in the six months ended June 30, 2025.

Hong Kong Kwai Tsing Port Operations

HPH Trust holds a 100% interest in HIT. HIT's scope of operations in Hong Kong, includes the loading and unloading of containers to and from container vessels, the storage of containers and cargoes and the handling of containers within the container terminal premises. HIT operates 12 container berths and four barge berths at its four terminals at Kwai Tsing. In addition, HIT's 50% joint venture, CHT, operates two container berths and five barge berths at Kwai Tsing. HIT and CHT occupy approximately 141 hectares of terminal space which is held under leases granted by the Hong Kong Government expiring in 2047. Historically, the Hong Kong Government has controlled the amount of land used for container terminals.

HPH Trust currently holds an effective interest of 40% in ACT HK, which owns and operates two container berths at Container Terminal 8 West, adjacent to the HPH Trust's existing container terminals, at Kwai Chung, Hong Kong.

In December 2016, HIT, CHT and ACT HK entered into a Co-Management Agreement for which they will collaborate towards the efficient management and operation of 16 berths across Terminals 4, 6, 7, 8 and 9 in Kwai Tsing, Hong Kong with effect from January 1, 2017.

On January 8, 2019, HIT, CHT, ACT HK and Modern Terminals Limited entered into a Hong Kong Seaport Joint Operating Alliance Agreement (the "Joint Operating Agreement") on which they will collaborate for the efficient management and operation of the 23 berths across Terminals 1, 2, 4, 5, 6, 7, 8 and 9 in Kwai Tsing, Hong Kong. The Joint Operating Agreement has been progressively implemented from April 1, 2019. The alliance has been approved by Hong Kong Competition Commission subject to a number of obligations, which include price caps and maintaining service levels, that will remain in place for up to eight years (and, for one of the service level obligations, for the duration of the Joint Operating Agreement).

Throughput of HIT, CHT and ACT HK together amounted to 7.1 million TEU in 2024 and 3.4 million TEU in the six months ended June 30, 2025.

Huizhou International Container Terminals Limited

HPH Trust holds an effective interest of 41.3% in HICT, the first dedicated container terminal in Huizhou Port, which is located close to the manufacturing hinterland in eastern Guangdong and has two berths, with a total berth length of 800 meters, an area of 60 hectares, a depth alongside of 15.7 meters and approaching channel of 14.5 meters.

HICT handled throughput of 164,700 TEU in 2024 and 90,600 TEU in the six months ended June 30, 2025.

Ports in the Mainland and Other Hong Kong

Shanghai Ports

Hutchison Ports' interests in Shanghai ports include interests in SMCT, SPICT and SCT. CKHH's Shanghai ports, comprising 17 container berths handled 9.0 million TEU in 2024 and 4.7 million TEU in the six months ended June 30, 2025.

The following table summarizes the combined container throughput of CKHH's Shanghai ports:

Shanghai Ports Container Throughput

	Year Ended December 31, 2024	Six months Ended June 30, 2025
	in thousands of TEU	in thousands of TEU
Local	5,634.3	3,020.9
Transshipment	3,393.1	1,711.5
Total	9,027.4	4,732.4

Shanghai Mingdong Container Terminals Limited. Hutchison Ports' owns a 30% interest in SMCT. SMCT, located at Phase V of the Waigaoqiao in Shanghai, consists of four container berths and two barge berths along a 1,300-meter quay. SMCT is currently leasing the Waigaoqiao Phase VI container terminal with three container berths along a 958-meter quay.

Shanghai Pudong International Container Terminals Limited. Hutchison Ports owns a 30% interest in SPICT. SPICT operates three container berths at Phase I of the Waigaoqiao in Shanghai. It also offers supporting services that include a container freight station and reefer facilities.

Shanghai Container Terminals Limited. Hutchison Ports owns a 40% equity interest in SCT, which is a joint venture with Shanghai International Port (Group) Co. Ltd. SCT's Zhanghuabang and Jungonglu terminals are leased to Shanghai International Port (Group) Co. Ltd. for handling domestic cargo.

Other Mainland Ports

Ningbo Beilun International Container Terminals Limited. Hutchison Ports holds a 49% interest in NBCT. NBCT is a container-handling facility situated at Ningbo Beilun Port, a natural deep-water port on the southeast coast of China. The facility is situated on 76.2 hectares of land and is equipped with three container berths. NBCT handled 2.0 million TEU in 2024 and 0.9 million TEU in the six months ended June 30, 2025.

Hutchison Delta Ports Limited ("Delta Ports")

Delta Ports, a wholly-owned subsidiary of Hutchison Ports, manages Hutchison Ports' existing interests in river and coastal ports in the Mainland and invests in, develops and operates new river and coastal ports in the Mainland in conjunction with local government entities as its joint venture partners. Delta Ports currently operates and manages joint venture facilities in Nanhai, Jiangmen and Xiamen of which Hutchison Ports' economic interest in the two River Ports (Jiangmen International Container Terminals and Nanhai International Container Terminals) were assigned to HPH Trust prior to its IPO, but Hutchison Ports retains the legal interest in these operations. The two River Ports are 50%-owned joint venture facilities and the Xiamen port is 49%-owned by Hutchison Ports.

Nanhai, Jiangmen and Xiamen handled a total of 1.6 million TEU and 19,800 tons of non-containerized cargo in 2024 and 0.7 million TEU and 8,200 tons of non-containerized cargo in the six months ended June 30, 2025.

Huizhou Port Industrial Corporation Limited ("HPIC"). Hutchison Ports holds a 33.59% interest in HPIC. HPIC, located at Quanwan Port zone in the Daya Bay Economic and Technological Development Zone of Huizhou, is a multi-purpose facility that mainly handles non-containerized cargo such as refined oil, steel, sand and cement.

HPIC handled 7.8 million tons of oil and other non-containerized cargo in 2024 and 4.1 million tons of oil and other non-containerized cargo in in the six months ended June 30, 2025.

River Trade Terminal Co. Ltd. ("RTT"). Hutchison Ports has a 50% equity interest in RTT, which handles and consolidates container and break-bulk cargo originating from southern China river ports prior to dispatch to Kwai Tsing, Hong Kong. RTT handled throughput of approximately 0.7 million TEU in 2024 and 0.4 million TEU in the six months ended June 30, 2025, respectively.

Ports in Europe

The Netherlands, Germany and Belgium

Europe Container Terminals. Hutchison Ports has a 93.5% equity interest in ECT in Rotterdam, the Netherlands. Through ECT, Hutchison Ports has an 89.37% equity interest in ECT Delta Terminal B.V. and a 48.62% equity interest in Euromax Terminal Rotterdam B.V. in Rotterdam, the Netherlands. ECT is one of the largest container operators in Europe in terms of container throughput, operating two deep-sea terminals with 10 container berths. ECT also has equity interests in inland facilities in the ports of Venlo and Moerdijk in the Netherlands, Duisburg in Germany and Willebroek in Belgium.

The following table summarizes the combined container throughput with respect to ECT:

The Netherlands, Germany and Belgium Container Throughput

	Year Ended December 31, 2024	Six months Ended June 30, 2025
	in thousands of TEU	in thousands of TEU
Local	5,449.7	3,003.0
Transshipment	2,116.6	914.0
Total	7,566.3	3,917.0

Hutchison Ports Delta II. In June 2021, Hutchison Ports acquired a 100% equity interest in Delta II which is adjacent to the existing ECT Delta terminal in Rotterdam. In May 2025, a 3-year concession extension was granted to June 2028.

Amsterdam Container Terminals. Hutchison Ports has a 100% equity interest in ACT which comprises three berths with a total length of 1,015 meters. The operation is currently engaged in general cargo, project cargoes and short-sea container traffic.

TMA Logistics. In December 2017, Hutchison Ports acquired a 50% equity interest in TMA Logistics B.V., which handles general cargo, project cargo and short-sea container traffic together with warehousing, cold store, transport and agency operations.

UK

CKHH's UK port operations consist of PFL, LTP and HWH with 11 container berths and 2 non-container berths. CKHH's UK ports handled 3.8 million TEU in 2024 and 1.9 million TEU in the six months ended June 30, 2025. PFL and LTP together handled approximately 40% of the UK container throughput in 2024.

Port of Felixstowe Limited. Hutchison Ports has a 100% equity interest in PFL, the largest container facility in the UK. PFL's terminals include: Trinity, which can berth seven deep-sea container ships at any one time and Dooley, primarily a roll-on/roll-off facility. The 920-meter deep water berths 8 and 9 was extended in 2015 and can handle two of the largest container ships afloat concurrently.

Thamesport (London) Limited. Hutchison Ports has an 80% equity interest in LTP in the UK. LTP is a container and general cargo terminal on the Thames estuary 35 miles from London.

Harwich International (Holdings) Limited. Hutchison Ports has a 100% equity interest in HWH, which is situated one mile from PFL on the opposite side of the Harwich Haven estuary. It has strong links with Northern Europe, particularly through regular passenger and freight roll-on/roll-off services and cruise vessels. It also handles liquid bulk and agricultural products.

The following table summarizes the combined container throughput with respect to PFL and LTP:

UK Container Throughput

	Year Ended December 31, 2024	Six months Ended June 30, 2025
	in thousands of TEU	in thousands of TEU
Local	3,632.5	1,704.8
Transshipment	193.1	211.2
Total	3,825.6	1,916.0

Spain

Barcelona Europe South Terminal. Hutchison Ports has a 100% equity interest in BEST, which has a 45-year concession, extendable to 50 years, at the Port of Barcelona, Spain. The semi-automated terminal at BEST has a quay length of 1,500 meters. BEST handled 2.7 million TEU in 2024 and 1.3 million TEU in the six months ended June 30, 2025.

In July 2024, an agreement was signed with Terminal Investment Limited ("TIL") for the disposal of a 50% equity interest in BEST. MSC, the parent company of TIL, will use BEST exclusively as its hub in Catalunya post-completion. The completion of the disposal is subject to fulfilment of various agreed conditions, including approval from competition authorities.

Poland

Gdynia Container Terminal. The Port of Gdynia is located on the southern coast of the Baltic Sea, where approximately 97% of Polish sea-borne containerized cargo is handled. Hutchison Ports has a 100% equity interest in GCT at the Port of Gdynia. GCT handled 393,200 TEU in 2024 and 230,500 TEU in the six months ended June 30, 2025.

Sweden

Hutchison Ports Sweden. In February 2017, Hutchison Ports signed an agreement with Ports of Stockholm to develop and operate new container-handling facilities at the Port of Nynäshamn ("CTN"), Norvik, approximately 60 kilometers south of Stockholm, under a 25-year concession, extendable to 30 years. CTN handled 49,400 TEU in 2024 and 24,800 TEU in the six months ended June 30, 2025.

Ports in Asia, Australia and others

Malaysia

Westports Malaysia. Westports Holdings Berhad ("Westports"), Hutchison Ports' 23.55% listed associate, is listed on the Malaysia Stock Exchange. Westports is the holding company of KMT at Port Klang, Malaysia. KMT is an integrated terminal situated at Port Klang. It offers container-handling services, with the capability of also handling dry bulk, liquid bulk and other conventional cargo. KMT has 20 container berths and handled 11.0 million TEU in 2024 and 5.6 million TEU in the six months ended June 30, 2025.

Indonesia

Jakarta International Container Terminal. Hutchison Ports has a 48.9% economic interest in JICT, located at Tanjung Priok Port in Jakarta. JICT is the largest terminal port operator in Indonesia with seven container berths. JICT completed its final phase of the expansion program in November 2016, which has shortened the gate transaction time, and is delivering improved service levels to its customers.

Terminal Petikemas Koja. Hutchison Ports has an effective 45.09% interest in KOJA at Tanjung Priok Port in Jakarta. KOJA is adjacent to JICT and has three container berths. The expansion program at KOJA has been completed. As a result of the investments associated with this expansion program, KOJA increased its capacity to approximately 1 million TEU.

In 2014, Hutchison Ports signed conditional agreements for 20-year extensions to the concessions of JICT and KOJA. The agreements became effective on July 6, 2015 following approval from the Indonesian Government.

The following table summarizes JICT's and KOJA's container throughput:

Indonesia Container Throughput

	Year Ended December 31, 2024	Six months Ended June 30, 2025
	in thousands of TEU	in thousands of TEU
Local	3,078.0	1,453.4
Transshipment	193.0	92.8
Total	3,271.0	1,546.2

South Korea

Hutchison Korea Terminals. Hutchison Ports operates a deep-water container terminal in Busan. In January 2025, HKT has completed its terminal relocation to Singamman and Gamman area, resulting in a reduction from five berths to four berths.

Korea International Terminals. Hutchison Ports has an equity interest of 88.9% in KIT. KIT is located at the Gwangyang Port Phase II in South Korea with a total of four berths.

The combined throughput handled by HKT and KIT in South Korea was 2.6 million TEU in 2024 and 1.2 million TEU in the six months ended June 30, 2025.

Thailand

Thai Laemchabang Terminal. Hutchison Ports has an 87.5% interest in TLT, which owns a multi-purpose facility with two container berths. The terminal is located at Laem Chabang Port on the Gulf of Thailand, which is 100 kilometers from Bangkok and 25 kilometers from Pattaya.

Hutchison Laemchabang Terminal. Hutchison Ports has an 80% interest in HLT. CKHH has construction, management and operation rights over an 11-berth facility and 141 hectares of land in Laem Chabang port for 30 years, with an option to renew for two further 10-year periods. Five of the total six terminals are currently in operation with the remaining terminal expected to commence operations in early 2026.

The terminals in Laem Chabang handled combined throughput of 4.7 million TEU in 2024 and 2.5 million TEU in the six months ended June 30, 2025.

In October 2024, Hutchison Ports signed conditional agreements to divest part of its shareholding in HLT. Subject to the fulfilment of agreed conditions, the transaction is expected to close within 2025, after which Hutchison Ports will have a 70% interest in HLT.

Pakistan

Karachi International Container Terminal. Hutchison Ports has a 100% equity interest in KICT, which is one of the container terminal operators at the Port of Karachi in Pakistan. KICT operates five container berths.

South Asia Pakistan Terminals. Hutchison Ports has a 90% equity interest in SAPT, a port with a concession period of 25 years, extendable for another 25 years. SAPT is situated at the estuary of the Keamari Groyne basin and the terminal provides convenient access to ships entering Karachi. Since the completion of phase 2 construction in 2021, SAPT has four berths with a total quay length of 1,500 meters, a yard area of up to 85 hectares and depth alongside up to 18 meters.

The terminals in Pakistan handled combined throughput of 2.1 million TEU in 2024 and 1.2 million TEU in the six months ended June 30, 2025.

Vietnam

Saigon International Terminals Vietnam. Hutchison Ports has a 70% interest in SITV. SITV is located approximately 55 kilometers southeast of central Ho Chi Minh City, in the area formerly known as Ba Ria-Vung Tau Province. It is a modern container terminal situated close to manufacturing centers that are now part of the expanded centrally-governed city of Ho Chi Minh City, following the administrative merger effective July 1, 2025.

Myanmar

Myanmar International Terminals Thilawa. Hutchison Ports has a 100% interest in MITT which has a long-term concession to operate a five berth general cargo and container port facility. The terminal is located 25 kilometers from Yangon, the largest city in Myanmar and the country's international trade portal.

Australia

Brisbane Container Terminals. Hutchison Ports has a 100% equity interest in BCT which operates a container terminal at Berths 11 and 12 in the Port of Brisbane, Queensland, Australia.

Sydney International Container Terminals. Hutchison Ports has a 100% equity interest in SICTL which operates the third container terminal at Port Botany, New South Wales, Australia.

The terminals in Australia handled a combined throughput of 572,400 TEU in 2024 and 233,400 TEU in the six months ended June 30, 2025.

Saudi Arabia

Jazan. Hutchison Ports has a 54% interest in Hutchison Ports Jazan. In February 2021, Hutchison Ports agreed with the Royal Commission in Jubail and Yanbu, to invest and operate multipurpose terminals within the Jazan City for Primary and Downstream Industries in Saudi Arabia which will be developed in two phases and offering a combined total of 1,270 meters of berth length in Phase 1. Jazan Port has commenced operation in September 2022.

Egypt

Alexandria International Container Terminals. Hutchison Ports has a 73.33% interest in two terminals at Ports of Alexandria and El Dekheila on the Mediterranean Sea. AICT handled 650,200 TEU in 2024 and 357,600 TEU in the six months ended June 30, 2025.

Abu Qir Container Terminal. In August 2020, Hutchison Ports entered into a long-term agreement with the Egyptian Navy to develop and operate a new container terminal in Abu Qir, which commenced operation in January 2024. Following the disposal of 5% effective interest in December 2023 and 15% effective interest in January 2024, Hutchison Ports has effective interest of 41% in Abu Qir container terminal since January 2024. Following the acquisition of 6.5% effective interest in July 2025, Hutchison Ports now has effective interest of 47.5% in Abu Qir container terminal.

Terminals in Ain Sokhna Port and El Dekheila Port. In March 2023, Hutchison Ports entered into two concession agreements with the Egyptian Government for the development and operation of a deep-water container terminal in each of Ain Sokhna Port and El Dekheila Port. Ain Sokhna will commence operation in January 2026 with 900,000 TEU capacity. El Dekheila Port will commence operation in July 2027 with 800,000 TEU capacity.

Oman

Oman International Container Terminal. Hutchison Ports has a 65% interest in a container terminal in the Port of Sohar. The Port of Sohar is located outside the Strait of Hormuz in the Gulf of Oman, approximately 200 kilometers from Muscat and 160 kilometers from Dubai. OICT handled 942,000 TEU in 2024 and 389,300 TEU in the six months ended June 30, 2025. OICT operates Terminal C with a quay length of 970 meters and a depth alongside of 18 meters.

UAE

Hutchison Ajman International Terminals. CKHH was granted a 10-year concession period commencing on January 1, 2012 to develop and operate Ajman Port in the UAE. HAJT is located 25 kilometers from Dubai and 10 kilometers from Sharjah, where most of the UAE's manufacturing and trading companies are located. The main container and general cargo berths of the terminal have a total quay length of 1,250 meters and a yard area of 12.9 hectares. HAJT handled 268,400 TEU in 2024 and 144,500 TEU in the six months ended June 30, 2025. While a development plan and a longer term extension are under negotiation, an extension agreement was signed with the UAE Department of Ports and Customs ("DPC") in June 2021, extending the current concession from 3 years to 4 years up to December 31, 2025. An Memorandum of Understanding was executed with DPC in June 2025 which outlines intention to further extend concession period.

Hutchison Ports RAK. Hutchison Ports has a 60% equity interest in RAK. In October 2017, CKHH was granted a concession to operate at Saqr Port in Ras Al Khaimah of the UAE, located in close proximity to the RAK Maritime City Free Zone and the industrial zones of Al Hamra and Al Ghail. In April 2025, Hutchison Ports RAK signed a concession extension to operate the facility, which currently has a quay length of 390 meters and a yard area of 18.2 hectares, to 2037.

Hutchison Ports UAQ. Hutchison Ports has a 60% equity interest in UAQ. In December 2017, CKHH was granted a concession to operate in Umm Al Quwain of the UAE. Currently, it has a quay length of 845 meters and a yard area of 23 hectares.

Iraq

NAWAH for Ports Management LLC. In July 2017, Hutchison Ports acquired 51% interest in a container terminal in the Port of Basra, an existing port with a concession of 15 years, extendable for 10 years based on mutual agreement with Port Authority. The Port of Basra is located in downtown Basra City, Iraq, on the banks of Shatt Al Arab River and has a quay length of 158 meters and a yard area of 2 hectares. Operations are currently suspended based on management's assessment of the unfavorable operating conditions. It is under discussion with the Port Authority to return the concession.

Mexico

CKHH's Mexico port operations consist of operations in Veracruz, Lazaro Cardenas, Ensenada and Manzanillo.

Internacional de Contenedores Asociados de Veracruz. Hutchison Ports has a 100% equity interest in ICAVE, which is located at the Port of Veracruz on the east coast of Mexico. In addition to facilities for handling containers, ICAVE is equipped with a container freight station, intermodal station, and empty container depot and external storage and repair facilities. In April 2016, ICAVE was granted a 20-year extension of the current concession for the relocation of ICAVE's current terminal facilities to the new port of Veracruz, on the east coast of Mexico. In June 2019, ICAVE has commenced operation at the new port of Veracruz.

Lazaro Cardenas Terminal Portuaria de Contenedores ("LCT"). Hutchison Ports has a 100% interest in LCT, which is located in the State of Michoacan, on the Pacific coast of Mexico. Phase I & II of the new terminal development has a total quay length of 930 meters. In January 2024, LCT obtained authorization from the Port Authority to initiate Phase III development which will extend the terminal's quay length to 1,275 meters.

Lazaro Cardenas Multipurpose Terminal ("LCMT"). Hutchison Ports has a 100% interest in a multi-purpose terminal, LCMT at the Port of Lazaro Cardenas for a concession period of 20 years. It has a total area of 20 hectares, a 286-meter berth with depth alongside of 14 meters.

Ensenada International Terminal ("EIT"). Hutchison Ports has a 100% equity interest in EIT, located 110 kilometers south of the U.S.-Mexico border along the Pacific Ocean. EIT is a multi-use terminal oriented to manage containers and bulk goods. In February 2017, EIT was granted a 20-year extension of the current concession.

The following table summarizes the combined container throughput with respect to the Mexico operations:

Mexico Container Throughput

	Year Ended December 31, 2024	Six months Ended June 30, 2025
	in thousands of TEU	in thousands of TEU
Local	2,916.9	1,346.1
Transshipment	573.8	368.0
Total	3,490.7	1,714.1

Argentina

Buenos Aires Container Terminal Services. Hutchison Ports has a 100% equity interest in BACTSSA, which is located at Terminal 5 at the Port of Buenos Aires, Argentina. BACTSSA's concession expired in May 2021, but the Federal Chamber in Administrative Litigation of the City of Buenos Aires ordered the Port Authority to allow BACTSSA to remain in the concession until the dispute on the concession extension is resolved. BACTSSA's concession ended on August 31, 2023.

The Bahamas

Freeport Container Port. Hutchison Ports has a 51% interest in FCP on Grand Bahama Island in the Bahamas serving as a transhipment hub for the eastern seaboard of the U.S. and the east/west line haul routes through the region. The facility has more than 1,000 meters of quay and 49 hectares of container yard. FCP handled 1.3 million TEU in 2024 and 0.5 million TEU in the six months ended June 30, 2025.

Panama

Panama Ports Company. Hutchison Ports has a 90% interest in PPC, which operates the ports of Balboa on the Pacific Ocean side and Cristobal on the Atlantic Ocean side of the Panama Canal, under a long-term concession agreement and has created a modern post-Panamax transhipment facility with 8 container berths. The ports of Cristobal and Balboa provide the link and strategic access for the transatlantic and transpacific trades to the east and west coasts of the Americas. In addition, Balboa is strategically located to participate in the transhipment trade between Asia, the west coast of the U.S., and the west and east coasts of Central and South America and the Caribbean.

The following table summarizes Panama's container throughput:

Panama Container Throughput

	Year Ended December 31, 2024	Six months Ended June 30, 2025
	in thousands of TEU	in thousands of TEU
Local	346.4	178.5
Transshipment	3,458.7	1,758.9
Total	3,805.1	1,937.4

Tanzania

Tanzania International Container Terminal Services. TICT, which is located at Dar es Salaam, had a total quay length of 725 meters and a yard area of 14 hectares, and handled 717,300 TEU in 2022 and its concession ended on December 31, 2022. Since 2023, TICT has been acting as a subcontractor for the terminal operation. Hutchison Ports has completed the disposal of entire 60% interests in TICT in June 2024.

Port Related Services

Hongkong United Dockyards Limited ("HUD") provides both marine and general engineering services from its Tsing Yi facility which includes workshops complex. HUD is a contractor for mechanical and electrical engineering and has a structural steel cut and bend facility on the premises. HUD also provides ship maintenance and repairs services.

HK Salvage and Towage Services Limited ("HKSTS") is a major tug operator in Hong Kong, deploying 13 tugs. The operation provides services including harbor towage, off-shore towage, salvage, and oil spill response, as well as tug design, new building, supervision and project consultancy. It is also the exclusive service provider and operator of the two dual-fuel standby vessels for Hong Kong LNG Terminal Limited.

Hutchison Ports has a 50% interest in Freeport Harbour Company ("FHC"), a major cruise ship passenger terminal on Grand Bahama Island in the Bahamas.

Hutchison Ports has a 100% equity interest in Ensenada Cruiseport Village ("ECV") in Mexico, which is an important international port for worldwide and Pacific Coast cruise ships. ECV also has marina facilities.

Hutchison Ports has a 100% equity interest in Terminal Internacional de Manzanillo ("TIMSA"). TIMSA is a multi-purpose stevedoring operation, which provides services at the Port of Manzanillo, Mexico. The port is strategically situated along the west coast of Mexico and is connected to major trade routes linking the Americas and Asia.

Hutchison Ports has a 100% equity interest in Talleres Navales del Golfo in Mexico, which provides maintenance, technical support, conservation and repair services to vessels, platforms and other kinds of maritime structures.

Hutchison Ports has an 80% economic interest in Terminal Intermodal Logistica de Hidalgo, which operates an intermodal terminal in the Mexican State of Hidalgo, strategically situated near Mexico City.

Hutchison Ports has a 20.83% interest in Hong Kong Air Cargo Terminals Ltd in Hong Kong, which provides air cargo handling services to airlines at Hong Kong International Airport.

Hutchison Ports has a 3.56% interest in Orient Overseas (International) Limited, a company listed on the Hong Kong Stock Exchange.

HPH Trust has a 100% interest in Asia Port Services, which operates ancillary services including container depots, trucking, feeder and a shipping agency.

HPH Trust owns 86.57% of Shenzhen Hutchison Inland Container Depots Co., Ltd, which operates a container depot and warehousing facilities in Shenzhen in the Mainland to provide logistics services, including storage and distribution, warehousing, transportation and other related services. This facility serves to enhance container traffic through Yantian Port.

In October 2022, Hutchison Ports formed a Joint Venture with Saudi Aramco in King Salman Energy Park ("SPARK") to operate and manage the dry port and bonded logistics zone in the SPARK energy industrial city in Saudi Arabia.

Retail

CKHH's strategy in its retail operation is to continue to build on its portfolio, through a policy of carefully managed growth, while tightly controlling costs. CKHH believes that it can leverage the retail expertise gained to expand and grow its retail operations through digital transformation to accelerate the integration of its physical store portfolio and online channels. As customers become increasingly cost and quality conscious, CKHH strives to provide customers with quality products at competitive prices through its exclusives and own brand products. As of June 30, 2025, CKHH operates retail businesses across 31 markets, predominantly in Europe, Hong Kong, the Mainland and other markets in Asia. CKHH believes that significant benefits flow from the economies of scale inherent in operating a global retail organization. All AS Watson's retail stores are rented, preserving the operational flexibility of the division. As of June 30, 2025, CKHH's interest in AS Watson is 75.05%.

All the numbers of stores quoted in the following paragraphs are as of June 30, 2025 unless otherwise specified.

Health & Beauty China

Watsons China is the leading retailers of health and beauty products in the Mainland with 3,630 stores.

Health & Beauty Asia

The Watsons business is the leading retailer of health and beauty products in Asia with strong brand name recognition and extensive geographical coverage with 585 stores in Taiwan, 808 in Malaysia, 1,190 in the Philippines, 185 in Hong Kong and Macau, 766 in Thailand, 99 in Singapore, 190 in Indonesia, 13 in Vietnam and 444 in Türkiye. There were 34 stores for the franchise business with Al-Futtaim located in the Gulf Cooperation Council.

Health & Beauty Western Europe

AS Watson owns 7 leading retail chains (Kruidvat, Trekpleister, Rossmann, Superdrug, Savers, The Perfume Shop and ICI Paris XL) with 5,829 stores in Western Europe.

AS Watson owns Superdrug and Savers in the UK and Ireland. Superdrug is one of the UK's leading health & beauty retailers operating 776 stores. Savers, a chain of discount health and beauty stores in the UK, has 526 stores. The company also owns a specialty perfumery retailer, The Perfume Shop in the UK and Ireland, which comprises 211 perfumery stores in the UK and Ireland.

ICI Paris XL is another leading perfumery chain in Europe with 264 stores in the Netherlands, Belgium and Luxembourg.

AS Watson also owns 3 leading retail chains (Kruidvat, Trekpleister and Rossmann) with 4,084 stores in Western Europe.

Health & Beauty Eastern Europe

AS Watson owns 3 leading retail chains (Rossmann, Drogas and Watsons) with 2,774 stores in 5 countries (Poland, Hungary, Czech Republic, Latvia, Lithuania and Ukraine) in Eastern Europe.

Other Retail

PARKnSHOP is a leading supermarket chain with 240 locations in Hong Kong and Macau. It is one of the market leaders in Hong Kong and has further expanded its offerings into the higher end food retailing market through branded store formats. In the Southern part of the Mainland, PARKnSHOP Yonghui operates supermarkets, selling fresh food, general merchandise and household products, with 30 stores in Guangdong Province.

Fortress is one of the leading retailers of consumer electronics and electrical appliances in Hong Kong. The chain of 66 Fortress stores throughout Hong Kong and Macau offers a wide range of products and after-sales product services.

Watson's Wine is one of the leading Hong Kong wine retailers with 20 outlets in Hong Kong and Macau.

The manufacturing division of AS Watson manufactures and distributes local and international branded drinking water, juices and other beverages in both Hong Kong and the Mainland.

AS Watson's "Watsons" brand is one of the leading brands of drinking water in Hong Kong. AS Watson's water business continues to develop in the Mainland, with strong sales in the Southern region, Shanghai and Beijing. "Mr. Juicy" is one of the best-selling brands of fruit juice in Hong Kong and is also increasingly distributed throughout the Southern Mainland.

Infrastructure

CKI

CKHH's interest in CKI[(1)], a subsidiary listed on the SEHK, is 75.67% as of June 30, 2025. Based on the closing price of its shares on the SEHK on June 30, 2025, CKI had a market capitalization of approximately HK$130,894 million (approximately US$16,781 million) and became one of the Hang Seng Index constituents on March 14, 2016.

CKI looks for projects with strong economic fundamentals and prefers to invest in operational projects or in projects that are already under construction in order to benefit from immediate or imminent cashflow and to reduce project development risks. CKI's objective is to obtain a relatively secure investment return from its infrastructure businesses by ensuring a stable minimum financial return, with the potential for participation in excess profits. In addition, it has focused on diversification and globalization initiatives and will continue to pursue opportunities when they arise.

Certain regulated operations of CKI's investments are subject to price control by regulatory authorities. The relevant regulatory authorities will reset the price control terms for certain projects in accordance with predetermined schedules.

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(1) In August 2024, CKI completed the secondary listing on the London Stock Exchange.

The following table summarizes certain information with respect to CKI:

CK INFRASTRUCTURE HOLDINGS LIMITED

	Year Ended / As of December 31, 2024	Year Ended / As of June 30, 2025
Profit attributable to shareholders	HK$8,115 million	HK$4,348 million
Earnings per share	HK$3.22	HK$1.73
Dividend per share	HK$2.58	HK$0.73
Equity attributable to shareholders of CKI – shareholders' funds	HK$121,280 million	HK$125,271 million
Net debt	HK$11,136 million	HK$15,985 million
Net debt to net total capital ratio	7.8%	10.6%

Power Assets Holdings Limited

Power Assets is listed on the SEHK. CKI's interest in Power Assets was 36.01% as of June 30, 2025. Based on the closing price of its shares on the SEHK on June 30, 2025, Power Assets had a market capitalization of approximately HK$107,514 million (approximately US$13,784 million). Power Assets completed the separate listing of its Hong Kong electricity business by way of the listing of the share stapled units jointly issued by HKEI on the Main Board of the SEHK on January 29, 2014. Power Assets currently holds 33.37% of HKEI which became an associated company of Power Assets following its separate listing. HKEI's wholly-owned subsidiary, Hongkong Electric, generates, transmits and is the sole distributor of electricity to Hong Kong Island and Lamma Island. Currently, Hongkong Electric supplies electricity to over half a million customers. Total unit sales in 2024 were 10,150 GWh, a 1% increase from the 10,040 GWh sold in 2023.

The operations of Hongkong Electric are subject to the Scheme of Control Agreement ("SCA") with the Hong Kong Government.

In April 2017, Hongkong Electric and HKEI signed a new SCA with the Hong Kong Government for a period of 15 years commencing January 1, 2019. The agreement provides for an 8% permitted rate of return on average net fixed assets.

Power Assets holds a 45% interest in Jinwan Power Plant in the Mainland.

Power Assets also holds 45% interests in two wind farms in Dali, Yunnan Province and in Laoting, Hebei Province.

Power Assets has a 25% interest in Ratchaburi Power Company Limited, which owns and operates a 1,400 MW gas-fired power plant project located in Ratchaburi Province, Thailand.

Power Assets also holds interests in the following operations:

- 40% interest in UK Power Networks (CKI's direct interest: 40%);
- 6% interest in Northumbrian Water (CKI's direct interest: 39%);
- 41.29% interest in Northern Gas Networks (CKI's direct interest: 47.06%);
- 36% interest in Wales & West Utilities (CKI's direct interest: 39%);
- 10% interest in UK Rails (CKI's direct interest: 65%)[(2)];
- 20% interest in Phoenix Energy (CKI's direct interest: 40%);
- 20% interest in UK Renewables Energy (CKI's direct interest: 40%);
- 25% interest in Seabank Power (CKI's direct interest: 25%);

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(2) In July 2025, Eversholt UK Rails Group Limited, a joint venture company of CKI, CK Asset Holdings Limited, Power Assets and CKHH, entered into an agreement to divest 100% interests in UK Rails. Completion of the transaction is subject to the fulfilment of certain conditions under the sales and purchase agreement.

- 27.93% in each of SA Power Networks, Powercor and CitiPower (CKI's direct interest in each: 23.07%);
- 27% interest in Dutch Enviro Energy (CKI's direct interest: 45.5%);
- 27.51% interest in AGN (CKI's direct interest: 44.97%);
- 50% interest in Australian Energy Operations (CKI's direct interest: 50%);
- 20% interest in CK William Group (CKI's direct interest: 40%);
- 50% interest in Wellington Electricity (CKI's direct interest: 50%);
- 50% interest in Canadian Power (CKI's direct interest: 50%);
- 10% interest in Park'N Fly (CKI's direct interest: 65%); and
- 48.75% interest in HMLP (CKI's direct interest: 16.25%).

Power Assets may pursue other international investment opportunities on a selective basis including equity investments in infrastructure assets and, where appropriate, participating in partnership with CKI.

The following table summarizes certain information with respect to Power Assets:

Power Assets Holdings Limited

	Year Ended / As of December 31, 2024	Six months Ended / As of June 30, 2025
Profit attributable to shareholders	HK$6,119 million	HK$3,042 million
Earnings per share	HK$2.87	HK$1.43
Dividend per share	HK$2.82	HK$0.78
(Net cash)/net debt	HK$(228) million	HK$2,207 million

UK Projects

UK Power Networks Holdings Limited

CKI and Power Assets each currently hold a 40% interest in UK Power Networks, which comprises three regional networks with a distribution area that covers London, the South East and the East of England. These networks serve over 8.5 million customers and provide approximately 28% of the electrical power in the UK. In addition, UK Power Networks' businesses include a non-regulated business comprising the distribution of electricity to a number of privately owned sites.

Northumbrian Water Group Limited

CKI and Power Assets currently hold a 39% and 6% interest in Northumbrian Water, respectively. Northumbrian Water is one of the ten regulated water and sewerage companies in England and Wales and provides water and waste water services to approximately 2.7 million people in the North East of England and drinking water to approximately 2.4 million people in the South East of England. In addition, Northumbrian Water's operations include Kielder Reservoir, the largest man-made reservoir in Northwestern Europe, as well as a portfolio of long term water and waste water contracts. CKHH's effective interest in Northumbrian Water is 34.15%.

Northern Gas Networks Holdings Limited

CKI and Power Assets currently hold a 47.06% and a 41.29% interest, respectively in Northern Gas. It is one of the eight major gas distribution networks in the UK. The region contains a mixture of large cities (Newcastle, Sunderland, Leeds, Hull and Bradford) and a significant rural area including North Yorkshire and Cumbria. Northern Gas delivers gas to 2.9 million homes and businesses.

Wales & West Utilities

CKI and Power Assets currently hold a 39% and 36% interest, respectively, in Wales & West Utilities, which is a gas distribution network that serves Wales and the South West of England. Wales & West Utilities provides service to a population of 7.5 million and the network covers an area of 42,000 square kilometers. The total length of main gas pipeline is about 35,000 kilometers. CKHH's effective interest in Wales & West Utilities is 42.32%.

UK Rails

CKI and Power Assets hold a 65% and 10% interest, respectively, in UK Rails, one of the three major rolling stock owning companies that were established at the time of privatization of the UK rail industry. UK Rails offers a diverse range of rolling stock, including regional, commuter and high speed passenger trains, as well as freight locomotives, on long term contracts to train and freight operating companies. CKHH's effective interest in UK Rails is 56.91%. In July 2025, Eversholt UK Rails Group Limited, a joint venture company of CKI, CK Asset Holdings Limited, Power Assets and CKHH, entered into an agreement to divest 100% interests in UK Rails. Completion of the transaction is subject to the fulfilment of certain conditions under the sales and purchase agreement.

Phoenix Energy

CKI and Power Assets currently hold a 40% and a 20% interest, respectively in Phoenix Energy. It is the largest natural gas distribution network company in Northern Ireland.

UK Renewables Energy

CKI and Power Assets currently hold a 40% and a 20% interest, respectively in UK Renewables Energy, a portfolio of operating onshore wind farms in the UK comprising 32 wind farms in England, Scotland and Wales, totaling 175 MW in installed capacity and 137 MW in net attributable capacity.

Seabank Power Limited

CKI, together with Power Assets, holds a 50% interest in Seabank Power, which owns and operates Seabank Power Station located near Bristol, England and comprises two combined cycle gas turbine generating units with an aggregate capacity of approximately 1,140 MW.

Other Continental European Projects

Dutch Enviro Energy Holdings B.V.

CKI and Power Assets hold 45.5% and 27% interest, respectively, in Dutch Enviro Energy which in turn owns AVR. AVR is principally engaged in the business of waste processing and production and supply of sustainable energy from the incineration of waste in the Netherlands. In September 2023, AVR had a major fire at its waste-to-energy plant in Rozenburg, the Netherlands, which caused the immediate shut-down of its operations. The damage caused by the fire was largely covered by insurance, and its boilers started ramping up operations from the fourth quarter of 2024. In March 2024, to address its working capital and capital expenses requirement in the next 6 to 12 months following the fire incident, CKI, Power Assets, CK Asset Holdings and CKHH made equity contributions to AVR in an aggregate amount of €38 million. CKHH's effective interest in Dutch Enviro Energy is 45.28%.

ista

CKI holds a 35% interest in ista, a fully integrated energy management services provider which provides submetering services over 20 countries and over 14 million dwellings.

Australian Projects

CKI, together with Power Assets, owns a 51% interest (CKI: 23.07%; Power Assets: 27.93%) in:

- SA Power Networks, the owner and manager of South Australia's primary electricity distributor, which delivers electricity to more than 930,000 residential and business customers. The network has a route length of over 90,000 kilometers;
- Powercor owns and operates a distribution network which supplies electricity to approximately 955,000 customers in central and western Victoria and Melbourne's outer western suburbs; and
- CitiPower, owns and operates a distribution network which supplies electricity to approximately 350,000 customers in Melbourne's central business district and inner suburbs. These customers include some of Australia's largest companies and most important cultural and sporting icons.

CKI, together with Power Assets, owns a 100% interest (on a 50/50 basis) in Australian Energy Operations Pty Ltd which owns and operates approximately 100 kilometers of transmission lines and terminal stations in Victoria, Australia that connect Mount Mercer, Elaine, Moorabool and Ararat wind farms to the transmission network.

CKI, together with Power Assets, owns a 72.48% interest (CKI: 44.97%; Power Assets: 27.51%) in AGN, one of the largest natural gas distribution companies in Australia with approximately 27,000 kilometers of natural gas distribution networks and 1,000 kilometers of transmission pipelines serving around 1.4 million customers in South Australia, Victoria, Queensland, New South Wales and the Northern Territory. CKHH's effective interest in AGN is 52% (including economic benefit interest).

CKI, together with Power Assets, owns a 60% interest (CKI: 40%; Power Assets: 20%) in CK William Group, an international owner and operator of energy utility assets, providing low emissions and remote energy generation solutions, gas transmission through the Dampier Bunbury Pipeline in Western Australia and distribution of gas and electricity in Victoria. CK William Group is also an operator of energy utility assets in the United States, Canada and Europe.

New Zealand Projects

Wellington Electricity Distribution Network

CKI, together with Power Assets, owns a 100% interest (on a 50/50 basis) in Wellington Electricity, which supplies electricity to the city of Wellington, the capital of New Zealand. The distribution network extends to the Porirua and Hutt Valley regions of New Zealand and has a system length of over 4,900 kilometers.

Enviro (NZ) Limited

CKI holds a 100% interest of EnviroNZ, a diversified, vertically integrated waste management business that has national coverage across New Zealand. It is one of only two vertically integrated waste collection and disposal companies operating throughout New Zealand, offering waste-related services to approximately half a million commercial and household customers via collection services, organics processing, landfills and transfer stations across the country.

Canadian Projects

Canadian Power Holdings Inc.

CKI, together with Power Assets, owns a 100% interest (on a 50/50 basis) in Canadian Power, which is the owner of Meridian Cogeneration Plant and Okanagan Wind and owns a 49.99% partnership interest in TransAlta Cogeneration, L.P.. The Meridian Cogeneration Plant is a natural gas-fired cogeneration plant with an installed capacity of 220 MW in Saskatchewan, Canada. TransAlta Cogeneration, L.P. has ownership stakes in four electricity generation plants in Canada with total capacity of 1,064 MW. Okanagan Wind operates two wind farms located in the Okanagan region of British Columbia, Canada with a combined capacity of 30 MW. The wind farms supply electricity to a Canadian electric utility in the province of British Columbia under 40-year power purchase agreements until 2057.

Park'N Fly

CKI and Power Assets holds a 65% and 10% interest, respectively, in Park'N Fly, an off-airport car park business in Toronto, Vancouver, Montreal, Edmonton, Ottawa, Winnipeg and Halifax. CKHH's effective interest in Park'N Fly is 56.91%.

Husky Midstream Limited Partnership

CKI, together with Power Assets, owns 65% interest (CKI: 16.25%; Power Assets: 48.75%) in HMLP, which holds a portfolio of oil pipeline assets in Canada including approximately 2,300 kilometers of oil pipeline across the provinces of Alberta and Saskatchewan, oil storage capacity of approximately 6.0 million barrels at the Hardisty and Lloydminster terminals, and other ancillary assets in Alberta and Saskatchewan.

Reliance

CKI holds a 25% interest in Reliance, building equipment services sector providing water heaters, HVAC equipment, comfort protection plans and other services to homeowners in Canada and the United States, serving over 2.0 million customers.

Mainland Projects

Power Plants

Through Power Assets, CKI has interests in a power project with an aggregate design capacity of 1,200 MW in the Mainland as of June 30, 2025. The following table summarizes certain information with respect to such power project.

Business	Business Scale	Power Assets' Interest[(3)]	Commencement Date of Operations	Expiration Date
Jinwan Power Plant	Two units of coal-fired power plants with a total installed capacity of 1,200 MW	45.0%	February 2007	2035

(3) This represents the approximate share of Power Assets' contribution to the total investment of the project in the form of registered capital contribution as of June 30, 2025. It does not necessarily represent either the profit distribution ratio or the ratio of the distribution of assets upon the termination or expiration of the joint venture.

Wind Farms

Through Power Assets' 45% interests, CKI has interests in two wind farms in Dali, Yunnan Province and in Laoting, Hebei Province.

Roads and Bridges in the Mainland

As of June 30, 2025, CKI had interests in various projects with a total length of 140 kilometers of toll roads and 9.8 kilometers of toll bridges in the Mainland.

The following table summarizes certain information with respect to CKI's transportation projects in the Mainland as of June 30, 2025:

CKI'S TRANSPORTATION PROJECTS

Business	Business Scale (kilometers "km")	CKI's Interest %[4]	Commencement Date of Operation	Expiration Date
Shantou Bay Bridge	2.5 km toll bridge[5]	30.0	December 1995	2028
Shen-Shan Highway (Eastern Section).....	140.0 km toll road	33.5	November 1996	2028
Panyu Beidou Bridge[6] .	3.3 km toll bridge	40.0	January 2001	2024

(4) This represents the approximate share of CKI's contribution to the total investment of each project in the form of registered capital contribution and shareholders' loans as of June 30, 2025. It does not necessarily represent either the profit distribution ratio or the ratio of the distribution of assets upon the termination or expiration of the joint venture.

(5) The toll bridge including the approach roads is 6.5 kilometers in length.

(6) The joint venture was expired on July 7, 2024.

Infrastructure Materials

CKI, through Green Island Cement (Holdings) Limited ("Green Island"), Green Island International (BVI) Limited, Alliance Construction Materials Limited ("ACML") and other subsidiaries and associates, is an integrated construction materials manufacturer involved in the production, distribution and sale of cement, concrete, asphalt, limestone and aggregates.

Cement

Green Island operates an integrated cement business, starting from resource extraction and going through development and cement manufacturing to ultimate down-stream distribution in both Hong Kong and the Mainland. In addition, Green Island is involved in the disposal of solid waste (principally fly ash) which is produced as a waste product of power generation by coal-fired power stations.

Concrete

ACML is the leading concrete and aggregates total solutions provider in Hong Kong in providing innovative, reliable and customer-focused solutions on ready mixed concrete and aggregates to meet the most demanding requirements of construction projects in Hong Kong.

Telecommunications

CKHH is one of the world's leading mobile telecommunications operators and one of the first operators in the world to offer 3G services primarily under the brand name "Three" or "**3**". The mobile telecommunications businesses span across six countries in Europe, Hong Kong and Macau, as well as three countries in the Asia-Pacific region.

CKHH's Telecommunications division currently comprises CK Hutchison Group Telecom, which consolidates **3** Group Europe (comprising unlisted mobile businesses in the UK, Sweden, Denmark, Austria (including fixed-line business), Ireland and Italy (including fixed-line business)) and listed subsidiary HTHKH (in which CKHH currently holds an approximate 66.09% interest) comprising mobile businesses in Hong Kong and Macau.

CKHH has made substantial investments to build mobile telecommunications operations in certain key mature mobile telecommunications markets in Europe, Hong Kong and Macau. CKHH intends to continue to grow its mobile telecommunications businesses and remain profitable, as well as grow profitability through the expansion of data service offerings and competitive tariff plans to stimulate customer growth.

As part of its strategy, CKHH has formed alliances with leading international telecommunications providers and investors including:

- Investor AB, the largest diversified holding company in Sweden;
- Telefonica, one of the largest telecommunications companies in the world;
- Conexus Mobile Alliance, one of Asia's biggest mobile alliances;
- Vodafone, one of the world's largest telecommunications companies;
- Etisalat, one of the leading telecommunication groups in emerging markets;
- Ooredoo, an international communications company operating across the Middle East, North Africa and Southeast Asia; and
- Cellnex Telecom ("Cellnex"), a leading infrastructure operator for wireless telecommunications and broadcasting in Europe.

In July 2020, the structural separation to form a new telecommunication infrastructure company with 29,100 sites across six European countries, CK Hutchison Networks ("CKHN"), into a wholly-owned subsidiary of CK Hutchison Group Telecom was completed. In November 2020, CKHH entered into an agreement to dispose of its European telecommunications tower assets to Cellnex for an aggregate consideration of €10 billion. Following the transactions, CKHH will be able to increase its focus on developing its networks and IT platforms, and will retain the option to accelerate the rollout of its 5G networks, while benefiting from significant additional financial capacity to support future growth and opportunities. The disposals of tower assets in Denmark, Austria and Ireland, pursuant to this agreement, were completed in December 2020. Disposals of the remaining tower assets in Sweden, Italy and the UK were completed in January 2021, June 2021 and November 2022 respectively. Pursuant to the agreement with Cellnex, upon completion of disposal of the respective tower assets, a local master services agreement will be entered into between the relevant tower company and CKHH's respective mobile business in that jurisdiction, and the tower company will provide telecommunications infrastructure services and built-to-suit services to the respective mobile business in that relevant jurisdiction in the ordinary and usual course of business.

CK Hutchison Group Telecom

In July 2019, CKHH formed a wholly-owned telecommunication holding company, CK Hutchison Group Telecom Holdings Limited, which consolidates CKHH's **3** Group Europe and HTHKH under one holding entity (collectively CK Hutchison Group Telecom or CKHGT), providing a diversified telecommunication asset platform across eight geographical locations. In August 2019, the investment grade-rated CK Hutchison Group Telecom refinanced all external debt of Wind Tre of approximately €10 billion, and has started generating interest cost savings from 2020 onwards. In 2020, the disposals of tower assets to Cellnex in Denmark, Austria and Ireland, were completed in December 2020 and CKHGT recognized a gain of HK$16,583 million (US$2,126 million). In 2021, the disposals of tower assets to Cellnex in Sweden and Italy were completed in January and June 2021 respectively, resulting in a gain of HK$25,259 million (US$3,238 million). In November 2022, the disposal of tower assets to Cellnex in the UK was completed, resulting in a gain before tax of HK$18,957 million (US$2,430 million). In June 2023, CKHGT reached an agreement to combine **3** UK with Vodafone UK, with the merged entity being 49% owned by CKHGT upon completion. On May 31, 2025, the merger of Vodafone UK and **3** UK successfully completed. The combined business, named VodafoneThree, is 51% owned by Vodafone and 49% by CKHGT.

Key Business Indicators ("KBIs")

The KBIs for the businesses of CK Hutchison Group Telecom as included in CKHH's 2025 Interim Report are as follows:

	Registered Customers Base					
	Registered Customers at June 30, 2025 ('000)			Registered Customer Growth (%) from December 31, 2024 to June 30, 2025		
	Non-contract	Contract	Total	Non-contract	Contract	Total
UK[1][2]	7,644	21,121	28,765	+251%	+125%	+149%
Italy[1]	9,477	9,508	18,985	-1%	+2%	+1%
Sweden	847	1,956	2,803	+3%	+1%	+2%
Denmark	764	956	1,720	+3%	+4%	+4%
Austria	642	2,352	2,994	-4%	-2%	-2%
Ireland	841	4,388	5,229	–	+7%	+6%
3 Group Europe Total	20,215	40,281	60,496	+37%	+44%	+41%
HTHKH	6,311	1,399	7,710	+46%	–2%	+34%

	Active[3] Customers Base					
	Active Customers at June 30, 2025 ('000)			Active Customer Growth (%) from December 31, 2024 to June 30, 2025		
	Non-contract	Contract	Total	Non-contract	Contract	Total
UK[1][2]	5,059	21,121	26,180	+238%	+127%	+142%
Italy[1]	8,785	9,186	17,971	–	+2%	+1%
Sweden	842	1,956	2,798	+3%	+1%	+2%
Denmark	764	956	1,720	+3%	+4%	+4%
Austria	377	2,338	2,715	-2%	-2%	-2%
Ireland	841	4,388	5,229	–	+7%	+6%
3 Group Europe Total	16,668	39,945	56,613	+27%	+45%	+39%
HTHKH	4,735	1,399	6,134	+47%	-2%	+32%

(1) In addition to that set out in the table, Vodafone Three has 1.6 million fixed line customers and Wind Tre has 2.7 million fixed line customers.

(2) UK's customer base as at June 30, 2025 was based on 100% of VodafoneThree.

(3) An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

	12-month Trailing Average Revenue per Active User ("ARPU") [4] to June 30, 2025			
	Non-contract	Contract	Blended Total	% Variance compared to June 30, 2024
UK[5]	£6.75	£17.45	£15.89	-10%
Italy	€9.06	€12.79	€10.96	-1%
Sweden	SEK120.82	SEK228.07	SEK196.23	-3%
Denmark	DKK94.78	DKK135.91	DKK117.56	-1%
Austria	€9.19	€23.23	€21.28	-1%
Ireland	€14.49	€7.73	€8.88	-9%
3 Group Europe Average[6]	€9.56	€16.29	€14.14	-4%
HTHKH	HK$14.17	HK$183.28	HK$64.80	-16%

	12-month Trailing Net Average Revenue per Active User ("Net ARPU") [7] to June 30, 2025			
	Non-contract	Contract	Blended Total	% Variance compared to June 30, 2024
UK[5]	£6.75	£15.36	£14.11	+5%
Italy	€9.06	€12.02	€10.57	-1%
Sweden	SEK120.82	SEK208.87	SEK182.73	-1%
Denmark	DKK94.78	DKK129.41	DKK113.96	–
Austria	€9.19	€18.86	€17.51	-2%
Ireland	€14.49	€6.10	€7.53	-8%
3 Group Europe Average[6]	€9.56	€14.36	€12.83	+1%
HTHKH	HK$14.17	HK$170.85	HK$61.08	-14%

	12-month Trailing Net Average Margin per Active User ("Net AMPU") [8] to June 30, 2025			
	Non-contract	Contract	Blended Total	% Variance compared to June 30, 2024
UK[5]	£5.96	£14.06	£12.88	+6%
Italy	€8.49	€11.35	€9.95	–
Sweden	SEK106.13	SEK186.86	SEK162.90	–
Denmark	DKK82.39	DKK112.49	DKK99.06	–
Austria	€8.52	€17.96	€16.49	–
Ireland	€13.53	€5.69	€7.02	-7%
3 Group Europe Average[6]	€8.82	€13.26	€11.84	+2%
HTHKH	HK$10.68	HK$147.63	HK$51.68	-17%

[4] ARPU equals total monthly revenue, including incoming mobile termination revenue and contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the period.

[5] UK's ARPU, net ARPU and net AMPU were calculated based on eleven months (July 2024 to May 2025) of **3** UK's standalone figures and one month (June 2025) of VodafoneThree's figures.

[6] **3** Group Europe ARPU, net ARPU and net AMPU were calculated based on 100% of **3** UK's standalone figures from July 2024 to May 2025 and 49% contribution from VodafoneThree for June 2025.

[7] Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the period.

[8] Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, less direct variable costs (including interconnection charges and roaming costs) (i.e. net customer service margin), divided by the average number of active customers during the period.

3 Group Europe

Overview

As a leading global player in the mobile telecommunications arena, **3** Group Europe is continuing to look towards the development of new services and network enhancement. **3** Group Europe is continuing to upgrade their network capabilities and enhance customer experience to ensure that their service quality meets market demands.

With the upgrade of CKHH's networks for increased speed and capacity and the increasing demand for smartphone and related products, **3** Group Europe has become a significant competitor and, in some countries, the market leader in the provision of mobile broadband internet access and high speed mobile data services on smartphones or mobile devices as well as fixed wireless access services through 5G technology.

CKHH's **3** Group Europe includes mobile telecommunications businesses in the UK, Italy (including fixed-line business), Sweden, Denmark, Austria (including fixed-line business) and Ireland. As of June 30, 2025, **3** Group Europe had approximately 60.5 million registered mobile customers and 56.6 million active mobile customers.

UK

Prior to May 31, 2025, CKHH had a 100% interest in **3** UK, which is one of four networks licensed to operate a national 3G, 4G (LTE) and 5G network in the UK. On May 31, 2025, the merger of **3** UK and Vodafone UK was completed with the formation of the combined business, VodafoneThree, now a 49% associated company of CKHH. The current network coverage by population exceeds 98%. **3** UK launched 4G (LTE) services in December 2013, with its 4G (LTE) network coverage by population reaching 96% as of June 30, 2025, and launched its 5G services in August 2019.

VodafoneThree holds the following spectrum which it uses optimally to operate national 3G, 4G (LTE) and 5G services.

License	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
700 MHz	5 MHz	2	Paired	20 MHz	Indefinite
800 MHz	5 MHz	3	Paired	30 MHz	Indefinite
900MHz	17.4 MHz	1	Paired	34.8 MHz	Indefinite
1400 MHz	5 MHz	8	Unpaired	40 MHz	Indefinite
1800 MHz	5 MHz	3	Paired	30 MHz	Indefinite
1800 MHz	5.8 MHz	1	Paired	11.6 MHz	Indefinite
2100 MHz	5 MHz	6	Paired	59.1 MHz	Indefinite
2100 MHz	5 MHz	1	Unpaired	5 MHz	Indefinite
2600 MHz	10 MHz	2	Paired	40 MHz	Indefinite
2600 MHz	5 MHz	4	Unpaired	20 MHz	Indefinite
3400 MHz	5 MHz	4	Unpaired	20 MHz	Indefinite
3500 MHz	40 MHz	2	Unpaired	80 MHz	Indefinite
3500 MHz	50 MHz	1	Unpaired	50 MHz	Indefinite
3600 MHz	80 MHz	1	Unpaired	80 MHz	Indefinite
3900 MHz	84 MHz	1	Unpaired	84 MHz	Indefinite
28 GHz (National)	112 MHz	1	Paired	224 MHz	Indefinite
28 GHz (Regional)	112 MHz	1	Paired	224 MHz	Indefinite
40 GHz	1000 MHz	2	Unpaired	2000 MHz	Indefinite

The merger of **3** UK and Vodafone UK was completed on May 31, 2025, forming the combined business, VodafoneThree, a 49% associated company of CKHH. Upon completion, VodafoneThree became the largest mobile network operator in the United Kingdom with 28.8 million customers.

The results of the telecommunication business in the United Kingdom for the six months ended June 30, 2025 represented five months results of **3** UK and CKHH's 49% share of one month results of VodafoneThree. Total margin increased by 10% driven by the accretive contribution of VodafoneThree and wholesale growth pre-merger. Underlying EBITDA increased by 13% in local currency driven by higher total margin, partly offset by the share of higher costs of VodafoneThree and higher network costs of **3** UK from the expanded network. Underlying LBIT was 13% adverse in local currency against the same period last year, mainly due to increased depreciation from the larger asset base of **3** UK pre-merger, partly offset by the underlying EBITDA growth for the first five months of 2025. One month accretive EBITDA contribution of VodafoneThree was largely offset by share of higher depreciation. VodafoneThree has a shared network agreement with Everything Everywhere Limited via its 50/50 joint venture Mobile Broadband Network Limited and a shared network agreement with Virgin Media O2.

Italy

Prior to November 5, 2016, CKHH held a 97.414% shareholding interest in **3** Italia S.p.A., which operated one of four national mobile networks in Italy. The remaining 2.586% shareholding in **3** Italia S.p.A. was held by Private Equity International S.A. ("PE International"), a company belonging to the Intesa Sanpaolo group, one of the leading Italian banking groups.

On November 5, 2016, CKHH and Veon formed a joint venture company, VIP-CKH Luxembourg S.à r.l. ("VCL"), in which CKHH and Veon each indirectly owned a 50% interest. VCL combined the ownership and operations of the Italian telecommunications businesses of **3** Italia S.p.A. and WIND Acquisition Holdings Finance S.p.A. under VCL's wholly-owned subsidiary, Wind Tre. The combined businesses trade under the "Wind", "Tre", and "Wind Tre Business" brands.

CKHH's 50% interest in VCL includes a 1.293% indirect economic interest in VCL received by PE International in exchange for its 2.586% shareholding in **3** Italia S.p.A. prior to November 5, 2016.

In September 2018, CKHH acquired the entire interest of Veon in the Wind Tre joint venture at a cash consideration of €2.45 billion. Wind Tre became a wholly-owned subsidiary of CKHH and contributed accretively as a wholly-owned subsidiary for four months in 2018. As of December 31, 2023, Wind Tre had approximately 19.3 million registered mobile customers and approximately 2.9 million fixed-line customers.

Wind Tre's 4G (LTE) network coverage by population reached 100% as of December 31, 2023. Wind Tre launched its 5G services in 2020.

As of December 31, 2018, Wind Tre had incurred indebtedness under certain notes and loan facilities (both drawn and undrawn) in an aggregate principal amount of €10.7 billion on the back of security over the shares of capital stock of Wind Tre, certain subordinated shareholder loans advanced to Wind Tre and certain other assets held by Wind Tre. All such indebtedness and security have been discharged and released respectively in August 2019.

The accounting standards require CKHH to account for Wind Tre's assets and liabilities at their acquisition-date fair values when Wind Tre became a joint venture and again when it became a subsidiary of CKHH. Accordingly, adjustments to the results of the telecommunications businesses in Italy have been made as a result of the acquisitions when CKHH's interest in Wind Tre is incorporated into CKHH's consolidated results.

In July 2024, Wind Tre acquired OpNet for a consideration of approximately €0.5 billion, a wholesale fixed-wireless-access provider, which increases Wind Tre's spectrum holdings to enable network capacity enhancements.

Wind Tre's total margin for the first half of 2025 increased by 5% in local currency compared to the same period last year, mainly driven by higher other margin from incremental OpNet wholesale business, as well as growth in new revenue streams such as cybersecurity, energy and insurance products. EBITDA was flat against the first half of 2024 as the increase in

total margin was mostly offset by higher operating expenses from increased network asset base. EBIT decreased by 6% in local currency compared to the first half of 2024 mainly due to incremental depreciation from OpNet network assets.

Wind Tre holds the following spectrum for use in operating a national mobile network.

License	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
800 MHz	5 MHz	2	Paired	20 MHz	2029
900 MHz	5 MHz	2	Paired	20 MHz	2029
1800 MHz	5 MHz	4	Paired	40 MHz	2029
2100 MHz	5 MHz	4	Paired	40 MHz	2029
2600 MHz	5 MHz	4	Paired	40 MHz	2029
2600 MHz	15 MHz	2	Unpaired	30 MHz	2029
3500 MHz[(1)]	20 MHz	3	Unpaired	60 MHz	2029
3600 MHz	20 MHz	1	Unpaired	20 MHz	2037
27 GHz	200 MHz	1	Unpaired	200 MHz	2037

(1) Acquired through the acquisition of OpNet in July 2024.

Scandinavia

CKHH has a 60% interest in Hi3G Access, which owns and operates 3G, 4G and 5G mobile telecommunications networks in Scandinavia. Investor AB (publ), an owner of high quality Nordic-based international companies, holds the remaining 40% interest.

The mobile telecommunications businesses in Scandinavia comprise operations in Sweden and Denmark. CKHH has invested in these businesses through Hi3G Access, which also provides central management and financial control.

In Sweden, revenue for the six months ended June 30, 2025 was SEK3,984 million, flat against the first half of 2024 in local currency. Total margin for the first half of 2025 reported 7% growth in local currency compared to the same period last year, primarily driven by a growth of 5% in active customers. EBITDA and EBIT grew by 13% and 43% respectively in local currency driven by a foreign currency gain of SEK114 million on the translation of an intercompany loan and strong growth in total margin, partly offset by higher customer acquisition costs.

In Denmark, revenue for the six months ended June 30, 2025 was DKK1,276 million, increased by 5% in local currency as compared to 2024. Total margin grew by 5% primarily driven by customer base growth. EBITDA and EBIT increased by 5% and 26% respectively in local currency mainly due to higher total margin, partly offset by higher operating costs from enlarged network base and higher selling and distribution costs.

Sweden

Hi3G Access has a license to operate a national mobile network in Sweden. Hi3G Access's 4G (LTE) network coverage by population reached 100% as of June 30, 2025.

Hi3G Access holds the following spectrum for use in operating a national mobile network.

License	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
800 MHz	10 MHz	1	Paired	20 MHz	2035
900 MHz	10 MHz	1	Paired	20 MHz	2049
1800 MHz	5 MHz	1	Paired	10 MHz	2027
2100 MHz	20 MHz	1	Paired	40 MHz	2050
2100 MHz	5 MHz	1	Unpaired	5 MHz	2050
2600 MHz	10 MHz	1	Paired	20 MHz	2050
2600 MHz	50 MHz	1	Unpaired	40 MHz	2050
3500 MHz	100 MHz	1	Unpaired	100 MHz	2046

3G Infrastructure Services AB ("3GIS"), a 50/50 joint venture with Telenor Sverige AB, constructs and operates a UMTS infrastructure network in certain areas of Sweden.

As of June 30, 2025, **3** Sweden's 5G population coverage reached over 85%.

Denmark

Hi3G Denmark, a wholly-owned subsidiary of Hi3G Access, has one of four licenses to operate a national mobile network in Denmark. Hi3G Denmark's 4G (LTE) network coverage by population was 100% as of June 30, 2025.

Hi3G Denmark holds network the following spectrum for use in operating a national mobile network.

License	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
700 MHz	10 Mhz	1	Paired	20 Mhz	2040
900 MHz	10 MHz	1	Paired	20 MHz	2034
900 MHz	5 MHz	1	Paired	10 MHz	2034
1800 MHz	5 MHz	2	Paired	20 MHz	2032
1800 MHz	10 MHz	2	Paired	40 MHz	2032
2100 MHz	10 MHz	1	Paired	20 MHz	2042
2100 MHz	5 MHz	2	Paired	20 MHz	2042
2600 MHz	10 MHz	1	Paired	20 MHz	2030
2600 MHz	5 MHz	5	Unpaired	25 MHz	2030
3500 MHz	80 MHz	1	Unpaired	80 MHz	2042
3500 MHz	10 MHz	4	Unpaired	40 MHz	2042
26 GHz	400 MHz	1	Unpaired	400 MHz	2042
26 GHz	200 MHz	3	Unpaired	600 MHz	2042

Hi3G Denmark also holds an equal equity interest (25% equity share) with Telenor, Norlys Mobil A/S and Nuuday A/S in 4T af 1. Oktober 2012 ApS. The purpose of the joint venture is to provide mobile payment services in the Denmark market.

Since December 2016, Hi3G Denmark holds an equal equity interest (25% equity share) of OCH A/S with Norlys Mobil A/S, Telia and TDC Net A/S. The purpose of this joint venture is to implement and handle number portability within the Danish telecommunications market.

3 Denmark had reached approximately 90% FDD coverage and 70% TDD coverage as of June 30, 2025.

Austria

CKHH's wholly-owned subsidiary, **3** Austria, is one of three companies licensed to operate a national mobile and fixed-line network in Austria. **3** Austria's 4G (LTE) network coverage by population reached 99% as of June 30, 2025. As of June 30, 2025, Austria enhanced its 5G coverage, with FDD and TDD coverage reaching over 95% and 75% respectively.

In January 2013, **3** Austria completed the acquisition of a 100% interest in Orange Austria. Together with the licenses acquired following the acquisition of Orange Austria, **3** Austria holds the following spectrum for use in operating a national mobile network.

License	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
700 MHz	5 MHz	2	Paired	20 MHz	2044
900 MHz	5 MHz	1	Paired	10 MHz	2034
1500 MHz	10 MHz	3	Unpaired	30 MHz	2044
1800 MHz	5 MHz	4	Paired	40 MHz	2034
2100 MHz	5 MHz	4	Paired	40 MHz	2044
2600 MHz	5 MHz	5	Paired	50 MHz	2026
2600 MHz	25 MHz	1	Unpaired	25 MHz	2026
26 GHz[(1)]	200 MHz	3	Unpaired	600 MHz	2046
3500 MHz	10 MHz	10	Unpaired	100 MHz	2039

(1) Spectrum acquired in March 2024.

In September 2019, **3** Austria was the first Austrian provider to launch 5G commercially with new offers and devices.

Revenue for the six months ended June 30, 2025 was €446 million, representing a decrease of 7% in local currency compared to 2024. EBITDA decreased by 4% in local currency compared to last year, mainly driven by reduced total margin from intense competition in both core mobile business and MVNO business, partly offset by lower operating expenses from lower electricity costs and stringent cost control measures to combat the reducing revenues. EBIT in local currency decreased by 19% compared to 2024, reflecting increased depreciation from an enlarged asset base as 5G network rollout continues.

Ireland

3 Ireland is one of the three companies licensed to operate a national mobile network in the Republic of Ireland. In July 2014, Hutchison completed the acquisition of O_2 Ireland for €780 million with an additional deferred payment of €70 million payable dependent upon achievement of agreed financial targets, which was fully settled during 2021 and 2022. **3** Ireland's 4G (LTE) network coverage by population reached 99% as of June 30, 2025. Together with the licenses acquired following the acquisition of O_2 Ireland in 2014, **3** Ireland holds the following spectrum for use in operating its national network.

License	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
700 MHz	5 MHz	2	Paired	20 MHz	2042
800 MHz	5 MHz	2	Paired	20 MHz	2030
900 MHz	5 MHz	3	Paired	30 MHz	2030
1800 MHz	5 MHz	7	Paired	70 MHz	2030
2100 MHz	5 MHz	4	Paired	40 MHz	2042
2600 MHz	5 MHz	7	Paired	70 MHz	2042
3600 MHz	5 MHz	20	Unpaired	100 MHz	2032

Revenue for the six months ended June 30, 2025 in local currency was €309 million, flat against the first half of 2024. EBITDA and EBIT for the first half of 2025 were €84 million and €16 million, respectively, representing an increase of 8% and 45%, respectively, in local currency as compared to the first half of 2024, driven by better total margin with stable operating expenses year-on-year. Total margin grew by 3% against the first half of 2024 driven by customer base growth, partly offset by the lower net AMPU from the dilutive impact of higher mix of low margin IoT customers despite the upside from revenue initiatives. In the first half of 2025, **3** Ireland has reached over 90% 5G population coverage.

Hutchison Telecommunications Hong Kong Holdings Limited

Overview

HTHKH operates mobile telecommunications services in Hong Kong and Macau marketed under the **3** brand. Based on the closing price of HTHKH's shares on the SEHK on June 30, 2025, HTHKH had a market capitalization of approximately HK$4,915 million (approximately US$630 million).

In April 2020, HTHKH launched 5G network services in Hong Kong. The operation aims to further strengthen its 5G network coverage.

On August 8, 2025, HTHKH announced Post-IFRS 16 profit attributable to shareholders of HK$6 million (US$0.8 million) for the six months ended June 30, 2025.

Hong Kong and Macau Mobile

HTHKH provides services to approximately 6.1 million active customers as of June 30, 2025 in Hong Kong and Macau.

HTHKH holds a unified carrier license ("UCL") in Hong Kong, under which it currently operates. HTHKH currently holds the following spectrum:

License	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
700 MHz	5 MHz	2	Paired	20 MHz	2037
900 MHz	5 MHz	1	Paired	10 MHz	2036
900 MHz[(1)]	5 MHz	1	Paired	10 MHz	2026
1800 MHz	15 MHz	1	Paired	30 MHz	2036
2100 MHz	14.8 MHz	1	Paired	29.6 MHz	2031
2300 MHz[(1)]	30 MHz	1	Unpaired	30 MHz	2027
2600 MHz[(2)(3)]	5 MHz	2	Paired	20 MHz	2028
2600 MHz[(2)]	5 MHz	1	Paired	10 MHz	2039
3300 MHz	10 MHz	3	Unpaired	30 MHz	2034
3500 MHz	10 MHz	4	Unpaired	40 MHz	2035
26 GHz	600 MHz	1	Unpaired	600 MHz	2034

(1) After the spectrum auction in 2024, HTHKH will hold 10 MHz spectrum in the 900 MHz band from 2026 to 2041 and 20 MHz spectrum in the 2300 MHz band from 2027 to 2042 upon expiry of the existing licences.

(2) Held by Genius Brand Limited, a 50/50 owned joint venture between HTHKH and Hong Kong Telecommunications (HKT) Limited.

(3) One of the 10 MHz spectrums in the 2600 MHz band was transferred from Hong Kong Telecommunications (HKT) Limited to the joint venture with the assignment period from March 2024 to March 2028. Upon the expiry of such assignment of spectrum in March 2028, Hong Kong Telecommunications (HKT) Limited will transfer another 10 MHz spectrum in the 2600 MHz band to the joint venture with the assignment period from March 2028 to March 2039.

In 2018, HTHKH exercised a right of first refusal offered by the Office of Communications Authority of Hong Kong and was selected as a preferred bidder in a spectrum auction. Accordingly, after renewal of the pre-existing licenses in the 900 MHz and 1800 MHz bands upon expiry in January 2021 and September 2021, respectively, HTHKH holds 10 MHz in the 900 MHz band for a 15-year term commencing from January 12, 2021 and 30 MHz in the 1800 MHz band for a 15-year term commencing from September 30, 2021. The total spectrum utilization fee was HK$2,040 million. After the spectrum auction in 2019, HTHKH acquired 30 MHz in the 3300 MHz band for a spectrum utilization fee of HK$199.5 million for 15 years from 2019, as well as 40 MHz in the 3500 MHz band for a spectrum utilization fee of HK$202 million for 15 years from 2020. After the spectrum auction in 2021, HTHKH acquired 20 MHz in the 700 MHz band for a spectrum utilization fee of HK$138 million and 10 MHz in the 2600 MHz band for a spectrum utilization fee of HK$114 million, both under a 15-year term commencing from their respective spectrum assignment dates of which the spectrum assignment dates for 700 MHz and 2600 MHz bands are June 30, 2022 and March 31, 2024 respectively. In November 2023, the Communications Authority of Hong Kong approved the transfer of the bided 10 MHz in the 2600 MHz band from a subsidiary to a joint venture of HTHKH for a 15-year term commencing from March 31, 2024. In June 2024, HTHKH was successfully assigned 600 MHz spectrum in the 26 GHz band for a period from August 2024 to April 2034.

HTHKH also holds the following spectrum for use in operating its mobile network in Macau:

License	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
900 MHz[(4)]	5 MHz	1	Paired	10 MHz	2028
1800 MHz	10 MHz	1	Paired	20 MHz	2028

(4) In coordination with the termination of 3G services in Macau starting 5 June 2025, HTHKH refarmed its existing 900 MHz band to provide 4G services with the licence period being extended to 23 June 2028.

European Union Regulation

EU telecoms regulatory framework – the European Electronic Communications Code ("EEC Code") – the BEREC Regulation

Individual national regulatory authorities ("NRA(s)") regulate **3** Group Europe businesses in the EU under national laws, the EEC Code which is implemented into national laws and EU regulations which are directly effective.

The EEC Code came into force in December 2018 and modernized the framework for the regulation of electronic communication services and networks across the EU. Member States had until December 2020 to transpose it into national legislation.

The EEC Code provides for, among other things, the way in which telecommunications operators are authorized to operate, the terms for access to, and interconnection between, the operators' networks, principles for ensuring the universal availability of a basic set of telecommunications services at affordable prices and the principles and coordination procedures for the development of a coherent EU radio spectrum policy.

In order to ensure consistency in the implementation and interpretation across the EU, the EEC Code contains powers for the Commission, as well as processes for collaboration among the NRAs, and between the NRAs and the Commission.

The EEC Code contains provisions to: harmonize further the management of spectrum; reduce regulations surrounding access to infrastructure (e.g. fixed-line networks) where the operator has significant market power ("SMP"); revise the definition of the universal service obligation; implement new consumer protection rules that will regulate internet based ("over-the-top" or "OTT") communication services and fully harmonize many consumer protection measures across the EU (e.g. maximum contract periods, rights of termination where customer terms have changed, new rules and transparency measures with respect to bundled packages, mandated one day recipient-led porting of mobile numbers); and set a single maximum EU-wide mobile voice termination rate ("MT Rate") for the whole EU. The Commission's stated objective is to increase the availability of fast broadband connections and the EEC Code contains measures to encourage investment in fast broadband connections, principally fiber. This is partly achieved by reducing the regulation of access to new fiber infrastructure, which may make it more difficult for competitors to access the fiber infrastructure of fixed-line incumbents, including the mobile backhaul services needed by Mobile Network Operators ("MNOs"). The EEC Code contains provisions that would allow NRAs to impose national roaming or infrastructure sharing to improve coverage of telecoms networks.

The EEC Code requires the NRAs to conduct periodic market reviews on Commission recommended markets identified as requiring ex ante regulation. The NRAs may only impose remedies (such as price controls and non-discrimination obligations) on operators in identified markets if they have been designated as having SMP, which concept accords with the concept of "dominance" under EU competition laws. In December 2020 the Commission adopted a new Recommendation reducing the number of markets susceptible to ex ante regulation to the following: the market for wholesale local access and the market for wholesale access to dedicated connectivity. The previous version of the Recommendation included the markets for mobile and fixed voice call termination, but with the introduction of the single maximum EU-wide mobile voice termination rate and the single maximum EU-wide fixed voice termination rate (see further below), these markets have been removed from the latest Recommendation. The list of markets in the Recommendation requiring ex ante regulation is non-exhaustive, and the NRAs have the discretion to examine other markets not identified by the Commission. On June 17, 2025 the Commission opened a consultation to review the Recommendation which closes on September 17, 2025.

In line with the EEC Code, the Commission adopted a regulation in December 2018 to set a single maximum EU-wide mobile voice termination rate and a single maximum EU-wide fixed voice termination rate that operators are allowed to charge each other for delivering fixed and mobile calls between their networks: the maximum EU-wide mobile voice termination rate is 0.2 eurocents per minute and the maximum EU-wide fixed voice termination rate is 0.07 eurocents per minute. The Commission is expected to review the regulation in 2025.

The Body of European Regulators of Electronic Communications ("BEREC") plays a key role in the development and better functioning of the internal market for electronic communications. Currently under the 2018 BEREC Regulation, retail prices of international calls and SMS made by persons in their home Member State to persons in other Member States are capped at 19 eurocents per minute and 6 eurocents per SMS respectively. The regulation of intra-EU calls and SMS has been extended to June 30, 2032 with the retail prices capped at domestic prices from January 1, 2029.

The EEC Code is due to be reviewed before December 2025 by the Commission. It published a White Paper entitled "How to master Europe's digital infrastructure needs?" which analysed the challenges Europe currently faces in the rollout of future connectivity networks, and presented possible scenarios to attract investment, foster innovation, increase infrastructure security and achieve a true digital single market. The Commission conducted a further consultation on a draft Digital Networks Act ("DNA"), which will modernize the EEC Code. The draft DNA proposal is expected to be published in Q4 2025 and will need to be approved by the European Parliament and European Council, which can typically take up to 2 years.

Telecoms Single Market Regulation

International roaming

The EEC Code is complemented by the Telecoms Single Market Regulation which sets price controls on the wholesale international roaming charges for voice, SMS and data roaming that MNOs based in the EU can charge other operators based in the EU, and on the retail international roaming charges that EU operators can charge their customers while roaming on mobile networks in other Member States within the EU. It was revised in 2022 by the EU Roaming Regulation to include additional transparency obligations and a requirement to offer the equivalent quality of service when roaming as is available domestically, subject to certain limitations. The wholesale price caps were also reduced. The main provisions of these Regulations are:

Retail price caps

- Since June 15, 2017, customers have been charged their domestic prices when roaming, subject to a fair use policy, which will allow operators to limit international roaming in the EU at the domestic prices to periodic travel.
- In 2023, the Commission reviewed the fair use policy and sustainability mechanism and concluded that they remain appropriate. The Commission's fair use policy is the minimum amount of EU roaming services that operators must offer their customers at domestic prices. For roaming traffic that exceeds the fair use limit, retail international roaming prices will be capped at the domestic price plus a surcharge equal to the wholesale cap. The Telecoms Single Market Regulation requires that operators must be able to recover their costs and the sustainability mechanism defines the test that NRAs must apply if an operator claims that it cannot sustainably offer roaming at domestic prices.

Wholesale price caps

- The latest wholesale price caps which came into effect from January 1, 2025 are: 1.30 euros per gigabyte and 1.90 eurocents per minute for wholesale voice roaming. The wholesale cap for voice roaming remains unchanged until June 30, 2032 while that for data will decrease progressively down to 1 euro per gigabyte from January 1, 2027.

Net neutrality

The Telecoms Single Market Regulation imposes obligations on operators not to discriminate in their treatment of data traffic (commonly referred to as "net neutrality"). The Regulation requires providers of publicly available "internet access services" to treat all data traffic equally. It also gives end-users the right to access and distribute information and content, via their internet access service, and use and provide applications and services and terminal equipment of their choice, regardless of location, origin or destination of the information, content, application or service. The Regulation allows "reasonable" traffic management, which

must be transparent, non-discriminatory and reasonable and not based on commercial considerations. BEREC guidelines address commercial practices, traffic management, specialized services and transparency requirements. In particular, they prohibit offers that limit the websites that can be accessed ("sub-internet offers"), and impose restrictions on tethering, certain zero rating offers (where data use does not count against the consumer's allowance) and network based blocking of content, including blocking of advertising. NRAs are responsible for enforcing the Regulation and are to take utmost account of BEREC's guidelines.

The Regulation requires the Commission to review the net neutrality provisions of the Telecoms Single Market Regulation and report to the European Parliament and European Council every four years. In May 2023 the Commission published a study that found that no aspect of the Regulation needed immediate revision but that certain of BEREC's guidelines could be improved, notably those concerning the transparency of NRAs' enforcement of the Regulation.

Spectrum

The Radio Spectrum Policy Program, established in 2012, defines the strategic objectives for spectrum policy in the EU, including to identify sufficient spectrum for wireless broadband.

The EEC Code grants the Radio Spectrum Committee the powers to harmonize the use of spectrum bands for the provision of electronic communications services. Most recently, the EEC Code required Member States to assign for mobile use the 3.4-3.8 GHz band and at least 1 GHz in the 24.25-27.5 GHz band by December 31, 2020. Most Member States have released at least some of the 3.4-3.8 GHz spectrum but release of the 24.25-27.5 GHz is less advanced. The 2023 World Radio Conference identified the 6.425-7.125 GHz spectrum band for mobile use in Europe. Further studies will be needed to define the technical parameters before the spectrum can be released for use.

Data protection, e-privacy

Data protection

The General Data Protection Regulation ("GDPR") is directly applicable in all EU Member States. It applies to all data controllers and data processors in the EU that are processing personal data, and those outside the EU that target data subjects in the EU. Under the GDPR data subjects have certain rights, including the right to be forgotten and the right to data portability. When processing personal data, data controllers and processors must have a "lawful basis" and must ensure their systems and procedures are compliant (privacy by design and by default). Data controllers are required to maintain a data processing register. Fines for failing to comply with the GDPR can be up to 4% of worldwide annual revenue.

Under the GDPR, contractual clauses ensuring appropriate data protection safeguards can be used as a lawful basis for data transfers from the EU to third countries. This includes model standard contractual clauses ("SCCs") that have been preapproved by the Commission, provided that when using SCCs, organizations verify on a case-by-case basis that the personal data being transferred will be adequately protected in the destination country in line with the requirements of EU law. E.g. that the level of protection is "essentially equivalent" to that guaranteed within the European Union by the GDPR, read in light of the European Union Charter of Fundamental Rights. The latest version of the SCCs was published by the Commission in June 2021.

Where the Commission adopts an adequacy decision that a country outside the EU offers an adequate level of data protection, then personal data can flow from the EU to that third country without any further safeguards being necessary. In July 2023 the Commission adopted an adequacy decision confirming that the EU-US Data Privacy Framework ("DPF") establishes an adequate level of protection for personal data transferred from the EU to US companies who participate in the Data Privacy Framework. This follows a ruling of the Court of Justice of the European Union in July 2020 which found that previous EU-US privacy shields were invalid. On October 9, 2024 the Commission published a report on its first periodic review of the functioning of the adequacy decision on the DPF concluding that US authorities have put in place all structures and procedures necessary for the DPF to function effectively, noting that it was still early to assess its practical effectiveness.

E-privacy

The European Commission published in February its work program for 2025. In the work program, it confirmed the withdrawal of the draft e-Privacy regulation, citing no foreseeable agreement with the Parliament and Council, and changes in technological development as the main reasons for the withdrawal.

EU Regulations on digital services and digital markets

As part of the Digital Strategy, two new regulations came into force in November 2022 which are directly applicable in all EU Member States: the Digital Services Act ("DSA") and the Digital Markets Act ("DMA") which aim to create a safer digital space where the fundamental rights of users are protected and to establish a level playing field for businesses.

Digital Services Act

The DSA regulates the content and services provided by online intermediaries such as Internet service providers, cloud services, messaging services, marketplaces, app stores and social networks. It requires all providers of intermediary services, including telecoms operators when providing Internet access, to comply with transparency obligations and to cooperate with national authorities. The providers of hosting services also have obligations to tackle illegal content and online platforms (hosting services that disseminate information to the public at the request of the user) have further obligations, including to provide a complaints mechanism, ensure traceability of their business users and provide transparency of online advertising. Platforms that have more than 45 million users are deemed to be "very large online platforms" ("VLOP") and are subject to additional reporting obligations and the external audit of their activities. The DSA provisions apply from February 2024. The Commission has so far designated 23 VLOPs and very large online search engines ("VLOSE"). It has opened formal proceedings against several content platforms including X, TikTok, Shein, AliExpress and Temu.

Digital Markets Act

The DMA regulates the economic behavior of online platforms that act as digital "gatekeepers". These are defined as businesses that control at least one "core platform service" (that is, online intermediary services, search engines, social networking, video sharing, messaging, operating systems, cloud services and advertising services) and which meet certain criteria. Electronic communications networks and services are excluded from the scope of the DMA. The regulation of the behavior of gatekeepers may affect its commercial relationships with electronic communications network operators. The DMA provisions applied from May 2023 and the Commission has so far identified seven "gatekeepers" (Alphabet, Amazon, Apple, ByteDance, Meta Microsoft and Booking) for a total of twenty-four core platform services. The Commission has opened proceedings against Alphabet, Apple, and Meta.

Artificial Intelligence Act

The Artificial Intelligence (AI) Act ("AI Act") entered into force on August 1, 2024. The AI Act is subject to a transitional period before it becomes directly applicable, with some provisions (e.g. penalties) applying 12 months after entry into force and others applying 24 months after entry into force. The Commission is expected to issue guidelines to help regulated entities interpret and apply the AI Act.

The AI Act imposes obligations on providers and users of AI based on the level of risk associated with the AI system. AI systems that pose an "unacceptable level of risk" will be prohibited; whereas AI systems that are "high-risk" will be subject to significant regulatory obligations, including enhanced thresholds of diligence and quality and risk assessments. Included in the category of high risk systems are AI systems used as safety components in critical digital infrastructure, road traffic and the supply of water, gas, heating and electricity. Should any AI systems used by CKHH fall within this definition, the relevant company(ies) will need to comply with the regulatory obligations. The AI Act also regulates general purpose AI models, such as ChatGPT. Fines for non-compliance will range from €7.5 million or 1.5% of turnover to €35 million or 7% of global turnover, depending on the type of infringement. The Commission can also impose fines up to 3% of worldwide turnover on General Purpose AI ("GPAI") models that intentionally or negligently infringe provisions of the AI Act.

Cyber Resilience Act

The Cyber Resilience Act, which has been agreed but not yet published, requires all hardware and software made available on the EU market to meet standards for cybersecurity. While all economic actors involved in the supply chain will have obligations to meet those standards, the onus will be on manufacturers. **3** Group companies (and all CKHH businesses that make such products available in the EU) will have such obligations but, in practice, this should be fulfilled by ensuring manufacturers have conducted a cybersecurity risk assessment and met the minimum cybersecurity standards.

UK Regulation

Brexit and application of EU Law within the UK

Under the European Union (Withdrawal) Act 2018, the UK adopted an approach of "retained EU law" whereby existing EU law that formed part of domestic law, and EU legislation that was directly applicable in the UK, was incorporated into UK law at the end of the transition period on December 31, 2020, subject to a range of legislative and regulatory steps taken at the time to reflect UK's status outside of the EU. In June 2023, the government enacted the Retained EU Law (Revocation and Reform) Act 2023 ("REULA") under which certain retained EU laws were repealed automatically at the end of 2023. The REULA further enables the revocation, restatement, replacement or updating of certain retained EU laws until June 23, 2026, and inter alia removes the special features that EU laws have in the UK legal system and repeals the principle of supremacy of EU law from UK law. The impact of the REULA on UK legislation (including the Communications Act 2003 and the Wireless Telegraphy Act 2006) impacting our UK business is currently unclear.

UK electronic communications regulatory framework – the Communications Act 2003 ("Comms Act") and the Wireless Telegraphy Act 2006 ("WTA") – Ofcom

The UK electronic communications regulatory framework is primarily contained within the Comms Act and the WTA. The Comms Act is based on the EU telecoms regulatory framework (including the EEC Code), with amendments to reflect the UK's status outside the EU.

Regulatory Authority – Ofcom

Ofcom, the Office of Communications, is the national regulatory authority responsible for the regulation of electronic communications networks and services, and for issuing spectrum licences under the WTA. All providers of electronic communications networks and services must comply with the General Conditions of Entitlement ("General Conditions") if they wish to provide services in the UK. Under the Comms Act, Ofcom has the power to set, modify and revoke the General Conditions. Ofcom varied its General Conditions with effect from January 17, 2025 to preclude mid-contract price changes for telecommunications services tied to inflationary measures (such as CPI and RPI). It does however permit price changes stated in "pounds and pence" as this is clear and transparent to consumers. Ofcom made further changes to the General Conditions on April 22, 2025 by introducing new restrictions on the use of telephone numbers as Global Titles to tackle the misuse of Global Titles. Ofcom has implemented certain end-user rights contained in the EEC Code package of measures including for: provision of information in contracts; transparency, comparison tools and publication of information; quality of service; contract duration and termination; protections for end-users with disabilities; switching and porting; and bundled offers. The implementation was largely completed in April 2023; with the exception of the new 'One Touch' switching process for fixed line broadband and fixed wireless access, which was introduced on September 12, 2024.

Telecommunications (Security) Act and High Risk Vendors

The Telecommunications (Security) Act 2021 ("TSA") amends the Comms Act and requires telecoms providers (like VodafoneThree) to have measures in place to identify and reduce the risks of security compromises, such as those resulting from hardware or software failure, human error, or malicious attacks. Fines for failing to comply with security duties can be up to a maximum of 10% of relevant turnover.

The TSA also introduces new powers for the government to manage risks posed by 'high risk vendors' ("HRV"). This enables the government to control the extent to which equipment provided by HRVs are used in telecoms networks, if such equipment is considered to be a risk to safety and security. An HRV designation was made against Huawei in 2022. Network providers are required to remove Huawei equipment by the end of 2027.

Digital Markets, Competition and Consumers Act (DMCCA)

The DMCCA introduced a significant new regulatory framework for digital markets in the UK, along with increased competition and consumer protection tools with direct enforcement powers for the UK Competition and Markets Authority ("CMA").

A key part of this was the new pro-competition regime for digital markets and the creation of the CMA's dedicated Digital Markets Unit (DMU). Under powers which commenced in early 2025, the DMU can designate firms with 'Strategic Market Status' in specific digital activities if they possess substantial, entrenched market power and a position of strategic significance.

In addition, the CMA has been granted separate enhanced direct consumer law enforcement powers, including the ability to directly impose significant fines (up to 10% of a firm's global turnover). These new powers came into force on April 6, 2025. The CMA has indicated that it will collaborate closely with Ofcom on compliance in the telecommunications industry.

Mobile termination rates

Mobile termination rates are regulated by Ofcom. From April 1, 2025, the mobile termination rate is 0.487ppm (previously 0.468ppm). For calls originating outside the UK, UK operators will be required to charge no more than the equivalent rates charged by their international counterparties (where those are higher than the UK mobile termination rate).

Wholesale price cap – Bulk SMS

In January 2025, Ofcom launched a consultation (which closed on April 8, 2025) proposing to cap the wholesale prices mobile operators charge for terminating application-to-person SMS messages on their networks. Ofcom is concerned by the increase in these wholesale charges. These messages are used by businesses and public services (e.g., appointment reminders, bank one-time security passcodes). A final decision is expected later in 2025.

International roaming

Ofcom issued new rules which took effect on October 1, 2024 designed to protect consumers from unexpected charges when using their mobile devices abroad and from the risks of inadvertent roaming where mobile devices of users living close to national borders connect to mobile networks in neighboring countries. The rules require mobile telecom service providers to alert customers when they start roaming either in the EU or in rest of world destinations.

Net neutrality

Ofcom is responsible for monitoring and ensuring compliance with the net neutrality rules. Ofcom published a statement on net neutrality in October 2023 and revised certain of its existing compliance guidance, following an extensive consultation. The revised guidance provides for a more permissive approach to traffic management, zero rating and specialized services.

Data Protection

Data protection in the UK is governed by the (i) Data Protection Act 2018 and the UK GDPR; (ii) the Privacy and Electronic Communications Regulations 2003 ("PECR"), which impose rules on marketing by electronic means, processing of traffic and location data, provision of calling and connected line identification, and the use of cookies or similar technologies that track information about people accessing a website; and (iii) the Data (Use and Access) Act 2025 ("DUAA").

Entities caught by the Data Protection Act 2018 and the UK GDPR must comply with the rules governing the transfer of personal data to entities located outside the UK. The government has confirmed that transfers of personal data from the UK to EU will continue without the need for any additional transfer tools. The Commission adopted an "adequacy" decision on June 28, 2021 enabling the free flow of personal data from the EU to the UK where it benefits from an essentially equivalent level of protection to that under EU law. The adequacy decision has been extended until 27 December 2025 and is expected to be extended for an additional six years. The Information Commissioner's Office ("ICO") introduced international data transfer agreements ("IDTAs") to replace the EU SCCs for transferring personal data to non-EU countries. The IDTAs came into force on March 21, 2022.

The DUAA introduced several changes to UK data protection laws to reduce compliance burdens, improve public sector data sharing, and enable innovation, while maintaining EU adequacy. These include increased flexibility on Automated Decision Making ("ADM"), amendments to the PECR to allow businesses to use cookies without user consent in certain cases, and an easing of the data protection test for international data transfers by allowing data transfers to countries where the standard of protection is "not materially lower" than the UK standard. The first DUAA provisions came into force on August 19, 2025, with the various changes being phased in between June 2025 and June 2026.

Online Content

The Online Safety Act 2023 ("OSA") received Royal Assent on October 26, 2023. The Act imposes a duty of care on online platforms to prevent the proliferation of illegal content and activity online. Ofcom is the enforcing regulator. The OSA introduces stringent duties on platforms defined as high-risk user-to-user services (e.g. large social media firms) and high-risk search firms in order to protect online users. Less onerous duties apply to small and low risk internet search firms and low risk user-to-user services. Ofcom published its codes of practice and guidance for the OSA in 2025 which set out a duty for providers to assess the risk of illegal harms from their services.

Artificial Intelligence

Unlike the EU, the UK government has not introduced AI-specific legislation and instead, has adopted five cross-sectoral principles for existing regulators (such as Ofcom, CMA, ICO) to interpret and apply within their remits in order to drive safe, responsible AI innovation. The five principles, which were originally proposed in its 2023 AI Regulation White Paper, are safety, security and robustness; appropriate transparency and explainability; fairness; accountability and governance; and contestability and redress. This is currently a non-statutory framework, but the government will continue to review whether a statutory duty should be imposed on regulators. The government has written to a number of regulators, including the ICO and Ofcom, to ask them to publish updates outlining their strategic approach to AI, with the intention of increasing the transparency around how they are implementing the White Paper proposals.

Finance & Investments and Others

CKHH receives income from its finance & investments and others segment, which is responsible for the management of CKHH's cash deposits, liquid assets held in managed funds and other investments. Managed funds are portfolios of short-term and liquid debt securities, primarily denominated in U.S. dollars, managed by independent professional fund managers in various financial centers around the world. CKHH also has certain investments in shares and convertible securities of listed companies. Income from this division includes interest income, dividends from equity investments, profits and losses from sale of securities and foreign exchange gains and losses of non-Hong Kong dollar denominated liquid assets. CKHH has adopted a strategy of minimizing credit, interest rate, market price and currency risks in its fixed income investments, and has divested its medium-term, long-term and foreign currency investments in favor of U.S. dollar denominated short-term liquid debt securities.

CKHH has operations in over 50 countries and conducts businesses in around 50 currencies. CKHH's functional currency for reporting purposes is Hong Kong Dollars and CKHH's reported results in Hong Kong Dollars are exposed to exchange translation gains or losses on its foreign currency earnings. CKHH generally does not enter into foreign currency hedges in respect of its foreign currency earnings. It is CKHH's policy not to enter into

derivative transactions for speculative purposes. It is also CKHH's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, that have significant underlying leverage or derivative exposure.

As of June 30, 2025, CKHH's liquid assets totaled HK$137,268 million (US$17,598 million) of which 10% were denominated in Hong Kong dollars, 42% in U.S. dollars, 3% in Renminbi, 26% in Euro, 11% in Pound Sterling and 8% in other currencies. Cash and cash equivalents represented 94% of such total and U.S. Treasury notes and listed debt securities 6%. The U.S. Treasury notes and listed debt securities, including those held under managed funds, consisted of U.S. Treasury notes of 77%, government and government guaranteed notes of 18% and others of 5%. All of the U.S. Treasury notes and listed debt securities were rated at Aaa/AAA or Aa1/AA+, with an average maturity of approximately 2.8 years on the overall portfolio. CKHH has no exposure in mortgage-backed securities, collateralized debt obligations or similar asset classes.

The interest expense and finance costs related to CKHH's various operating businesses are not attributed to this division but are disclosed separately in the consolidated income statement and related notes thereto set forth in the audited consolidated financial statements of CKHH included elsewhere in this offering memorandum.

Hutchison Whampoa (China) Limited

In addition to subsidiaries and joint ventures in several of its core businesses, CKHH is also engaged in other activities in the Mainland and Hong Kong through its wholly-owned subsidiary HWCL, and its 38.14% associate, HUTCHMED. These activities include the provision of aircraft management, maintenance and engineering services, biopharmaceutical research and global development and commercialization of targeted therapies and immunotherapies for the treatment of cancer and immunological diseases, the manufacturing and commercialization of pharmaceutical products, the manufacturing and trading of detergent products, the distribution of consumer products, and the provision of logistics services.

CKHH is the major shareholder of HUTCHMED, which is listed on the Main Board of the SEHK, the AIM and Nasdaq. HUTCHMED had a market capitalization of approximately US$2,625 million (approximately HK$20,475 million) as of June 30, 2025.

HWCL has the following major investments, which operate in the Mainland, Hong Kong and the UK:

- Guangzhou Aircraft Maintenance Engineering Company ("GAMECO") (50% interest), a joint venture with China Southern Airlines. GAMECO serves both Chinese and international airlines from its maintenance facilities at Guangzhou's airport and other locations in the Mainland, Australia and New Zealand conducting both routine maintenance services and overhauls;

- China Aircraft Services Limited (48% interest), a joint venture with China Airlines and China National Aviation Corporation, providing aircraft maintenance and support services;

- Shanghai Hutchison Whitecat Company Limited ("Whitecat") (100% interest), which develops and manufactures consumer and industrial detergent products; and

- HUTCHMED (38.14% interest), a company listed on the Main Board of the SEHK, the AIM and Nasdaq. HUTCHMED is an innovative, commercial-stage, biopharmaceutical company committed to the discovery and global development and commercialization of targeted therapies and immunotherapies for the treatment of cancer and immunological diseases. During 2019, CKHH partially disposed of its interest in HUTCHMED reducing CKHH's shareholding from 60.15% to 49.86%. HUTCHMED has therefore been derecognized as a subsidiary to an associated company. Subsequent to the follow-on offering of HUTCHMED's ADS in January 2020 and private placements in July and November 2020, CKHH's shareholding was further diluted to 45.69%. The private placement in April 2021, initial public offering in Hong Kong and subsequent exercise of share options resulted in further dilution of

shareholding to 38.14% as of June 30, 2025. In April 2025, HUTCHMED divested 45% interests in Shanghai Hutchison Pharmaceuticals Limited, a non-core joint venture.

E-Commerce Operations

CKHH has invested in e-commerce and related opportunities. These operations include:

- bigboXX.com (100% interest) – an office supplies procurement portal for business corporations in Hong Kong;
- Hutchison Travel (100% interest) – an online travel agent that offer air tickets, hotel rooms, rental car, air plus hotel combo and travel insurance; and
- ESD*life* (85% interest) – provision of a one-stop-shop platform for public and commercial electronic services, as well as professional digital solutions through the establishment of a vast digital information infrastructure.

CKHH also has a 50% economic interest in Metro Broadcast, a licensed radio broadcasting operator in Hong Kong currently operating three analog radio channels, namely Metro Finance (FM 104), Metro Info (FM 997) and Metro Plus (AM 1044).

TOM GROUP

CKHH also has a 36.1% interest in TOM Group, a technology and media company listed on the SEHK. TOM Group has technology operations in mobile internet; investments in e-commerce, fintech and advanced data analytics sectors. In addition, its media businesses cover both publishing and advertising segments. Based on the closing price of its shares on the SEHK on June 30, 2025, TOM Group had a market capitalization of approximately HK$1,781 million (approximately US$228 million).

Marionnaud Group

CKHH has a 100% interest in the Marionnaud Group, a luxury perfumery and cosmetic retail chain in Europe. As of June 30, 2025, Marionnaud operated over 710 stores in 9 European markets, providing luxury perfumery and cosmetic products.

CK Life Sciences Group

CKHH has an approximate 45.32% interest in CKLS, a company listed on the SEHK. CKLS is engaged in the business of research and development, manufacturing, commercialization, marketing and sale of, and investment in nutraceuticals, pharmaceuticals and agriculture-related products and assets as well as investment in various financial and investment products. It has business interests in three key divisions: agriculture, nutraceutical and pharmaceutical research and development. Based on the closing price of its shares on the SEHK on June 30, 2025, CKLS had a market capitalization of approximately HK$8,169 million (approximately US$1,047 million).

Cenovus Energy

In January 2021, Cenovus Energy, a Canadian integrated oil and nature natural gas company listed on the Toronto Stock Exchange and New York Stock Exchange, announced the completion of the combination of Cenovus Energy and Husky Energy. Following the completion of the merger of Cenovus Energy and Husky Energy in January 2021, Cenovus Energy becomes an associate of CKHH. As of June 30, 2025, CKHH held 17.1% interest in Cenovus Energy.

Cenovus Energy operates in Canada, the United States and the Asia Pacific region. Its operations include oil sands projects in northern Alberta, thermal and conventional crude oil and natural gas projects across Western Canada, crude oil production offshore Newfoundland and Labrador and natural gas and liquids production offshore China and Indonesia. Cenovus Energy's downstream operations include upgrading, refining and marketing operations in Canada and the United States.

Indosat Ooredoo Hutchison ("IOH")

CKHH provides mobile telecommunications services in Indonesia through IOH (formerly PT Hutchison **3** Indonesia ("H3I") before the merger with PT Indosat Tbk ("Indosat") in January 2022). As of June 30, 2025, IOH had a network of over 196,000 4G base transceiver stations and approximately 94.7 million active customers.

In January 2022, the merger transaction between H3I and Indosat was completed. The newly merged company, IOH, remains listed on the Indonesian Stock Exchange and became, as of the time of the merger, the second largest telecommunication operator in Indonesia. Following the completion of the merger on January 4, 2022, CKHH holds 50% interest in Ooredoo Hutchison Asia Pte. Ltd, which in turn holds 65.6% in IOH. IOH had a market capitalization of approximately HK$38,612 million (approximately US$4,950 million) as of June 30, 2025.

Vietnamobile Telecommunications Joint Stock Company ("Vietnamobile")

As of June 30, 2025, CKHH provides mobile telecommunications services in Vietnam through Vietnamobile in which CKHH holds 49% of the business. Vietnamobile's network has nationwide coverage. Vietnamobile has further upgraded its network to provide 4G services in regions with high growth potential, focusing in southern Vietnam. In September 2025, CKHH disposed of its 48% interests in Vietnamobile.

Hutchison Telecommunications Lanka (Private) Limited ("Hutch Lanka")

CKHH provides mobile telecommunications services in Sri Lanka through Hutch Lanka. In November 2018, Hutch Lanka completed the acquisition of Etisalat Lanka (Private) Limited ("ESL"), the Sri Lanka telecommunication business of Emirates Telecommunications Group Company PJSC ("Etisalat Group"), and CKHH holds 85% interest in the enlarged Sri Lanka telecommunications business. In July 2019, Hutch Lanka and ESL were amalgamated with Hutch Lanka as the surviving entity. Hutch Lanka's network has nationwide coverage. In 2020, Hutch Lanka re-launched the merged network to provide nationwide 4G services. As of June 30, 2025, CKHH holds 90.36% of the business.

HTAL, share of TPG Telecom Limited

HTAL, a wholly-owned subsidiary, holds 25.05% of TPG which is listed on the ASX. HTAL was delisted on July 25, 2025 and becomes a wholly-owned subsidiary of CKHH on August 26, 2025.

On May 22, 2025, Hutchison Telecommunications (Amsterdam) B.V. ("HTABV"), an indirect wholly owned subsidiary of CKHH, owned approximately 87.87% of HTAL's issued shares at that time, announced its intention to make an off-market takeover bid for all of the ordinary shares in HTAL that it did not already own. On July 15, 2025 HTABV exercised its right to compulsorily acquire all of the remaining shares in HTAL. HTAL was delisted from the ASX on July 25, 2025. On August 26, 2025, the compulsory acquisition process was completed and accordingly, HTABV currently owns 100% of the issued shares in HTAL.

On February 28, 2025, HTAL announced its Post-IFRS 16 results for the year ended December 31, 2024 and reported a statutory net loss of A$191.4 million for the year ended December 31, 2024, representing a A$67.4 million increase compared to the A$124.0 million net loss for the year ended December 31, 2023. This was mainly due to a one-off non-cash impairment loss of A$31.7 million recognized in 2024 for HTAL's 25.05% interest in TPG and A$37.2 million increase in share of net loss of HTAL's equity accounted investments, net of tax.

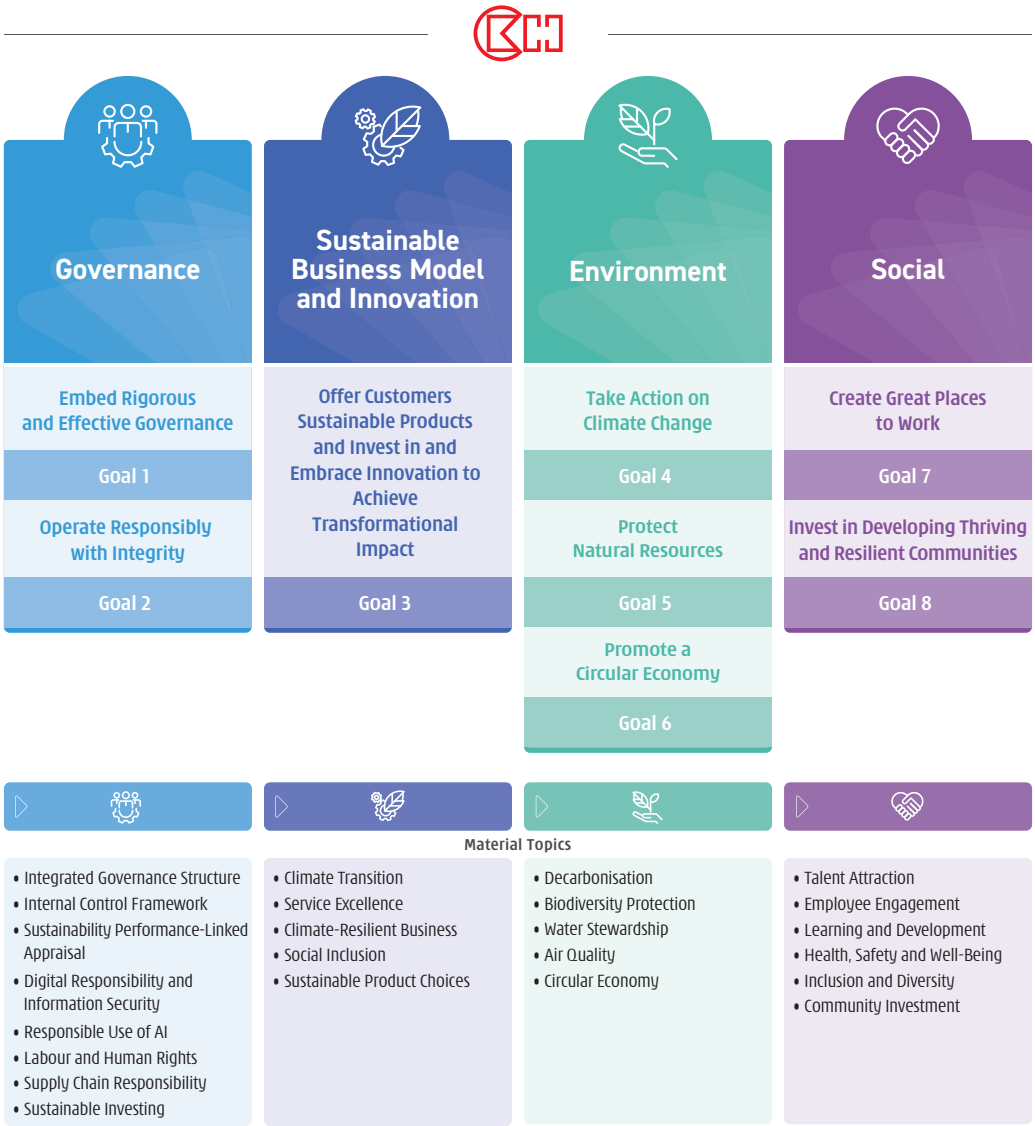
Environmental, Social and Governance Matters

CKHH places significant importance on integrating Environmental, Social and Governance (ESG) principles into its operations and business model, and core divisions adapt the principles by integrating the essence into operations.

Sustainability at CKHH

CKHH's overall sustainability approach and priorities are built on four pillars: Environmental, Social, Governance and Sustainable Business Model & Innovation, with the latter pillar underscoring the importance of sustainability integration into the business strategies of CKHH and the commercial opportunities that sustainability presents. CKHH-level framework includes eight goals which extend to all core businesses which complement, rather than replace, the business division level strategies which should always serve to address individual material sustainability issues based on the sectors and geographical locations in which they operate. Each pillar is supported by CKHH-wide policies, leadership at CKHH level and collective efforts of each core business division. On an ongoing basis, CKHH continues to assess, update and refine its sustainability policies with a view of ensuring that its systems, processes, standards and practices are enabling the achievement of the sustainability objectives of CKHH which also evolve to reflect emerging sustainability trends. Neither the following Sustainability Framework nor the sustainability reports of CKHH shall form part of this offering memorandum.

Sustainability Framework



Sustainability Governance

CKHH's sustainability governance structure provides a foundation for developing and delivering its commitment to sustainability, which is embedded at all levels of CKHH, including the Board, the Sustainability Committee, the Audit Committee, the Sustainability Working Group,

the Governance Working Group, the European Sustainability Working Group and the Cyber Security Working Group as well as the sustainability functions embedded across all core businesses.

The Board-level Sustainability Committee is chaired by Mr Frank John Sixt (Group Co-Managing Director & Group Finance Director) with Ms Edith Shih (Executive Director & Company Secretary) and Ms Tsim Sin Ling, Ruth (Independent Non-Executive Director) as members. Ms Tsim Sin Ling, Ruth became a member following Dr Wong Yick Ming, Rosanna's cessation as a member of the Sustainability Committee upon her retirement from the Board with effect from 23 May 2024. The responsibilities of the Sustainability Committee are to propose and recommend to the Board on CKHH's sustainability objectives, strategies, priorities, initiatives and goals. It oversees, reviews and evaluates actions taken by CKHH in furtherance of sustainability priorities and goals, including coordinating with business divisions of CKHH and ensuring that their operations and practices adhere to the relevant priorities and goals. The Sustainability Committee also reviews and reports to the Board on sustainability risks and opportunities, monitors and assesses emerging sustainability issues and trends that could impact the business operations and performance of CKHH. Moreover, it considers the impact of CKHH's sustainability programs on its stakeholders, including employees, shareholders, investors, customers, business partners, suppliers, governments and regulators, local communities, non-government organizations, and the environment, and appraises and advises the Board on CKHH's public communication, disclosure and publications with regards to its sustainability performance. It is authorized by the Board to obtain independent professional advice where necessary on matters within its terms of reference.

Sustainability is embedded in the risk management approach of CKHH, through the bi-annual formal examination of all business divisions as to its respective material sustainability risks and presentations to senior management with plans on how these risks are managed as part of the bi-annual review of risk management and internal control systems. As an integral part of the sustainability governance, these self-assessment results are subject to internal audits and then submitted to the Group Co-Managing Director & Group Finance Director biannually as well as the Audit Committee and Sustainability Committee respectively for review and approval.

Progress

Sustainability is prioritised by CKHH not only because of the risks it poses but also as it acts as a growth opportunity. Throughout 2024, CKHH's core businesses continued to invest in innovation and technology to create competitive advantage and future-ready its business:

- The Ports division has implemented a range of decarbonizing initiatives, such as the application of mandatory "Equipment Electrification Directive" and one-site renewable energy generation, ensuring the greenhouse gas (GHG) emissions reduction roadmap and net-zero targets shall be reached according to the proposed timeline.

- The Retail division continues to expand its low carbon vehicle fleet across the division, significant achievement can be found with Watsons China, where electric vehicles account for over 80% of all warehouse-to-store deliveries in the cities of Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, Chongqing and Xiamen. Furthermore, the division has been purchasing renewable energy through Energy Attributes Certificates in selected markets, acquired over 580 GWh of renewable energy through Energy Attributes Certificates across Mainland China, Hong Kong, Philippines, Malaysia, Thailand, Türkiye, Indonesia, bringing positive contribution to CKHH's emission reduction targets.

- The Infrastructure division acquired a number of renewable energy assets in 2024, such as UK Renewables Energy, a portfolio of operating onshore wind farms in the UK, and Powerlink Renewable Assets, a renewable energy portfolio in the UK.

- The Telecommunication division has leveraged on technology solution and the purchase of renewable energy to achieve encouraging outcome, as CKHGT increased its supply of purchased renewable electricity and continued to invest in energy efficiency for its operations. All operations continue to invest in energy efficiency

measures with the implementation of network optimization equipment features, virtualization of core network and network services, and optimization of data centers, including through the use of Artificial Intelligence.

Throughout 2024, CKHH continued its ongoing efforts to engage with a variety of stakeholders. As CKHH has a diverse range of businesses and operates in multiple countries/markets, maintaining a close dialogue with key stakeholders in each industry and geographical jurisdiction is critical when making business decisions and considering the associated potential sustainability impact. Recognizing that sustainability performance is becoming an important investment decision factor for investors, CKHH is dedicating significant efforts to investor outreach on sustainability topics as well as engaging with the ESG ratings agencies, which are highlighted as most important to CKHH's top investors.

CKHH aspires to be an employer of choice through competitive remuneration packages, continuous professional training, and a safe and inclusive working environment. As part of the talent pipeline development, monthly in-house and external training courses and programs covering a wide range of topics including technical skills development training, soft skills training and wellness programs are provided to employees at all levels. Further, CKHH companies work with educational and professional institutions to inspire, train and mentor the younger generation for future careers. CKHH is committed to providing a work environment that is free from all forms of discrimination on the basis of race, ethnicity, gender, creed, religion, age, disability, sexual preference or position.

CKHH is also committed to the overall well-being of its employees, ensuring that the overall health and safety and performance are closely monitored across divisions, and policies that align with international standards, such as ISO 45001, are developed to guide the operations. Besides its annual internal evaluation, CKHH also seeks external party to perform safety audit to safeguard the safety of the employees. Diversity and inclusion are topics that CKHH is committed into, and the excellence of CKHH in this area is well recognized. For example, **3** Austria, **3** Hong Kong, **3** Sweden and Wind Tre received national or regional recognition as being among the best employers locally. **3** Ireland was awarded Investors in Diversity Gold standard in 2024, while UK Power Networks also received the "Diversity and Inclusion Strategy of the Year" from Women in Green Business Awards in London. The AS Watson Group also announced as the first health and beauty retailer signatory of the Women's Empowerment Principle from the United Nations Entity for Gender Equality and Empowerment.

Legal Proceedings

CKHH is not engaged in any material litigation or arbitration proceeding, and no material litigation or claim is known by CKHH to be pending or threatened against it, which would have a material adverse effect on CKHH's financial condition and results of operations.

Insurance

CKHH believes that its properties are covered by adequate property insurance by reputable companies and with commercially reasonable deductibles and limits, covering fire, earthquake, loss of rent and third party liabilities.

Employees

The following table shows the divisional allocation of employees.

	Number of Employees				
	As of December 31,			As of June 30,	
	2022	2023	2024	2024	2025
Ports and related services	34,089	33,428	33,101	32,895	33,044
Retail[1]	177,321	181,590	190,640	180,131	190,905
Infrastructure	32,015	33,830	34,719	34,425	35,275
3 Group Europe	15,936	16,126	16,054	16,105	11,746
Hutchison Telecommunications Hong Kong Holdings	1,155	1,240	1,181	1,229	1,169
Finance & investments	488	496	519	521	528
Others[1][2][3][4]	42,067	42,483	41,385	39,628	53,679
Total number of employees	303,071	309,193	317,599	304,934	326,346

(1) Employees of Marionnaud Group have been reclassified from Retail to Others.

(2) Subsequent to the merger completion between Hutchison **3** Indonesia and PT Indosat Tbk in January 2022, all employees are included in IOH, which are included within Others.

(3) Includes all employees in TPG.

(4) Subsequent to the merger completion between **3** UK with Vodafone UK in May 2025, all employees are included in VodafoneThree, which are included within Others.

HONG KONG

Until July 1, 1997, Hong Kong was a colony of the UK. On July 1, 1997, sovereignty over Hong Kong reverted from the UK to the Mainland, and Hong Kong became a Special Administrative Region of the PRC. The agreement between the British and Chinese governments regarding this transfer is embodied in the Joint Declaration, which was signed on December 19, 1984 and subsequently ratified by both governments. Acting pursuant to the Joint Declaration, in April 1990 PRC's National People's Congress (the "NPC") adopted the Basic Law, which is the basic constitutional document of Hong Kong. Under the Basic Law, Hong Kong is to have its own legislature, legal and judicial system and full economic autonomy for 50 years. Defense and foreign affairs are the responsibility of the central government in Beijing, although Hong Kong will still be able to participate in international organizations and agreements, where deemed appropriate. The Basic Law provides that the Hong Kong dollar will remain the legal tender currency in Hong Kong and is to remain freely convertible, and that no exchange controls will be applied. Existing freedoms, including the rights of free speech and assembly, a free press, freedom of religion, and to strike and to travel, are ensured by law, and business ownership, private property, the right of inheritance and foreign investment are to be legally protected.

Under the Basic Law, the laws in force in Hong Kong prior to June 30, 1997 remain in force, except for any that contravene the Basic Law, and are subject to amendment by Hong Kong's legislature. The power of interpretation of the Basic Law is vested in the Standing Committee of the NPC, although the courts of Hong Kong may interpret the Basic Law in adjudicating cases before them, subject to certain limitations. The power of amendment of the Basic Law is vested in the NPC. The Basic Law provides that the Chief Executive of Hong Kong shall be recommended by a committee composed of Hong Kong residents representing a broad spectrum of distinct constituencies, such as industry, labor, and various professions, and appointed by the central government of the PRC.

MANAGEMENT OF CKHH

The Directors of CKHH are set forth below.

Name	Age	Position
LI Tzar Kuoi, Victor	61	Chairman and Executive Director
FOK Kin Ning, Canning	74	Deputy Chairman and Executive Director
Frank John SIXT	73	Group Co-Managing Director, Group Finance Director and Executive Director
LAI Kai Ming, Dominic	72	Group Co-Managing Director and Executive Director
IP Tak Chuen, Edmond	73	Deputy Managing Director and Executive Director
KAM Hing Lam	78	Deputy Managing Director and Executive Director
Edith SHIH	73	Executive Director and Company Secretary
Andrew John HUNTER	66	Executive Director
CHOW Kun Chee, Roland	88	Non-executive Director
LEE Yeh Kwong, Charles	89	Non-executive Director
WOO Mo Fong, Susan (alias CHOW WOO Mo Fong, Susan)	71	Non-executive Director
CHOW Ching Yee, Cynthia	62	Independent Non-executive Director
Graeme Allan JACK	74	Independent Non-executive Director
Philip Lawrence KADOORIE	33	Independent Non-executive Director
LAU Yau Fun, Sophie (alias LEUNG LAU Yau Fun, Sophie)	79	Independent Non-executive Director
Paul Joseph TIGHE	69	Independent Non-executive Director
TSIM Sin Ling, Ruth	68	Independent Non-executive Director
WONG Kwai Lam	76	Independent Non-executive Director

The principal place of business of CKHH is 48th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

The Board of Directors of CKHH consists of eighteen members of which 8 are Executive Directors, 6 are Independent Non-executive Directors and 3 are Non-executive Directors. Set forth below is selected biographical information for each of the Directors:

LI Tzar Kuoi, Victor, aged 61, has been a Director of CKHH since December 2014. He was designated as Executive Director, Managing Director and Deputy Chairman of CKHH in January 2015, re-designated as Executive Director, Group Co-Managing Director and Deputy Chairman of CKHH in June 2015, appointed as the Chairman of CKHH in May 2018 and further re-designated as the Chairman and Executive Director of CKHH on April 1, 2024. Mr Li has been a member of the Remuneration Committee and Nomination Committee of CKHH since May 2018 and January 2019 respectively. In 1985, he joined Cheung Kong (Holdings) Limited ("Cheung Kong (Holdings)")[1] and acted as Deputy Managing Director from 1993 to 1998. He was Deputy Chairman of Cheung Kong (Holdings) since 1994, Managing Director since 1999 and Chairman of the Executive Committee since 2013 until June 2015. From 1995 to 2015, he was an Executive Director of Hutchison Whampoa Limited ("HWL")[2] and Deputy Chairman from 1999 to 2015. Mr Li is Chairman, Managing Director and Executive Director of CK Asset Holdings Limited ("CKA"), Chairman of CK Infrastructure Holdings Limited ("CKI") and CK Life Sciences Int'l., (Holdings) Inc. ("CKLS"), a Non-executive Director of Power Assets Holdings Limited ("Power Assets") and HK Electric Investments Manager Limited ("HKEIML") as the trustee-manager of HK Electric Investments ("HKEI") and a Non-executive Director and Deputy Chairman of HK Electric Investments Limited ("HKEIL"). Except CKA, the aforementioned companies are either subsidiaries or associated companies of the CKHH Group of which Mr Li has oversight as Director of CKHH. Mr Li is also the Deputy Chairman of Li Ka Shing

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[1] Cheung Kong (Holdings) was previously listed on The Stock Exchange of Hong Kong Limited (the "SEHK") until its listing status was replaced by CKHH in March 2015.

[2] HWL was previously listed on the SEHK until it was privatized in June 2015 and became a wholly-owned subsidiary of CKHH.

Foundation Limited and Li Ka Shing (Global) Foundation, and the Member Deputy Chairman of Li Ka Shing (Canada) Foundation. Mr Li serves as a member of the 14th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China and a member of the Chief Executive's Council of Advisers of the Hong Kong Special Administrative Region. He is also Vice Chairman of the Hong Kong General Chamber of Commerce. Mr Li is the Honorary Consul of Barbados in Hong Kong and is awarded the Grand Officer of the Order of the Star of Italy. Mr Li is the elder son of Mr Li Ka-shing, the Senior Advisor and a substantial shareholder (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) of CKHH, and a nephew of Mr Kam Hing Lam, Deputy Managing Director of CKHH. Mr Li is a director of certain substantial shareholders of CKHH and certain companies controlled by certain substantial shareholders of CKHH. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Civil Engineering and a degree of Doctor of Laws, honoris causa (LL.D.).

FOK Kin Ning, Canning, aged 74, was appointed a Non-executive Director of CKHH in January 2015, re-designated as an Executive Director and Group Co-Managing Director of CKHH in June 2015, and was appointed as Deputy Chairman on April 1, 2024 and remains as an Executive Director of CKHH. Mr Fok has been a Director of Cheung Kong (Holdings) since 1985 and became a Non-executive Director in 1993 until June 2015. He was an Executive Director of HWL from 1984 to 2015 and Group Managing Director from 1993 to 2015. He is also Chairman of HTHKH, TPG, HKEIML as the trustee-manager of HKEI, and HKEIL, Executive Chairman of CK Hutchison Group Telecom Holdings Limited, Deputy Chairman of CKI and Deputy President Commissioner of Indosat. He was previously Chairman of HTAL, Hutchison Port Holdings Management Pte. Limited ("HPHM") as the trustee-manager of HPH Trust and Power Assets, and a Director of Cenovus Energy. The aforementioned companies are either subsidiaries or associated companies of the CKHH Group of which Mr Fok has oversight as Director of CKHH. Mr Fok is a director of certain companies controlled by certain substantial shareholders (within the meaning of Part XV of the SFO) of CKHH. He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a Fellow of Chartered Accountants Australia and New Zealand.

Frank John SIXT, aged 73, was appointed a Non-executive Director of CKHH in January 2015, re-designated as an Executive Director, Group Finance Director and Deputy Managing Director of CKHH in June 2015 and was further re-designated as Executive Director, Group Co-Managing Director and Group Finance Director of CKHH on April 1, 2024. He has been Chairman of the Sustainability Committee of CKHH since June 2020. Mr Sixt was an Executive Director of Cheung Kong (Holdings) since 1991 and became a Non-executive Director in 1998 until June 2015. He was an Executive Director of HWL from 1991 to 2015 and Group Finance Director from 1998 to 2015. Mr Sixt is also Non-executive Chairman of TOM Group Limited ("TOM"), an Executive Director of CKI, a Director of Cenovus Energy, a Non-executive Director of TPG and an Alternate Director to Directors of HTAL, HKEIML as the trustee-manager of HKEI, and HKEIL. He was previously Chairman and an Alternate Director to a Director of HTAL. He was previously a Commissioner of Indosat. The aforementioned companies are either subsidiaries or associated companies of the CKHH Group of which Mr Sixt has oversight as Director of CKHH. He has almost four decades of legal, global finance and risk management experience, and possesses deep expertise in overseeing financial reporting system, risk management and internal control systems as well as sustainability issues and related risks. Mr Sixt is a director of certain substantial shareholders (within the meaning of Part XV of the SFO) of CKHH and certain companies controlled by certain substantial shareholders of CKHH. He holds a Master's degree in Arts and a Bachelor's degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Québec and Ontario, Canada.

LAI Kai Ming, Dominic, aged 72, was appointed an Executive Director and Deputy Managing Director of CKHH in June 2015 and was re-designated as Executive Director and Group Co-Managing Director of CKHH on April 1, 2024. He was Finance Director and Chief Operating Officer of the AS Watson Group, the retail arm of the CKHH Group, from 1994 to 1997, Group Managing Director of the Harbour Plaza Hotel Management Group, the former hotel business of HWL, from 1998 to 2000, and an Executive Director of HWL from 2000 to 2015. Mr Lai is also Chairman of HPHM as the trustee-manager of HPH Trust, a Non-executive Director of HTHKH, a Commissioner of PT Duta Intidaya Tbk ("PTDI") and an Alternate Director to Directors of HTHKH and TOM. He was previously a Director and an Alternate Director to a

Director of HTAL. The aforementioned companies are either subsidiaries or associated companies of the CKHH Group of which Mr Lai has oversight as Director of CKHH. Mr Lai has over 40 years of management experience in different industries. He holds a Bachelor of Science (Hons) degree and a Master's degree in Business Administration.

IP Tak Chuen, Edmond, aged 73, has been a Director of CKHH since December 2014 and was designated as an Executive Director and Deputy Managing Director of CKHH in January 2015. He was an Executive Director of Cheung Kong (Holdings) since 1993 and Deputy Managing Director since 2005, both until June 2015. Mr Ip is also an Executive Director and Deputy Chairman of CKA and CKI, Senior Vice President and Chief Investment Officer of CKLS, and a Non-executive Director of Hui Xian Asset Management Limited ("HXAML") as the manager of Hui Xian Real Estate Investment Trust ("Hui Xian REIT"). Except CKA and HXAML, the aforementioned companies are either subsidiaries or associated companies of the CKHH Group of which Mr Ip has oversight as Director of CKHH. Mr Ip is a director of certain companies controlled by certain substantial shareholders (within the meaning of Part XV of the SFO) of CKHH. He holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration.

KAM Hing Lam, aged 78, has been an Executive Director and Deputy Managing Director of CKHH since January 2015. He was Deputy Managing Director of Cheung Kong (Holdings) and an Executive Director of HWL from 1993 to June 2015. He is also an Executive Director and Deputy Managing Director of CKA, Group Managing Director of CKI, President of CKLS and Chairman of HXAML as the manager of Hui Xian REIT. Except CKA and HXAML, the aforementioned companies are either subsidiaries or associated companies of the CKHH Group of which Mr Kam has oversight as Director of CKHH. Prior to joining the CKHH Group, Mr Kam had more than 20 years of experience in senior and regional capacities at major US multinational companies, including Johnson and Johnson, American Express and Levi Strauss. He is the brother-in-law of Mr Li Ka-shing, the Senior Advisor and a substantial shareholder (within the meaning of Part XV of the SFO) of CKHH, and an uncle of Mr Li Tzar Kuoi, Victor, Chairman of CKHH. Mr Kam holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration.

Edith SHIH, aged 73, has been an Executive Director of CKHH since January 2017 and a member of the Sustainability Committee of CKHH since June 2020. Ms Shih has been the Company Secretary of CKHH since June 2015 and was the Head Group General Counsel of CKHH from June 2015 to March 2017. Prior to that, Ms Shih was the Head Group General Counsel of HWL from 1993 to June 2015 and has been the Company Secretary of HWL since 1997. Ms Shih is in addition a Non-executive Director of HTHKH, HUTCHMED (China) Limited and HPHM as the trustee-manager of HPH Trust as well as a Commissioner of PTDI. The aforementioned companies are either subsidiaries or associated companies of the CKHH Group of which Ms Shih has oversight as Director of CKHH. She has over 40 years of experience in the legal, regulatory, corporate finance, compliance and corporate governance fields. Ms Shih is a past International President and current member of the Council of The Chartered Governance Institute ("CGI"), a past President and current Honorary Adviser of The Hong Kong Chartered Governance Institute ("HKCGI") as well as a past Chairperson and current member of the Nomination Committee of HKCGI. Further, she is also Chairperson of the Process Review Panel for the Accounting and Financial Reporting Council and a member of the Executive Committee and Council of The Hong Kong Management Association. Ms Shih is a solicitor qualified in England and Wales, Hong Kong and Victoria, Australia and a Fellow of both the CGI and HKCGI, holding Chartered Secretary and Chartered Governance Professional dual designations. She holds a Bachelor of Science degree and a Master of Arts degree from the University of the Philippines as well as a Master of Arts degree and a Master of Education degree from Columbia University, New York.

Andrew John HUNTER, aged 66, has been an Executive Director of CKHH since April 1, 2024. He is an Executive Director and Deputy Managing Director of CKI. He acted as the Chief Operating Officer of CKI from December 2006 to May 2010. Mr Hunter is also the Chairman of Power Assets. Prior to the appointment to the board of Power Assets in 1999, he was the Finance Director of the Hutchison Property Group. Mr Hunter holds a Master of Arts degree and a Master's degree in Business Administration. He is a member of the Institute of Chartered Accountants of Scotland and of the Hong Kong Institute of Certified Public Accountants. Mr Hunter has over 40 years of experience in accounting and financial management.

CHOW Kun Chee, Roland, aged 88, has been a Non-executive Director of CKHH since January 2015. He was a Director of Cheung Kong (Holdings) from 1993 to June 2015, during which time he served as an Independent Non-executive Director prior to his re-designation as a Non-executive Director in September 2004. Mr Chow is a solicitor of the High Court of the Hong Kong Special Administrative Region and a consultant of Messrs Herbert Tsoi & Partners, Solicitors and Notaries. He is a director of certain substantial shareholders (within the meaning of Part XV of the SFO) of CKHH and certain companies controlled by certain substantial shareholders of CKHH. Mr Chow holds a Master of Laws degree from the University of London.

LEE Yeh Kwong, Charles, GBM, GBS, OBE, JP, aged 89, has been a Non-executive Director of CKHH since January 2015. Mr Lee was a Director of Cheung Kong (Holdings) from August 1972 to March 1997 and a Non-executive Director of Cheung Kong (Holdings) and of HWL from January 2013 to June 2015. He is a Vice Patron of The Community Chest of Hong Kong, a member of the Board of Governors of Our Hong Kong Foundation and one of the founders and consultants of Woo Kwan Lee & Lo, a major law firm in Hong Kong. He was previously the President and Chairman of the Board of The Community Chest of Hong Kong. Mr Lee holds a Master's degree in law and is a qualified solicitor in both Hong Kong and the United Kingdom. He was awarded the degree of Doctor of Laws honoris causa by The Hong Kong University of Science and Technology, the degree of Doctor of Business Administration honoris causa by The Hong Kong Polytechnic University and the degree of Doctor of Social Sciences honoris causa by the University of Hong Kong and The Hong Kong Metropolitan University respectively. Mr Lee is also a Chartered Secretary and Chartered Governance Professional.

WOO Mo Fong, Susan (alias CHOW WOO Mo Fong, Susan), aged 71, has been a Non-executive Director of CKHH since January 2017. She was an Executive Director and Group Deputy Managing Director of CKHH from June 2015 to July 2016, Senior Advisor of CKHH from August 2016 to December 2016, Executive Director of HWL from 1993 to 2015 and Deputy Group Managing Director of HWL from 1998 to 2015. Prior to joining HWL, Mrs Chow was a partner of Woo Kwan Lee & Lo, a major law firm in Hong Kong. Mrs Chow is also an Independent Non-executive Director of Hong Kong Exchanges and Clearing Limited. She was previously a Director of HTAL. She was previously an Alternate Director to Directors of CKI, HKEIML as the trustee-manager of HKEI, and HKEIL. She previously served as a member of the Listing Committee of the SEHK, the Joint Liaison Committee on Taxation of the Law Society of Hong Kong, the Committee on Real Estate Investment Trusts (the "REIT Committee") of the Securities and Futures Commission, the Trade and Industry Advisory Board, the Court of The Hong Kong University of Science and Technology and the Appeal Boards Panel (Education). She is a qualified solicitor and holds a Bachelor's degree in Business Administration.

CHOW Ching Yee, Cynthia, aged 62, has been an Independent Non-executive Director and a member of the Audit Committee of CKHH since December 14, 2023, and a member of the Remuneration Committee of CKHH since May 23, 2024. She is also an Independent Non-executive Director of HTHKH. Ms Chow is the founder and director of Discovery Mind Educational Organisation and Discovery Mind China responsible for their brand expansion and future development, with over 25 years of experience in the operation of schools in Hong Kong. Before starting her educational career, Ms Chow was an Assistant Vice President in the Private Banking Division of Citibank, Hong Kong from 1994 to 1996. She holds a Bachelor of Arts degree in Economics from Occidental College, U.S.A., and a Master's degree in Business Administration from Whittier College, U.S.A..

Graeme Allan JACK, aged 74, has been appointed as Independent Non-executive Director of CKHH since December 13, 2024. Mr Graeme has more than 40 years of experience in finance and audit. He retired as partner of PricewaterhouseCoopers in 2006 after a distinguished career with the firm for over 33 years. He is currently an Independent Non-executive Director of HUTCHMED (China) Limited (a company listed in Hong Kong, the United Kingdom and the United States of America, in which the Company has an interest of about 38.16%) and The Greenbrier Companies, Inc. (a listed company in the United States of America). He was an Independent Non-executive Director of COSCO SHIPPING Development Co., Ltd. (a listed company in Hong Kong and Shanghai) and Hutchison Port Holdings Management Pte. Limited as the trustee-manager of Hutchison Port Holdings Trust (a business trust listed in Singapore, in which the Company has an interest of about 30.07%).

Philip Lawrence KADOORIE, aged 33, has been an Independent Non-executive Director of CKHH since December 2022. He is also a Non-executive Director of CLP Holdings Limited and The Hongkong and Shanghai Hotels, Limited, and a Director of Sir Elly Kadoorie & Sons Limited, Heliservices (Hong Kong) Limited and Metrojet Limited. Mr Kadoorie has substantial experience in the power generation, transmission and distribution industry in Hong Kong, the Mainland China, Australia, India and Southeast Asia as well as global market experience in the power industry, providing general perspectives on global economic trends and opportunities. He also possesses property industry experience. Mr Kadoorie holds a Bachelor of Science Degree in Communication from Boston University and a FAA Commercial Pilot's Licence.

LAU Yau Fun, Sophie (alias LEUNG LAU Yau Fun, Sophie), GBS, SBS, OBE, JP, aged 79, has been an Independent Non-executive Director of CKHH since December 2021 and a member of the Nomination Committee of CKHH since August 2022. She was a member of the Legislative Council of the Hong Kong Special Administrative Region from 1996 to 2012, representing the textile and garment industry, and was a Deputy of the National People's Congress of the People's Republic of China from 2003 to 2017. Mrs Leung is a director since the 1970s of a number of large textile conglomerates in Hong Kong with businesses extending globally. She is also a member of several key government and non-government organisations and institutes that support and enhance the development of the textile and garment industry in Hong Kong and Southern China. Mrs Leung is widely recognised for her public service contributions to the development and implementation of the health care system in Hong Kong. She was a founding member of the Hospital Authority. Her commitment is further reflected in her chairmanship in the governing committees and management boards of major hospitals such as Queen Mary Hospital, Castle Peak Hospital, Tsan Yuk Hospital, Yan Chai Hospital, Our Lady of Maryknoll Hospital and the privately funded Hong Kong Sanatorium & Hospital. Mrs Leung was a member of the Financial Reporting Council of Hong Kong from its establishment in 2006 to 2012. She is the founder and Chairperson of The Young Entrepreneurs Development Council and the Honorary President and founding member of the Hong Kong Federation of Women. Mrs Leung has always been focused on corporate governance and co-founded the Hong Kong Institute of Directors in 1997 to nurture directors of companies listed on the SEHK. She was also the founding Chairperson of the Women's Commission in early 2001 and Vice-Chairperson of the United Nations Children's Fund (UNICEF) in Hong Kong. Mrs Leung holds a Bachelor of Mathematics and Computer Science degree from the University of Illinois. She was conferred Honorary University Fellowships by The Hong Kong Metropolitan University and Lingnan University, Hong Kong.

Paul Joseph TIGHE, aged 69, has been an Independent Non-executive Director of CKHH since December 2020, a member of the Audit Committee of CKHH since May 2021, and the Chairman of the Nomination Committee of CKHH since May 23, 2024. He is also an Independent Non-executive Director of CKI and CKLS. He has over 35 years of experience in government and public policy, and has held various positions at the headquarters of the Department of Foreign Affairs and Trade in Canberra, Australia, including as head of the Department's Trade and Economic Policy Division, head of the Diplomatic Security, Information Management and Services Division, head of the Agriculture and Resources Branch and Director of the International Economic Analysis Section. Mr Tighe previously worked in, among others, the Secretariat of, and served as Counsellor to, the Organisation for Economic Co-operation and Development in Paris. He holds a Bachelor of Science degree from the University of New South Wales.

TSIM Sin Ling, Ruth, aged 68, has been an Independent Non-executive Director and a member of the Audit Committee of CKHH since January 2, 2024, and a member of the Sustainability Committee of CKHH since May 23, 2024. Ms Tsim has over three decades of business and professional experience in public accounting firm and across different industries in the commercial sector with roles in financial controllership. She has extensive experience in risk management, internal audit and controls as well as financial management, analysis and reporting. Ms Tsim was a Non-executive Director of HPHM as the trustee-manager of HPH Trust from 2017 to 2021, and a Non-independent Non-executive Director of Westports Holdings Berhad from 2015 to 2021. She held various roles in finance and accounting in Hutchison Ports group since 2001 and became Group Chief Financial Officer of Hutchison Port Holdings Limited, a subsidiary of CKHH, in 2014 prior to her retirement on January 1, 2022. She is a Fellow of the Association of Chartered Certified Accountants and the Hong Kong Institute of

Certified Public Accountants, an Associate of the Institute of Chartered Accountants in England and Wales and a member of the Chartered Professional Accountants of British Columbia in Canada. Ms Tsim holds a Master of Business Administration degree from The Chinese University of Hong Kong.

WONG Kwai Lam, aged 76, has been an Independent Non-executive Director of CKHH since May 2020, a member and the Chairman of the Audit Committee of CKHH since May 2020 and August 2022 respectively, and a member and the Chairman of the Remuneration Committee of CKHH since May 2020 and May 23, 2024, respectively. Mr Wong is also an Independent Non-executive Director and Lead Independent Director of HPHM as the trustee-manager of HPH Trust, and an Independent Non-executive Director of ARA Asset Management (Prosperity) Limited as manager of Prosperity Real Estate Investment Trust, K. Wah International Holdings Limited, LHIL Manager Limited as trustee-manager of Langham Hospitality Investments, and Langham Hospitality Investments Limited. He has over 30 years of experience in the commercial and investment banking industry. Mr Wong worked with Merrill Lynch (Asia Pacific) Limited ("Merrill Lynch") from May 1993 to August 2009 where he served as a Managing Director in the Asia Investment Banking Division since January 1995. He was appointed as a Senior Client Advisor to Merrill Lynch in September 2009 and served in that position for one year. Prior to joining Merrill Lynch, Mr Wong had been a Director in the Investment Banking Division of CS First Boston (Hong Kong) Limited and a Director and the Head of Primary Market in Standard Chartered Asia Limited. Mr Wong is currently Chairman of IncitAdv Consultants Limited, Chairman of Hong Kong Grand Opera Company Limited, Vice Chairman of the Board of Trustees and a member of the Investment Sub-committee of the Board of Trustees of New Asia College of The Chinese University of Hong Kong, Director of CUHK Medical Centre Limited and Advisor of The Chamber of Hong Kong Listed Companies. He is a former member of the Advisory Committee and the REIT Committee of the Securities and Futures Commission in Hong Kong. Mr Wong holds a Bachelor of Arts degree and a PhD degree.

CKHH'S CONNECTED TRANSACTIONS

CKHH enters into transactions from time to time with CK Asset Holdings Limited ("CKA") and other connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK") (the "Listing Rules")). CKHH's practice is to ensure that all such transactions are in compliance with the Listing Rules. The following is a brief description of CKHH's connected transactions disclosed and published on the websites of Hong Kong Exchanges and Clearing Limited and CKHH, respectively, in 2023 and from January 1, 2024 to the date of this offering memorandum.

Master Leasing Agreement and Master Purchase Agreement with CKA

As announced by CKHH on December 13, 2023 (the "Announcement"), CKHH entered into with CKA on the same date (i) a master leasing agreement (the "Master Leasing Agreement") setting out the framework terms governing the leasing and licensing of premises owned by the CKA group (including office space, car parks and building areas) to members of the CKHH Group (the "Leasing Transactions"); and (ii) a master purchase agreement (the "Master Purchase Agreement") setting out the framework terms governing the purchases of goods (such as air-conditioners and other electrical appliances and gift/cash coupons) and services (such as printing of sales brochures and advertising materials) (the "Project Related Supplies") by members of the CKA group from the CKHH Group for use in connection with the CKA group's property development projects (the "Project Related Supplies Transactions"), each for the period from January 1, 2024 to December 31, 2026.

Pursuant to the Master Leasing Agreement, relevant members of the CKHH Group and of the CKA group would enter into separate lease, tenancy or licence agreements with respect to the Leasing Transactions. The terms of, and the consideration (including short term lease payments, fixed lease payments, variable lease payments and management/service fees) payable under, such agreements would be negotiated on a case-by-case and arm's length basis, and on normal commercial terms which would be no less favorable than those which the relevant members of the CKHH Group could obtain from independent landlords or lessors of comparable premises. In this connection, the rental or licence fee payable would be at market rates, and the CKHH Group would seek competitive quotes (including conducting a comparison of prices of a sufficient number of independent landlords, lessors or licensors of comparable premises in the market) for management review with a view to ensuring that the rental or licence fees payable by the CKHH Group to the relevant members of the CKA group are fair and reasonable, having regard to the size, location, facilities and conditions of the premises required. The basis of management/service fees chargeable by the CKA group to relevant members of the CKHH Group would be the same as those the CKA group would charge other tenants or licensees of the same building or property.

Pursuant to the Master Purchase Agreement, relevant members of the CKHH Group and of the CKA group would enter into separate contracts with respect to the Project Related Supplies Transactions. The terms of, and the consideration payable under, such contracts would be negotiated on a case-by-case and arm's length basis, and on normal commercial terms which would be no more favorable than those which the relevant members of the CKHH Group made available to independent customers of the relevant Project Related Supplies. In this connection, the fee chargeable by the relevant members of the CKHH Group would be at market rates and be based by reference to the then prevailing market rates for the Project Related Supplies of similar or comparable quality, reliability and service levels charged by the CKHH Group or, if not available, the then prevailing market rates no more favourable than that the relevant members of the CKHH Group may make available to independent customers for the Project Related Supplies of similar or comparable scope, scale, quality, reliability and service level.

The CKHH Group believes that the entering into of the Leasing Transactions and the Project Related Supplies Transactions (together the "2024 CCTs") will help to achieve business continuity and efficiency.

CKA has been deemed by SEHK as a connected person of CKHH under the Listing Rules. Accordingly, the 2024 CCTs constituted continuing connected transactions of CKHH under Chapter 14A of the Listing Rules.

As disclosed in the Announcement, (i) the expected annual recognised amount of right-of-use assets in respect of the Leasing Transactions for the year ended 31 December 2024, and for the two years ending 31 December 2025 and 31 December 2026 would not exceed HK$655 million, HK$680 million and HK$780 million respectively; and (ii) the maximum aggregate annual amount in respect of the Project Related Supplies Transactions for the year ended 31 December 2024, and for the two years ending 31 December 2025 and 31 December 2026 would not exceed HK$198 million, HK$215 million and HK$590 million respectively.

For the year ended 31 December 2024, the recognised amount of right-of-use assets in respect of the Leasing Transactions was approximately HK$392 million (representing approximately 60% of the annual cap for 2024); and the aggregate amount in respect of the Project Related Supplies Transactions was approximately HK$35 million (representing approximately 18% of the annual cap for 2024).

DESCRIPTION OF THE NOTES AND THE GUARANTEE

The notes are to be issued under a fiscal agency agreement (the "Fiscal Agency Agreement"), to be executed among the Issuer, the Guarantor and The Bank of New York Mellon, as fiscal and paying agent, transfer agent and registrar (the "Fiscal Agent"). Copies of the Fiscal Agency Agreement and the notes are available for inspection free of charge during normal business hours at the offices of the Fiscal Agent. The following summaries of certain provisions of the notes and the Fiscal Agency Agreement do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the provisions thereof, including the definitions therein of certain terms. Whenever particular defined terms from the notes or the Fiscal Agency Agreement are referred to, the definitions of such terms are incorporated herein by reference.

General

The notes will be issued in an aggregate principal amount of US$500,000,000 for the 4.250% notes due 2030 (the "notes"). The notes will bear interest at the applicable rates per annum shown on the front cover of this offering memorandum from and including September 26, 2025 or from and including the most recent interest payment date to which interest has been paid or provided for, to and excluding the next interest payment date or the maturity date payable semi-annually in arrears on March 26 and September 26 of each year, commencing March 26, 2026, and at maturity, being September 26, 2030, to the person in whose name the relevant note (or any predecessor note) is registered at the close of business on the preceding March 11 and September 11, as the case may be. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of principal of and interest on the global notes representing the notes will be made to the registered holder thereof in immediately available funds. Payments of principal of, and interest on, any individual notes that are subsequently issued in certificated form, as set forth below, will be made by check drawn on a bank in The City of New York or, in the case of any holder of more than US$1,000,000 in principal amount of individual certificated notes, upon timely application, by electronic transfer of immediately available funds to an account of such holder at a bank in The City of New York.

Payments of the principal amount of such note at maturity or the principal amount to be prepaid upon redemption in full, together with accrued interest due at maturity or redemption, as the case may be, will be made to the registered holder thereof against presentation and surrender of such note at the specified office of the paying agent. Provided that in the event that a paying agent in Singapore is required by the Listing Manual of the SGX-ST, and for so long as the relevant notes are listed on the SGX-ST, a paying agent in Singapore will be appointed and maintained and the relevant notes may be presented or surrendered to such paying agent in Singapore for payment or redemption, and such payments of principal and payments of interest may be made by such paying agent in Singapore. Any payments of principal of and interest on the notes to be made on a date that is not a Business Day may be made on the next succeeding Business Day with the same force and effect as if made on such date, and no additional interest shall accrue as a result of such delayed payment. "Business Day" means any day, other than a Saturday or Sunday, that is not a day on which banking institutions are authorized or required by law or executive order to be closed in The City of New York, London, Hong Kong or Singapore.

The transfer of the notes will be registrable, and the notes will be exchangeable at the Corporate Trust Office (as defined in the Fiscal Agency Agreement) in The City of New York, which initially will be the office of the Fiscal Agent. In the case of the transfer of less than all of the principal amount of any individual notes, a new individual note will be delivered by the transfer agent to the transferor in respect of the untransferred portion.

Ranking

The notes will constitute direct, unconditional, unsecured (subject to the lien covenant in the notes) and unsubordinated obligations of the Issuer, ranking (subject as aforesaid) *pari passu*, without any preference or priority of payment among themselves and with all other present and future unsecured and unsubordinated indebtedness of the Issuer, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors rights.

Guarantee

The Guarantor will fully and unconditionally guarantee to each holder of a note authenticated and delivered by the Fiscal Agent the due and punctual payment of the principal of and interest on such note (and any Additional Amounts (as hereinafter defined) payable in respect thereof), when and as the same shall become due and payable, whether at the stated maturity of the note, by declaration of acceleration, call for redemption, or otherwise, in accordance with the terms of such note and of the Fiscal Agency Agreement. The Guarantee will constitute a direct, unconditional, unsecured (subject to the lien covenant in the notes) and unsubordinated obligation of the Guarantor and will (subject as aforesaid) rank *pari passu* with all other present and future unsecured and unsubordinated indebtedness of the Guarantor, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors rights.

Notes; Delivery and Form

The statements set forth herein include summaries of certain rules and operating procedures of DTC, Euroclear and Clearstream which will affect transfers of interests in the global notes.

The notes sold in offshore transactions in reliance on Regulation S will be initially in the form of one or more Regulation S global notes, fully registered without interest coupons, which will be deposited with The Bank of New York Mellon (in such capacity, the "Custodian") for DTC and registered in the name of Cede & Co., as nominee of DTC for credit to the respective accounts of the purchasers, or to other accounts as they may direct, at Euroclear or Clearstream, each of which is a participant in DTC.

The notes sold to qualified institutional buyers in reliance on Rule 144A will be issued initially in the form of one or more Rule 144A global notes, fully registered without interest coupons, which will be deposited with the Custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

The notes will be issued in minimum denominations of US$200,000 and integral multiples of US$1,000 above that amount. The original issue date will be on or about September 26, 2025.

The notes (including beneficial interests in the global notes) will be subject to certain restrictions on transfer set forth therein and in the Fiscal Agency Agreement and will bear a legend regarding such restrictions as set forth under "Transfer Restrictions". Under certain circumstances, transfers may be made only upon receipt by the Fiscal Agent of a written certification (in the form(s) provided in the Fiscal Agency Agreement).

Prior to the 40th day after the later of the commencement of the offering and 9:00 p.m., Hong Kong time, on or about September 26, 2025 (the "Time of Delivery"), a beneficial interest in a Regulation S global note may be transferred within the United States to a person who takes delivery in the form of an interest in the related Rule 144A global note only if the transferor, and any person acting on its behalf, reasonably believes that the transferee is a qualified institutional buyer, and upon receipt by the transfer agent of a written certification (in the form(s) provided in the Fiscal Agency Agreement) (a) from the transferee to the effect that such transferee (i) is a qualified institutional buyer purchasing for its own account (or for the account of one or more qualified institutional buyers over which account it exercises sole investment discretion) and (ii) agrees to comply with the restrictions on transfer set forth under "Transfer Restrictions", and (b) from the transferor to the effect that the transfer was made in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. After the 40th day after the later of the commencement of the offering and the Time of Delivery, the certifications contemplated by clause (a) (i) and clause (b) of the preceding sentence shall no longer be required, but the transferee will still be required to certify as provided by clause (a) (ii) of such sentence.

Beneficial interests in a Rule 144A global note may be transferred to a person who takes delivery in the form of an interest in a Rule 144A global note without any written certification from the transferor or the transferee. Beneficial interests in a Rule 144A global note may be

transferred to a person who takes delivery in the form of an interest in a Regulation S global note only upon receipt by the Fiscal Agent of written certifications (in the form(s) provided in the Fiscal Agency Agreement) from the transferor to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 under the Securities Act (if available).

Any individual notes issued in exchange for an interest in a Rule 144A global note under the circumstances described under "Individual Notes" below may be transferred only upon receipt by the Fiscal Agent of a written certification from the transferor (in the form(s) provided in the Fiscal Agency Agreement) to the effect that such transfer is being made in accordance with the restrictions on transfer set forth under "Transfer Restrictions", and in the case of any resale other than a "Safe Harbor Resale" as defined under "Transfer Restrictions", the execution and delivery by the transferee of a written certification (also in the form attached to the Fiscal Agency Agreement) and any additional documents or other evidence (including, but not limited to, an opinion of counsel) that the Issuer or the Fiscal Agent may, in its sole discretion, deem necessary or appropriate to evidence compliance with such transfer restrictions.

Any beneficial interest in one of the global notes that is transferred to an entity who takes delivery in the form of an interest in the other global note will, upon transfer, cease to be an interest in such global note and become an interest in the other global note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other global note for as long as it remains such an interest.

Investors may hold their interests in the global notes directly through DTC, Clearstream or Euroclear, as the case may be, if they are participants in such systems, or indirectly through organizations which are participants in such systems. Clearstream and Euroclear will hold interests in the notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which are participants in DTC.

Transfers between participants in DTC (the "Participants") will be effected in the ordinary way in accordance with DTC rules. Transfers between participants in Clearstream and Euroclear ("Clearstream Participants" and "Euroclear Participants", respectively) will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Initial settlement for the notes will be made in same-day funds. So long as DTC continues to act as depositary for the notes, the notes will trade in DTC's Same-Day Funds Settlement System.

Subject to compliance with the transfer restrictions applicable to the notes, cross-market transfers between DTC, on the one hand, and Clearstream or Euroclear Participants, on the other hand, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be.

Persons who are not Participants may beneficially own interests in the global notes held by DTC only through Participants or Indirect Participants (as defined below) (including Euroclear and Clearstream). So long as Cede & Co., as the nominee of DTC, is the registered owner of the global notes, Cede & Co. for all purposes will be considered the sole holder of such notes.

Payment of interest and principal on the global notes will be made to Cede & Co., the nominee for DTC, or such other nominee as may be requested by an authorized representative of DTC, as the registered owner of the global notes in immediately available funds. None of the Issuer, the Guarantor nor the Fiscal Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest.

Payments of interest on and principal of the notes held through Clearstream or Euroclear will be credited to the cash accounts of Clearstream Participants or Euroclear Participants, as the case may be, in accordance with the relevant system's rules and procedures. Payments by

Participants to owners of beneficial interests in the global notes held through such Participants will be the responsibility of such Participants, as is the case with securities held, for the accounts of customers in bearer form or registered in "street name".

So long as the notes are represented by global notes and such global notes are held on behalf of DTC or any other clearing system, such clearing system or its nominee will be considered the sole holder of these notes represented by the applicable global notes for all purposes under the Fiscal Agency Agreement, including, without limitation, obtaining consents and waivers thereunder, and none of the Fiscal Agent, the Issuer nor the Guarantor shall be affected by any notice to the contrary. None of the Fiscal Agent, the Issuer nor the Guarantor shall have any responsibility or obligation with respect to the accuracy of any records maintained by any clearing system or any Participant of such clearing system. The clearing systems will take actions on behalf of their Participants (and any such Participants will take actions on behalf of any Indirect Participants) in accordance with their standard procedures. To the extent that any clearing system acts upon the direction of the holders of the beneficial interests in the applicable global note and such beneficial holders give conflicting instructions, the applicable clearing system may take conflicting actions in accordance with such instructions.

All interests in the global notes, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of their respective systems.

None of the Issuer, the Guarantor nor the Fiscal Agent will have any responsibility for the performance by DTC, Clearstream and Euroclear, or their respective Participants or Indirect Participants, of their respective obligations under the rules and procedures governing their operations.

Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is available to others, such as banks, brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a Participant, either directly or indirectly ("Indirect Participants").

Individual Notes

If DTC is at any time unwilling or unable to continue as depositary and a successor depositary is not appointed by the Issuer within 90 days or if there shall have occurred and be continuing an Event of Default (as described below) with respect to the notes and the Fiscal Agent has received a request from the holders of more than 25% in aggregate principal amount of the Outstanding Notes to issue notes in certificated form, the Issuer will issue individual notes in certificated, fully registered form in exchange for the relevant global notes.

Subject to the transfer restrictions set forth on the individual notes in certificated form, the holder of such individual notes in certificated form may transfer or exchange such notes by surrendering them at the Corporate Trust Office. Prior to any proposed transfer of individual notes in certificated form (other than pursuant to an effective registration statement), the holder may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation to the transfer agent as described under "Notes; Delivery and Form" above. Upon the transfer, exchange or replacement of individual notes in certificated form not bearing the legend referred to under "Transfer Restrictions", the transfer agent will deliver individual notes in certificated form that do not bear the legend. Upon the transfer, exchange or replacement of individual notes in certificated form bearing the legend, or upon specific request for removal of the legend on an individual note in certificated form, the transfer agent will deliver only individual notes in certificated form that bear such legend or shall refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Redemption

Unless earlier redeemed in the limited circumstances set forth below, the notes will mature on September 26, 2030 at a price equal to 100% of the principal amount thereof.

The notes may be redeemed at the option of the Issuer or the Guarantor, at any time in whole but not in part, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to the principal amount thereof plus accrued interest to, but excluding, the date fixed for redemption if, as a result of any change in or amendment to the laws of the Cayman Islands (or any political subdivision or any taxing authority thereof or therein) or any regulations or rulings promulgated thereunder or any change in the official interpretation or official application of such laws, regulations or rulings, or any change in the official application or interpretation of, or any execution of or amendment to, any treaty or treaties affecting taxation to which the Cayman Islands or such political subdivision or taxing authority is a party, which change, amendment or treaty becomes effective on or after September 23, 2025, the Issuer or the Guarantor is or would be required on the next succeeding due date for a payment with respect to the notes to pay Additional Amounts with respect to the relevant notes as described below under "– Additional Amounts", and such obligation cannot be avoided by the use of reasonable measures available to the Issuer or the Guarantor, as the case may be. Prior to any such redemption of the relevant notes, the Issuer or the Guarantor, as the case may be, shall deliver to the Fiscal Agent a certificate stating that the Issuer or the Guarantor, as the case may be, is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of redemption have occurred.

At any time before August 26, 2030, the notes may be redeemed at the option of the Issuer or the Guarantor, in whole or in part, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to the greater of (1) 100% of the principal amount of the applicable notes to be redeemed and (2) the sum of the present values of each remaining scheduled payments of principal and interest due on the applicable notes to be redeemed on August 26, 2030 (exclusive of interest accrued to the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 10 basis points, plus, accrued and unpaid interest on the applicable notes to be redeemed, if any, to the date of redemption.

At any time on or after August 26, 2030, the notes may be redeemed, at the option of the Issuer or the Guarantor, in whole or in part, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to the principal amount thereof plus accrued interest to, but excluding, the date fixed for redemption.

In the case of any redemption, a notice will be published (as provided under the subheading "– Notices"). Notice of redemption may, in the discretion of the Issuer or the Guarantor, be subject to the satisfaction of one or more conditions precedent. If such notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the discretion of the Issuer or the Guarantor, the redemption date may be delayed until such time as any or all of such conditions are satisfied (or waived by the Issuer or the Guarantor in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all of such conditions are not satisfied (or waived by the Issuer or the Guarantor in its sole discretion) by the redemption date, or by the redemption date so delayed. Except as set forth above, the notes are not subject to redemption at the option of the Issuer or the Guarantor. If the notes are listed on a securities exchange, any redemption of less than all the notes will be subject to compliance with applicable requirements, if any, of the securities exchange on which the notes are listed. If the notes are held through DTC, any redemption of less than all the notes will be processed by DTC in accordance with its procedures. If the notes are not listed on a securities exchange or are not held through the clearing systems (or are listed on a securities exchange or held through the clearing systems but no requirement of that securities exchange or clearing system applies to the manner in which a partial redemption is to be effected), any redemption of less than all the notes will be on a pro rata basis.

Additional Amounts

All payments by or on behalf of the Issuer of principal and interest in respect of the notes, and all payments by or on behalf of the Guarantor pursuant to the Guarantee, shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed, unless such withholding or deduction is required by law. In the event that withholding or deduction for any taxes, duties, assessments or governmental charges are imposed by or within the Cayman Islands or any authority therein or thereof having power to tax, the Issuer or the Guarantor, as applicable, shall pay such additional amounts ("Additional Amounts") as will result in the receipt by the holders of the notes of such amounts as would have been payable to those holders had no such withholding or deduction been required, except that no such Additional Amounts shall be payable:

(a) in respect of any taxes, duties, assessments or other governmental charges that would not have been imposed but for a connection between the holder or beneficial owner of a note and the Cayman Islands or any political subdivision or any authority thereof or therein, as the case may be, otherwise than merely holding such note or Guarantee or receiving principal or interest in respect thereof;

(b) in respect of any note or Guarantee presented for payment more than 30 days after the relevant date, except to the extent that the holder thereof would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such 30-day period. For this purpose, the "relevant date" in relation to any note or Guarantee means (i) the due date for payment thereof and (ii) if the full amount payable on such due date has not been received in The City of New York by the Fiscal Agent on or prior to such due date, the first date on which such full amount has been so received and notice to that effect has been given to the holders of such notes;

(c) to a holder or to a third party on behalf of a person who would have been able to avoid such withholding or deduction by duly presenting the note to another paying agent;

(d) in respect of any taxes, duties, assessments or other governmental charges that would not have been imposed but for the failure of the holder or beneficial owner to comply with a timely request of the Issuer or Guarantor addressed to the holder to provide certification or information concerning the nationality, residence or identity of the holder or beneficial owner of the note, if due and timely compliance is required as a precondition to relief or exemption from the taxes, duties, assessments or other governmental charges under applicable law;

(e) in respect of any estate, inheritance, gift, sale, transfer, personal property or similar taxes, duties, assessments or other governmental charges;

(f) in respect of any taxes, duties, assessments or other governmental charges not payable by way of deduction or withholding from payments under or with respect to any note; or

(g) in respect of any combination of taxes, duties, assessments or other governmental charges referred to in the preceding items (a) through (f) above.

Additional Amounts will not be paid with respect to any payment of the principal or interest on the notes to any holder of a note who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent that payment would be required by the laws of the Cayman Islands to be included in the income of a beneficiary or settlor with respect to the fiduciary, a member of that partnership or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, member or beneficial owner been the holder.

In addition, any amounts to be paid by the Issuer or the Guarantor on the notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or

future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code ("FATCA Withholding").

Neither the Guarantor nor the Issuer will be required to pay Additional Amounts on account of any FATCA Withholding.

Unless the context otherwise requires, any reference in the notes to principal and/or interest shall be deemed to include any Additional Amounts which may be payable as described above.

Certain Covenants

Lien Covenants

The Issuer will not create, incur, assume or permit to exist any Lien upon any of its property or assets, now owned or hereafter acquired, to secure any Indebtedness for Borrowed Money of the Issuer (or any secured guarantee or indemnity in respect thereof) without, in any such case, making effective provision whereby the notes will be secured at least equally and ratably with such Indebtedness for Borrowed Money or by such other Lien as shall have been approved by the holders of the notes as provided in the Fiscal Agency Agreement and such notes.

The Guarantor will not, and will not permit any of its Principal Subsidiaries (other than Listed Principal Subsidiaries) to create, incur, assume or permit to exist any Lien upon any of its property or assets, now owned or hereafter acquired, to secure any Indebtedness for Borrowed Money of the Guarantor or such Principal Subsidiary (or any secured guarantee or indemnity in respect thereof) without, in any such case, making effective provision whereby the Guarantee will be secured either at least equally and ratably with such Indebtedness for Borrowed Money or by such other Lien as shall have been approved by the holders of the notes as provided in the Fiscal Agency Agreement, for so long as such Indebtedness for Borrowed Money will be so secured, unless, after giving effect thereto, the aggregate outstanding principal amount of all such secured Indebtedness for Borrowed Money (excluding that of Listed Principal Subsidiaries and their respective Subsidiaries) entered into after the Time of Delivery (as defined in "Notes; Delivery and Form") would not exceed 50% of the Guarantor's Adjusted Consolidated Net Worth.

If there occurs a breach of the foregoing restriction and that breach would not have occurred but for a change in the accounting standards applicable to the audited consolidated accounts of Guarantor as of December 31, 2024 and for the financial year ended December 31, 2024 that affects the calculation of the Guarantor's Adjusted Consolidated Net Worth, such breach shall be deemed not to have occurred *provided* that a written opinion from the auditors of the Guarantor is delivered to the Fiscal Agent opining on a calculation of the Guarantor's Adjusted Consolidated Net Worth as if there had been no change in accounting standards showing that a breach of the foregoing restriction would not have occurred but for the relevant change in accounting standards. Such opinion shall be conclusive and binding on all holders of the notes.

The foregoing restriction will not apply to:

(a) Liens existing on or prior to the Time of Delivery;

(b) Liens for taxes or assessments or other applicable governmental charges or levies;

(c) Liens created or arising by operation of law or created in the ordinary course of business, including, but not limited to, landlords' liens and statutory liens of carriers, warehousemen, mechanics, materialmen, vendors and other liens securing amounts which are not more than 60 days overdue or which are being contested in good faith;

(d) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return of money bonds and similar obligations;

(e) easements, rights-of-way, zoning and similar restrictions and other similar charges or encumbrances not interfering with the ordinary conduct of the business of the Guarantor and such Principal Subsidiaries;

(f) Liens created on any property or assets acquired, leased or developed after the Time of Delivery; provided, however, that (i) any such Lien shall be confined to the property or assets acquired, leased or developed; (ii) the principal amount of the debt encumbered by such Lien shall not exceed the cost of the acquisition or development of such property or assets or any improvements thereto or thereon and (iii) any such Lien shall be created concurrently with or within three years following the acquisition, lease or development of such property or assets;

(g) rights of setoff of a financial institution with respect to deposits or other accounts of the Guarantor or such Principal Subsidiary held by such financial institution in an amount not to exceed the aggregate amount owed to such financial institution by the Guarantor or such Principal Subsidiary, as the case may be;

(h) Liens on documents and the goods they represent in connection with letters of credit and similar transactions entered into in the ordinary course of business;

(i) Liens arising in connection with industrial revenue, development or similar bonds or other means of project financing (not to exceed the value of the project financed and limited to the project financed);

(j) Liens in favor of the Guarantor or any Principal Subsidiary;

(k) leases, subleases, licenses and sublicenses granted to third parties in the ordinary course of business;

(l) attachment, judgment and other similar Liens arising in connection with court proceedings which are effectively stayed while the underlying claims are being contested in good faith by appropriate proceedings;

(m) any Lien against any property or assets of a Person existing at the time such Person becomes such a Principal Subsidiary or arising after such acquisition pursuant to contractual commitments entered into prior to and not in contemplation of such acquisition;

(n) any Lien existing on any property or assets prior to the acquisition thereof, which Lien was not created in connection with the acquisition thereof, except for Liens permitted pursuant to clause (f) above;

(o) Liens on any property or assets of the Guarantor or any such Principal Subsidiary in favor of any government or any subdivision thereof, securing the obligations of the Guarantor or such Principal Subsidiary under any contract or payment owed to such governmental entity pursuant to applicable laws, rules, regulations or statutes;

(p) Liens created in connection with any sale/leaseback transaction;

(q) any renewal or extension of any of the Liens described in the foregoing clauses which is limited to the original property or assets covered thereby; and

(r) Liens in respect of Indebtedness for Borrowed Money with respect to which the Guarantor or any Principal Subsidiary has paid money or deposited money or securities with a fiscal agent, trustee or depository to pay or discharge in full the obligations of the Guarantor and its Subsidiaries in respect thereof (other than the obligations that such money or securities so paid or deposited, and the proceeds therefrom, be sufficient to pay or discharge such obligations in full).

Consolidation, Merger and Sale of Assets

The Guarantor may not, without the consent of the holders of the Outstanding Notes, consolidate with or merge into any other Person in a transaction in which the Guarantor is not the surviving entity, or convey, transfer or lease its properties and assets substantially as an entirety to, any Person unless, among other things, (i) any Person formed by such consolidation or into which the Guarantor is merged or to whom the Guarantor has conveyed, transferred or leased its properties and assets substantially as an entirety is a corporation, partnership, trust or other entity validly existing under the laws of the jurisdiction of its organization and such Person assumes the Guarantor's obligations under the Fiscal Agency Agreement (including the Guarantee and any obligation to pay Additional Amounts), (ii) immediately after giving effect to the transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing, (iii) any such Person not organized and validly existing under the laws of the United States, any state thereof or the District of Columbia or the Cayman Islands shall expressly agree in a supplemental fiscal agency agreement to the Fiscal Agency Agreement that all payments pursuant to the Guarantee in respect of principal of and interest on the notes shall be made free and clear of, and without withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the jurisdiction of organization of such Person or any authority therein or thereof having the power to tax, unless such withholding or deduction is (a) required by law, in which case such Person will pay such additional amounts ("Successor Additional Amounts") as will result in the receipt by the holders of the notes of such amounts as would have been payable to the holders of the notes had no such withholding or deduction been required, subject to the same exceptions (other than the right to redeem the notes as a result of such consolidation, merger, conveyance, lease or transfer) as apply with respect to the payment by the Guarantor of Additional Amounts in respect of the Guarantee (inserting references to the taxing jurisdiction where appropriate) or (b) the result of FATCA Withholding, (iv) if, as a result of the transaction, property of the Guarantor would become subject to a Lien that would not be permitted under the subheading "– Lien Covenants", the Guarantor or such successor Person takes such steps as shall be necessary to secure the notes and the Guarantee equally and ratably with (or prior to) the indebtedness secured by such Lien and (v) the Guarantor has delivered to the Fiscal Agent an officers' certificate and an opinion of counsel each stating that such consolidation, merger, conveyance, transfer or lease comply with this paragraph and that all conditions precedent herein provided for relating to such transaction have been complied with. References to the Cayman Islands in "– Redemption" above shall be deemed to include any jurisdiction that imposes the withholding or deduction with respect to which Successor Additional Amounts are payable.

Listing of the Notes

By the Time of Delivery, the Issuer would have made an application for the notes to be listed and quoted on the SGX-ST but an application may instead be made to another stock exchange which is: (a) a member of the World Federation of Exchanges; or (b) located in a state that is a member of the Organization for Economic Co-operation and Development. In connection with such application, the Issuer will use endeavors considered in its sole opinion to be reasonable to it to obtain the listing as promptly as practicable after the Time of Delivery (if not already obtained). The Issuer may elect to apply for a de-listing of the notes from any stock exchange or markets of such stock exchange on which they are traded because the maintenance of such listing is or would be, in the opinion of the Issuer, unduly burdensome, including, without limitation, any requirement on the Issuer or the Guarantor to provide financial statements prepared in accordance with, or reconcile financial statements to, accounting principles or standards other than IFRS in which event the Issuer will use endeavors considered in its sole opinion to be reasonable to it to seek a replacement listing of such notes on another section of any stock exchange on which they are traded or another stock exchange which is: (a) a member of the World Federation of Exchanges; or (b) located in a state that is a member of the Organization for Economic Co-operation and Development, provided that obtaining or maintaining a listing on such section or stock exchange would not be, in the opinion of the Issuer, unduly burdensome, including, without limitation, any requirement on the Issuer or the Guarantor to provide financial statements prepared in accordance with, or reconcile financial statements to, accounting principles or standards other than IFRS. In the event that no listing is

obtained or maintained which satisfies the foregoing requirements, the Issuer will use endeavors considered in its sole opinion to be reasonable to it to obtain a replacement listing elsewhere.

Events of Default

With respect to the notes, the occurrence of each of the following events will constitute an event of default ("Events of Default") with respect to such notes:

(a) failure to pay principal of any note within five days after the due date for such payment; or

(b) failure to pay interest on any note within 30 days after the due date for such payment; or

(c) failure to perform any other covenant of the Issuer or the Guarantor in the Fiscal Agency Agreement or the notes (excluding the covenant under "– Certain Covenants – Listing of the Notes") which has continued for 90 days after there has been given, by registered or certified mail, to the Issuer or the Guarantor by the Fiscal Agent or by the holders of at least 25% in aggregate principal amount of the Outstanding Notes, a written notice specifying such failure and requiring it to be remedied and stating that such notice is a "Notice of Default" under the Fiscal Agency Agreement or the notes, as the case may be; or

(d) (i) failure to pay upon final maturity (after giving effect to the expiration of any applicable grace period therefor) the principal of any Indebtedness for Borrowed Money of the Issuer, the Guarantor or any Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries), (ii) acceleration of the maturity of any Indebtedness for Borrowed Money of the Issuer, the Guarantor or any Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries) following a default by the Issuer, the Guarantor or such Principal Subsidiary, if such Indebtedness for Borrowed Money is not discharged, or such acceleration is not annulled, within 10 days after receipt of the written notice as provided in the Fiscal Agency Agreement, or (iii) failure to pay any amount payable by the Issuer, the Guarantor or any Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries) under any guarantee or indemnity in respect of any Indebtedness for Borrowed Money of any other Person; *provided, however,* that:

(1) no such event set forth in clause (i), (ii) or (iii) of this paragraph (d) shall constitute an Event of Default unless the aggregate Indebtedness for Borrowed Money to which all such events relate exceeds HK$380,000,000 (or its equivalent in any other currency or currencies converted at the date of the relevant event); and

(2) Indebtedness for Borrowed Money which is:

(x) in the form of secured project financing or secured limited recourse financing and such Indebtedness for Borrowed Money is not guaranteed by the Guarantor or a Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries);

(y) incurred or guaranteed by a Subsidiary of the Guarantor:

(A) which has an issuer credit rating of either BB+ or higher by S&P or Fitch or Ba1 or higher by Moody's; and

(B) which is not guaranteed by the Guarantor or a Principal Subsidiary (other than such Subsidiary of the Guarantor incurring or guaranteeing such Indebtedness and its Subsidiaries);

("Non-Recourse Debt"); or

(z) incurred by any Subsidiary or the Guarantor before June 3, 2015 unless the relevant Indebtedness for Borrowed Money remains outstanding after 15 Specified Business Days after the event referred to in clauses (i), (ii) or (iii) of this paragraph (d);

shall be deemed not to be Indebtedness for Borrowed Money for the purpose of this paragraph (d);

For purposes of this paragraph (d):

"Fitch" means Fitch Ratings, Inc., Fitch Ratings Ltd., their respective affiliates and subsidiaries or any successor to their respective rating businesses;

"Moody's" means Moody's Investors Service, Inc., its affiliates and subsidiaries or any successor to their respective rating businesses;

"S&P" means S&P Global Ratings, its affiliates and subsidiaries or any successor to their respective rating businesses; and

"Specified Business Day" means a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets are open for business in London and Hong Kong and (x) (in relation to any date for payment or purchase of a currency other than Euro) the principal financial center of the country of that currency; or (y) (in relation to any date for payment or purchase of Euro) any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto is open for settlement of payments in Euro; or

(e) the Issuer, the Guarantor or any Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries) becomes insolvent and is unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, begins negotiations or takes any proceeding or other step with a view to readjustment, rescheduling or deferral of all of its Indebtedness for Borrowed Money (or any part of its Indebtedness for Borrowed Money which it will or might otherwise be unable to pay when due) or proposes or makes a general assignment or any arrangement or composition with or for the benefit of its creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of the Indebtedness for Borrowed Money of the Issuer, the Guarantor or any Principal Subsidiaries (other than a Listed Principal Subsidiary or any of its Subsidiaries) or of the Issuer or the Guarantor and their respective Subsidiaries taken as a whole; or

(f) a distress, attachment, execution or other legal process (other than one initiated in relation to a Non-Recourse Debt) is levied, enforced or sued out on or against all or any material part of the assets of the Issuer, the Guarantor or any Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries) and is not discharged or stayed within 30 days (or such longer period as the holders of a majority in aggregate principal amount of the Outstanding Notes may permit); or

(g) any present or future encumbrance (other than any encumbrance securing a Non-Recourse Debt) on or over all or any material part of the assets of the Issuer, the Guarantor or any Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries) becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar officer) is taken to enforce that encumbrance; or

(h) any bona fide step is taken by any person for the dissolution of the Issuer, the Guarantor or any Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries), except (in each such case) for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation (1) on terms approved by the holders of at least a majority in aggregate principal amount of the Outstanding Notes, or (2) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise

vested in the Guarantor or another of its Subsidiaries pursuant to a merger of such Principal Subsidiary with the Guarantor or such other Subsidiary or by way of a voluntary winding up or dissolution where there are surplus assets in such Principal Subsidiary and such surplus assets attributable to the Guarantor and/or such other Subsidiary are distributed to the Guarantor and/or such other Subsidiary; or

(i) any event occurs which under the laws of any relevant jurisdiction has an analogous or equivalent effect to any of the events referred to in sub-paragraphs (e) through (h) above.

If an Event of Default (other than an Event of Default described in paragraphs (e) to (i) above) with respect to the notes shall occur and be continuing, the holders of at least 25% in aggregate principal amount of the Outstanding Notes, by notice as provided in the Fiscal Agency Agreement, may declare the principal amount of the notes, and any accrued and unpaid interest thereon to be due and payable immediately. If an Event of Default referred to in paragraphs (e) to (i) above with respect to the notes shall occur, the principal amount of all notes and any accrued and unpaid interest thereon will automatically, and without any action by any holder of the notes, become immediately due and payable. After any such acceleration but before a judgment or decree based on acceleration has been obtained, the holders of a majority in aggregate principal amount of the Outstanding Notes may, under certain circumstances, rescind and annul such acceleration if all then existing Events of Default have been cured or waived as provided in the Fiscal Agency Agreement.

Modification and Amendment

The Issuer or the Guarantor may, at any time, and the Fiscal Agent shall at any time after the notes shall have become immediately due and payable due to an Event of Default, upon a written request of holders of at least 10% of the Outstanding Notes, call a meeting of holders of the notes at such time and at such place in The City of New York as the Issuer, the Guarantor or those holders of at least 10% in principal amount of Outstanding Notes may determine. At a meeting of the holders of the notes, persons entitled to vote a majority in aggregate principal amount of the Outstanding Notes shall constitute a quorum. In the absence of a quorum, within 30 minutes of the time appointed for any such meeting, at any such meeting, the meeting may be adjourned; in the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned; at the reconvening of any meeting further adjourned for lack of a quorum, the persons entitled to vote 25% in aggregate principal amount of the Outstanding Notes shall constitute a quorum for the taking of any action set forth in the notice of the original meeting.

Modifications and amendments to the Fiscal Agency Agreement or the notes requiring consent of holders may be made, and future compliance therewith or past defaults by the Issuer and the Guarantor may be waived with respect to the notes, with the consent of the holders of at least a majority in aggregate principal amount of the Outstanding Notes or by a resolution adopted at a meeting of holders of notes at which a quorum is present; *provided* that no such modification, amendment or waiver of the Fiscal Agency Agreement or any note may, without the consent of each holder affected thereby, (a) change the stated maturity of the principal of, or date for payment of interest on, any such note; (b) reduce the principal of or interest on any such note; (c) change the currency of payment of the principal of or interest on any such note; (d) change the provisions or procedures relating to the redemption of such notes; or (e) reduce the above-stated percentage of aggregate principal amount of Outstanding Notes in respect of such notes or reduce the quorum requirements or the percentage of votes required for the taking of any action. Any resolution at a meeting of holders of Outstanding Notes to modify or amend the Fiscal Agency Agreement or the notes, or to waive compliance with, or past defaults of the Issuer and the Guarantor of, any of the covenants or conditions referred to above (other than those set forth above as requiring the consent of each holder of a note affected thereby) shall be adopted if passed by the lesser of (a) a majority in aggregate principal amount of the Outstanding Notes and (b) 75% in aggregate principal amount of the Outstanding Notes represented and voting at the meeting.

Discharge and Defeasance

Discharge

The Issuer and the Guarantor, at the Issuer's or the Guarantor's option, may discharge any and all of their obligations in respect of the notes (except for certain obligations to pay any Additional Amounts in respect of any withholding or deduction for taxes assessed by or within the Cayman Islands (as described above under "– Additional Amounts") then unknown, to register the transfer of or exchange notes, to replace stolen, lost, destroyed or mutilated notes upon satisfaction of certain requirements (including, without limitation, providing such security or indemnity as the Fiscal Agent, the Issuer or the Guarantor may require), to maintain paying agents and to hold certain monies in trust for payment), if such notes (i) have become due and payable, (ii) will become due and payable within one year or (iii) have been scheduled for redemption within one year, in each case if, among other things, the Issuer or the Guarantor deposits, in trust with the Fiscal Agent, money in an amount, or U.S. Government Obligations that through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or a combination thereof, in each case sufficient to pay all the principal of, interest on, and any Additional Amounts in respect to any withholding or deduction for taxes assessed by or within the Cayman Islands known at the time of such deposit and required to be paid with regard to the notes, as the case may be, on the date of such deposit (if such notes have become due and payable) or on the dates such payments are due in accordance with the terms of the Fiscal Agency Agreement and such notes. The Issuer or the Guarantor, as the case may be, is required to deliver to the Fiscal Agent an officers' certificate stating that all conditions precedent to discharge under the notes have been complied with.

Defeasance

The Issuer and the Guarantor, at the Issuer's or the Guarantor's option, (a) will be deemed to have been discharged from any and all obligations in respect of the notes (except for certain obligations to pay any Additional Amounts in respect of any withholding or deduction for taxes assessed by or within the Cayman Islands (as described above under "– Additional Amounts") then unknown, to register the transfer of or exchange notes, to replace stolen, lost, destroyed or mutilated notes upon satisfaction of certain requirements (including, without limitation, providing such security or indemnity as the Fiscal Agent, the Issuer or the Guarantor may require), to maintain paying agents and to hold certain monies in trust for payment) or (b) need not comply with certain restrictive covenants with respect to the notes (including those described under "– Certain Covenants"), in each case if, among other things, the Issuer or the Guarantor deposits, in trust with the Fiscal Agent, money in an amount, or U.S. Government Obligations that through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or a combination thereof, in each case sufficient to pay all the principal of, interest on, and any Additional Amounts in respect to any withholding or deduction for taxes assessed by or within the Cayman Islands known at the time of such deposit and required to be paid with regard to the notes on the dates such payments are due in accordance with the terms of the Fiscal Agency Agreement and such notes. In the case of discharge pursuant to clause (a) above, the Issuer or the Guarantor, as the case may be, is required to deliver to the Fiscal Agent an opinion of counsel stating that (i) the Issuer or the Guarantor, as the case may be, has received from, or there has been published by, the U.S. Internal Revenue Service, a ruling, or (ii) since the date of the Fiscal Agency Agreement, there has been a change in the applicable U.S. federal income tax laws, in either case to the effect that the beneficial owners of the notes will not recognize gain or loss for U.S. federal income tax purposes as a result of the exercise of the option under clause (a) above and will be subject to U.S. federal income tax on the same amount, in the same manner and at the same times as would have been the case if such option had not been exercised.

Fiscal Agent

The Bank of New York Mellon is the Fiscal Agent under the Fiscal Agency Agreement. The Corporate Trust division of the Fiscal Agent is located at 240 Greenwich Street, New York, NY 10286, United States of America. The Fiscal Agent is an agent of the Issuer and does not have the duties of a trustee with respect to the holders of the notes.

The Fiscal Agent may resign at any time or may be removed by the Issuer or the Guarantor. If the Fiscal Agent resigns, is removed or becomes incapable of acting as Fiscal Agent or if a vacancy occurs in the office of the Fiscal Agent for any cause, a successor Fiscal Agent will be appointed in accordance with the provisions of the Fiscal Agency Agreement. In such event, the Issuer will notify the SGX-ST where such change in Fiscal Agent may have a material effect on the price or value of the notes or on an investor's decision whether to trade in the notes.

Obligation Currency

To the fullest extent permitted by applicable law, the Issuer's obligation under the notes to make all payments in U.S. dollars (the "Obligation Currency") will not be satisfied by any payment, recovery or any other realization or proceeds in any currency other than the Obligation Currency. The Issuer has agreed to indemnify the holders of the notes in U.S. dollars for any shortfall in the aggregate amount of Obligation Currency actually received by such holders and the aggregate amount of payments due and payable.

Governing Law

The Fiscal Agency Agreement, the notes and the Guarantee will be governed by, and construed in accordance with, the laws of the State of New York.

Return of Unclaimed Funds

Any funds deposited with the Fiscal Agent to pay principal or interest on any note, that remain unclaimed and unescheated for one year after the date upon which the last payment of principal of or interest on any note to which such deposit relates shall have become due and payable, shall be repaid to the Issuer upon its written request by the Fiscal Agent, and the holder of any note to which such deposit related that is entitled to receive payment shall thereafter look only to the Issuer for the payment thereof and all liability of the Fiscal Agent with respect to such funds and the Fiscal Agency Agreement shall thereupon cease.

Further Issues

Subject to applicable law and the Fiscal Agency Agreement, the Issuer may, from time to time, without the consent of the holders of the notes, create and issue additional notes pursuant to the Fiscal Agency Agreement either having the same terms and conditions as the notes in all respects (or in all respects except for the first payment of interest on them) and so that such additional notes may be consolidated and form a single series with the notes or having such other terms as the Issuer may determine at the time of issue; *provided*, *however*, that such additional notes may have the same CUSIP, ISIN or other identifying number as the Outstanding Notes only if such additional notes are fungible with such Outstanding Notes for U.S. federal income tax purposes.

Notices

Notices to the holders of the notes will be mailed to them at their respective addresses in the register of notes. Any such notice will be deemed to have been given on the fourth day after being so mailed. So long as and to the extent that the notes are represented by global notes and such global notes are held by DTC, notices to owners of beneficial interests in the global notes may be given by delivery of the relevant notice to DTC for communication by it to entitled account holders.

Definitions

Set forth below are definitions of certain of the terms used herein. Additional terms are defined elsewhere above or in the Fiscal Agency Agreement.

"Adjusted Consolidated Net Worth" means the aggregate of (a) the amount paid up or credited as paid up on the issued share capital (including ordinary shares and preference shares) of the Guarantor; and (b) the amounts standing to the credit of the Guarantor's consolidated reserves (including but not limited to any such balance on the share premium account, exchange reserves, revaluation reserves and retained profits or losses); and (c) the amount of non-controlling interests and perpetual capital securities, all as shown by the then

latest audited consolidated statement of financial position of the Guarantor and its Subsidiaries; provided, however, that the aggregate of the amounts described in clauses (a) through (c) above shall be adjusted (to the extent that the same has not been taken into account in such latest audited consolidated statement of financial position) by (i) deducting therefrom any amount directly or indirectly attributable to the Guarantor by which the Market Value of any asset is less than its book value in such latest audited consolidated statement of financial position, and/or (ii) adding thereto the amount directly or indirectly attributable to the Guarantor by which the Market Value of any asset is greater than its book value in such latest audited consolidated statement of financial position.

"Comparable Treasury Issue" means the United States Treasury security having a maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes from the redemption date to August 26, 2030.

"Comparable Treasury Price" means, with respect to any optional redemption date if clause (2) of the Treasury Rate is applicable: (i) the average of the Reference Treasury Dealer Quotations for such optional redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or (ii) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations.

"Indebtedness for Borrowed Money" means any indebtedness for or in respect of money borrowed that has a final maturity of one year or more from its date of incurrence or issuance and that is evidenced by any agreement or other instrument, excluding trade payables; *provided, however*, that for the purposes of determining the amount of Indebtedness for Borrowed Money outstanding at any relevant time, the amount included as Indebtedness for Borrowed Money in respect of leases (to the extent they qualify as "Indebtedness for Borrowed Money" pursuant to the foregoing) shall be the net amount from time to time characterized as "obligations under finance leases" in accordance with Hong Kong Accounting Standard 17 Leases as revised and published by the Hong Kong Institute of Certified Public Accountants in January 2017 (and, in this regard, an opinion from the auditors of the Guarantor opining on such amount shall be conclusive and binding on all holders of the notes).

"Lien" means any mortgage, charge, pledge, lien, encumbrance, hypothecation, title retention, security interest or security arrangement of any kind, provided that the term "Lien" shall not include an unsecured guarantee or Liens arising by operation of law.

"Listed Principal Subsidiary" means any Principal Subsidiary, the shares of which are at the relevant time listed on The Stock Exchange of Hong Kong Limited or any other recognized stock exchange.

"Market Value" means (a) the best price at which the relevant asset (other than shares falling within clause (b)) is expected to be sold on the relevant date assuming (i) a willing seller; (ii) a reasonable period in which to negotiate the sale; (iii) values will remain constant during the negotiation period; (iv) the asset will be freely exposed to the market; and (v) there is no special purchaser; and (b) in the case of shares in associated companies of the Guarantor and its Subsidiaries which are quoted on any stock exchange, the value of such shares, having regard to the underlying net assets of such associated companies and the percentage holding of the Guarantor and its Subsidiaries in such associated companies, in each such case as reasonably determined by the Guarantor after deducting (or, where such Market Value is to result in an adjustment to the then latest audited consolidated statement of financial position, adjusting for) an estimate of the direct tax liabilities (if any) which would arise on the sale of such asset at such price computed solely by reference to such sale price and the cost price for tax purposes.

"Outstanding Notes" means all notes authenticated and delivered under the Fiscal Agency Agreement except (1) notes theretofore canceled by, or delivered for cancellation to, the Fiscal Agent; (2) notes for whose payment or redemption money in the necessary amount has been theretofore deposited with the Fiscal Agent for the holders of such notes, *provided* that if such notes are to be redeemed, notice of such redemption has been duly given pursuant to the Fiscal Agency Agreement and the notes; (3) notes which have been paid or purchased by or on

behalf of the Issuer or by any person directly or indirectly controlling, or controlled by, or under direct or indirect common control with the Issuer (in determining whether the Fiscal Agent shall be protected in making any calculation as to the aggregate principal amount of Outstanding Notes or in relying upon any request, demand, authorization, direction, notice, consent or waiver, only notes which a Responsible Officer of the Fiscal Agent has received written notice to have been so paid or purchased shall be so disregarded); (4) notes in exchange for or in lieu of which other notes have been authenticated and delivered pursuant to the Fiscal Agency Agreement; and (5) notes which have been defeased.

"Person" means any person or entity.

"Principal Subsidiary" means at any time a Subsidiary of the Guarantor: (a) as to which one or more of the following conditions is satisfied: (i) its net profits (before taxation and extraordinary items) or (in the case of a Subsidiary of the Guarantor which has Subsidiaries) consolidated net profits (before taxation and extraordinary items) attributable to the Guarantor are at least 10% of the consolidated net profits of the Guarantor and its Subsidiaries (before taxation and extraordinary items but after deducting non-controlling interests' share of the net profits (before taxation and extraordinary items) of the Subsidiaries); or (ii) its net assets or (in the case of a Subsidiary of the Guarantor which has Subsidiaries) consolidated net assets attributable to the Guarantor represent 10% or more of the consolidated net assets (after deducting non-controlling interests in Subsidiaries) of the Guarantor and its Subsidiaries; all as calculated by reference to the then latest audited accounts or annual accounts reviewed by the auditor (consolidated or, as the case may be, unconsolidated) of such Subsidiary, and as adjusted to conform with the group accounting policies and measurement basis of the Guarantor, and the then latest consolidated audited accounts of the Guarantor and its Subsidiaries, provided that: (1) in the case of a Subsidiary of the Guarantor acquired after the end of the financial period to which the then latest relevant audited accounts of the Guarantor and its Subsidiaries relate, the reference to the then latest audited accounts of the Guarantor and its Subsidiaries for the purposes of the calculation above shall, until audited accounts of the Guarantor and its Subsidiaries for the financial period in which the acquisition is made are published, be deemed to be a reference to the then latest consolidated audited accounts of the Guarantor and its Subsidiaries adjusted to consolidate the latest audited accounts or annual accounts reviewed by the auditor of such Subsidiary in such accounts; and (2) if, in the case of any Subsidiary of the Guarantor which itself has Subsidiaries, no consolidated accounts are prepared and audited, its consolidated net assets and consolidated net profits shall be determined on the basis of the combined accounts of the relevant Subsidiary and its Subsidiaries prepared for this purpose and opined on by the Guarantor's auditors; or (b) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary of the Guarantor which immediately prior to such transfer was a Principal Subsidiary, provided that: (i) the Subsidiary which so transfers its assets and undertaking shall forthwith upon the transfer (notwithstanding the provisions of paragraph (a) above as applicable to such Subsidiary) cease to be a Principal Subsidiary until the date on which the first audited consolidated financial statements of the Guarantor and its Subsidiaries prepared as of a date later than such transfer are published, whereupon whether such Subsidiary shall constitute a Principal Subsidiary again by virtue of paragraph (a) above shall be determined on the basis of such financial statements; and (ii) the Subsidiary of the Guarantor to which the assets and undertaking are so transferred shall cease to be a Principal Subsidiary at the date on which the first audited consolidated accounts of the Guarantor and its Subsidiaries prepared as of a date later than such transfer are published, unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraph (a) above. An opinion by the auditors of the Guarantor on a calculation to show whether or not a Subsidiary is a Principal Subsidiary shall be conclusive and binding on all parties in the absence of manifest error.

"Reference Treasury Dealer" means each of any three investment banks of recognized standing that is a primary U.S. government securities dealer in The City of New York, selected by the Issuer or the Guarantor in good faith.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by the Issuer or the Guarantor, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference Treasury Dealer at 5:00 p.m. on the sixth Business Day preceding such redemption date.

"Responsible Officer" when used with respect to the Fiscal Agent, means any officer within the corporate trust and agency group (or any successor department) of the Fiscal Agent, including, without limitation, any vice president, any assistant vice president, any assistant secretary or any assistant treasurer, or any trust officer or any other officer of the Fiscal Agent customarily performing functions similar to those performed by any of the above-designated officers, and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Subsidiary" means in relation to an entity, any other entity which would be accounted for and consolidated in the latest audited consolidated financial statements of that entity as a subsidiary pursuant to the accounting standards applicable to such financial statements.

"Treasury Rate" means, with respect to any optional redemption date, the rate per annum equal to: (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities", for the maturity corresponding to the applicable Comparable Treasury Issue; provided that, if no maturity is within three months before or after August 26, 2030, yields for the two published maturities most closely corresponding to the applicable Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from those yields on a straight line basis, rounding to the nearest month; or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the applicable Comparable Treasury Issue, calculated using a price for the applicable Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the related Comparable Treasury Price for such redemption date. The Treasury Rate will be calculated by the Issuer or the Guarantor on the fifth business day preceding the redemption date.

TAXATION

The following summary is of a general nature only and is based on the relevant laws in certain jurisdictions in effect as of the date of this offering memorandum and is subject to any changes in law occurring after such date, including changes made on a retroactive basis. It is not intended to be tax advice. This summary does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with tax consequences applicable to all categories of investors, some of which may be subject to special rules.

Prospective investors of the Notes should consult with their own professional tax advisors as to the particular consequences in their jurisdictions of acquiring, holding or disposing the Notes, having regard to their relevant facts and circumstances.

Cayman Islands Taxation

The Cayman Islands currently has no exchange control restrictions and no income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax applicable to the Issuer or any holder of the Notes. Accordingly, payment of principal of (including any premium) and interest on, and any transfer of, the Notes will not be subject to taxation in the Cayman Islands, no Cayman Islands withholding tax will be required on such payments to any holder of Notes and gains derived from the sale of the Notes will not be subject to tax in the Cayman Islands. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Issuer.

The Issuer has applied for and received an undertaking from the Financial Secretary of the Cayman Islands that, in accordance with Section 6 of the Tax Concessions Act (As Revised) of the Cayman Islands, for a period of 30 years from September 2, 2025, no law that is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Issuer or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of the Issuer or (ii) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Act (As Revised).

No stamp duties or similar taxes or charges are payable under the laws of the Cayman Islands in respect of the execution and issue of the Notes unless they are executed in or brought into the Cayman Islands.

U.S. Federal Income Taxation

The following summary describes certain U.S. federal income tax considerations relevant to U.S. Holders (as defined below) regarding the ownership and disposition of the Notes. This summary applies only to U.S. Holders that hold their notes as capital assets for U.S. federal income tax purposes (generally, notes held for investment) and that purchase the Notes in this offering at their "issue price," which is the first price at which a substantial amount of the notes is sold to the public (not including bond houses, brokers or similar persons acting in the capacity of underwriters, placement agents or wholesalers). This discussion is for general information only and does not address all U.S. federal income tax matters that may be relevant to a particular U.S. Holder in light of its particular circumstances, including any special tax accounting rules set forth in Section 451 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") any minimum tax consequences or Medicare contribution tax consequences, as well as differing tax consequences applicable to U.S. Holders that are subject to special rules under U.S. federal income tax law, including, but not limited to:

- dealers or traders in securities that use a mark-to-market method of accounting;
- tax-exempt organizations, "individual retirement accounts" or "Roth IRAs";
- banks, financial institutions, insurance companies or mutual funds;
- regulated investment companies or real estate investment trusts;

- partnerships or other entities treated as a partnership for U.S. federal income tax purposes or partners therein;
- persons whose "functional currency" is not the U.S. dollar;
- persons holding their notes as part of a straddle, conversion transaction or other integrated transaction; or
- persons holding their notes in connection with a trade or business conducted outside the United States.

For purposes of this summary, a U.S. Holder is, for U.S. federal income tax purposes, a beneficial owner of notes and:

- an individual who is a citizen or resident of the United States for U.S. federal income tax purposes;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (a) if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) that has validly elected to be treated as a U.S. person under applicable U.S. Treasury regulations.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding notes and partners therein should consult with their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

This summary is based on the Code, administrative pronouncements, judicial decisions and existing and proposed U.S. Treasury regulations, changes to any of which subsequent to the date of this offering memorandum may affect the tax consequences described herein, possibly on a retroactive basis. The following summary is not binding on the U.S. Internal Revenue Service (the "IRS") or the courts and does not address any state, local or non-U.S. tax consequences, U.S. federal estate of gift tax consequences or any consequences other than U.S. federal income taxes. Furthermore, this discussion assumes that payments on the notes or under the guarantee, or a disposition of the notes, will not be subject to any non-U.S. tax. U.S. Holders should consult their tax advisers regarding the consequences if any non-U.S. tax is imposed with respect to the notes.

This summary is of a general nature only and is not intended to be, and should not be construed to be tax advice to any prospective investor, and no representation with respect to the tax consequences to any particular investor is made. Each U.S. Holder should consult its tax advisor with respect to the U.S. federal income tax considerations relevant to such holder in its particular circumstances.

Payments of Interest

It is expected, and this discussion assumes, that the Notes will be issued without original issue discount for U.S. federal income tax purposes. Interest payable on the Notes will generally be taxable to a U.S. Holder as ordinary income at the time it is received or accrued in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes.

Interest income on the Notes generally will constitute income from sources outside the United States for purposes of the foreign tax credit rules.

Sale, Exchange, Redemption or Other Disposition of Notes

Upon the sale, exchange, redemption or other taxable disposition of a note, a U.S. Holder will recognize gain or loss equal to the difference between the amount realized upon the sale, exchange, redemption or other disposition (not including any amount attributable to accrued but unpaid interest, which will be taxable as ordinary interest income as described above under "– *Payments of Interest*") and the U.S. Holder's tax basis in such note. A U.S. Holder's tax basis in a note generally will be the amount such U.S. Holder paid for such note. Gain or loss recognized by a U.S. Holder on the sale, exchange, redemption or other disposition of a note generally will be treated as U.S. source gain or loss for purposes of the foreign tax credit rules. Such gain or loss will be capital gain or loss and generally will be long-term capital gain or loss if the note has been held for more than one year at the time of sale, exchange, redemption or other disposition. Net long-term capital gains of non-corporate taxpayers are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

Payments of interest and proceeds from the sale of a Note that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is an exempt recipient (and demonstrates that status if required to do so) or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that such U.S. Holder is not subject to backup withholding. The amount of any backup withholding from a payment will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisors concerning the application of information reporting and backup withholding rules.

Hong Kong Taxation

Withholding Tax

No withholding tax is levied in respect of payments of principal or interest on the Notes or in respect of any gains or profits arising from the sale, disposal, redemption or on maturity of the Notes.

Profits Tax under Part 4A of the IRO

A. In General

Under Section 14(1) of the Inland Revenue Ordinance (Cap. 112) of the Laws of Hong Kong (the "IRO"), Hong Kong Profits Tax is charged on every person carrying on a trade, profession or business in Hong Kong in respect of his assessable profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets). Accordingly, profits from the Notes may be taxable under this Section 14(1). Where it is not taxed under this provision, it may be taxed as indicated in B or C below.

B. Payments of Interest

Interest on the Notes will be subject to Hong Kong Profits Tax under Section 15 or Section 15I of the IRO where such interest is:

(a) received by or accrued to:

(i) a Financial Institution (as defined in Section 2 of the IRO) which arises through or from the carrying on by the Financial Institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong; or

(ii) a corporation (other than a Financial Institution) which arises through or from the carrying on in Hong Kong by the corporation of its Intra-group Financing Business (as defined in Section 16(3) of the IRO), even if the moneys in respect of which the interest is received or accrues are made available outside Hong Kong; or

(b) received by or accrued to a corporation carrying on a trade, profession or business in Hong Kong and is derived from Hong Kong; or

(c) received by or accrued to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong, is derived from Hong Kong and is in respect of the funds of the trade, profession or business; or

(d) considered to be Specified Foreign-Sourced Income as defined in Section 15H(1) of the IRO and is regarded as received in Hong Kong under Section 15H(5) of the IRO by an MNE Entity (as defined in Section 15H(1) of the IRO) carrying on a trade, profession or business in Hong Kong if (i) such interest is not taxable under A, B(a), B(b) or B(c) above and (ii) that MNE Entity fails to meet the Economic Substance Requirement as specified in Section 15K(2) of the IRO.

C. Sale, Exchange, Redemption or Other Disposition of Notes

Gains or profits from the sale or other disposal or on the redemption, on maturity or presentment or otherwise, of the Notes will be subject to Hong Kong Profits Tax under Section 15 or Section 15I of the IRO:

- where the Notes are considered a "certificate of deposit" as defined under Section 2 of the IRO, and the gains or profits are received by or accrued to:

  (a) a Financial Institution and are arising through or from the carrying on by the Financial Institution of its business in Hong Kong, even if the moneys laid out for the acquisition of the Notes were made available outside Hong Kong or the sale, disposal or redemption is effected outside Hong Kong; or

  (b) a corporation (other than a Financial Institution) and are arising through or from the carrying on in Hong Kong by the corporation of its Intra-group Financing Business, even if the moneys laid out for the acquisition of the Notes were made available outside Hong Kong or the sale, disposal or redemption is effected outside Hong Kong; or

  (c) a corporation carrying on a trade, profession or business in Hong Kong and are arising in or derived from Hong Kong; or

  (d) a person, other than a corporation carrying on a trade, profession or business in Hong Kong, are arising in or derived from Hong Kong and are in respect of the funds of the trade, profession or business; or

- where the gains or profits are considered to be Specified Foreign-Sourced Income as defined in Section 15H(1) of the IRO and are regarded as received in Hong Kong under Section 15H(5) of the IRO by an MNE Entity carrying on a trade, profession or business in Hong Kong, if (i) such gains or profits are not taxable under A, C(a), C(b), C(c) or C(d) above, and (ii) the MNE Entity fails to meet the Economic Substance Requirement as specified in Section 15K(2) of the IRO.

Profits Tax under Part 4AA of the IRO

Under Section 26AE of the IRO, profits from the Notes derived by a Constituent Entity that is located in Hong Kong, and that is part of an MNE Group, would be included in its income base that may in certain circumstances be subject to the Hong Kong Minimum Top-up Tax (the "HKMTT"). For this purpose, both "MNE Group" and "Constituent Entity" are defined in Article 10.1.1 in Part 1 of Schedule 61 of the IRO, and the location of a Constituent Entity is determined under Article 10.3 of the same Schedule.

Stamp Duty

Under the Stamp Duty Ordinance (Cap. 117) of the Laws of Hong Kong,

A. no Stamp Duty will be payable on the issuance of the Notes.

B. no Stamp Duty will be payable on the transfer of the Notes since the Notes are denominated otherwise than in the currency of Hong Kong and are not redeemable in the currency of Hong Kong.

Global Minimum Top-up Taxes for Multinational Enterprise Groups

In December 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules (Pillar Two) (the "GloBE Rules"). Jurisdictions may bring the GloBE Rules into their domestic legislation to ensure large multinational enterprise groups pay a minimum level of tax on the income arising in each of the jurisdictions where they operate. This is generally relevant to a multinational enterprise group that has annual consolidated revenue of €750 million or more in at least two of the four fiscal years immediately preceding the current fiscal year. Many jurisdictions, including Hong Kong, have implemented the GloBE Rules. In certain circumstances, a prospective investor of the Notes who is subject to the GloBE Rules would be required to include profits from the Notes in its income base in the relevant jurisdiction. Depending on the specific facts and circumstances, such profits may give rise to a top-up tax under the GloBE Rules, which may be reduced by the HKMTT or other applicable taxes, in accordance with the GloBE Rules.

PLAN OF DISTRIBUTION

The Issuer intends to offer the notes through the initial purchasers named below (the "Initial Purchasers"). Subject to the terms and conditions contained in a purchase agreement dated September 23, 2025 (the "Purchase Agreement") among the Issuer, the Guarantor and the Initial Purchasers, the Issuer has agreed to sell to the Initial Purchasers, and each of the Initial Purchasers, severally and not jointly, has agreed to purchase from the Issuer, the principal amount of the notes listed opposite its name below.

Initial Purchaser	Principal Amounts of Note
Barclays Capital Inc.	US$100,000,000
Citigroup Global Markets Inc.	US$100,000,000
The Hongkong and Shanghai Banking Corporation Limited	US$100,000,000
J.P. Morgan Securities (Asia Pacific) Limited	US$100,000,000
Mizuho Securities Asia Limited	US$100,000,000

The Purchase Agreement provides that the obligation of the Initial Purchasers to pay for and accept delivery of the notes is subject to conditions contained in the Purchase Agreement, such as the receipt by the Initial Purchasers of officer's certificates and legal opinions. The Initial Purchasers have advised the Issuer and the Guarantor that they propose initially to offer the notes at the respective prices listed on the cover page of this offering memorandum. After the initial offering, the price to investors, concessions and discounts may be changed.

Each of the Issuer and the Guarantor has agreed with the Initial Purchasers in the Purchase Agreement that during the period from the date thereof to the date 10 days after the Time of Delivery, it will not offer, sell, contract to sell or otherwise dispose of, except for notes to be sold under the Purchase Agreement, any securities of the Issuer (other than the notes) that are denominated in a currency in which the notes are denominated and are substantially similar to the notes issued by it or the Guarantee of the Guarantor, without the prior written consent of the Initial Purchasers.

The Issuer and the Guarantor have agreed in the Purchase Agreement to indemnify the Initial Purchasers against certain losses that the Initial Purchasers incur in respect of certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Initial Purchasers may be required to make in respect of those liabilities.

Delivery of the notes is expected to be against payment for the notes on or about the date specified in the last paragraph of the cover page of this offering memorandum, which will be the third business day following the date of the pricing of the notes ("T+3"). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally settle in one business day, purchasers who wish to trade notes on the date of pricing will be required, by virtue of the fact that the notes initially will settle in T+3, to specify alternative settlement arrangements to prevent a failed settlement.

The Notes Are Not Being Registered

Each of the Initial Purchasers proposes to offer the notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. Each of the Initial Purchasers has represented and warranted, and agrees, that it has not offered or sold and will not offer or sell the notes except:

- through its respective U.S. selling agents to persons in the United States it reasonably believes to be qualified institutional buyers within the meaning of Rule 144A under the Securities Act in transactions meeting the requirements of Rule 144A under the Securities Act; or

- pursuant to offers and sales to non-U.S. persons that occur outside the United States in offshore transactions in reliance on Regulation S.

Each of the Initial Purchasers has represented and warranted, and agrees, that, except as permitted by the preceding paragraph, it will not offer or sell the notes (i) as part of its distribution at any time, and (ii) otherwise until 40 days after the later of the date upon which

the offering of the notes commences and the Time of Delivery, within the United States or to, or for the account or benefit of, U.S. persons, and, at or prior to confirmation of a sale of notes (other than a sale of the notes pursuant to Rule 144A under the Securities Act), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases notes from it or through it prior to the expiration of such 40-day period a confirmation or notice setting forth the restrictions on offers and sales of notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, each Initial Purchaser has represented and warranted, and agrees, that:

- it has not offered or sold and will not offer or sell the notes by any form of general solicitation or general advertising, including but not limited to the methods described in Rule 502(c) under the Securities Act; and
- neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the notes, and it and they have complied and will comply with the offering restriction requirements of Regulation S.

Cayman Islands Selling Restrictions

Each of the Initial Purchasers has represented and warranted, and agreed, that it has not made and will not make (on behalf of the Issuer) any invitation directly or indirectly to the public in the Cayman Islands to subscribe for any of the notes.

Hong Kong Selling Restrictions

Each of the Initial Purchasers has represented and warranted, and agreed, that:

- it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any notes, other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and
- it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, (whether in Hong Kong or elsewhere) any advertisement, invitation or document relating to the notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning ascribed to it in the SFO and any rules made under the SFO.

European Economic Area Selling Restrictions

This offering memorandum has been prepared on the basis that any offer of notes in any member state of the European Economic Area ("EEA") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of notes. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Each of the Initial Purchasers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any notes to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following: (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (b) a customer within the meaning of Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Each person in a Member State of the EEA who receives any communication in respect of, or who acquires any notes under, the offers to the public contemplated in this offering memorandum, or to whom the Notes are otherwise made available, will be deemed to have

represented, warranted, acknowledged and agreed to and with each Initial Purchaser and the Issuer that it and any person on whose behalf it acquires notes is not a "retail investor" (as defined above).

United Kingdom Selling Restrictions

This offering memorandum has been prepared on the basis that any offer of notes in the United Kingdom will be made pursuant to an exemption under the FSMA and the UK Prospectus Regulation from the requirement to publish a prospectus for offers of notes. The expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Each of the Initial Purchasers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any notes to any retail investor in the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following: (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Each person in the United Kingdom who receives any communication in respect of, or who acquires any notes under, the offers to the public contemplated in this offering memorandum, or to whom the notes are otherwise made available, will be deemed to have represented, warranted, acknowledged and agreed to and with each Initial Purchaser and the Issuer that it and any person on whose behalf it acquires notes is not a "retail investor" (as defined above).

Each of the Initial Purchasers has represented and warranted, and agreed, that:

- it has complied with and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "FSMA") with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom; and
- it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor.

Switzerland Selling Restrictions

This offering memorandum is not intended to constitute an offer or solicitation to purchase or invest in the notes.

The notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the notes constitutes a prospectus pursuant to the FinSA, and neither this offering memorandum nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland.

Japan Selling Restrictions

The notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") and each Initial Purchaser has represented and warranted, and agreed, that it will not offer or sell any notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan

or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore Selling Restrictions

Each of the Initial Purchasers has acknowledged that this offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, each of the Initial Purchasers has represented and warranted, and agreed, that it has not offered or sold any notes or caused the notes to be made the subject of an invitation for subscription or purchase, nor will it offer or sell the notes or cause the notes to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed, nor will it circulate or distribute, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Canada Selling Restrictions

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution, and that are "accredited investors", as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are "permitted clients", as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), this offering memorandum is exempt from the requirement that the Issuer and the Initial Purchasers in the offering provide Canadian investors with certain conflicts of interest disclosure pertaining to "connected issuer" and/or "related issuer" relationships as would be otherwise be required pursuant to subsection 2.1(1) of NI 33-105.

Each Canadian purchaser confirms its express wish that all documents evidencing or relating to the sale of the notes and all other contracts and related documents be drafted in the English language. *Chaque acheteur confirme sa volonté expresse que tous les documents attestant de la vente des titres ou s'y rapportant ainsi que tous les autres contrats et documents s'y rattachant soient rédigés en langue anglaise.*

Taiwan Selling Restriction

The notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China ("Taiwan"), pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in any manner which would constitute an offer within the meaning of the Securities and Exchange Act

of Taiwan or would otherwise require registration with or the approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the notes in Taiwan.

General

No action has been taken by the Issuer, the Guarantor or any of the Initial Purchasers that would, or is intended to, permit a public offer of the notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each of the Initial Purchasers has undertaken that it will not, directly or indirectly, offer or sell any notes or distribute or publish any offering circular, memorandum, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of notes by it will be made on the same terms.

Price Stabilization and Short Positions

In connection with this offering, any of the Initial Purchasers, as Stabilizing Manager, or anyone acting on its behalf may, to the extent permitted by the relevant laws, rules and regulations of the appropriate jurisdiction, engage in transactions that stabilize the market prices of the notes. Such transactions consist of bids or purchases to peg, fix or maintain the prices of the notes. If the Stabilizing Manager or anyone acting on its behalf creates a short position in the notes in connection with the offering, (i.e., if it sells more notes than are listed on the cover page of this offering memorandum), it may reduce that short position by purchasing notes in the open market. Purchases of a security to stabilize the price or to reduce a short position may cause the price of the security to be higher than it might be in the absence of these purchases.

Neither of the Issuer, the Guarantor nor any of the Initial Purchasers makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the prices of the notes. In addition, neither of the Issuer, the Guarantor nor any of the Initial Purchasers makes any representation that any Initial Purchasers will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Listing

Application will be made to the SGX-ST for the listing and quotation of the notes on the SGX-ST. No assurance can be given as to the liquidity of, or trading market for, the notes. No assurance is made that the application to the SGX-ST will be approved. The offering and the settlement of the notes is not conditional on obtaining listing on such exchange.

Other Relationships

Certain of the Initial Purchasers or its affiliates have engaged and may engage in investment banking and other commercial dealings in the ordinary course of business with the Guarantor and certain of its affiliates. They have received and may receive fees and commissions for these services.

TRANSFER RESTRICTIONS

Due to the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the notes.

Each purchaser of the notes will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

1. it (A)(i) is a qualified institutional buyer, (ii) is aware that the sale of the notes to it is being made in reliance on Rule 144A, and (iii) is acquiring such notes for its own account or the account of a qualified institutional buyer or (B) is outside the United States and is not a U.S. person (as defined in Regulation S);

2. it acknowledges that the notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any jurisdiction and may not be offered or sold within the United States except as set forth below;

3. it understands and agrees that if in the future it decides to resell, pledge or otherwise transfer any notes or any beneficial interests in any notes other than notes represented by a Regulation S global certificate, such notes may be resold, pledged or transferred only (A) by an initial investor (i) to the Issuer or to the Guarantor or any subsidiary thereof, (ii) to a person whom the seller reasonably believes is a qualified institutional buyer that purchases for its own account or for the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (iii) in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S under the Securities Act or (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available) (resales described in subclauses (i) through (iv) of this clause (A), "Safe Harbor Resales"), or (B) by a subsequent investor, in a Safe Harbor Resale or pursuant to any other available exemption from the registration requirements under the Securities Act (provided that, as a condition to the registration of transfer of any notes otherwise than in a Safe Harbor Resale, the Issuer, the Guarantor or the Fiscal Agent may require delivery of any documents or other evidence (including but not limited to an opinion of counsel) that it, in its sole discretion, may deem necessary or appropriate to evidence compliance with such exemption), or (C) pursuant to an effective registration statement under the Securities Act, and in each of such cases, in accordance with any applicable securities laws of any state of the United States and any other jurisdiction;

4. it agrees to, and each subsequent holder is required to, notify any purchaser of the notes from it of the resale restrictions referred to in clause 3 above, if then applicable;

5. it understands and agrees that (A) notes initially offered in the United States to qualified institutional buyers will be represented by Rule 144A global certificates and (B) that notes offered outside the United States in reliance on Regulation S will be represented by Regulation S global certificates;

6. it understands that the notes, other than notes represented by the Regulation S certificates, will bear a legend to the following effect unless otherwise agreed to by the Issuer and the Guarantor:

   "THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF CK HUTCHISON INTERNATIONAL (25) LIMITED (THE "ISSUER") AND CK HUTCHISON HOLDINGS LIMITED (THE "GUARANTOR") THAT THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) BY AN INITIAL INVESTOR (AS DEFINED BELOW) (1) TO THE ISSUER OR THE GUARANTOR OR ANY SUBSIDIARY THEREOF, (2) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES

ACT ("RULE 144A"), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A) IN ACCORDANCE WITH RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION IN ACCORDANCE WITH RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) (RESALES DESCRIBED IN SUBCLAUSES (1) THROUGH (4) OF THIS CLAUSE (A), "SAFE HARBOR RESALES"), OR (B) BY A SUBSEQUENT INVESTOR, IN A SAFE HARBOR RESALE OR PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT (PROVIDED THAT, AS A CONDITION TO THE REGISTRATION OF TRANSFER OF ANY SECURITIES OTHERWISE THAN IN A SAFE HARBOR RESALE, THE ISSUER, THE GUARANTOR OR THE TRANSFER AGENT MAY REQUIRE DELIVERY OF ANY DOCUMENTS OR OTHER EVIDENCE (INCLUDING BUT NOT LIMITED TO AN OPINION OF COUNSEL) THAT IT, IN ITS SOLE DISCRETION, MAY DEEM NECESSARY OR APPROPRIATE TO EVIDENCE COMPLIANCE WITH SUCH EXEMPTION), OR (C) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF SUCH CASES, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER AND THE GUARANTOR THAT IT WILL NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

FOR ALL PURPOSES OF THIS SECURITY, THE TERM "INITIAL INVESTOR" MEANS ANY PERSON WHO, IN CONNECTION WITH THE INITIAL DISTRIBUTION OF THIS SECURITY, ACQUIRES SUCH SECURITY FROM THE ISSUER OR THE INITIAL PURCHASERS (AS SUCH TERM IS DEFINED IN THE FISCAL AGENCY AGREEMENT) PARTICIPATING IN SUCH DISTRIBUTION OR ANY AFFILIATE OF ANY OF THE FOREGOING.";

7. it understands and agrees that if in the future it decides to resell, pledge or otherwise transfer any notes represented by Regulation S certificates or any beneficial interest in any notes represented by Regulation S certificates, such notes may be resold, pledged or transferred only in accordance with the requirements of the legends set forth in paragraph 8 below;

8. it understands that the notes represented by Regulation S certificates will bear a legend to the following effect unless otherwise agreed to by the Issuer and the Guarantor:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY JURISDICTION AND, ACCORDINGLY, MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED PRIOR TO THE EXPIRATION OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE SECURITIES AND THE TIME OF DELIVERY, AS DEFINED IN THE PURCHASE AGREEMENT DATED SEPTEMBER 23, 2025 (THE "DISTRIBUTION COMPLIANCE PERIOD"), EXCEPT (A) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (B) WITHIN THE UNITED STATES TO A PERSON THAT THE TRANSFEROR, AND ANY PERSON ACTING ON ITS BEHALF, REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, PROVIDED, HOWEVER, THAT IN CONNECTION WITH ANY TRANSFER UNDER (B) ABOVE, THE TRANSFER AGENT SHALL HAVE RECEIVED A WRITTEN CERTIFICATION (IN THE FORM(S) PROVIDED IN THE FISCAL AGENCY AGREEMENT) (1) FROM THE TRANSFEREE TO THE EFFECT THAT SUCH TRANSFEREE (X) IS A QUALIFIED INSTITUTIONAL BUYER PURCHASING

FOR ITS OWN ACCOUNT (OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS OVER WHICH ACCOUNT IT EXERCISES SOLE INVESTMENT DISCRETION) AND (Y) AGREES TO COMPLY WITH THE RESTRICTIONS ON TRANSFER SET FORTH UNDER "TRANSFER RESTRICTIONS" IN THE OFFERING MEMORANDUM DATED SEPTEMBER 23, 2025 AND (2) FROM THE TRANSFEROR TO THE EFFECT THAT THE TRANSFER WAS MADE IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION.

UPON THE EXPIRATION OF THE DISTRIBUTION COMPLIANCE PERIOD, THE CERTIFICATIONS CONTEMPLATED BY CLAUSE (1) (X) AND CLAUSE (2) OF THE PRECEDING PARAGRAPH SHALL NO LONGER BE REQUIRED, BUT THE TRANSFEREE WILL STILL BE REQUIRED TO CERTIFY AS PROVIDED BY CLAUSE (1) (Y) OF SUCH PARAGRAPH. UPON THE EXPIRATION OF THE DISTRIBUTION COMPLIANCE PERIOD, THE SECURITIES REPRESENTED BY THE REGULATION S CERTIFICATES SHALL NO LONGER BE SUBJECT TO THE RESTRICTIONS ON TRANSFER PROVIDED IN THIS LEGEND, PROVIDED THAT AT THE TIME OF SUCH EXPIRATION, THE OFFER OR SALE OF THE SECURITIES REPRESENTED BY THE REGULATION S CERTIFICATES BY THE HOLDER HEREOF IN THE UNITED STATES WOULD NOT BE RESTRICTED UNDER THE SECURITIES LAWS OF THE UNITED STATES OR ANY STATE OF THE UNITED STATES.";

9. it acknowledges that, prior to any proposed transfer of notes in certificated form or of beneficial interests in notes represented by a global certificate (in each case other than pursuant to an effective registration statement), the holder of notes or the holder of beneficial interests in notes represented by a global certificate, as the case may be, may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the Fiscal Agency Agreement; and

10. it acknowledges that the Issuer, the Guarantor and the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representation and agreements and agrees that, if any of such acknowledgements, representations or warranties deemed to have been made by virtue of its purchase of notes is no longer accurate, it shall promptly notify the Issuer and the Guarantor, and if it is acquiring any notes as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledges, representations and agreements on behalf of each such account.

For further discussion of the requirements (including the presentation of transfer certificates) under the relevant Fiscal Agency Agreement to effect exchanges of transfer of interests in notes represented by a global certificate and of notes in certificated form, see "Description of the Notes and the Guarantee – Notes; Delivery and Form".

AVAILABLE INFORMATION

For so long as the notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Guarantor will, during any period in which the Guarantor is neither subject to the reporting requirements under Section 13 or 15(d) of the U.S. Securities Exchange Act, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, furnish, upon request, to any holder of the notes purchased pursuant to Rule 144A under the Securities Act or any prospective purchaser designated by such holder, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

RATINGS

The notes are expected to be rated "A–" by Fitch Ratings Ltd., "A2" by Moody's Investor Service Limited and "A" by S&P Global Ratings, a division of the McGraw-Hill Companies, Inc. The credit ratings accorded to the notes are not a recommendation to purchase, hold or sell the notes inasmuch as such ratings do not comment as to market price or suitability for a particular investor. There can be no assurance that the ratings will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future if, in their judgment, circumstances so warrant or that other credit agencies will issue credit ratings. Ratings are subject to revision or withdrawal at any time by the rating agencies.

LEGAL MATTERS

The Issuer and the Guarantor are being represented as to U.S. federal and New York State law matters by Davis Polk & Wardwell. Certain legal matters under Cayman Islands law will be passed upon for the Issuer and the Guarantor by Maples and Calder (Hong Kong) LLP. Certain legal matters in connection with this offering will be passed upon for the Initial Purchasers by Clifford Chance with respect to matters of U.S. federal and New York State law.

INDEPENDENT AUDITOR

The unaudited reviewed condensed consolidated financial statements of CKHH as of June 30, 2025 and for the six months then ended (with comparative financial information for the six months ended June 30, 2024 and 2023) included in this offering memorandum have been reviewed by PwC, Certified Public Accountants, Hong Kong, as stated in their review report dated August 14, 2025.

The unaudited reviewed condensed consolidated financial statements of CKHH as of June 30, 2024 and for the six months then ended (with comparative financial information for the six months ended June 30, 2023) included in this offering memorandum have been reviewed by PwC, Certified Public Accountants, Hong Kong, as stated in their review report dated August 15, 2024.

The consolidated financial statements of CKHH as of December 31, 2024 and for the year then ended (with comparative financial information as of December 31, 2023) included in this offering memorandum have been audited by PwC, Certified Public Accountants, Hong Kong, as stated in their audit report dated March 20, 2025.

The consolidated financial statements of CKHH as of December 31, 2023 and for the year then ended (with comparative financial information as of December 31, 2022) included in this offering memorandum have been audited by PwC, Certified Public Accountants, Hong Kong, as stated in their audit report dated March 21, 2024.

The consolidated financial statements of CKHH as of December 31, 2022 and for the year then ended (with comparative financial information as of December 31, 2021) included in this offering memorandum have been audited by PwC, Certified Public Accountants, Hong Kong, as stated in their audit report dated March 16, 2023.

GENERAL INFORMATION

1. The CUSIP Numbers and the Common Codes for the notes represented by Rule 144A global certificates and the notes represented by Regulation S global certificates and the International Security Identification Numbers ("ISIN") for the notes represented by Rule 144A global certificates and the notes represented by Regulation S global certificates are as follow:

	the Notes
Common Code for Rule 144A Global Certificates	319078851
Common Code for Regulation S Global Certificates	319078886
CUSIP Number for Rule 144A Global Certificates	178909 AA5
CUSIP Number for Regulation S Global Certificates	G21913 AA9
ISIN for Rule 144A Global Certificates	US178909AA53
ISIN for Regulation S Global Certificates	USG21913AA93

2. Application will be made to the SGX-ST for the listing and quotation of the notes on the SGX-ST but an application may instead be made to another stock exchange which is: (a) a member of the World Federation of Exchanges; or (b) located in a state that is a member of the Organization for Economic Co-operation and Development, for permission to deal in and the listing of the notes. However, no assurance is made that the application to the SGX-ST or such other stock exchange will be approved. The settlement of the notes is not conditional on obtaining listing. In connection with such application, the Issuer will use endeavors considered in its sole opinion to be reasonable to it to obtain the listing as promptly as practicable after the Time of Delivery (if not already obtained). The Issuer may elect to apply for a de-listing of the notes from any stock exchange or markets of such stock exchange on which they are traded because the maintenance of such listing is or would be, in the opinion of the Issuer, unduly burdensome, including, without limitation, any requirement on the Issuer or the Guarantor to provide financial statements prepared in accordance with, or reconcile financial statements to, accounting principles or standards other than IFRS in which event the Issuer will use endeavors considered in its sole opinion to be reasonable to it to seek a replacement listing of such notes on another section of any stock exchange on which they are traded or another stock exchange which is: (a) a member of the World Federation of Exchanges; or (b) located in a state that is a member of the Organization for Economic Co-operation and Development, provided that obtaining or maintaining a listing on such section or such stock exchange would not be, in the opinion of the Issuer, unduly burdensome including, without limitation, any requirement on the Issuer or the Guarantor to provide financial statements prepared in accordance with, or reconcile financial statements to, accounting principles or standards other than IFRS. In the event that no listing is obtained or maintained which satisfies the foregoing requirements, the Issuer will use endeavors considered in its sole opinion to be reasonable to it to obtain a replacement listing elsewhere.

   The notes will be traded in a minimum board lot size of US$200,000 so long as any of the notes are listed on the SGX-ST and the rules of the SGX-ST so require.

   For so long as any of the notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer will appoint and maintain a paying agent in Singapore, where the notes may be presented or surrendered for payment or redemption, in the event that a global note representing notes of a particular series is exchanged for notes in their definitive form. In addition, in the event that a global note representing notes of a particular series is exchanged for notes in their definitive form, an announcement of such exchange shall be made by the Issuer or on its behalf through the SGX-ST and such announcement will include all material information with respect to the delivery of the notes in their definitive form, including details of the paying agent in Singapore.

3. The Issuer and the Guarantor have obtained all necessary consents, approvals and authorizations as may be required in connection with the issue and performance of the notes, except as disclosed in this offering memorandum. The issue of the notes was approved by resolutions of the Issuer passed on September 23, 2025, and the giving of the Guarantee of the notes by the Guarantor was authorized by resolutions of the Guarantor passed on September 23, 2025.

4. Except as disclosed in this offering memorandum, there has been no material adverse change in the financial position or prospects of CKHH since December 31, 2024 and there has been no material adverse change in the financial position or prospects of the Issuer since its date of incorporation.

5. Other than as referred to elsewhere in this offering memorandum, neither the Issuer nor the Guarantor nor any of the Guarantor's subsidiaries is involved in any litigation or arbitration proceedings that if determined adversely to the Guarantor or any of its subsidiaries would, in the aggregate, have a material adverse effect on the consolidated financial position of the Guarantor and the Guarantor's subsidiaries (including the Issuer) taken as a whole, nor is the Issuer, the Guarantor or any of the Guarantor's subsidiaries aware that any such proceedings are pending or threatened.

6. A copy of the Memorandum and Articles of Association of the Issuer and the Guarantor and copies of the Fiscal Agency Agreement will be available for inspection during usual business hours on any weekday (except public holidays) at the offices of the Fiscal Agent.

7. The Guarantor does not publish full non-consolidated annual financial statements. The Guarantor does publish a non-consolidated annual statement of financial position and certain notes thereto which are included in the financial statements in this offering memorandum.

8. The Issuer has not audited or published, and does not propose to audit or publish, any of its accounts since it is not required to do so under Cayman Islands law. The Issuer is, however, required to keep such accounts and records as are necessary to give a true and fair view of the Issuer's affairs and to explain its transactions.

9. Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Guarantor is required to publish an annual report containing the audited consolidated financial statements of the Guarantor not later than four months after the date upon which the financial period ended. The Guarantor is also required to publish a semi-annual interim report, which should be reviewed by the Guarantor's audit committee and, if applicable, the independent auditor, containing the unaudited reviewed condensed consolidated financial statements of the Guarantor for the first six months of each financial year not later than three months after the end of that six-month period. The Guarantor does not publish audited interim consolidated nor non-consolidated financial statements.

FINANCIAL INFORMATION OF CKHH

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Independent Auditor's Report

To the Shareholders of CK Hutchison Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of CK Hutchison Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), which are set out on pages 126 to 258, comprise:

- the consolidated and Company statements of financial position as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024, and of its consolidated profit and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Goodwill; and
- Investments in associated companies and joint ventures.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Goodwill *Refer to notes 16 and 45 to the consolidated financial statements* The Group has a significant amount of goodwill arising from various acquisitions. As at 31 December 2024, the carrying amounts of goodwill amounted to approximately HK$267 billion. Goodwill is subject to impairment assessments annually and when there is an indication of impairment. In carrying out the impairment assessments, significant judgements are required to estimate the recoverable amounts, being the higher of the fair value less costs of disposal and value in use. The recoverable amounts are estimated taking into consideration the future cash flows of the respective business units based on the latest approved financial budgets for the next five years and a number of other assumptions, including the growth rates to extrapolate the cash flows beyond the budget period and the discount rates to bring the future cash flows back to their present values. We considered this is a key audit matter as significant judgements are involved in the impairment assessments.	Our procedures to address this key audit matter included: • Understanding management's assessment process of impairment of goodwill; • Assessing the appropriateness of the valuation methodologies used; • Assessing the reasonableness of key assumptions used in management's estimation of recoverable amounts based on our knowledge of the relevant businesses and industries, other appropriate supporting evidence, and with the involvement of our valuations experts; • Testing source data to supporting evidence, such as approved budgets, on a sample basis, and considering the reasonableness of the estimated future cash flows, the growth rates and discount rates applied; and • Performing sensitivity analyses on the key assumptions to evaluate the potential impacts on the recoverable amounts including the growth rates and discount rates as these are the key assumptions to which the measurement of recoverable amounts is the most sensitive. We found the assumptions adopted in relation to the impairment assessments to be supportable and reasonable based on available evidence.

Key Audit Matters (continued)

Key Audit Matter

Investments in associated companies and joint ventures

Refer to notes 17, 18 and 45 to the consolidated financial statements

The Group has significant investments in associated companies and joint ventures, which are accounted for under the equity method. As at 31 December 2024, the carrying amounts of investments in associated companies and joint ventures amounted to approximately HK$140 billion and HK$154 billion respectively.

Investments in associated companies and joint ventures are subject to impairment assessments when there is an indication of impairment. For those associated companies and joint ventures in which such indication exists, the Group performed impairment assessments. In carrying out the impairment assessments, significant judgements are required to estimate the recoverable amounts of the Group's investments in the associated companies and the joint ventures.

We considered this is a key audit matter as significant judgements are involved in the impairment assessments.

How our audit addressed the Key Audit Matter

Our procedures to address this key audit matter included:

- Understanding management's process for identifying the existence of impairment indicators and performing impairment assessments of investments in associated companies and joint ventures when indicators of impairment exist;
- Assessing the appropriateness of the valuation methodologies used in the impairment assessments; and
- Assessing the reasonableness of key assumptions used by management in the estimation of recoverable amounts of those investments in associated companies or joint ventures with impairment indicators, including the projections of cash flows, the growth rates and discount rates applied; and comparing cash flow projections to supporting evidence, such as approved budgets.

We found the assumptions adopted in relation to the impairment assessments to be supportable and reasonable based on available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Hung Nam.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 20 March 2025

Consolidated Income Statement

for the year ended 31 December 2024

2024 # US$ million		Note	2024 HK$ million	2023 HK$ million
36,071	Revenue	4	**281,351**	275,575
(13,615)	Cost of inventories sold	7	**(106,194)**	(105,739)
(5,332)	Staff costs		**(41,591)**	(39,226)
(1,979)	Expensed customer acquisition and retention costs		**(15,433)**	(15,188)
(5,187)	Depreciation and amortisation	7	**(40,460)**	(40,083)
(6,781)	Other expenses and losses	7	**(52,895)**	(48,095)
67	Other income and gains	7	**524**	2,067
	Share of profits less losses of:			
885	Associated companies		**6,903**	8,138
1,251	Joint ventures		**9,757**	7,990
5,380			**41,962**	45,439
(1,717)	Interest expenses and other finance costs	8	**(13,392)**	(12,227)
3,663	**Profit before tax**		**28,570**	33,212
(537)	Current tax	9	**(4,189)**	(4,119)
(68)	Deferred tax credit (charge)	9	**(528)**	1,116
3,058	**Profit after tax**		**23,853**	30,209
(867)	**Profit attributable to non-controlling interests and holders of perpetual capital securities**		**(6,765)**	(6,709)
2,191	**Profit attributable to ordinary shareholders**		**17,088**	23,500
US$ 0.57	**Earnings per share for profit attributable to ordinary shareholders**	10	**HK$ 4.46**	HK$ 6.14

Details of distribution paid to the holders of perpetual capital securities, interim dividend paid and proposed final dividend payable to the ordinary shareholders are set out in note 11.

See note 43.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

2024# US$ million		Note	2024 HK$ million	2023 HK$ million
3,058	**Profit after tax**		23,853	30,209
	Other comprehensive income (losses)			
	Items that will not be reclassified to profit or loss			
(68)	Changes in fair value of equity instruments at fair value through other comprehensive income		(528)	718
104	Remeasurement of defined benefit obligations		810	(1,470)
(11)	Share of other comprehensive income (losses) of associated companies		(83)	(560)
(121)	Share of other comprehensive income (losses) of joint ventures		(945)	269
(12)	Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	32 (b)	(90)	376
(108)			(836)	(667)
	Items that may be reclassified to profit or loss			
16	Changes in fair value of debt instruments at fair value through other comprehensive income		126	120
(1,223)	Exchange gains (losses) on translation of foreign operations		(9,543)	7,771
–	Exchange losses reclassified to profit or loss		–	342
(17)	Losses on cash flow hedges		(132)	(1,059)
190	Gains (losses) on net investment hedges		1,484	(1,641)
–	Reclassification adjustments for hedging gains included in profit or loss		–	(1,735)
(726)	Share of other comprehensive income (losses) of associated companies		(5,670)	1,889
(681)	Share of other comprehensive income (losses) of joint ventures		(5,311)	3,728
1	Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	32 (b)	5	4
(2,440)			(19,041)	9,419
(2,548)	Other comprehensive income (losses), net of tax		(19,877)	8,752
510	**Total comprehensive income**		3,976	38,961
(533)	**Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities**		(4,155)	(7,476)
(23)	**Total comprehensive income (losses) attributable to ordinary shareholders**		(179)	31,485

See note 43.

Consolidated Statement of Financial Position

at 31 December 2024

2024[#] US$ million		Note	2024 HK$ million	2023 HK$ million
	Non-current assets			
14,330	Fixed assets	12	**111,777**	119,826
7,383	Right-of-use assets	13	**57,589**	61,198
8,188	Telecommunications licences	14	**63,869**	64,264
10,159	Brand names and other rights	15	**79,241**	83,396
34,272	Goodwill	16	**267,325**	271,136
17,931	Associated companies	17	**139,855**	143,638
19,770	Interests in joint ventures	18	**154,208**	156,337
2,326	Deferred tax assets	19	**18,140**	21,074
1,044	Liquid funds and other listed investments	20	**8,142**	15,786
2,591	Other non-current assets	21	**20,203**	19,862
117,994			**920,349**	956,517
	Current assets			
15,552	Cash and cash equivalents	23	**121,303**	127,323
3,195	Inventories		**24,923**	24,473
5,893	Trade receivables and other current assets	24	**45,967**	50,590
24,640			**192,193**	202,386
	Current liabilities			
3,969	Bank and other debts	25	**30,956**	58,324
240	Interest bearing loan from a non-controlling shareholder	28	**1,874**	–
432	Current tax liabilities		**3,368**	4,166
1,557	Lease liabilities	13	**12,142**	13,616
10,595	Trade payables and other current liabilities	26	**82,645**	86,419
16,793			**130,985**	162,525
7,847	Net current assets		**61,208**	39,861
125,841	Total assets less current liabilities		**981,557**	996,378
	Non-current liabilities			
28,902	Bank and other debts	25	**225,436**	213,598
205	Interest bearing loans from non-controlling shareholders	28	**1,597**	3,245
6,715	Lease liabilities	13	**52,377**	54,307
2,304	Deferred tax liabilities	19	**17,974**	19,572
410	Pension obligations	29	**3,197**	3,536
3,639	Other non-current liabilities	30	**28,384**	31,571
42,175			**328,965**	325,829
83,666	**Net assets**		**652,592**	670,549

2024[#] US$ million		Note	2024 HK$ million	2023 HK$ million
	Capital and reserves			
491	Share capital	31 (a)	**3,830**	3,830
31,150	Share premium	31 (a)	**242,972**	242,972
36,912	Reserves	32	**287,913**	297,233
68,553	Total ordinary shareholders' funds		**534,715**	544,035
–	Perpetual capital securities	31 (b)	**–**	4,566
15,113	Non-controlling interests		**117,877**	121,948
83,666	**Total equity**		**652,592**	670,549

See note 43.

Frank John Sixt
Director

Lai Kai Ming, Dominic
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

Total equity[#] US$ million		Attributable to Ordinary shareholders: Share capital and share premium* HK$ million	Reserves[@] HK$ million	Total ordinary shareholders' funds HK$ million	Holders of perpetual capital securities HK$ million	Non-controlling interests HK$ million	Total equity HK$ million
85,968	At 1 January 2024	246,802	297,233	544,035	4,566	121,948	670,549
3,058	Profit for the year	–	17,088	17,088	71	6,694	23,853
	Other comprehensive income (losses)						
(68)	Changes in fair value of equity instruments at fair value through other comprehensive income	–	(528)	(528)	–	–	(528)
16	Changes in fair value of debt instruments at fair value through other comprehensive income	–	126	126	–	–	126
104	Remeasurement of defined benefit obligations	–	646	646	–	164	810
(1,223)	Exchange losses on translation of foreign operations	–	(8,156)	(8,156)	–	(1,387)	(9,543)
(17)	Losses on cash flow hedges	–	(122)	(122)	–	(10)	(132)
190	Gains on net investment hedges	–	1,123	1,123	–	361	1,484
(737)	Share of other comprehensive income (losses) of associated companies	–	(5,320)	(5,320)	–	(433)	(5,753)
(802)	Share of other comprehensive income (losses) of joint ventures	–	(4,969)	(4,969)	–	(1,287)	(6,256)
(11)	Tax relating to components of other comprehensive income (losses)	–	(67)	(67)	–	(18)	(85)
(2,548)	Other comprehensive income (losses), net of tax	–	(17,267)	(17,267)	–	(2,610)	(19,877)
510	Total comprehensive income (losses)	–	(179)	(179)	71	4,084	3,976
	Transactions with owners in their capacity as owners:						
(872)	Dividends paid relating to 2023	–	(6,798)	(6,798)	–	–	(6,798)
(338)	Dividends paid relating to 2024	–	(2,635)	(2,635)	–	–	(2,635)
(1,017)	Dividends paid to non-controlling interests	–	–	–	–	(7,932)	(7,932)
(21)	Distributions paid on perpetual capital securities	–	–	–	(162)	–	(162)
(574)	Redemption of perpetual capital securities	–	–	–	(4,475)	–	(4,475)
80	Equity contribution from non-controlling interests	–	–	–	–	624	624
1	Unclaimed dividends write back	–	9	9	–	–	9
(2)	Relating to purchase of non-controlling interests	–	(37)	(37)	–	16	(21)
(69)	Relating to partial disposal / disposal of subsidiary companies	–	320	320	–	(863)	(543)
(2,812)		–	(9,141)	(9,141)	(4,637)	(8,155)	(21,933)
83,666	At 31 December 2024	246,802	287,913	534,715	–	117,877	652,592

Total equity[#]		Attributable to					
		Ordinary shareholders					
		Share capital and share premium[*]	Reserves[@]	Total ordinary shareholders' funds	Holders of perpetual capital securities	Non-controlling interests	Total equity
US$ million		HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
82,988	At 1 January 2023	246,802	276,711	523,513	4,561	119,235	647,309
3,873	Profit for the year	–	23,500	23,500	172	6,537	30,209
	Other comprehensive income (losses)						
92	Changes in fair value of equity instruments at fair value through other comprehensive income	–	718	718	–	–	718
15	Changes in fair value of debt instruments at fair value through other comprehensive income	–	120	120	–	–	120
(188)	Remeasurement of defined benefit obligations	–	(1,108)	(1,108)	–	(362)	(1,470)
996	Exchange gains on translation of foreign operations	–	7,457	7,457	–	314	7,771
44	Exchange losses reclassified to profit or loss	–	339	339	–	3	342
(136)	Losses on cash flow hedges	–	(1,033)	(1,033)	–	(26)	(1,059)
(210)	Losses on net investment hedges	–	(1,308)	(1,308)	–	(333)	(1,641)
(222)	Reclassification adjustments for hedging gains included in profit or loss	–	(1,735)	(1,735)	–	–	(1,735)
170	Share of other comprehensive income of associated companies	–	1,183	1,183	–	146	1,329
512	Share of other comprehensive income of joint ventures	–	3,065	3,065	–	932	3,997
49	Tax relating to components of other comprehensive income (losses)	–	287	287	–	93	380
1,122	Other comprehensive income, net of tax	–	7,985	7,985	–	767	8,752
4,995	Total comprehensive income	–	31,485	31,485	172	7,304	38,961
13	Impact of hyperinflation	–	82	82	–	21	103
	Transactions with owners in their capacity as owners:						
(1,024)	Dividends paid relating to 2022	–	(7,989)	(7,989)	–	–	(7,989)
(371)	Dividends paid relating to 2023	–	(2,896)	(2,896)	–	–	(2,896)
(608)	Dividends paid to non-controlling interests	–	–	–	–	(4,744)	(4,744)
(21)	Distributions paid on perpetual capital securities	–	–	–	(167)	–	(167)
(19)	Recognition of put option liabilities arising from business combinations	–	(148)	(148)	–	–	(148)
2	Unclaimed dividends write back	–	15	15	–	–	15
1	Relating to purchase of a subsidiary company	–	–	–	–	8	8
4	Relating to purchase of non-controlling interests	–	(34)	(34)	–	70	36
8	Relating to partial disposal of subsidiary companies	–	7	7	–	54	61
(2,015)		–	(10,963)	(10,963)	(167)	(4,591)	(15,721)
85,968	At 31 December 2023	246,802	297,233	544,035	4,566	121,948	670,549

See note 43.
* See note 31(a).
@ See note 32.

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

2024[#] US$ million		Note	2024 HK$ million	2023 HK$ million
	Operating activities			
9,632	Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	33 (a)	**75,130**	75,416
(1,701)	Interest expenses and other finance costs paid (net of capitalisation)		**(13,267)**	(12,083)
(596)	Tax paid		**(4,652)**	(3,931)
7,335	**Funds from operations (before principal elements of lease payments)**		**57,211**	59,402
(382)	Changes in working capital	33 (b)	**(2,983)**	(7,965)
6,953	**Net cash from operating activities**		**54,228**	51,437
	Investing activities			
(2,611)	Purchase of fixed assets	12	**(20,365)**	(21,670)
(9)	Additions to telecommunications licences	14	**(72)**	(1,956)
(245)	Additions to brand names and other rights	15	**(1,913)**	(1,675)
(527)	Purchase of subsidiary companies, net of cash acquired	33 (c)	**(4,114)**	(55)
(6)	Additions to unlisted investments		**(44)**	(74)
159	Repayments of loans from associated companies and joint ventures		**1,242**	2,829
(317)	Purchase of and advances to associated companies and joint ventures		**(2,470)**	(819)
19	Proceeds from disposal of fixed assets		**146**	168
43	Proceeds from disposal of subsidiary companies, net of cash disposed	33 (d)	**333**	2,563
–	Proceeds from disposal of financial instruments		**–**	2,451
23	Proceeds from partial disposal / disposal of associated companies and joint ventures		**179**	734
34	Proceeds from disposal of other unlisted investments		**266**	74
(3,437)	Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments		**(26,812)**	(17,430)
919	Disposal of liquid funds and other listed investments		**7,172**	2,088
(34)	Additions to liquid funds and other listed investments		**(262)**	(73)
(2,552)	**Cash flows used in investing activities**		**(19,902)**	(15,415)
4,401	**Net cash inflow before financing activities**		**34,326**	36,022
	Financing activities			
7,000	New borrowings	33 (e)	**54,594**	58,211
(7,718)	Repayment of borrowings	33 (e)	**(60,201)**	(75,361)
(1,808)	Principal elements of lease payments	33 (e)	**(14,103)**	(14,476)
60	Net loans from non-controlling shareholders	33 (e)	**466**	527
80	Issue of equity securities by subsidiary companies to non-controlling shareholders		**624**	–
–	Proceeds from partial disposal of subsidiary companies		**–**	61
(536)	Redemption of perpetual capital securities		**(4,180)**	–
(1,210)	Dividends paid to ordinary shareholders		**(9,433)**	(10,885)
(1,019)	Dividends paid to non-controlling interests		**(7,951)**	(4,694)
(21)	Distributions paid on perpetual capital securities		**(162)**	(167)
(5,172)	**Cash flows used in financing activities**		**(40,346)**	(46,784)
(771)	Decrease in cash and cash equivalents		**(6,020)**	(10,762)
16,323	Cash and cash equivalents at 1 January		**127,323**	138,085
15,552	**Cash and cash equivalents at 31 December**		**121,303**	127,323

2024[#] US$ million		Note	2024 HK$ million	2023 HK$ million
	Analysis of cash, liquid funds and other listed investments			
15,552	Cash and cash equivalents, as above	23	**121,303**	127,323
1,044	Liquid funds and other listed investments	20	**8,142**	15,786
16,596	**Total cash, liquid funds and other listed investments**		**129,445**	143,109
33,077	Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	25	**258,003**	273,694
445	Interest bearing loans from non-controlling shareholders	28	**3,471**	3,245
16,926	**Net debt**		**132,029**	133,830
(445)	Interest bearing loans from non-controlling shareholders		**(3,471)**	(3,245)
16,481	**Net debt (excluding interest bearing loans from non-controlling shareholders)**		**128,558**	130,585

See note 43.

1 General information

CK Hutchison Holdings Limited (the "Company" or "CKHH") is a company incorporated in the Cayman Islands with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") as at and for the year ended 31 December 2024 (the "Annual Financial Statements") were authorised for issue by the Company's board of directors on 20 March 2025.

The Chairman's Statement, the Operations Review, the Group Capital Resources and Liquidity, and the Risk Factors, issued outside the Annual Financial Statements as part of the announcement of the Group's results for the year ended 31 December 2024 and the Group's 2024 Annual Report, include discussions of the performance of the Group's businesses for the current year, the principal risk and uncertainties affecting the Group's businesses, the important corporate transactions concluded since the end of the 2023 financial year, and the Group's liquidity and financial profile.

2 Use of judgements, assumptions and estimates

The preparation of financial statements under Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") requires entities to make judgements, estimates and assumptions about the reported amounts and the accompanying disclosures.

In preparing the Annual Financial Statements, the Group has made accounting related estimates based on judgements and assumptions about current and, for some estimates, future economic and market conditions that the Group considers are relevant and reasonable. It is reasonably possible that actual achievements, results, performances or other future events or conditions could differ from those on which the estimates are based. This could result in materially different estimates, judgements and assumptions from those used for the purposes of the Annual Financial Statements. Hence, our accounting estimates, judgements and assumptions could change over time in response to how these events and conditions develop. Note 45 sets out further information on our significant accounting judgements, estimates and assumptions applied in preparing the Annual Financial Statements.

3 Basis of preparation

The Annual Financial Statements have been prepared in accordance with HKFRS and the applicable disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The Annual Financial Statements are prepared on a going concern basis, as Management is satisfied that the Group has the ability to continue as a going concern. In making this assessment, Management has assessed the potential cash generation of the Group, the liquidity of the Group and existing funding available to the Group. On the basis of these assessments, Management has determined that, at the date on which the Annual Financial Statements were authorised for issue, the use of the going concern basis of accounting to prepare the Annual Financial Statements is appropriate.

The Annual Financial Statements have been prepared on a historical cost basis, except that defined benefit plans plan assets, investment properties, certain financial assets and liabilities (including derivative instruments) are measured at fair values.

There were no new accounting standards or interpretations adopted during the year ended 31 December 2024 that had a significant effect on the Group in 2024. A summary of the amendments to HKFRS adopted by the Group in the current year and the Group's material accounting policies are included in note 46.

4 Revenue

(a) An analysis of revenue of the Company and subsidiary companies is as follows:

	2024 HK$ million	2023 HK$ million
Sale of goods	**162,682**	161,147
Revenue from services	**110,586**	105,838
Interest	**7,969**	8,448
Dividend income	**114**	142
	281,351	275,575

4 Revenue (continued)

(b) Further details are set out below in respect of revenue of the Company and subsidiary companies, including the disaggregation of revenue from contracts with customers within the scope of HKFRS 15:

(i) By segments *

	Revenue from contracts with customers				
	recognised at a point in time	recognised over time	Subtotal	Revenue from other sources	2024 Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	–	34,133	34,133	154	34,287
Retail	135,918	42	135,960	–	135,960
Infrastructure	3,564	–	3,564	1,894	5,458
Telecommunications **					
CK Hutchison Group Telecom					
3 Group Europe	*13,020*	*68,669*	*81,689*	*12*	*81,701*
Hutchison Telecommunications Hong Kong Holdings	*1,221*	*3,561*	*4,782*	–	*4,782*
Corporate and Others	–	*699*	*699*	*1,049*	*1,748*
	14,241	72,929	87,170	1,061	88,231
Finance & Investments and Others **	11,227	1,112	12,339	5,076	17,415
	164,950	108,216	273,166	8,185	281,351

	Revenue from contracts with customers				
	recognised at a point in time	recognised over time	Subtotal	Revenue from other sources	2023 Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	–	30,794	30,794	160	30,954
Retail	133,624	48	133,672	–	133,672
Infrastructure	3,728	–	3,728	2,877	6,605
Telecommunications **					
CK Hutchison Group Telecom					
3 Group Europe	*12,652*	*67,558*	*80,210*	*12*	*80,222*
Hutchison Telecommunications Hong Kong Holdings	*1,364*	*3,532*	*4,896*	–	*4,896*
Corporate and Others	*26*	*444*	*470*	*1,095*	*1,565*
	14,042	71,534	85,576	1,107	86,683
Finance & Investments and Others **	12,022	1,096	13,118	4,543	17,661
	163,416	103,472	266,888	8,687	275,575

* See note 5 for operating segment information.

** Hutchison Asia Telecommunications, reported previously in this note under "Telecommunications", is grouped within and reported as a part of "Finance & Investments and Others" with effect from 1 January 2024. Comparative information has been reclassified to conform to this presentation. See note 5(a) under "Telecommunications" for further details.

4 Revenue (continued)

(b) Further details are set out below in respect of revenue of the Company and subsidiary companies, including the disaggregation of revenue from contracts with customers within the scope of HKFRS 15 (continued):

(ii) By geographical locations *

	Revenue from contracts with customers			Revenue from other sources	2024 Total
	recognised at a point in time	recognised over time	Subtotal		
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	**24,334**	**4,171**	**28,505**	**258**	**28,763**
Mainland China	**16,590**	**240**	**16,830**	**3**	**16,833**
The People's Republic of China	**40,924**	**4,411**	**45,335**	**261**	**45,596**
Europe	**77,047**	**82,372**	**159,419**	**1,630**	**161,049**
Canada	**–**	**1**	**1**	**203**	**204**
Asia, Australia and Others	**35,752**	**20,320**	**56,072**	**1,015**	**57,087**
	112,799	**102,693**	**215,492**	**2,848**	**218,340**
	153,723	**107,104**	**260,827**	**3,109**	**263,936**
Finance & Investments and Others	**11,227**	**1,112**	**12,339**	**5,076**	**17,415**
	164,950	**108,216**	**273,166**	**8,185**	**281,351**

	Revenue from contracts with customers			Revenue from other sources	2023 Total
	recognised at a point in time	recognised over time	Subtotal		
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	25,402	4,167	29,569	288	29,857
Mainland China	19,817	231	20,048	24	20,072
The People's Republic of China	45,219	4,398	49,617	312	49,929
Europe	72,857	80,145	153,002	1,707	154,709
Canada	–	–	–	229	229
Asia, Australia and Others	33,318	17,833	51,151	1,896	53,047
	106,175	97,978	204,153	3,832	207,985
	151,394	102,376	253,770	4,144	257,914
Finance & Investments and Others	12,022	1,096	13,118	4,543	17,661
	163,416	103,472	266,888	8,687	275,575

* See note 5 for operating segment information.

4 Revenue (continued)

(c) Contract balances related to contracts with customers within the scope of HKFRS 15

Under HKFRS 15, a contract asset or a contract liability is generated when either party to the contract performs, depending on the relationship between the entity's performance and the customer's payment. When an entity satisfies a performance obligation by transferring a promised goods or service, the entity has earned a right to consideration from the customer and, therefore, has a contract asset. When the customer performs first, for example, by prepaying its promised consideration, the entity has a contract liability. Generally, contract assets may represent conditional or unconditional rights to consideration. The right would be conditional, for example, when an entity is required first to satisfy another performance obligation in the contract before it is entitled to payment from the customer. If an entity has an unconditional right to receive consideration from the customer, the contract asset is classified as and accounted for as a receivable and presented separately from other contract assets. A right is unconditional if nothing other than the passage of time is required before payment of that consideration is due.

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers within the scope of HKFRS 15.

	2024 HK$ million	2023 HK$ million
Trade receivables, which are included in "Trade receivables and other current assets" (see note 24)	**15,327**	16,297
Contract assets (see notes 21 and 24)	**7,121**	7,580
Contract liabilities (see note 26)	**(5,500)**	(5,948)

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. In 2024, HK$717 million (2023: HK$653 million) was recognised in the consolidated income statement as provision for expected credit losses on trade receivables.

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. In 2024, HK$1,018 million (2023: HK$927 million) was recognised in the consolidated income statement as provision for expected credit losses on contract assets.

Contract liabilities primarily relate to the Group's unfulfilled performance obligations for which consideration has been received at the reporting date. On fulfilment of its obligations, the contract liability is recognised in revenue in the period when the performance obligations are fulfilled. HK$4,792 million (2023: HK$4,614 million) was recognised as revenue in 2024 that was included in the contract liability balance at the beginning of the year.

(d) Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date. The Group applies the practical expedient in paragraph 121 of HKFRS 15 and does not disclose the amount of the transaction price allocated to the remaining performance obligations for contracts with an original expected duration of one year or less. In addition, contracts that include a promise to perform an undefined quantity of tasks at a fixed contractual rate per unit, with no contractual minimums that would make some or all of the consideration variable, are not included in the following analysis as the possible transaction prices and the ultimate consideration for those contracts will depend on the occurrence or non-occurrence of future customer usage. In light of these basis of preparation, the following does not reflect the expectation of the Group's future performance. The analysis is for compliance with HKFRS 15 disclosure requirement in respect of transaction price allocated to the remaining performance obligations.

	2024 HK$ million	2023 HK$ million
Within one year	**12,200**	15,384
More than one year	**7,121**	5,195
	19,321	20,579

5 Operating segment information

(a) Description of segments and basis of presentation of segment information

For management purposes, the Group is organised into four core businesses – ports and related services, retail, infrastructure and telecommunications. The Group's most senior executive management (the Chief Operating Decision Maker as defined in HKFRS 8) monitors the operating results of the core businesses separately for the purpose of making decisions about resource allocation and performance assessment.

Segment information sets out in this note is organised into these four core businesses, as follows:

Ports and Related Services:

This division is the world's leading port network, and has interests in 53 ports comprising 295 operational berths in 24 countries as at 31 December 2024. The division comprises the Group's 80% interest in the Hutchison Ports group of companies and its 30.07% interest in a listed associated company Hutchison Port Holdings Trust ("HPH Trust"). Results of HPH Trust are included in the segment results (under Ports and Related Services) based on the Group's effective shareholdings (net of non-controlling interests) in HPH Trust.

Retail:

The retail division consists of the AS Watson ("ASW") group of companies, the world's largest international health and beauty retailer with a 170 million loyalty member base. ASW operated 12 retail brands with 16,951 stores in 30 markets worldwide as at 31 December 2024.

Infrastructure:

The Infrastructure division comprises the Group's 75.67% interest in CK Infrastructure Holdings Limited ("CKI"), a subsidiary company listed on the Stock Exchange and interests in six co-owned infrastructure investments with CKI, including Northumbrian Water, Park'N Fly, Australian Gas Networks, Dutch Enviro Energy, Wales & West Utilities and UK Rails.

Telecommunications:

The Group's telecommunications division consists of CK Hutchison Group Telecom Holdings ("CK Hutchison Group Telecom") which consolidates the **3** Group businesses in Europe ("**3** Group Europe") and a 66.09% interest in Hutchison Telecommunications Hong Kong Holdings, which is listed on the Stock Exchange.

Hutchison Asia Telecommunications, previously presented under "Telecommunications" in this operating segment note, is grouped within and presented as a part of "Finance & Investments and Others" with effect from 1 January 2024. This is to conform to a change in the composition of internal management reporting to the Group's most senior executive management. Comparative operating segment information in this note has been reclassified to conform to this new presentation.

In addition, "Finance & Investments and Others" is presented in the segment information below to reconcile to the totals included in the Group's consolidated income statement and consolidated statement of financial position. "Finance & Investments and Others" covers the activities of other areas of the Group that are not presented separately and includes a 87.87% interest in the Australian Securities Exchange listed Hutchison Telecommunications (Australia) Limited ("HTAL"), which has a 25.05% attributable interest in a listed associated company TPG Telecom Limited ("TPG"), Hutchison Asia Telecommunications, Hutchison Whampoa (China), Hutchison E-Commerce, the Marionnaud business, listed associated companies HUTCHMED (China) Limited ("HUTCHMED"), TOM Group, CK Life Sciences Int'l., (Holdings) Inc. and Cenovus Energy Inc. ("Cenovus Energy"), corporate head office operations and the returns earned on the Group's holdings of cash and liquid investments.

The Group has adopted HKFRS 16 "Leases" accounting standard (which relates to accounting for leases) for its statutory reporting but its management reporting has remained on the precedent lease accounting standard Hong Kong Accounting Standard 17 "Leases" ("HKAS 17"). The Group believes that the HKAS 17 basis metrics ("Pre-HKFRS 16 basis"), which are not intended to be a substitute for, or superior to, the reported metrics on a HKFRS 16 basis ("Post-HKFRS 16 basis"), better reflect the management's view of the Group's underlying operational performances. Pre-HKFRS 16 basis metrics financial information is regularly reviewed by the Group's most senior executive management.

5 Operating segment information (continued)

(a) Description of segments and basis of presentation of segment information (continued)

Segment information sets out below is presented, except where indicated otherwise, on a Pre-HKFRS 16 basis together with reconciliations to the total under the Post-HKFRS 16 basis. Section (c) of this note includes reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics for the Group's consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flows for the current and comparative years, and the Group's consolidated statement of financial position as at 31 December 2024 and 31 December 2023.

Saved as disclosed in the notes below, the column headed as Company and Subsidiaries refers to the holding company of the Group and subsidiary companies' respective items and the column headed as Associates and JV refers to the Group's share of associated companies and joint ventures' respective items.

(b) Segment results, assets and liabilities

(i) An analysis of revenue by segments

	Revenue							
	Company and Subsidiaries	**Associates and JV**	**2024 Total**		Company and Subsidiaries	Associates and JV	2023 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
Ports and Related Services	**34,287**	**10,995**	**45,282**	**9%**	30,954	9,897	40,851	9%
Retail	**135,960**	**54,233**	**190,193**	**40%**	133,672	49,672	183,344	40%
Infrastructure	**5,458**	**49,866**	**55,324**	**12%**	6,605	48,109	54,714	12%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***81,701***	***9***	***81,710***	***18%***	*80,222*	*9*	*80,231*	*17%*
Hutchison Telecommunications Hong Kong Holdings	***4,782***	**–**	***4,782***	***1%***	*4,896*	–	*4,896*	*1%*
Corporate and Others	***1,748***	***131***	***1,879***	**–**	*1,565*	*122*	*1,687*	–
	88,231	**140**	**88,371**	**19%**	86,683	131	86,814	18%
Finance & Investments and Others	**17,415**	**80,097**	**97,512**	**20%**	17,661	78,174	95,835	21%
	281,351	**195,331**	**476,682**	**100%**	275,575	185,983	461,558	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**–**	**1,296**	**1,296**		–	1,158	1,158	
Divesture of infrastructure investments	**–**	**901**	**901**		–	813	813	
	281,351	**197,528**	**478,879**		275,575	187,954	463,529	
HKFRS 16 impact	**–**	**–**	**–**		–	–	–	
	281,351	**197,528**	**478,879**		275,575	187,954	463,529	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

The Group uses two measures of segment results, EBITDA (see note 5(b)(xiv)) and EBIT (see note 5(b)(xv)). Analysis of segment results by EBITDA and EBIT are set out in (ii), (iii), (ix), (x) and (xiii) below.

(ii) An analysis of EBITDA by segments

	EBITDA (LBITDA) (xiv)							
	Company and Subsidiaries	**Associates and JV**	**2024 Total**		Company and Subsidiaries	Associates and JV	2023 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
Ports and Related Services	**12,098**	**4,074**	**16,172**	**16%**	10,104	3,524	13,628	13%
Retail	**11,274**	**5,121**	**16,395**	**16%**	11,335	4,891	16,226	15%
Infrastructure	**1,765**	**27,849**	**29,614**	**29%**	3,364	25,837	29,201	28%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***22,689***	***433***	***23,122***	***22%***	*21,059*	*289*	*21,348*	*20%*
Hutchison Telecommunications Hong Kong Holdings	***1,236***	***54***	***1,290***	***1%***	*1,182*	*61*	*1,243*	*1%*
Corporate and Others	***(256)***	***(27)***	***(283)***	**–**	*(240)*	*(10)*	*(250)*	–
	23,669	**460**	**24,129**	**23%**	22,001	340	22,341	21%
Finance & Investments and Others (xvi) (xvii)	**(176)**	**16,466**	**16,290**	**16%**	5,631	17,853	23,484	23%
EBITDA	**48,630**	**53,970**	**102,600**	**100%**	52,435	52,445	104,880	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**–**	**909**	**909**		–	780	780	
EBITDA ^	**48,630^**	**54,879^**	**103,509^**		52,435^	53,225^	105,660^	
Depreciation and amortisation	**(26,391)**	**(22,047)**	**(48,438)**		(25,957)	(20,623)	(46,580)	
Interest expenses and other finance costs	**(10,678)**	**(8,977)**	**(19,655)**		(9,720)	(10,427)	(20,147)	
Current tax	**(4,199)**	**(4,594)**	**(8,793)**		(4,123)	(3,582)	(7,705)	
Deferred tax credit (charge)	**(528)**	**(1,665)**	**(2,193)**		1,083	(1,878)	(795)	
Non-controlling interests	**(6,829)**	**(571)**	**(7,400)**		(6,708)	(482)	(7,190)	
	5	**17,025**	**17,030**		7,010	16,233	23,243	
HKFRS 16 impact								
EBITDA ^	**17,132^**	**5,376^**	**22,508^**		16,959^	5,470^	22,429^	
Depreciation and amortisation	**(14,069)**	**(4,112)**	**(18,181)**		(14,126)	(4,101)	(18,227)	
Interest expenses and other finance costs	**(2,714)**	**(1,681)**	**(4,395)**		(2,507)	(1,546)	(4,053)	
Current tax	**10**	**–**	**10**		4	–	4	
Deferred tax	**–**	**52**	**52**		33	72	105	
Non-controlling interests	**64**	**–**	**64**		(1)	–	(1)	
	428	**16,660**	**17,088**		7,372	16,128	23,500	
^ Reconciliation to Post-HKFRS 16 basis EBITDA:								
Pre-HKFRS 16 basis EBITDA per above	**48,630**	**54,879**	**103,509**		52,435	53,225	105,660	
HKFRS 16 impact per above	**17,132**	**5,376**	**22,508**		16,959	5,470	22,429	
Post-HKFRS 16 basis EBITDA (see note 33(a)(i))	**65,762**	**60,255**	**126,017**		69,394	58,695	128,089	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iii) An analysis of EBIT by segments

	EBIT (LBIT) [xv]							
	Company and Subsidiaries	**Associates and JV**	**2024 Total**		Company and Subsidiaries	Associates and JV	2023 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
Ports and Related Services	**9,239**	**2,634**	**11,873**	**22%**	7,261	2,067	9,328	16%
Retail	**8,766**	**4,252**	**13,018**	**24%**	8,785	4,103	12,888	22%
Infrastructure	**1,490**	**17,690**	**19,180**	**35%**	3,079	16,483	19,562	33%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe								
EBITDA before the following non-cash items:	**22,689**	**433**	**23,122**		21,059	289	21,348	
Depreciation	**(11,852)**	**(351)**	**(12,203)**		(11,489)	(260)	(11,749)	
Amortisation of licence fees, other rights, customer acquisition and retention costs	**(7,316)**	**–**	**(7,316)**		(7,199)	–	(7,199)	
EBIT – **3** Group Europe	**3,521**	**82**	**3,603**	**6%**	2,371	29	2,400	4%
Hutchison Telecommunications Hong Kong Holdings	**154**	**14**	**168**	**–**	100	16	116	–
Corporate and Others	**(259)**	**(27)**	**(286)**	**–**	(241)	(10)	(251)	–
	3,416	**69**	**3,485**	**6%**	2,230	35	2,265	4%
Finance & Investments and Others [xvi] [xvii]	**(672)**	**7,547**	**6,875**	**13%**	5,123	9,402	14,525	25%
EBIT	**22,239**	**32,192**	**54,431**	**100%**	26,478	32,090	58,568	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**–**	**640**	**640**		–	512	512	
EBIT ^	**22,239^**	**32,832^**	**55,071^**		26,478^	32,602^	59,080^	
Interest expenses and other finance costs	**(10,678)**	**(8,977)**	**(19,655)**		(9,720)	(10,427)	(20,147)	
Current tax	**(4,199)**	**(4,594)**	**(8,793)**		(4,123)	(3,582)	(7,705)	
Deferred tax credit (charge)	**(528)**	**(1,665)**	**(2,193)**		1,083	(1,878)	(795)	
Non-controlling interests	**(6,829)**	**(571)**	**(7,400)**		(6,708)	(482)	(7,190)	
	5	**17,025**	**17,030**		7,010	16,233	23,243	
HKFRS 16 impact								
EBIT ^	**3,063^**	**1,264^**	**4,327^**		2,833^	1,369^	4,202^	
Interest expenses and other finance costs	**(2,714)**	**(1,681)**	**(4,395)**		(2,507)	(1,546)	(4,053)	
Current tax	**10**	**–**	**10**		4	–	4	
Deferred tax	**–**	**52**	**52**		33	72	105	
Non-controlling interests	**64**	**–**	**64**		(1)	–	(1)	
	428	**16,660**	**17,088**		7,372	16,128	23,500	
^ Reconciliation to Post-HKFRS 16 basis EBIT:								
Pre-HKFRS 16 basis EBIT per above	**22,239**	**32,832**	**55,071**		26,478	32,602	59,080	
HKFRS 16 impact per above	**3,063**	**1,264**	**4,327**		2,833	1,369	4,202	
Post-HKFRS 16 basis EBIT	**25,302**	**34,096**	**59,398**		29,311	33,971	63,282	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iv) An analysis of depreciation and amortisation expenses by segments

	Depreciation and amortisation					
	Company and Subsidiaries	**Associates and JV**	**2024 Total**	Company and Subsidiaries	Associates and JV	2023 Total
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Ports and Related Services	**2,859**	**1,440**	**4,299**	2,843	1,457	4,300
Retail	**2,508**	**869**	**3,377**	2,550	788	3,338
Infrastructure	**275**	**10,159**	**10,434**	285	9,354	9,639
Telecommunications						
CK Hutchison Group Telecom						
3 Group Europe	***19,168***	***351***	***19,519***	*18,688*	*260*	*18,948*
Hutchison Telecommunications Hong Kong Holdings	***1,082***	***40***	***1,122***	*1,082*	*45*	*1,127*
Corporate and Others	***3***	**–**	***3***	*1*	–	*1*
	20,253	**391**	**20,644**	19,771	305	20,076
Finance & Investments and Others	**496**	**8,919**	**9,415**	508	8,451	8,959
	26,391	**21,778**	**48,169**	25,957	20,355	46,312
Portion attributable to:						
Non-controlling interests of HPH Trust	**–**	**269**	**269**	–	268	268
	26,391	**22,047**	**48,438**	25,957	20,623	46,580
Divesture of infrastructure investments	**–**	**212**	**212**	–	176	176
	26,391	**22,259**	**48,650**	25,957	20,799	46,756
HKFRS 16 impact	**14,069**	**4,112**	**18,181**	14,126	4,101	18,227
	40,460	**26,371**	**66,831**	40,083	24,900	64,983

(v) An analysis of capital expenditure by segments

	Capital expenditure[xxii]							
	Fixed assets	**Telecom-munications licences**	**Brand names and other rights**	**2024 Total**	Fixed assets	Telecom-munications licences	Brand names and other rights	2023 Total
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	**3,804**	**–**	**16**	**3,820**	5,511	–	10	5,521
Retail	**3,240**	**–**	**–**	**3,240**	2,814	–	–	2,814
Infrastructure	**363**	**–**	**–**	**363**	320	–	2	322
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***12,408***	***59***	***1,897***	***14,364***	*12,450*	*1,937*	*1,663*	*16,050*
Hutchison Telecommunications Hong Kong Holdings	***434***	**–**	**–**	***434***	*481*	–	–	*481*
Corporate and Others	***1***	**–**	**–**	***1***	*2*	–	–	*2*
	12,843	**59**	**1,897**	**14,799**	12,933	1,937	1,663	16,533
Finance & Investments and Others	**345**	**13**	**–**	**358**	301	19	–	320
	20,595	**72**	**1,913**	**22,580**	21,879	1,956	1,675	25,510
HKFRS 16 impact	**(230)**	**–**	**–**	**(230)**	(209)	–	–	(209)
	20,365	**72**	**1,913**	**22,350**	21,670	1,956	1,675	25,301

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(vi) An analysis of total assets by segments

	Total assets							
	Segment assets (xx)	Deferred tax assets	Investments in associated companies and interests in joint ventures	2024 Total assets	Segment assets (xx)	Deferred tax assets	Investments in associated companies and interests in joint ventures	2023 Total assets
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	**70,019**	**490**	**22,825**	**93,334**	75,587	609	21,519	97,715
Retail	**201,748**	**1,701**	**16,999**	**220,448**	201,155	1,802	17,233	220,190
Infrastructure	**54,777**	**1**	**168,113**	**222,891**	59,577	2	171,277	230,856
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***263,429***	***14,162***	***2,664***	***280,255***	*275,196*	*16,858*	*2,628*	*294,682*
Hutchison Telecommunications Hong Kong Holdings	***15,208***	***1***	***112***	***15,321***	*15,776*	*2*	*109*	*15,887*
Corporate and Others	***25,226***	***–***	***3***	***25,229***	*26,995*	*–*	*1*	*26,996*
	303,863	**14,163**	**2,779**	**320,805**	317,967	16,860	2,738	337,565
Finance & Investments and Others	**121,400**	**68**	**85,603**	**207,071**	131,868	64	89,124	221,056
	751,807	**16,423**	**296,319**	**1,064,549**	786,154	19,337	301,891	1,107,382
HKFRS 16 impact	**48,532**	**1,717**	**(2,256)**	**47,993**	51,700	1,737	(1,916)	51,521
	800,339	**18,140**	**294,063**	**1,112,542**	837,854	21,074	299,975	1,158,903

(vii) An analysis of total liabilities by segments

	Total liabilities							
	Segment liabilities (xx)	Current & non-current borrowings (xxi) and other non-current liabilities	Current & deferred tax liabilities	2024 Total liabilities	Segment liabilities (xx)	Current & non-current borrowings (xxi) and other non-current liabilities	Current & deferred tax liabilities	2023 Total liabilities
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	**11,044**	**10,385**	**4,531**	**25,960**	11,591	14,867	4,535	30,993
Retail	**28,340**	**6,626**	**10,369**	**45,335**	27,748	7,056	10,900	45,704
Infrastructure	**6,809**	**19,131**	**535**	**26,475**	7,236	24,551	615	32,402
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***28,865***	***14,883***	***3,622***	***47,370***	*32,856*	*16,319*	*3,935*	*53,110*
Hutchison Telecommunications Hong Kong Holdings	***1,657***	***2,118***	***198***	***3,973***	*1,835*	*2,249*	*123*	*4,207*
Corporate and Others	***865***	***44,914***	***46***	***45,825***	*1,105*	*44,428*	*26*	*45,559*
	31,387	**61,915**	**3,866**	**97,168**	35,796	62,996	4,084	102,876
Finance & Investments and Others	**9,714**	**191,885**	**2,739**	**204,338**	8,642	198,493	4,462	211,597
	87,294	**289,942**	**22,040**	**399,276**	91,013	307,963	24,596	423,572
HKFRS 16 impact	**63,067**	**(1,695)**	**(698)**	**60,674**	66,865	(1,225)	(858)	64,782
	150,361	**288,247**	**21,342**	**459,950**	157,878	306,738	23,738	488,354

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(viii) An analysis of revenue by geographical locations

	Revenue [xix]							
	Company and Subsidiaries	**Associates and JV**	**2024 Total**		Company and Subsidiaries	Associates and JV	2023 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
Hong Kong	**28,763**	**5,143**	**33,906**	**7%**	29,857	4,554	34,411	8%
Mainland China	**16,833**	**7,506**	**24,339**	**5%**	20,072	7,264	27,336	6%
The People's Republic of China	**45,596**	**12,649**	**58,245**	**12%**	49,929	11,818	61,747	14%
Europe	**161,049**	**83,323**	**244,372**	**52%**	154,709	76,970	231,679	50%
Canada	**204**	**3,151**	**3,355**	**1%**	229	3,633	3,862	1%
Asia, Australia and Others	**57,087**	**16,111**	**73,198**	**15%**	53,047	15,388	68,435	14%
	218,340	**102,585**	**320,925**	**68%**	207,985	95,991	303,976	65%
	263,936	**115,234**	**379,170**	**80%**	257,914	107,809	365,723	79%
Finance & Investments and Others	**17,415**	**80,097**	**97,512**	**20%**	17,661	78,174	95,835	21%
	281,351	**195,331**	**476,682 ****	**100%**	275,575	185,983	461,558 **	100%

** see note 5(b)(i) for reconciliation of segment revenue to revenue presented in the consolidated income statement.

(ix) An analysis of EBITDA by geographical locations

	EBITDA (LBITDA) [xiv]							
	Company and Subsidiaries	**Associates and JV**	**2024 Total**		Company and Subsidiaries	Associates and JV	2023 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
Hong Kong	**469**	**1,884**	**2,353**	**2%**	1,182	1,686	2,868	3%
Mainland China	**613**	**2,577**	**3,190**	**3%**	1,484	2,222	3,706	4%
The People's Republic of China	**1,082**	**4,461**	**5,543**	**5%**	2,666	3,908	6,574	7%
Europe	**34,121**	**22,393**	**56,514**	**55%**	31,516	20,612	52,128	49%
Canada	**199**	**1,834**	**2,033**	**2%**	230	1,978	2,208	2%
Asia, Australia and Others	**13,404**	**8,816**	**22,220**	**22%**	12,392	8,094	20,486	19%
	47,724	**33,043**	**80,767**	**79%**	44,138	30,684	74,822	70%
	48,806	**37,504**	**86,310**	**84%**	46,804	34,592	81,396	77%
Finance & Investments and Others [xvi] [xviii]	**(176)**	**16,466**	**16,290**	**16%**	5,631	17,853	23,484	23%
	48,630	**53,970**	**102,600 ##**	**100%**	52,435	52,445	104,880 ##	100%

see note 5(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(x) An analysis of EBIT by geographical locations

	EBIT (LBIT) [xv]							
	Company and Subsidiaries	**Associates and JV**	**2024 Total**		Company and Subsidiaries	Associates and JV	2023 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
Hong Kong	**(1,017)**	**945**	**(72)**	**–**	(342)	741	399	1%
Mainland China	**(110)**	**1,822**	**1,712**	**3%**	632	1,460	2,092	3%
The People's Republic of China	**(1,127)**	**2,767**	**1,640**	**3%**	290	2,201	2,491	4%
Europe	**12,911**	**15,499**	**28,410**	**52%**	10,865	14,376	25,241	43%
Canada	**200**	**1,155**	**1,355**	**2%**	229	1,308	1,537	3%
Asia, Australia and Others	**10,927**	**5,224**	**16,151**	**30%**	9,971	4,803	14,774	25%
	24,038	**21,878**	**45,916**	**84%**	21,065	20,487	41,552	71%
	22,911	**24,645**	**47,556**	**87%**	21,355	22,688	44,043	75%
Finance & Investments and Others [xvi] [xvii]	**(672)**	**7,547**	**6,875**	**13%**	5,123	9,402	14,525	25%
	22,239	**32,192**	**54,431 @@**	**100%**	26,478	32,090	58,568 @@	100%

@@ see note 5(b)(iii) for reconciliation of segment EBIT to EBIT included and presented in the consolidated income statement.

(xi) An analysis of capital expenditure by geographical locations

	Capital expenditure [xviii]							
	Fixed assets	**Telecom-munications licences**	**Brand names and other rights**	**2024 Total**	Fixed assets	Telecom-munications licences	Brand names and other rights	2023 Total
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	**1,241**	**–**	**–**	**1,241**	1,389	–	–	1,389
Mainland China	**668**	**–**	**–**	**668**	658	–	–	658
The People's Republic of China	**1,909**	**–**	**–**	**1,909**	2,047	–	–	2,047
Europe	**15,088**	**59**	**1,897**	**17,044**	14,799	1,088	1,663	17,550
Asia, Australia and Others	**3,253**	**–**	**16**	**3,269**	4,732	849	12	5,593
	18,341	**59**	**1,913**	**20,313**	19,531	1,937	1,675	23,143
	20,250	**59**	**1,913**	**22,222**	21,578	1,937	1,675	25,190
Finance & Investments and Others	**345**	**13**	**–**	**358**	301	19	–	320
	20,595	**72**	**1,913**	**22,580**	21,879	1,956	1,675	25,510
HKFRS 16 impact	**(230)**	**–**	**–**	**(230)**	(209)	–	–	(209)
	20,365	**72**	**1,913**	**22,350**	21,670	1,956	1,675	25,301

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xii) An analysis of total assets by geographical locations

	Total assets							
	Segment assets (xx)	**Deferred tax assets**	**Investments in associated companies and interests in joint ventures**	**2024 Total assets**	Segment assets (xx)	Deferred tax assets	Investments in associated companies and interests in joint ventures	2023 Total assets
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	**47,825**	**287**	**10,631**	**58,743**	48,053	161	10,656	58,870
Mainland China	**29,076**	**570**	**15,298**	**44,944**	33,223	688	15,184	49,095
The People's Republic of China	**76,901**	**857**	**25,929**	**103,687**	81,276	849	25,840	107,965
Europe	**432,453**	**14,787**	**119,130**	**566,370**	444,041	17,614	117,538	579,193
Canada	**4,969**	**1**	**10,980**	**15,950**	4,333	2	12,329	16,664
Asia, Australia and Others	**116,084**	**710**	**54,677**	**171,471**	124,636	808	57,060	182,504
	553,506	**15,498**	**184,787**	**753,791**	573,010	18,424	186,927	778,361
	630,407	**16,355**	**210,716**	**857,478**	654,286	19,273	212,767	886,326
Finance & Investments and Others	**121,400**	**68**	**85,603**	**207,071**	131,868	64	89,124	221,056
	751,807	**16,423**	**296,319**	**1,064,549**	786,154	19,337	301,891	1,107,382
HKFRS 16 impact	**48,532**	**1,717**	**(2,256)**	**47,993**	51,700	1,737	(1,916)	51,521
	800,339	**18,140**	**294,063**	**1,112,542**	837,854	21,074	299,975	1,158,903

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net losses from major transaction activities and other one-off item by segments and geographical locations

The Group's EBITDA and EBIT for the year ended 31 December 2024 included the losses attributable to shareholders from the impairment charge against the assets of the Group's telecommunications business in Vietnam of HK$1,859 million and other provisions of HK$1,881 million (see note 5(b)(xvii)).

An analysis of EBITDA by segments

	EBITDA (LBITDA) [xiv]							
	Company and Subsidiaries	**Associates and JV**	**2024 Total**		Company and Subsidiaries	Associates and JV	2023 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
EBITDA before the following one-off item								
Ports and Related Services	**12,098**	**4,074**	**16,172**	**15%**	10,104	3,524	13,628	13%
Retail	**11,274**	**5,121**	**16,395**	**15%**	11,335	4,891	16,226	15%
Infrastructure	**1,765**	**27,849**	**29,614**	**28%**	3,364	25,837	29,201	28%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***22,689***	***433***	***23,122***	***22%***	*21,059*	*289*	*21,348*	*20%*
Hutchison Telecommunications Hong Kong Holdings	***1,236***	***54***	***1,290***	***1%***	*1,182*	*61*	*1,243*	*1%*
Corporate and Others	***(256)***	***(27)***	***(283)***	**–**	*(240)*	*(10)*	*(250)*	–
	23,669	**460**	**24,129**	**23%**	22,001	340	22,341	21%
Finance & Investments and Others [xvi]	**3,564**	**16,466**	**20,030**	**19%**	5,631	17,853	23,484	23%
	52,370	**53,970**	**106,340**	**100%**	52,435	52,445	104,880	100%
One-off item								
Impairment of telecommunications business in Vietnam and other provisions [xvii]	**(3,740)**	**–**	**(3,740)**		–	–	–	
	48,630	**53,970**	**102,600** ##		52,435	52,445	104,880 ##	

see note 5(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net losses from major transaction activities and other one-off item by segments and geographical locations (continued)

An analysis of EBITDA by geographical locations

	EBITDA (LBITDA) [xiv]							
	Company and Subsidiaries	**Associates and JV**	**2024 Total**		Company and Subsidiaries	Associates and JV	2023 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
EBITDA before the following one-off item								
Hong Kong	**469**	**1,884**	**2,353**	**2%**	1,182	1,686	2,868	3%
Mainland China	**613**	**2,577**	**3,190**	**3%**	1,484	2,222	3,706	4%
The People's Republic of China	**1,082**	**4,461**	**5,543**	**5%**	2,666	3,908	6,574	7%
Europe	**34,121**	**22,393**	**56,514**	**53%**	31,516	20,612	52,128	49%
Canada	**199**	**1,834**	**2,033**	**2%**	230	1,978	2,208	2%
Asia, Australia and Others	**13,404**	**8,816**	**22,220**	**21%**	12,392	8,094	20,486	19%
	47,724	**33,043**	**80,767**	**76%**	44,138	30,684	74,822	70%
	48,806	**37,504**	**86,310**	**81%**	46,804	34,592	81,396	77%
Finance & Investments and Others [xvi]	**3,564**	**16,466**	**20,030**	**19%**	5,631	17,853	23,484	23%
	52,370	**53,970**	**106,340**	**100%**	52,435	52,445	104,880	100%
One-off item								
Impairment of telecommunications business in Vietnam and other provisions [xvii]	**(3,740)**	**–**	**(3,740)**		–	–	–	
	48,630	**53,970**	**102,600** [##]		52,435	52,445	104,880 [##]	

see note 5(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net losses from major transaction activities and other one-off item by segments and geographical locations (continued)

An analysis of EBIT by segments

	EBIT (LBIT) [xv]							
	Company and Subsidiaries	**Associates and JV**	**2024 Total**		Company and Subsidiaries	Associates and JV	2023 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
EBIT before the following one-off item								
Ports and Related Services	**9,239**	**2,634**	**11,873**	**21%**	7,261	2,067	9,328	16%
Retail	**8,766**	**4,252**	**13,018**	**22%**	8,785	4,103	12,888	22%
Infrastructure	**1,490**	**17,690**	**19,180**	**33%**	3,079	16,483	19,562	33%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***3,521***	***82***	***3,603***	***6%***	*2,371*	*29*	*2,400*	*4%*
Hutchison Telecommunications Hong Kong Holdings	***154***	***14***	***168***	**–**	*100*	*16*	*116*	–
Corporate and Others	***(259)***	***(27)***	***(286)***	**–**	*(241)*	*(10)*	*(251)*	–
	3,416	**69**	**3,485**	**6%**	2,230	35	2,265	4%
Finance & Investments and Others [xvi]	**3,068**	**7,547**	**10,615**	**18%**	5,123	9,402	14,525	25%
	25,979	**32,192**	**58,171**	**100%**	26,478	32,090	58,568	100%
One-off item								
Impairment of telecommunications business in Vietnam and other provisions [xvii]	**(3,740)**	**–**	**(3,740)**		–	–	–	
	22,239	**32,192**	**54,431@@**		26,478	32,090	58,568@@	

@@ see note 5(b)(iii) for reconciliation of segment EBIT to EBIT included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net losses from major transaction activities and other one-off item by segments and geographical locations (continued)

An analysis of EBIT by geographical locations

	EBIT (LBIT) [xv]							
	Company and Subsidiaries	**Associates and JV**	**2024 Total**		Company and Subsidiaries	Associates and JV	2023 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
EBIT before the following one-off item								
Hong Kong	**(1,017)**	**945**	**(72)**	**–**	(342)	741	399	1%
Mainland China	**(110)**	**1,822**	**1,712**	**3%**	632	1,460	2,092	3%
The People's Republic of China	**(1,127)**	**2,767**	**1,640**	**3%**	290	2,201	2,491	4%
Europe	**12,911**	**15,499**	**28,410**	**49%**	10,865	14,376	25,241	43%
Canada	**200**	**1,155**	**1,355**	**2%**	229	1,308	1,537	3%
Asia, Australia and Others	**10,927**	**5,224**	**16,151**	**28%**	9,971	4,803	14,774	25%
	24,038	**21,878**	**45,916**	**79%**	21,065	20,487	41,552	71%
	22,911	**24,645**	**47,556**	**82%**	21,355	22,688	44,043	75%
Finance & Investments and Others [xvi]	**3,068**	**7,547**	**10,615**	**18%**	5,123	9,402	14,525	25%
	25,979	**32,192**	**58,171**	**100%**	26,478	32,090	58,568	100%
One-off item								
Impairment of telecommunications business in Vietnam and other provisions [xvii]	**(3,740)**	**–**	**(3,740)**		–	–	–	
	22,239	**32,192**	**54,431 @@**		26,478	32,090	58,568 @@	

@@ see note 5(b)(iii) for reconciliation of segment EBIT to EBIT included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiv) EBITDA (LBITDA) represents the EBITDA (LBITDA) of the Company and subsidiary companies as well as the Group's share of the EBITDA (LBITDA) of associated companies and joint ventures except for HPH Trust which is included based on the Group's effective share of EBITDA for this operation. EBITDA (LBITDA) is defined as earnings (losses) before interest expenses and other finance costs, tax, depreciation and amortisation. Information concerning EBITDA (LBITDA) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of gross cash flow generation. The Group considers EBITDA (LBITDA) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBITDA (LBITDA) is therefore presented as a measure of segment results in accordance with HKFRS 8. EBITDA (LBITDA) is not a measure of cash liquidity or financial performance under HKFRS and the EBITDA (LBITDA) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBITDA (LBITDA) should not necessarily be construed as an alternative to cash flows or results from operations as determined in accordance with HKFRS.

(xv) EBIT (LBIT) represents the EBIT (LBIT) of the Company and subsidiary companies as well as the Group's share of the EBIT (LBIT) of associated companies and joint ventures except for HPH Trust which is included based on the Group's effective share of EBIT for this operation. EBIT (LBIT) is defined as earnings (losses) before interest expenses and other finance costs and tax. Information concerning EBIT (LBIT) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of results from operations. The Group considers EBIT (LBIT) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBIT (LBIT) is therefore presented as a measure of segment results in accordance with HKFRS 8. EBIT (LBIT) is not a measure of financial performance under HKFRS and the EBIT (LBIT) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBIT (LBIT) should not necessarily be construed as an alternative to results from operations as determined in accordance with HKFRS.

(xvi) The comparative year balance included a gain on disposal of financial instruments of HK$1,829 million. In June 2023, the Group entered into a warrant repurchase agreement with Cenovus Energy, under which the Group sold 26.3 million Cenovus Energy share warrants to Cenovus Energy for a total consideration of approximately C$410 million. Before their disposal, these share warrants, as hedging instrument in a cash flow hedge, were measured at fair value through other comprehensive income and reported under "Finance & Investments and Others" in the segment information note and under other non-current assets in the consolidated statement of financial position. The disposal has resulted in a gain (after reclassification adjustments of hedging gains to profit or loss) of approximately HK$1,829 million (HK$1,829 million at Post-HKFRS 16 basis) in the comparative year. This gain was reported under "Finance & Investments and Others" in the segment results and under "Other income and gains" in the consolidated income statement.

(xvii) The balance includes an impairment charge of HK$1,859 million (HK$1,859 million at Post-HKFRS 16 basis, see note 7(e)) against assets of the Group's telecommunications business in Vietnam and provisions totalling HK$1,881 million for exposures relating to the Group's interest in this business. The total amount of HK$3,740 million is at EBITDA and EBIT levels and is reported under "Finance & Investments and Others" in the segment results. In the consolidated income statement, these charges are reported in the line item "Other expenses and losses" with HK$1,859 million presented as "Impairment loss on telecommunications business in Vietnam" and HK$1,881 million included in "Office and general administrative expenses and others".

(xviii) The Group is working with the UK Competition and Markets Authority to put in place the final undertakings in order to close the **3** UK and Vodafone UK merger transaction with completion expected within the first half of 2025.

(xix) The geographical location of customers is based on the location at which the services were provided or goods delivered. Hong Kong is the location of principal place of business of the Company.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xx) Segment assets and segment liabilities

Segment assets are assets other than deferred tax assets and investments in associated companies and interests in joint ventures.

Segment liabilities are liabilities other than bank and other debts, interest bearing loans from non-controlling shareholders, tax liabilities (including deferred tax liabilities) and other non-current liabilities.

See note 5(b)(vi) and 5(b)(vii) for reconciliation of segment assets and segment liabilities from Pre-HKFRS 16 basis to Post-HKFRS 16 basis.

Geographical analysis of the Group's non-current assets (based on Post-HKFRS 16 basis) other than financial instruments, deferred tax assets and post-employment benefit assets is as follows:

	2024 **HK$ million**	2023 HK$ million
Hong Kong	**73,423**	72,857
Mainland China	**54,341**	57,362
The People's Republic of China	**127,764**	130,219
Europe	**513,988**	523,476
Canada	**59,958**	62,643
Asia, Australia and Others	**185,897**	197,955
	759,843	784,074
	887,607	914,293

The geographical location of these specified non-current assets is based on the physical location of the asset (for fixed assets, right-of-use assets and other operating assets), the location of the operation in which they are allocated (for intangible assets and goodwill), and the location of operations (for associated companies and interests in joint ventures).

(xxi) Current and non-current borrowings comprise bank and other debts and interest bearing loans from non-controlling shareholders.

(xxii) For the purpose of segmental information analysis, expenditures incurred for leases are not regarded as capital expenditures.

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics

(i) Consolidated Income Statement

	2024			2023		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Revenue	**281,351**	**–**	**281,351**	275,575	–	275,575
Cost of inventories sold	**(106,223)**	**29**	**(106,194)**	(105,771)	32	(105,739)
Staff costs	**(41,591)**	**–**	**(41,591)**	(39,226)	–	(39,226)
Expensed customer acquisition and retention costs	**(15,787)**	**354**	**(15,433)**	(15,577)	389	(15,188)
Depreciation and amortisation	**(26,391)**	**(14,069)**	**(40,460)**	(25,957)	(14,126)	(40,083)
Other expenses and losses	**(69,594)**	**16,699**	**(52,895)**	(64,633)	16,538	(48,095)
Other income and gains	**474**	**50**	**524**	2,067	–	2,067
Share of profits less losses of:						
Associated companies	**7,012**	**(109)**	**6,903**	8,215	(77)	8,138
Joint ventures	**10,013**	**(256)**	**9,757**	8,018	(28)	7,990
	39,264	**2,698**	**41,962**	42,711	2,728	45,439
Interest expenses and other finance costs	**(10,678)**	**(2,714)**	**(13,392)**	(9,720)	(2,507)	(12,227)
Profit before tax	**28,586**	**(16)**	**28,570**	32,991	221	33,212
Current tax	**(4,199)**	**10**	**(4,189)**	(4,123)	4	(4,119)
Deferred tax credit (charge)	**(528)**	**–**	**(528)**	1,083	33	1,116
Profit after tax	**23,859**	**(6)**	**23,853**	29,951	258	30,209
Profit attributable to non-controlling interests and holders of perpetual capital securities	**(6,829)**	**64**	**(6,765)**	(6,708)	(1)	(6,709)
Profit attributable to ordinary shareholders	**17,030**	**58**	**17,088**	23,243	257	23,500
Earnings per share for profit attributable to ordinary shareholders	**HK$ 4.45**	**HK$ 0.01**	**HK$ 4.46**	HK$ 6.07	HK$ 0.07	HK$ 6.14

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(ii) Consolidated Statement of Comprehensive Income

	2024			2023		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Profit after tax	**23,859**	**(6)**	**23,853**	29,951	258	30,209
Other comprehensive income (losses)						
Items that will not be reclassified to profit or loss						
Changes in fair value of equity instruments at fair value through other comprehensive income	**(528)**	**–**	**(528)**	718	–	718
Remeasurement of defined benefit obligations	**810**	**–**	**810**	(1,470)	–	(1,470)
Share of other comprehensive income (losses) of associated companies	**(83)**	**–**	**(83)**	(560)	–	(560)
Share of other comprehensive income (losses) of joint ventures	**(945)**	**–**	**(945)**	269	–	269
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	**(90)**	**–**	**(90)**	376	–	376
	(836)	**–**	**(836)**	(667)	–	(667)
Items that may be reclassified to profit or loss						
Changes in fair value of debt instruments at fair value through other comprehensive income	**126**	**–**	**126**	120	–	120
Exchange gains (losses) on translation of foreign operations	**(10,064)**	**521**	**(9,543)**	8,100	(329)	7,771
Exchange losses reclassified to profit or loss	**–**	**–**	**–**	344	(2)	342
Losses on cash flow hedges	**(132)**	**–**	**(132)**	(1,059)	–	(1,059)
Gains (losses) on net investment hedges	**1,484**	**–**	**1,484**	(1,641)	–	(1,641)
Reclassification adjustments for hedging gains included in profit or loss	**–**	**–**	**–**	(1,735)	–	(1,735)
Share of other comprehensive income (losses) of associated companies	**(5,658)**	**(12)**	**(5,670)**	1,812	77	1,889
Share of other comprehensive income (losses) of joint ventures	**(5,348)**	**37**	**(5,311)**	3,748	(20)	3,728
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	**5**	**–**	**5**	4	–	4
	(19,587)	**546**	**(19,041)**	9,693	(274)	9,419
Other comprehensive income (losses), net of tax	**(20,423)**	**546**	**(19,877)**	9,026	(274)	8,752
Total comprehensive income	**3,436**	**540**	**3,976**	38,977	(16)	38,961
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	**(4,061)**	**(94)**	**(4,155)**	(7,560)	84	(7,476)
Total comprehensive income (losses) attributable to ordinary shareholders	**(625)**	**446**	**(179)**	31,417	68	31,485

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(iii) Consolidated Statement of Financial Position

	2024			2023		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Non-current assets						
Fixed assets	**113,994**	**(2,217)**	**111,777**	121,957	(2,131)	119,826
Right-of-use assets	**–**	**57,589**	**57,589**	–	61,198	61,198
Leasehold land	**5,443**	**(5,443)**	**–**	5,958	(5,958)	–
Telecommunications licences	**63,869**	**–**	**63,869**	64,264	–	64,264
Brand names and other rights	**79,241**	**–**	**79,241**	83,396	–	83,396
Goodwill	**267,325**	**–**	**267,325**	271,136	–	271,136
Associated companies	**140,713**	**(858)**	**139,855**	144,375	(737)	143,638
Interests in joint ventures	**155,606**	**(1,398)**	**154,208**	157,516	(1,179)	156,337
Deferred tax assets	**16,423**	**1,717**	**18,140**	19,337	1,737	21,074
Liquid funds and other listed investments	**8,142**	**–**	**8,142**	15,786	–	15,786
Other non-current assets	**19,589**	**614**	**20,203**	19,356	506	19,862
	870,345	**50,004**	**920,349**	903,081	53,436	956,517
Current assets						
Cash and cash equivalents	**121,303**	**–**	**121,303**	127,323	–	127,323
Inventories	**24,923**	**–**	**24,923**	24,473	–	24,473
Trade receivables and other current assets	**47,978**	**(2,011)**	**45,967**	52,505	(1,915)	50,590
	194,204	**(2,011)**	**192,193**	204,301	(1,915)	202,386
Current liabilities						
Bank and other debts	**31,427**	**(471)**	**30,956**	58,785	(461)	58,324
Interest bearing loan from a non-controlling shareholder	**1,874**	**–**	**1,874**	–	–	–
Current tax liabilities	**3,431**	**(63)**	**3,368**	4,215	(49)	4,166
Lease liabilities	**–**	**12,142**	**12,142**	–	13,616	13,616
Trade payables and other current liabilities	**84,097**	**(1,452)**	**82,645**	87,477	(1,058)	86,419
	120,829	**10,156**	**130,985**	150,477	12,048	162,525
Net current assets	**73,375**	**(12,167)**	**61,208**	53,824	(13,963)	39,861
Total assets less current liabilities	**943,720**	**37,837**	**981,557**	956,905	39,473	996,378
Non-current liabilities						
Bank and other debts	**226,021**	**(585)**	**225,436**	214,362	(764)	213,598
Interest bearing loans from non-controlling shareholders	**1,597**	**–**	**1,597**	3,245	–	3,245
Lease liabilities	**–**	**52,377**	**52,377**	–	54,307	54,307
Deferred tax liabilities	**18,609**	**(635)**	**17,974**	20,381	(809)	19,572
Pension obligations	**3,197**	**–**	**3,197**	3,536	–	3,536
Other non-current liabilities	**29,023**	**(639)**	**28,384**	31,571	–	31,571
	278,447	**50,518**	**328,965**	273,095	52,734	325,829
Net assets	**665,273**	**(12,681)**	**652,592**	683,810	(13,261)	670,549
Capital and reserves						
Share capital	**3,830**	**–**	**3,830**	3,830	–	3,830
Share premium	**242,972**	**–**	**242,972**	242,972	–	242,972
Reserves	**296,847**	**(8,934)**	**287,913**	306,629	(9,396)	297,233
Total ordinary shareholders' funds	**543,649**	**(8,934)**	**534,715**	553,431	(9,396)	544,035
Perpetual capital securities	**–**	**–**	**–**	4,566	–	4,566
Non-controlling interests	**121,624**	**(3,747)**	**117,877**	125,813	(3,865)	121,948
Total equity	**665,273**	**(12,681)**	**652,592**	683,810	(13,261)	670,549

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows

	2024			2023		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
	(A)		**(B)**	(A)		(B)
Operating activities						
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	**57,913**	**17,217**	**75,130**	58,574	16,842	75,416
Interest expenses and other finance costs paid (net of capitalisation)	**(10,553)**	**(2,714)**	**(13,267)**	(9,576)	(2,507)	(12,083)
Tax paid	**(4,652)**	**–**	**(4,652)**	(3,931)	–	(3,931)
Funds from operations (Funds from operations under (B) is before principal elements of lease payments)	**42,708**	**14,503**	**57,211**	45,067	14,335	59,402
Changes in working capital	**(2,189)**	**(794)**	**(2,983)**	(7,909)	(56)	(7,965)
Net cash from operating activities	**40,519**	**13,709**	**54,228**	37,158	14,279	51,437
Investing activities						
Purchase of fixed assets	**(20,595)**	**230**	**(20,365)**	(21,879)	209	(21,670)
Additions to telecommunications licences	**(72)**	**–**	**(72)**	(1,956)	–	(1,956)
Additions to brand names and other rights	**(1,913)**	**–**	**(1,913)**	(1,675)	–	(1,675)
Purchase of subsidiary companies, net of cash acquired	**(4,114)**	**–**	**(4,114)**	(55)	–	(55)
Additions to unlisted investments	**(44)**	**–**	**(44)**	(74)	–	(74)
Repayments of loans from associated companies and joint ventures	**1,242**	**–**	**1,242**	2,829	–	2,829
Purchase of and advances to associated companies and joint ventures	**(2,470)**	**–**	**(2,470)**	(819)	–	(819)
Proceeds from disposal of fixed assets	**146**	**–**	**146**	168	–	168
Proceeds from disposal of subsidiary companies, net of cash disposed	**333**	**–**	**333**	2,563	–	2,563
Proceeds from disposal of financial instruments	**–**	**–**	**–**	2,451	–	2,451
Proceeds from partial disposal/disposal of associated companies and joint ventures	**179**	**–**	**179**	734	–	734
Proceeds from disposal of other unlisted investments	**266**	**–**	**266**	74	–	74
Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments	**(27,042)**	**230**	**(26,812)**	(17,639)	209	(17,430)
Disposal of liquid funds and other listed investments	**7,172**	**–**	**7,172**	2,088	–	2,088
Additions to liquid funds and other listed investments	**(262)**	**–**	**(262)**	(73)	–	(73)
Cash flows used in investing activities	**(20,132)**	**230**	**(19,902)**	(15,624)	209	(15,415)
Net cash inflow before financing activities	**20,387**	**13,939**	**34,326**	21,534	14,488	36,022
Financing activities						
New borrowings	**54,806**	**(212)**	**54,594**	58,420	(209)	58,211
Repayment of borrowings	**(60,577)**	**376**	**(60,201)**	(75,558)	197	(75,361)
Principal elements of lease payments	**–**	**(14,103)**	**(14,103)**	–	(14,476)	(14,476)
Net loans from non-controlling shareholders	**466**	**–**	**466**	527	–	527
Issue of equity securities by subsidiary companies to non-controlling shareholders	**624**	**–**	**624**	–	–	–
Proceeds from partial disposal of subsidiary companies	**–**	**–**	**–**	61	–	61
Redemption of perpetual capital securities	**(4,180)**	**–**	**(4,180)**	–	–	–
Dividends paid to ordinary shareholders	**(9,433)**	**–**	**(9,433)**	(10,885)	–	(10,885)
Dividends paid to non-controlling interests	**(7,951)**	**–**	**(7,951)**	(4,694)	–	(4,694)
Distributions paid on perpetual capital securities	**(162)**	**–**	**(162)**	(167)	–	(167)
Cash flows used in financing activities	**(26,407)**	**(13,939)**	**(40,346)**	(32,296)	(14,488)	(46,784)
Decrease in cash and cash equivalents	**(6,020)**	**–**	**(6,020)**	(10,762)	–	(10,762)
Cash and cash equivalents at 1 January	**127,323**	**–**	**127,323**	138,085	–	138,085
Cash and cash equivalents at 31 December	**121,303**	**–**	**121,303**	127,323	–	127,323

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows (continued)

	2024			2023		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Analysis of cash, liquid funds and other listed investments						
Cash and cash equivalents, as above	**121,303**	**–**	**121,303**	127,323	–	127,323
Liquid funds and other listed investments	**8,142**	**–**	**8,142**	15,786	–	15,786
Total cash, liquid funds and other listed investments	**129,445**	**–**	**129,445**	143,109	–	143,109
Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	**259,059**	**(1,056)**	**258,003**	274,919	(1,225)	273,694
Interest bearing loans from non-controlling shareholders	**3,471**	**–**	**3,471**	3,245	–	3,245
Net debt	**133,085**	**(1,056)**	**132,029**	135,055	(1,225)	133,830
Interest bearing loans from non-controlling shareholders	**(3,471)**	**–**	**(3,471)**	(3,245)	–	(3,245)
Net debt (excluding interest bearing loans from non-controlling shareholders)	**129,614**	**(1,056)**	**128,558**	131,810	(1,225)	130,585

6 Directors' emoluments

	2024 HK$ million	2023 HK$ million
Directors' emoluments	**424**	419

Directors' emoluments comprise payments to directors by the Company and its subsidiaries in connection with the management of the affairs of the Company and its subsidiaries. The emoluments exclude amounts received from the Company's listed subsidiaries and paid to the Company. The amounts disclosed above are the amounts recognised as directors' emolument expenses and are included in "Staff costs" and "Other expenses and losses" in the consolidated income statement.

As at 31 December 2024 and 31 December 2023, the Company and its subsidiary companies do not have share option scheme. None of the directors have received any share-based payments from the Company or any of its subsidiaries during the year (2023: nil).

In 2024, the five individuals whose emoluments were the highest for the year were directors of the Company. In 2023, the five individuals whose emoluments were the highest for the year were four directors of the Company and one director of a subsidiary of the Company. The remuneration of the director of the subsidiary company consisted of basic salary, allowances and benefits-in-kind of HK$4.94 million; provident fund contribution of HK$0.39 million and discretionary bonus of HK$23.85 million.

6 Directors' emoluments (continued)

Further details of the directors' emoluments are set out in table below:

Directors' emolument expenses recognised in the Group's consolidated income statement:

	2024					
Name of directors	Director's fees HK$ million	Basic salaries, allowances and benefits-in-kind HK$ million	Discretionary bonuses HK$ million	Provident fund contributions HK$ million	Inducement or compensation fees HK$ million	Total emoluments HK$ million
Victor T K LI [1] [2]						
Paid by the Company	0.31	5.31	46.04	–	–	51.66
Paid by CKI	0.13	–	30.02	–	–	30.15
	0.44	5.31	76.06	–	–	81.81
FOK Kin Ning, Canning [3]	0.22	8.41	71.57	0.72	–	80.92
Frank John SIXT [3] [4]	0.28	12.07	74.21	–	–	86.56
LAI Kai Ming, Dominic [3]	0.22	7.53	71.52	0.62	–	79.89
IP Tak Chuen, Edmond						
Paid by the Company	0.22	0.45	1.79	–	–	2.46
Paid by CKI	0.10	1.80	2.35	–	–	4.25
	0.32	2.25	4.14	–	–	6.71
KAM Hing Lam						
Paid by the Company	0.22	2.59	8.56	–	–	11.37
Paid by CKI	0.08	4.20	10.57	–	–	14.85
	0.30	6.79	19.13	–	–	26.22
Edith SHIH [3] [4]	0.28	4.99	17.84	0.37	–	23.48
Andrew John HUNTER [5]						
Paid by the Company	0.16	–	1.06	–	–	1.22
Paid by CKI	0.08	14.37	17.67	1.44	–	33.56
	0.24	14.37	18.73	1.44	–	34.78
CHOW Kun Chee, Roland [6]	0.22	–	–	–	–	0.22
CHOW WOO Mo Fong, Susan [6]	0.22	–	–	–	–	0.22
LEE Yeh Kwong, Charles [6]	0.22	–	–	–	–	0.22
George Colin MAGNUS [6]						
Paid by the Company	0.22	–	–	–	–	0.22
Paid by CKI	0.08	–	–	–	–	0.08
	0.30	–	–	–	–	0.30
CHOW Ching Yee, Cynthia [2] [7] [8]	0.39	–	–	–	–	0.39
Graeme Allan JACK [7] [8] [9]	0.02	–	–	–	–	0.02
Philip Lawrence KADOORIE [7]	0.22	–	–	–	–	0.22
LEUNG LAU Yau Fun, Sophie [1] [7]	0.25	–	–	–	–	0.25
Paul Joseph TIGHE [1] [7] [8]						
Paid by the Company	0.37	–	–	–	–	0.37
Paid by CKI	0.20	–	–	–	–	0.20
	0.57	–	–	–	–	0.57
TSIM Sin Ling, Ruth [4] [7] [8] [10]	0.39	–	–	–	–	0.39
WONG Kwai Lam [2] [7] [8]	0.41	–	–	–	–	0.41
WONG Yick-ming, Rosanna [11]	0.15	–	–	–	–	0.15
Total	5.66	61.72	353.20	3.15	–	423.73

6 Directors' emoluments (continued)

Directors' emolument expenses recognised in the Group's consolidated income statement (continued):

	2023					
Name of directors	Director's fees HK$ million	Basic salaries, allowances and benefits-in-kind HK$ million	Discretionary bonuses HK$ million	Provident fund contributions HK$ million	Inducement or compensation fees HK$ million	Total emoluments HK$ million
Victor T K LI [1] [2]						
Paid by the Company	0.31	5.14	44.70	–	–	50.15
Paid by CKI	0.13	–	30.02	–	–	30.15
	0.44	5.14	74.72	–	–	80.30
FOK Kin Ning, Canning [3]	0.22	12.28	116.14	1.10	–	129.74
Frank John SIXT [3] [4]	0.28	9.48	59.36	0.53	–	69.65
LAI Kai Ming, Dominic [3]	0.22	6.23	57.22	0.51	–	64.18
IP Tak Chuen, Edmond						
Paid by the Company	0.22	1.72	8.94	–	–	10.88
Paid by CKI	0.10	1.80	11.79	–	–	13.69
	0.32	3.52	20.73	–	–	24.57
KAM Hing Lam						
Paid by the Company	0.22	2.52	8.31	–	–	11.05
Paid by CKI	0.08	4.20	10.82	–	–	15.10
	0.30	6.72	19.13	–	–	26.15
Edith SHIH [3] [4]	0.28	4.84	16.22	0.36	–	21.70
CHOW Kun Chee, Roland [6]	0.22	–	–	–	–	0.22
CHOW WOO Mo Fong, Susan [6]	0.22	–	–	–	–	0.22
LEE Yeh Kwong, Charles [6]	0.22	–	–	–	–	0.22
George Colin MAGNUS [6]						
Paid by the Company	0.22	–	–	–	–	0.22
Paid by CKI	0.08	–	–	–	–	0.08
	0.30	–	–	–	–	0.30
LEE Wai Mun, Rose [12]	0.33	–	–	–	–	0.33
CHOW Ching Yee, Cynthia [7] [8] [13]	0.02	–	–	–	–	0.02
Philip Lawrence KADOORIE [7]	0.22	–	–	–	–	0.22
LEUNG LAU Yau Fun, Sophie [1] [7]	0.25	–	–	–	–	0.25
Paul Joseph TIGHE [7] [8]						
Paid by the Company	0.35	–	–	–	–	0.35
Paid by CKI	0.20	–	–	–	–	0.20
	0.55	–	–	–	–	0.55
WONG Kwai Lam [2] [7] [8]	0.41	–	–	–	–	0.41
WONG Yick-ming, Rosanna [1] [2] [4] [7]	0.37	–	–	–	–	0.37
Total	5.17	48.21	363.52	2.50	–	419.40

(1) Member of the Nomination Committee.

(2) Member of the Remuneration Committee.

(3) Directors' fees to these Directors from the Company's listed subsidiaries during the period they served as directors have been paid to the Company and are not included in the amounts above.

(4) Member of the Sustainability Committee.

(5) Appointed on 1 April 2024.

(6) Non-executive Director.

(7) Independent Non-executive Director. The total emoluments of the Independent Non-executive Directors of the Company are HK$2.40 million (2023: HK$2.15 million).

(8) Member of the Audit Committee.

(9) Appointed on 13 December 2024.

(10) Appointed on 2 January 2024.

(11) Former Independent Non-executive Director and member of each of the Nomination Committee, Remuneration Committee and Sustainability Committee. Retired on 23 May 2024.

(12) Former Independent Non-executive Director and member of the Audit Committee. Resigned on 14 December 2023.

(13) Appointed on 14 December 2023.

7 Presentation of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains

This note provides additional details in respect of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains.

	2024 HK$ million	2023 HK$ million
Cost of goods sold: [a]		
included in "Cost of inventories sold"	**106,194**	105,739
included in "Expensed customer acquisition and retention costs"	**9,299**	9,456
	115,493	115,195

	2024 HK$ million	2023 HK$ million
Depreciation and amortisation: [b]		
Fixed assets (see note 12)	**17,862**	17,550
Right-of-use assets (see note 13(b))	**14,631**	14,651
Telecommunications licences (see note 14)	**907**	953
Brand names and other rights (see note 15)	**3,157**	3,262
Customer acquisition and retention costs (see note 21(a))	**3,903**	3,667
	40,460	40,083

	2024 HK$ million	2023 HK$ million
Other expenses and losses:		
Cost of providing services [c]	**(30,385)**	(29,435)
Office and general administrative expenses and others (see note 5(b)(xvii))	**(9,716)**	(7,740)
Expenses relating to short-term leases (see note 13(b))	**(850)**	(498)
Expenses relating to leases of low-value assets that are not short-term leases (see note 13(b))	**(491)**	(568)
Expenses relating to variable lease payments not included in lease liabilities (see note 13(b))	**(2,168)**	(2,253)
Advertising and promotion expenses	**(4,717)**	(4,783)
Legal and professional fees	**(2,147)**	(2,101)
Auditors' remuneration [d]	**(548)**	(397)
Impairment loss on telecommunications business in Vietnam [e]	**(1,859)**	–
Loss on disposal of a subsidiary company (see note 33(d))	**–**	(250)
Loss on disposal of associated companies and joint ventures	**(14)**	(70)
	(52,895)	(48,095)

7 Presentation of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains (continued)

	2024 HK$ million	2023 HK$ million
Other income and gains:		
Gains on disposals of subsidiary companies (see note 33(d))	**364**	–
Gains on disposals of interests in associated companies and joint ventures	**–**	228
A gain on disposal of financial instruments [(f)]	**–**	1,829
Others	**160**	10
	524	2,067

(a) Cost of goods sold of HK$115,493 million (2023: HK$115,195 million) is contributed by Retail segment of HK$94,091 million (2023: HK$92,765 million), Infrastructure segment of HK$1,505 million (2023: HK$1,654 million), Telecommunications segment of HK$11,889 million (2023: HK$12,212 million) and Finance & Investments and Others segment of HK$8,008 million (2023: HK$8,564 million).

(b) See note 5(b)(iv) for contribution by segments.

(c) Cost of providing services of HK$30,385 million (2023: HK$29,435 million) includes telecommunication network related costs of HK$19,653 million (2023: HK$19,093 million), repair and maintenance of HK$4,145 million (2023: HK$4,160 million) and others of HK$6,587 million (2023: HK$6,182 million). The balance is contributed by Ports and Related Services segment of HK$6,974 million (2023: HK$6,441 million), Retail segment of HK$313 million (2023: HK$277 million), Infrastructure segment of HK$830 million (2023: HK$1,164 million), Telecommunications segment of HK$21,745 million (2023: HK$21,089 million) and Finance & Investments and Others segment of HK$523 million (2023: HK$464 million).

(d) Auditors' remuneration of HK$548 million (2023: HK$397 million) are charged for audit and audit related work performed by the Company's auditor, PricewaterhouseCoopers of HK$407 million (2023: HK$262 million) and performed by other auditors of HK$76 million (2023: HK$14 million), and for non-audit work, including tax compliance and other tax related services, and other services, performed by the Company's auditor, PricewaterhouseCoopers of HK$22 million (2023: HK$71 million) and performed by other auditors of HK$43 million (2023: HK$50 million).

(e) Impairment loss

For the current year, an impairment loss of HK$1,859 million arose in the telecommunications business in Vietnam which is included as part of the "Finance & Investments and Others" segment in note 5.

The Group's telecommunications businesses in Vietnam principally engage in providing 3G and 4G mobile network services. The heightened competition and challenging operating environment in the Vietnam's telecommunications market led the Group to carry out an impairment test on this business at 31 December 2024, by comparing the carrying amount of this business with its recoverable amount. As a result, the Group recognised an impairment loss of HK$1,859 million, of which HK$1,236 million against fixed assets, HK$500 million against right-of-use assets and HK$123 million against other assets. The impairment loss was primarily resulted from the lowered expectation on growth and reported service revenues of 3G and 4G services of the Vietnam's businesses. The recoverable amount of this business was determined based on the value-in-use ("VIU") calculations. The VIU calculations used discounted cash flow projections based on the latest financial budget covering a five-year period and business plan approved by the management. Key assumptions and estimates used to prepare the discounted cash flow model include a post-tax discount rate of 10.1% and a growth rate of 0% reflecting the latest market conditions and that the business has yet to initiate a plan to invest in commercialisation of 5G.

(f) See note 5(b)(xvi).

8 Interest expenses and other finance costs

	2024 HK$ million	2023 HK$ million
Bank loans and overdrafts	**4,596**	4,384
Other loans	**4**	4
Notes and bonds	**5,672**	5,057
Interest bearing loans from non-controlling shareholders	**159**	124
Other finance costs	**100**	234
Amortisation of loan facilities fees and premiums or discounts relating to debts	**248**	237
Other non-cash interest adjustments [(a)]	**(123)**	(93)
	10,656	9,947
Less: interest capitalised	**(21)**	(266)
Interest on lease liabilities (see note 13(b))	**2,757**	2,546
	13,392	12,227

(a) Other non-cash interest adjustments represent amortisation of acquisition-date fair value adjustments relating to debts of HK$338 million (2023: HK$341 million) net with accretion expense associated with an increase in the present value of certain obligations over time.

9 Tax

	2024 HK$ million	2023 HK$ million
Current tax charge		
Hong Kong	**167**	216
Outside Hong Kong	**4,022**	3,903
	4,189	4,119
Deferred tax charge (credit)		
Hong Kong	**(60)**	(37)
Outside Hong Kong	**588**	(1,079)
	528	(1,116)
	4,717	3,003

The Group's profits are taxed at different rates depending on the country or territory in which the profits arise.

9 Tax (continued)

Hong Kong profits tax has been provided for at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits less estimated available tax losses. Tax outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses.

The tax charged to the consolidated income statement of HK$4,717 million (2023: HK$3,003 million) differs from the tax charge of HK$3,961 million (2023: HK$2,982 million) that would apply if the Group's pre-tax profits (before share of results of the associated companies and joint ventures) had been taxed at the statutory rates of the countries in which the profits arose. The differences are set out as follows:

	2024 HK$ million	2023 HK$ million
Tax calculated at the domestic rates applicable in the jurisdiction concerned	**3,961**	2,982
Tax effect of:		
Tax losses not recognised	**1,524**	1,824
Income or gains not subject to tax	**(1,843)**	(1,112)
Expenses not deductible for tax purposes	**3,036**	1,847
Recognition of previously unrecognised tax losses	**–**	(32)
Utilisation of previously unrecognised tax losses	**(440)**	(200)
Under (over) provision in prior years	**1,055**	(855)
Other temporary differences	**(2,576)**	(1,451)
Total tax for the year	**4,717**	3,003

The Group is within the scope of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development. The Group applies the HKAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. While the Pillar Two legislation, including the tax law that implements the global minimum tax and qualified domestic minimum top-up tax, is not yet enacted or substantially enacted in Hong Kong as of the reporting date, it is expected that the new regime will come into effect for the Group's financial year beginning on 1 January 2025. For certain other jurisdictions where the Group has operations, Pillar Two legislation has come into effect as of 1 January 2024. Based on the assessment for the year ended 31 December 2024, the Group does not expect to have any Pillar Two exposure (including current tax) arising in these jurisdictions. Overall, based on the assessment for the year ended 31 December 2024 and the information currently available, the impact of these rules on the Group's income tax position is not expected to be material.

10 Earnings per share for profit attributable to ordinary shareholders

The calculation of earnings per share is based on profit attributable to ordinary shareholders of the Company of HK$17,088 million (2023: HK$23,500 million) and 3,830,044,500 shares in issue during the year of 2024 (2023: 3,830,044,500 shares).

The Company and its subsidiary companies do not have share option scheme or other dilutive potential ordinary shares as at 31 December 2024 and 31 December 2023. Certain of the Company's associated companies have employee share options outstanding as at 31 December 2024 and 31 December 2023. The employee share options of these associated companies outstanding as at 31 December 2024 and 31 December 2023 did not have a dilutive effect on earnings per share.

11 Distributions and dividends

(a) Distribution paid on perpetual capital securities

	2024 HK$ million	2023 HK$ million
Distribution paid on perpetual capital securities	**162**	167

(b) Dividends

	2024 HK$ million	2023 HK$ million
Interim dividend, paid of HK$0.688 per share (2023: HK$0.756 per share)	**2,635**	2,896
Final dividend, proposed of HK$1.514 per share (2023: HK$1.775 per share)	**5,799**	6,798
	8,434	9,694

The final dividend proposed after the end of the reporting period has not been recognised as a liability at 31 December 2024. The amount of the 2024 proposed final dividend is expected to be paid on 12 June 2025 out of retained profit.

12 Fixed assets

	Land and buildings HK$ million	Telecom-munications network assets HK$ million	Other assets [(a)] HK$ million	Total HK$ million
Cost				
At 1 January 2023	28,981	70,505	88,835	188,321
Additions	1,291	2,243	18,136	21,670
Relating to subsidiaries acquired (see note 33(c))	–	–	6	6
Disposals	(273)	(908)	(2,637)	(3,818)
Transfer between categories	255	7,818	(8,073)	–
Exchange translation differences	685	2,580	2,512	5,777
At 31 December 2023 and 1 January 2024	**30,939**	**82,238**	**98,779**	**211,956**
Additions	**1,404**	**2,296**	**16,665**	**20,365**
Relating to subsidiaries acquired (see note 33(c))	**–**	**451**	**177**	**628**
Disposals	**(310)**	**(5,109)**	**(6,125)**	**(11,544)**
Relating to subsidiaries disposed (see note 33(d))	**(119)**	**–**	**(5,096)**	**(5,215)**
Transfer between categories	**431**	**6,118**	**(6,549)**	**–**
Exchange translation differences	**(1,221)**	**(3,785)**	**(3,541)**	**(8,547)**
At 31 December 2024	**31,124**	**82,209**	**94,310**	**207,643**
Accumulated depreciation and impairment				
At 1 January 2023	7,210	30,943	37,518	75,671
Charge for the year	1,093	8,256	8,201	17,550
Disposals	(270)	(783)	(2,424)	(3,477)
Transfer between categories	–	(42)	42	–
Exchange translation differences	333	1,327	726	2,386
At 31 December 2023 and 1 January 2024	**8,366**	**39,701**	**44,063**	**92,130**
Charge for the year	**1,104**	**8,991**	**7,767**	**17,862**
Impairment recognised (see note 7(e))	**–**	**1,221**	**15**	**1,236**
Disposals	**(308)**	**(5,047)**	**(5,946)**	**(11,301)**
Relating to subsidiaries disposed (see note 33(d))	**(119)**	**–**	**(383)**	**(502)**
Transfer between categories	**–**	**4**	**(4)**	**–**
Exchange translation differences	**(116)**	**(1,842)**	**(1,601)**	**(3,559)**
At 31 December 2024	**8,927**	**43,028**	**43,911**	**95,866**
Net book value				
At 31 December 2024	**22,197**	**39,181**	**50,399**	**111,777**
At 31 December 2023	22,573	42,537	54,716	119,826
At 1 January 2023	21,771	39,562	51,317	112,650

(a) Net book value of other assets of HK$50,399 million (2023: HK$54,716 million) primarily relate to fixed assets used in business of Ports and related services of HK$17,094 million (2023: HK$21,837 million), Telecommunications of HK$23,715 million (2023: HK$23,411 million), and Infrastructure of HK$1,259 million (2023: HK$1,476 million).

As at 31 December 2024, other assets with a net book value of HK$15,433 million (2023: HK$22,227 million) are assets under construction.

12 Fixed assets (continued)

(b) The analysis of the Group's aggregate future minimum lease receivable under non-cancellable operating leases of fixed assets is as follows:

	2024 HK$ million	2023 HK$ million
Within 1 year	**81**	80
Between 1 and 2 years	**18**	13
Between 2 and 3 years	**4**	2
Between 3 and 4 years	**2**	2
Between 4 and 5 years	**2**	6
After 5 years	**4**	1
	111	104

13 Leases

(a) Group as a lessee – amounts recognised in the consolidated statement of financial position

	2024 HK$ million	2023 HK$ million
Right-of-use assets		
Container terminals	**14,818**	15,312
Retail stores	**19,924**	20,653
Telecommunications network infrastructure sites	**12,956**	14,688
Leasehold land	**5,443**	5,958
Other assets	**4,448**	4,587
	57,589	61,198
Lease liabilities		
Current	**12,142**	13,616
Non-current	**52,377**	54,307
	64,519	67,923

Additions to the right-of-use assets and lease liabilities during the year ended 31 December 2024 were HK$7,567 million (2023: HK$8,871 million) and HK$7,534 million (2023: HK$8,871 million), respectively.

13 Leases (continued)

(b) Group as a lessee – additional disclosures

	2024 HK$ million	2023 HK$ million
Depreciation charge of right-of-use assets (included in "Depreciation and amortisation")		
Container terminals	**949**	1,080
Retail stores	**6,521**	6,721
Telecommunications network infrastructure sites	**5,585**	5,203
Leasehold land	**348**	348
Other assets	**1,228**	1,299
	14,631	14,651
Interest on lease liabilities (included in "Interest expenses and other finance costs")	**2,757**	2,546
Expenses relating to short-term leases (included in "Other expenses and losses")	**850**	498
Expenses relating to leases of low-value assets that are not short-term leases (included in "Other expenses and losses")	**491**	568
Expenses relating to variable lease payments not included in lease liabilities (included in "Other expenses and losses")	**2,168**	2,253

The total cash outflow for leases in 2024 was HK$20,235 million (2023: HK$20,025 million), of which HK$6,132 million (2023: HK$5,549 million) is included in operating cash flows and HK$14,103 million (2023: HK$14,476 million) is included in financing cash flows (see note 33(e)).

Variable lease payments

Some retail store leases contain variable payment terms that are linked to sales generated from a store. There is a wide range of sales percentages applied to such leases. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

A 1% increase in sales across all stores / operations in the companies with leases containing variable lease payment terms that are linked to sales would increase total lease payments by approximately 0.1% or HK$17 million (2023: approximately 0.1% or HK$20 million).

13 Leases (continued)

(b) Group as a lessee – additional disclosures (continued)

Extension and termination options

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

As at 31 December 2024, in accordance with the applicable provision in HKFRS 16, potential future cash outflows of HK$7,021 million (2023: HK$8,635 million) (undiscounted) have not been included in calculating the lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated).

Residual value guarantees

As at 31 December 2024, no residual value guarantee (2023: HK$15 million) is expected to be payable and include in calculating the lease liabilities.

Leases not yet commenced to which the lessee is committed

At 31 December 2024, the Group is committed to leases that are not yet commenced, and the lease payments payable under which amounted to HK$94 million (2023: HK$19 million). This amount has not been included in calculating the lease liabilities as at 31 December 2024.

Restriction or covenants imposed by leases

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(c) Group as a lessor

	2024 HK$ million	2023 HK$ million
Income from subleasing right-of-use assets (included in "Other expenses and losses")	**116**	182

The analysis of the Group's aggregate future minimum lease receivable under non-cancellable operating leases from subleasing right-of-use assets is as follows:

	2024 HK$ million	2023 HK$ million
Within 1 year	**87**	153
Between 1 and 2 years	**31**	70
Between 2 and 3 years	**21**	49
Between 3 and 4 years	**16**	37
Between 4 and 5 years	**10**	33
After 5 years	**9**	27
	174	369

In addition, the Group has recognised income of HK$244 million (2023: HK$217 million) from leasing of fixed assets for the year ended 31 December 2024.

14 Telecommunications licences

	2024 HK$ million	2023 HK$ million
Net book value		
At 1 January	**64,264**	60,689
Additions	**72**	1,956
Relating to subsidiaries acquired (see note 33(c))	**3,368**	–
Amortisation for the year	**(907)**	(953)
Exchange translation differences	**(2,928)**	2,572
At 31 December	**63,869**	64,264
Cost	**71,600**	71,396
Accumulated amortisation and impairment	**(7,731)**	(7,132)
	63,869	64,264

The Group's telecommunications licences in the UK and Italy are considered to have an indefinite useful life. At 31 December 2024, telecommunications licences with indefinite useful life in the UK and Italy with a carrying value of HK$19,737 million and HK$31,704 million respectively (2023: HK$19,914 million and HK$33,781 million respectively) have been allocated to the Telecommunications segment.

15 Brand names and other rights

	Brand names HK$ million	Other rights HK$ million	Total HK$ million
Net book value			
At 1 January 2023	66,899	16,795	83,694
Additions	–	1,675	1,675
Amortisation for the year	(11)	(3,251)	(3,262)
Relating to subsidiaries acquired (see note 33(c))	3	6	9
Exchange translation differences	1,163	117	1,280
At 31 December 2023 and 1 January 2024	**68,054**	**15,342**	**83,396**
Additions	**–**	**1,913**	**1,913**
Amortisation for the year	**(11)**	**(3,146)**	**(3,157)**
Relating to subsidiaries acquired (see note 33(c))	**–**	**18**	**18**
Exchange translation differences	**(1,484)**	**(1,445)**	**(2,929)**
At 31 December 2024	**66,559**	**12,682**	**79,241**
Cost	**66,661**	**32,660**	**99,321**
Accumulated amortisation and impairment	**(102)**	**(19,978)**	**(20,080)**
	66,559	**12,682**	**79,241**

Brand names considered to have an indefinite useful life are not subject to amortisation. The carrying value of brand names with indefinite useful life at 31 December 2024 of HK$49,181 million (2023: HK$49,730 million) and HK$17,235 million (2023: HK$18,156 million) has been attributed to Retail segment and the Telecommunications segment respectively.

Other rights, primarily include operating and service content rights, and resource consents and customer lists. These rights are amortised over their finite useful lives. At 31 December 2024, the carrying value of these rights amounted to HK$8,423 million (2023: HK$9,773 million) and HK$4,259 million (2023: HK$5,569 million) respectively.

16 Goodwill

	2024 HK$ million	2023 HK$ million
Net book value		
At 1 January	**271,136**	268,008
Relating to subsidiaries acquired (see note 33(c))	**1,451**	75
Exchange translation differences	**(5,262)**	3,053
At 31 December	**267,325**	271,136
Cost	**291,757**	297,159
Accumulated impairment	**(24,432)**	(26,023)
	267,325	271,136

Goodwill is monitored by the management at the level of the operating segments identified (see note 5). As at 31 December 2024, the carrying amount of goodwill are mainly allocated to Telecommunications segment of HK$81,085 million (2023: HK$84,897 million), Retail segment of HK$114,095 million (2023: HK$114,099 million), and Infrastructure segment of HK$39,129 million (2023: HK$39,123 million).

Management tests whether goodwill and intangible assets that have an indefinite useful life (including certain telecommunications licences and brand names as set out in notes 14 and 15) have suffered any impairment on an annual basis and when there is an indication these assets may be impaired. The annual tests of goodwill and intangible assets with indefinite useful life for impairment were conducted at 31 December 2024. The results of the impairment tests undertaken as of 31 December 2024 indicated no impairment charge was necessary for the Group. Set out below are additional information about the estimates used to measure recoverable amounts in the 31 December 2024 annual impairment tests for the Telecommunications and Retail operations.

16 Goodwill (continued)

The recoverable amounts of the Group's Telecommunications operations at 31 December 2024 were determined based on VIU calculations. VIU is measured using discounted cash flow projections for the next five years and a calculated terminal value at the end of the five-year period. The cash flows are based on the latest approved financial budgets of the relevant telecommunications business for the next five years. Management prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of assumptions and estimates involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Key assumptions, include revenues, service margin, operating costs, growth rates used for the budget periods, and selection of discount rates and the terminal growth rate used to extrapolate cash flow projections to estimate the terminal value at the end of the five-year period. The VIU amount derived from the cash flow projections is sensitive to the discount rate used for the cash flow projections and the growth rate used for extrapolation purposes as well as the 5G revenue expectations. A discount rate (pre-tax) ranging from 4.8% to 9.6% (2023: 5.4% to 11.0%) has been applied. A growth rate, for the purpose of impairment testing calculation, ranging from 1% to 2% p.a. (2023: 1% to 2% p.a.), which is not expected to exceed the anticipated economic growth for the underlying business units, is used to extrapolate cash flow projections to estimate the terminal value of the underlying business units at the end of the five-year period.

The recoverable amounts of the Group's Retail operations at 31 December 2024 were determined based on fair value less costs of disposal ("FVLCD") calculation. Fair value is measured using discounted cash flow projections for the next five years and a calculated terminal value at the end of the five-year period (a Level 3 fair value hierarchy). The cash flows are based on the latest approved financial budgets for the next five years. Management prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of assumptions and estimates involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Key assumptions, include the expected growth in revenues and gross margin, inventory level, volume and operating costs, timing of future capital expenditures, growth rates used for the budget periods, and selection of discount rates and the terminal growth rate used to extrapolate cash flow projections to estimate the terminal value at the end of the five-year period. The FVLCD amount derived from the cash flow projections is sensitive to the discount rate used for the discounted cash flow projections and the growth rate used for extrapolation purposes. A discount rate (post-tax) of 7.0% (2023: 8.4%) has been applied. In estimating the terminal value at the end of the five-year period, a growth rate, for the purpose of impairment testing calculation, of 2.6% p.a. (2023: 3.9% p.a.), which is not expected to exceed the anticipated economic growth for the business, has been used to extrapolate cash flow projections.

The results of the impairment tests undertaken as at 31 December 2024 and 2023 indicated no impairment charge was necessary for goodwill and intangible assets of the Group. In performing the impairment tests for these assets, the management has considered and assessed reasonably possible changes for key assumptions and has not identified any instance that could cause the recoverable amount to fall below the carrying value.

Please refer to note 45(b)(i) for the significant accounting judgement applied, estimates and assumptions made in assessing whether goodwill has suffered any impairment.

17 Associated companies

	2024 HK$ million	2023 HK$ million
Unlisted shares	**11,193**	9,071
Listed shares, Hong Kong	**62,919**	62,919
Listed shares, outside Hong Kong	**80,612**	80,837
Share of undistributed post acquisition reserves	**(16,005)**	(12,081)
	138,719	140,746
Amounts due from (net with amounts due to) associated companies [a]	**1,136**	2,892
	139,855	143,638

The market value of the above listed investments at 31 December 2024 was HK$111,361 million (2023: HK$112,390 million), inclusive of HK$37,292 million (2023: HK$41,370 million) and HK$41,598 million (2023: HK$34,614 million) for Cenovus Energy and Power Assets Holdings Limited ("Power Assets") respectively.

There are no material contingent liabilities relating to the Group's interests in associated companies, save for those disclosed in note 36.

(a) Amounts due from (net with amounts due to) associated companies

	2024 HK$ million	2023 HK$ million
Amounts due from associated companies [i]		
Interest free	**428**	410
Interest bearing at fixed rates [ii]	**839**	2,618
Interest bearing at floating rates [iii]	**404**	407
	1,671	3,435
Amounts due to associated companies [iv]		
Interest free	**535**	543
Amounts due from (net with amounts due to) associated companies	**1,136**	2,892

17 Associated companies (continued)

(a) Amounts due from (net with amounts due to) associated companies (continued)

(i) At 31 December 2024 and 2023, the amounts due from associated companies are unsecured and have no fixed terms of repayment.

Amounts due from associated companies are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of the amounts due from associated companies. The expected credit loss was minimal as the amounts were due from companies which the Group has significant influence, and where applicable, including participation in their financial and operating policies, and which are subject to the Group's financial and investment requirements. These amounts had no recent history of default. The Group is not aware of any unfavourable current conditions and forecast future economic conditions existed at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets.

(ii) At 31 December 2024, HK$839 million (2023: HK$2,618 million) bear interests at fixed rates ranging from approximately 4.7% to 11.2% (2023: 4.7% to 11.2%) per annum.

(iii) At 31 December 2024, HK$404 million (2023: HK$407 million) bear interests at floating rates ranging from approximately 5.0% to 5.8% (2023: 6.0% to 6.4%) per annum with reference to Euro Interbank Offered Rate ("EURIBOR") and Hong Kong Interbank Offered Rate ("HIBOR"), where applicable.

(iv) At 31 December 2024 and 2023, the amounts due to associated companies are unsecured and have no fixed terms of repayment.

(b) Material associated companies

Set out below are additional information in respect of the Group's material associated companies:

	2024		2023	
	Cenovus Energy HK$ million	**Power Assets HK$ million**	Cenovus Energy HK$ million	Power Assets HK$ million
Dividends received from associated companies	**1,465**	**2,164**	964	2,164
Gross amount of the following items of the associated companies [(i)]:				
Total revenue	**309,396**	**919**	304,130	1,292
EBITDA	**54,433**	**18,747**	60,278	18,733
EBIT	**26,321**	**12,577**	33,224	13,077
Other comprehensive income (losses)	**(17,735)**	**(1,785)**	3,706	1,901
Total comprehensive income (losses)	**(2,315)**	**4,334**	25,882	7,904
Current assets	**56,344**	**3,488**	57,898	4,359
Non-current assets	**347,556**	**128,219**	367,380	128,973
Current liabilities	**39,755**	**4,077**	36,763	3,249
Non-current liabilities	**104,803**	**2,924**	112,439	3,701
Net assets (net of preferred shares and non-controlling interests)	**257,274**	**124,706**	272,773	126,382
Reconciliation to the carrying amount of the Group's interests in associated companies:				
Group's interest	**17.4%**	**36.0%**	16.9%	36.0%
Group's share of net assets	**44,677**	**44,912**	46,180	45,515
Carrying amount	**44,677**	**44,912**	46,180	45,515

17 Associated companies (continued)

(b) Material associated companies (continued)

The carrying amount of the Group's interests in all individually immaterial associated companies that are accounted for using the equity method of accounting is HK$50,266 million (2023: HK$51,943 million).

	2024				2023			
	Cenovus Energy	**Power Assets**	**Other associated companies**	**Total**	Cenovus Energy	Power Assets	Other associated companies	Total
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million	HK$ million
Group's share of the following items of the associated companies [(i)]:								
Profits less losses after tax	**3,041**	**2,204**	**1,658**	**6,903**	3,963	2,161	2,014	8,138
Other comprehensive income (losses)	**(3,080)**	**(643)**	**(2,030)**	**(5,753)**	627	685	17	1,329
Total comprehensive income (losses)	**(39)**	**1,561**	**(372)**	**1,150**	4,590	2,846	2,031	9,467

(i) After translation into Hong Kong dollar and consolidation adjustments.

Particulars regarding the principal associated companies are set forth on pages 255 to 258.

18 Interests in joint ventures

	2024	2023
	HK$ million	HK$ million
Unlisted shares	**133,389**	127,116
Share of undistributed post acquisition reserves	**4,136**	7,154
	137,525	134,270
Amounts due from (net with amounts due to) joint ventures [(a)]	**16,683**	22,067
	154,208	156,337

There are no material contingent liabilities relating to the Group's interests in the joint ventures, save for those disclosed in note 36.

18 Interests in joint ventures (continued)

(a) Amounts due from (net with amounts due to) joint ventures

	2024 HK$ million	2023 HK$ million
Amounts due from joint ventures [(i)]		
Interest free	**2,525**	2,239
Interest bearing at fixed rates [(ii)]	**5,972**	7,972
Interest bearing at floating rates [(iii)]	**8,456**	12,166
	16,953	22,377
Amounts due to joint ventures [(iv)]		
Interest free	**270**	310
Amounts due from (net with amounts due to) joint ventures	**16,683**	22,067

(i) At 31 December 2024 and 2023, the amounts due from joint ventures are unsecured and have no fixed terms of repayment except for HK$322 million which are repayable within one year (2023: HK$32 million which are repayable within one to two years).

Amounts due from joint ventures are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of the amounts due from joint ventures. The expected credit loss was minimal as the amounts were due from companies which the Group has joint control, and where applicable, including participation in their financial and operating policies, and which are subject to the Group's financial and investment requirements. These amounts had no recent history of default. The Group is not aware of any unfavourable current conditions and forecast future economic conditions existed at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets.

(ii) At 31 December 2024, HK$5,972 million (2023: HK$7,972 million) bear interests at fixed rates ranging from approximately 4.2% to 10.0% (2023: 4.4% to 11.0%) per annum.

(iii) At 31 December 2024, HK$8,456 million (2023: HK$12,166 million) bear interests at floating rates ranging from approximately 3.7% to 7.7% (2023: 4.1% to 8.3%) per annum with reference to Australian Bank Bill Swap Reference Rate, EURIBOR and HIBOR, where applicable.

(iv) At 31 December 2024 and 2023, the amounts due to joint ventures are unsecured and have no fixed terms of repayment.

(b) Set out below are the aggregate amount of the Group's share of the following items of joint ventures:

	2024 HK$ million	2023 HK$ million
Profits less losses after tax	**9,757**	7,990
Other comprehensive income (losses)	**(6,256)**	3,997
Total comprehensive income	**3,501**	11,987
Capital commitments	**3,929**	13,880

As at 31 December 2024 and 2023, no interests in joint ventures are individually material to the Group. Particulars regarding the principal joint ventures are set forth on pages 255 to 258.

19 Deferred tax

	2024 HK$ million	2023 HK$ million
Deferred tax assets	**18,140**	21,074
Deferred tax liabilities	**17,974**	19,572
Net deferred tax assets	**166**	1,502

Movements in net deferred tax assets are summarised as follows:

	2024 HK$ million	2023 HK$ million
At 1 January	**1,502**	(781)
Relating to subsidiaries acquired	**(354)**	3
Relating to subsidiaries disposed	**35**	–
Transfer to current tax	**(15)**	6
Net credit (charge) to other comprehensive income	**(85)**	380
Net credit (charge) to the consolidated income statement		
Tax losses	**(1,184)**	1,617
Accelerated depreciation allowances	**(1,005)**	(62)
Fair value adjustments arising from acquisitions	**(154)**	(551)
Withholding tax on undistributed profits	**49**	(48)
Other temporary differences	**1,766**	160
Exchange translation differences	**(389)**	778
At 31 December	**166**	1,502

Analysis of net deferred tax assets:

	2024 HK$ million	2023 HK$ million
Tax losses	**15,289**	16,865
Accelerated depreciation allowances	**(3,365)**	(2,425)
Fair value adjustments arising from acquisitions	**(12,492)**	(12,268)
Revaluation of investment properties and other investments	**24**	20
Withholding tax on undistributed profits	**(842)**	(912)
Other temporary differences	**1,552**	222
	166	1,502

19 Deferred tax (continued)

The Group is subject to income taxes in numerous jurisdictions and significant judgement is required in determining the provision for income taxes. To the extent that dividends distributed from investments in subsidiaries, branches and associated companies, and interests in joint ventures are expected to result in additional taxes, appropriate amounts have been provided for. No deferred tax has been provided for the temporary differences arising from undistributed profits of these companies to the extent that the undistributed profits are considered permanently employed in their businesses and it is probable that such temporary differences will not reverse in the foreseeable future.

The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same fiscal authority.

At 31 December 2024, the Group has recognised accumulated deferred tax assets amounting to HK$18,140 million (2023: HK$21,074 million) of which HK$14,269 million (2023: HK$16,973 million) relates to **3** Group Europe.

Note 45(b)(v) contains information about the estimates, assumptions and judgements relating to the recognition of deferred tax assets for unutilised tax losses carried forward.

The amounts of unutilised tax losses and deductible temporary differences for which no deferred tax assets is recognised in the consolidated statement of financial position at 31 December 2024 were HK$502,204 million (2023: HK$531,915 million) and HK$25,794 million (2023: HK$27,472 million), respectively, totalling HK$527,998 million (2023: HK$559,387 million). The current year's amounts included balances that are subject to agreement by relevant tax authorities.

These unutilised tax losses and deductible temporary differences can be carried forward against future taxable income. Of the total amounts unrecognised, HK$166,087 million (2023: HK$174,454 million) has no expiry date, HK$8,008 million (2023: HK$8,269 million) is expected to expire within 10 years and the remaining balances is expected to expire after 10 years.

20 Liquid funds and other listed investments

	2024 HK$ million	2023 HK$ million
Financial assets at amortised cost		
Managed funds – cash and cash equivalents, outside Hong Kong [c]	**34**	50
Financial assets at fair value through other comprehensive income ("FVOCI") [d]		
Listed equity securities, Hong Kong [e]	**536**	608
Listed equity securities, outside Hong Kong [e]	**747**	8,589
Managed funds – listed debt securities, outside Hong Kong [b] [f]	**6,825**	6,539
	8,142	15,786

(a) At 31 December, liquid funds and other listed investments totalling HK$8,142 million (2023: HK$15,786 million) are denominated in the following currencies:

	2024		2023	
	Financial assets at amortised cost Percentage	Financial assets at FVOCI Percentage	Financial assets at amortised cost Percentage	Financial assets at FVOCI Percentage
HK dollar	**–**	**7%**	–	4%
US dollar	**100%**	**84%**	100%	42%
Other currencies	**–**	**9%**	–	54%
	100%	**100%**	100%	100%

See note 40(a) for further analysis.

20 Liquid funds and other listed investments (continued)

(b) At 31 December, listed debt securities totalling HK$6,825 million (2023: HK$6,539 million) presented above are analysed as follows:

	2024	2023
	Financial assets at FVOCI	Financial assets at FVOCI
	Percentage	Percentage
Credit ratings		
Aaa/AAA	**15%**	14%
Aa1/AA+	**85%**	86%
	100%	100%
Sectorial		
US Treasury notes	**74%**	72%
Government and government guaranteed notes	**22%**	25%
Others	**4%**	3%
	100%	100%
Weighted average maturity	**1.1 years**	1.8 years
Weighted average effective yield	**2.73%**	1.61%

(c) "Managed funds – cash and cash equivalents" are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of the "Managed funds – cash and cash equivalents". These amounts were held with reputable financial institutions. The Group controls the credit risk to non-performance by the counterparties, where applicable, through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed. Accordingly, these assets are considered to be of low credit risk.

(d) The fair values are based on quoted market prices.

(e) These equity securities are not investments held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at FVOCI. As at 31 December 2024, the Group has collar agreements with banks to hedge fair values of certain of these listed equity securities. Fair value surplus of HK$14 million at 31 December 2024 of these collar arrangements are included in current assets (see note 24). For the comparative balance as at 31 December 2023, fair value deficits of HK$297 million and HK$59 million are included in current and non-current liabilities (see notes 26 and 30, respectively).

(f) "Managed funds – listed debt securities" comprised predominately US Treasury notes and government and government guaranteed notes. All (2023: All) of the carrying amount of these assets at 31 December 2024 were rated at Aaa / AAA or Aa1 / AA+. These assets are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was required at the reporting date in respect of these assets.

21 Other non-current assets

	2024 HK$ million	2023 HK$ million
Investment properties (see note 22)	**389**	408
Customer acquisition and retention costs [(a)]	**4,231**	4,290
Contract assets (see note 24(b))	**3,202**	3,826
Unlisted investments		
Financial assets at FVOCI – equity securities [(b)]	**1,933**	2,189
Financial assets at fair value through profit or loss – equity securities	**366**	369
Financial assets at fair value through profit or loss – debt securities	**414**	604
Pension assets (see note 29)	**2,239**	1,428
Derivative financial instruments		
Cash flow hedges		
Interest rate swaps	**–**	52
Cross currency interest rate swaps	**227**	150
Net investment hedges		
Cross currency swaps	**1,281**	572
Other non-current assets [(c)]	**5,921**	5,974
	20,203	19,862

(a) Customer acquisition and retention costs primarily relate to incremental commission costs incurred to obtain telecommunications contracts with customers. The amount of customer acquisition and retention costs shown above is after deducting the amortisation charged to the current year's consolidated income statement of HK$3,903 million (2023: HK$3,667 million). Further, there was no impairment loss in relation to the cost capitalised. The Group applies the practical expedient in paragraph 94 of HKFRS 15, and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the costs that the Group otherwise would have recognised is one year or less.

(b) These equity securities are not investments held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at fair value through other comprehensive income. The Group considered this FVOCI category to be an appropriate classification. Fair value for these investments are determined by using valuation techniques, including discounted cashflow analysis.

(c) Amount included lease receivables of HK$875 million (2023: HK$507 million), which are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of lease receivables. The expected credit loss was minimal as lease receivables are from entities which are subject to the Group's lease acceptance requirements. There was no unfavourable current conditions and forecast future economic conditions at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets. The remaining balances are mainly prepayments of telecommunications annual licences fee.

22 Investment properties

Investment properties are included in "Other non-current assets" (see note 21) in the consolidated statement of financial position.

	2024 **HK$ million**	2023 HK$ million
Valuation		
At 1 January	**408**	408
Decrease in fair value of investment properties	**(19)**	–
At 31 December	**389**	408

At 31 December 2024, investment properties amounting to HK$389 million (2023: HK$408 million) were measured at fair value based on value inputs, other than quoted prices, that were observable either directly or indirectly. The fair values of the investment properties at 31 December 2024 and 2023 were determined based on a valuation carried out by Cushman & Wakefield Limited, professional valuers. The valuation which reflected the highest and best use was arrived at by reference to comparable market transactions and also took reference of capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential of the properties. There were no transfers among Level 1, Level 2 and Level 3 during the year. The Group's policy is to recognise transfers into/out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

At 31 December 2024 and 2023, the Group's aggregate future minimum lease receivable under non-cancellable operating leases is not material.

23 Cash and cash equivalents

	2024 **HK$ million**	2023 HK$ million
Cash at bank and in hand	**26,734**	34,000
Short term bank deposits	**94,569**	93,323
	121,303	127,323

The carrying amounts of cash and cash equivalents approximate their fair values.

Cash and cash equivalents were held with reputable financial institutions. The Group controls the credit risk to non-performance by the counterparties, where applicable, through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed. Accordingly, cash and cash equivalents are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of these assets.

See note 40(a) for further analysis.

24 Trade receivables and other current assets

	2024 HK$ million	2023 HK$ million
Trade receivables [a]	**18,825**	20,264
Less: loss allowance provision	**(3,498)**	(3,967)
	15,327	16,297
Other current assets		
Derivative financial instruments		
Fair value hedges – collar agreements	**14**	–
Cash flow hedges		
Interest rate swaps	**7**	–
Forward foreign exchange contracts	**5**	–
Other contracts	**1**	26
Net investment hedges		
Forward foreign exchange contracts	**436**	201
Cross currency swaps	**79**	336
Contract assets [b]	**3,919**	3,754
Prepayments	**13,908**	16,361
Other receivables [c]	**12,169**	13,491
Current tax receivables	**102**	124
	45,967	50,590

(a) Trade receivables are stated at the expected recoverable amount, net of any provision for estimated impairment losses where it is deemed that a receivable may not be fully recoverable. The carrying amounts of these assets approximate their fair values.

Trade receivables exposures are managed locally in the operating units where they arise and credit limits are set as deemed appropriate for the customer. The Group's operating units have established credit policies for customers. The average credit period granted for trade receivables ranges from 30 to 60 days. Trade receivables which are past due at the end of the reporting period are stated at the expected recoverable amount, after netting of provision for estimated impairment losses. Given the profile of the Group's customers and the Group's different types of businesses, the Group generally does not hold collateral over these balances.

The Group's five largest customers contributed less than 5% of the Group's revenue for the year ended 31 December 2024 (2023: less than 5%).

At 31 December, the ageing analysis of the trade receivables presented based on the invoice date, is as follows:

	2024 HK$ million	2023 HK$ million
Less than 31 days	**11,532**	11,996
Within 31 to 60 days	**1,655**	1,874
Within 61 to 180 days	**1,504**	1,523
Over 180 days	**4,134**	4,871
	18,825	20,264

24 Trade receivables and other current assets (continued)

Movements on the loss allowance provision for trade receivables are as follows:

	2024 HK$ million	2023 HK$ million
At 1 January	**3,967**	3,705
Additions	**717**	653
Utilisations	**(936)**	(492)
Write back	**(32)**	(41)
Exchange translation differences	**(218)**	142
At 31 December	**3,498**	3,967

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for trade receivables. The expected credit loss provision rates for trade receivables are based on historical payment profiles and historical credit loss experience, adjusted to reflect, where relevant and appropriate, current and information specific to the debtors, future economic and market conditions and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables that the Group considers are reasonable and appropriate. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The gross carrying amount of the trade receivables and the loss allowance provision analysed by ageing bands are set out below.

	2024			2023		
	Gross carrying amount HK$ million	Loss allowance provision HK$ million	Expected loss rate Percentage	Gross carrying amount HK$ million	Loss allowance provision HK$ million	Expected loss rate Percentage
Not past due	**9,674**	**106**	**1%**	9,965	89	1%
Past due less than 31 days	**3,114**	**81**	**3%**	3,501	67	2%
Past due within 31 to 60 days	**817**	**29**	**4%**	787	70	9%
Past due within 61 to 180 days	**1,215**	**229**	**19%**	1,291	380	29%
Past due over 180 days	**4,005**	**3,053**	**76%**	4,720	3,361	71%
	18,825	**3,498**		20,264	3,967	

24 Trade receivables and other current assets (continued)

(b) As at 31 December 2024, contract assets of HK$3,919 million (2023: HK$3,754 million) and HK$3,202 million (2023: HK$3,826 million) are included in "Trade receivables and other current assets" (see above) and "Other non-current assets" (see note 21) respectively. These assets are stated at the expected recoverable amount, after netting of provision for estimated impairment losses of HK$1,926 million (2023: HK$1,637 million). The Group measures the loss allowance for its contract assets at an amount equal to the lifetime expected credit losses. Movement on the provision for estimated impairment losses are as follows:

	2024 **HK$ million**	2023 HK$ million
At 1 January	**1,637**	1,525
Additions	**1,018**	927
Utilisations	**(595)**	(823)
Write back	**(54)**	(55)
Exchange translation differences	**(80)**	63
At 31 December	**1,926**	1,637

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The Group's historical credit loss experience does not indicate a substantial different loss pattern for contract assets as compared to trade receivables for similar customer bases. The Group makes reference to the expected credit loss provision rates for trade receivables to measure the contract assets' expected credit losses. The rates are adjusted to reflect information specific to the contract assets that may affect the recovery of the carrying amount of the contract assets.

(c) Other receivables are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of other receivables.

25 Bank and other debts

	2024			2023		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Principal amounts						
Bank loans	**24,896**	**62,944**	**87,840**	24,484	65,036	89,520
Other loans	**4**	**64**	**68**	154	72	226
Notes and bonds	**6,068**	**162,072**	**168,140**	33,755	147,900	181,655
	30,968	**225,080**	**256,048**	58,393	213,008	271,401
Unamortised fair value adjustments arising from acquisitions	**–**	**1,955**	**1,955**	18	2,275	2,293
Subtotal before the following items	**30,968**	**227,035**	**258,003**	58,411	215,283	273,694
Unamortised loan facilities fees and premiums or discounts related to debts	**(12)**	**(1,599)**	**(1,611)**	(87)	(1,685)	(1,772)
	30,956	**225,436**	**256,392**	58,324	213,598	271,922

25 Bank and other debts (continued)

Details of the bank and other debts by principal amounts are as follows:

	2024			2023		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans	**24,896**	**62,944**	**87,840**	24,484	65,036	89,520
Other loans	**4**	**64**	**68**	154	72	226
Notes and bonds						
HK$2,413 million notes, 3-mth HIBOR^ + 0.32% due 2024	**–**	**–**	**–**	2,413	–	2,413
HK$260 million notes, 4% due 2027	**–**	**260**	**260**	–	260	260
US$750 million notes, 3.25% due 2024	**–**	**–**	**–**	5,850	–	5,850
US$1,500 million notes, 3.625% due 2024	**–**	**–**	**–**	11,700	–	11,700
US$500 million notes, 1.5% due 2026	**–**	**3,900**	**3,900**	–	3,900	3,900
US$500 million notes, 2.75% due 2026	**–**	**3,900**	**3,900**	–	3,900	3,900
US$309 million notes – Series C, 7.5% due 2027	**–**	**2,410**	**2,410**	–	2,410	2,410
US$500 million notes, 3.25% due 2027	**–**	**3,900**	**3,900**	–	3,900	3,900
US$800 million notes, 3.5% due 2027	**–**	**6,240**	**6,240**	–	6,240	6,240
US$1,250 million notes, 4.75% due 2028	**–**	**9,750**	**9,750**	–	9,750	9,750
US$500 million notes, 2.75% due 2029	**–**	**3,900**	**3,900**	–	3,900	3,900
US$750 million notes, 3.625% due 2029	**–**	**5,850**	**5,850**	–	5,850	5,850
US$1,000 million notes, 5.375% due 2029	**–**	**7,800**	**7,800**	–	–	–
US$500 million notes, 4.375% due 2030	**–**	**3,900**	**3,900**	–	–	–
US$750 million notes, 2.5% due 2030	**–**	**5,850**	**5,850**	–	5,850	5,850
US$850 million notes, 2.5% due 2031	**–**	**6,630**	**6,630**	–	6,630	6,630
US$1,039 million notes, 7.45% due 2033	**–**	**8,107**	**8,107**	–	8,107	8,107
US$1,250 million notes, 4.875% due 2033	**–**	**9,750**	**9,750**	–	9,750	9,750
US$500 million notes, 4.75% due 2034	**–**	**3,900**	**3,900**	–	–	–
US$1,000 million notes, 5.5% due 2034	**–**	**7,800**	**7,800**	–	–	–
US$25 million notes – Series D, 6.988% due 2037	**–**	**196**	**196**	–	196	196
US$650 million notes, 3.125% due 2041	**–**	**5,070**	**5,070**	–	5,070	5,070
US$750 million notes, 3.375% due 2049	**–**	**5,850**	**5,850**	–	5,850	5,850
US$750 million notes, 3.375% due 2050	**–**	**5,850**	**5,850**	–	5,850	5,850
EUR600 million bonds, 1% due 2024	**–**	**–**	**–**	5,172	–	5,172
EUR1,000 million notes, 0.875% due 2024	**–**	**–**	**–**	8,620	–	8,620
EUR750 million notes, 1.25% due 2025	**6,068**	**–**	**6,068**	–	6,465	6,465
EUR1,000 million notes, 0.75% due 2026	**–**	**8,090**	**8,090**	–	8,620	8,620
EUR650 million notes, 2% due 2028	**–**	**5,258**	**5,258**	–	5,603	5,603
EUR1,000 million notes, 1.125% due 2028	**–**	**8,090**	**8,090**	–	8,620	8,620
EUR500 million notes, 0.75% due 2029	**–**	**4,045**	**4,045**	–	4,310	4,310
EUR500 million notes, 2% due 2030	**–**	**4,045**	**4,045**	–	4,310	4,310
EUR750 million notes, 1.5% due 2031	**–**	**6,068**	**6,068**	–	6,465	6,465
EUR500 million notes, 1% due 2033	**–**	**4,045**	**4,045**	–	4,310	4,310
GBP303 million notes, 5.625% due 2026	**–**	**2,981**	**2,981**	–	3,010	3,010
GBP500 million notes, 2% due 2027	**–**	**4,920**	**4,920**	–	4,970	4,970
GBP300 million notes, 2.625% due 2034	**–**	**2,952**	**2,952**	–	2,982	2,982
JPY15,000 million notes, 2.6% due 2027	**–**	**765**	**765**	–	822	822
	6,068	**162,072**	**168,140**	33,755	147,900	181,655
	30,968	**225,080**	**256,048**	58,393	213,008	271,401

^ HIBOR represents the Hong Kong Interbank Offered Rate

25 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below:

(a) By year of repayment

	2024			2023		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans						
Within a year	**24,896**	**–**	**24,896**	24,484	–	24,484
After 1 year, but within 2 years	**–**	**22,683**	**22,683**	–	25,326	25,326
After 2 years, but within 5 years	**–**	**40,261**	**40,261**	–	39,710	39,710
	24,896	**62,944**	**87,840**	24,484	65,036	89,520
Other loans						
Within a year	**4**	**–**	**4**	154	–	154
After 1 year, but within 2 years	**–**	**4**	**4**	–	4	4
After 2 years, but within 5 years	**–**	**10**	**10**	–	10	10
After 5 years	**–**	**50**	**50**	–	58	58
	4	**64**	**68**	154	72	226
Notes and bonds						
Within a year	**6,068**	**–**	**6,068**	33,755	–	33,755
After 1 year, but within 2 years	**–**	**18,871**	**18,871**	–	6,465	6,465
After 2 years, but within 5 years	**–**	**63,188**	**63,188**	–	62,005	62,005
After 5 years	**–**	**80,013**	**80,013**	–	79,430	79,430
	6,068	**162,072**	**168,140**	33,755	147,900	181,655
	30,968	**225,080**	**256,048**	58,393	213,008	271,401

Under the terms of the major bank and other debts, the Group is required to comply with certain financial and non-financial covenants at the end of the reporting period. If the Group were to breach the covenants, the non-current portion of bank and other debts with carrying amount of HK$224,756 million that subject to the fulfilment of the covenants would become repayable within twelve months after the reporting period. The Group has complied with these covenants throughout the reporting period. There are no indications that the Group would have difficulties complying with the covenants when they will be next tested within twelve months of the reporting date.

(b) By secured and unsecured borrowings

	2024			2023		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Secured borrowings	**1,389**	**1**	**1,390**	1	1,558	1,559
Unsecured borrowings	**29,579**	**225,079**	**254,658**	58,392	211,450	269,842
	30,968	**225,080**	**256,048**	58,393	213,008	271,401

25 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below (continued):

(c) By borrowings at fixed and floating interest rate

	2024			2023		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Borrowings at fixed rate	**6,071**	**162,136**	**168,207**	31,496	147,972	179,468
Borrowings at floating rate	**24,897**	**62,944**	**87,841**	26,897	65,036	91,933
	30,968	**225,080**	**256,048**	58,393	213,008	271,401

(d) By borrowings at fixed and floating interest rate (adjusted for the effect of hedging transactions)

	2024			2023		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Borrowings at fixed rate	**9,200**	**162,136**	**171,336**	31,496	151,433	182,929
Borrowings at floating rate	**21,768**	**62,944**	**84,712**	26,897	61,575	88,472
	30,968	**225,080**	**256,048**	58,393	213,008	271,401

Derivative financial instruments are principally utilised by the Group in the management of its foreign currency and interest rate exposures.

The Group has entered into interest rate swap agreements to swap floating interest rate borrowings to fixed interest rate borrowings to mainly mitigate interest rate exposures to certain infrastructure project related borrowings. At 31 December 2024, the notional amount of the outstanding interest rate swap agreements amounted to HK$3,129 million (2023: interest rate swap agreements of HK$3,461 million) (See note 40(i)(ii)).

25 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below (continued):

(e) By currency

	2024			2023		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	Percentage	**Percentage**	**Percentage**	Percentage	Percentage	Percentage
US dollar	**7%**	**44%**	**51%**	8%	41%	49%
Euro	**2%**	**28%**	**30%**	11%	22%	33%
HK dollar	**–**	**6%**	**6%**	1%	4%	5%
British Pound	**–**	**5%**	**5%**	1%	4%	5%
Other currencies	**3%**	**5%**	**8%**	1%	7%	8%
	12%	**88%**	**100%**	22%	78%	100%

(f) By currency (adjusted for the effect of hedging transactions)

	2024			2023		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	Percentage	**Percentage**	**Percentage**	Percentage	Percentage	Percentage
US dollar	**7%**	**44%**	**51%**	8%	41%	49%
Euro	**2%**	**30%**	**32%**	11%	23%	34%
HK dollar	**–**	**6%**	**6%**	1%	4%	5%
British Pound	**–**	**3%**	**3%**	1%	3%	4%
Other currencies	**3%**	**5%**	**8%**	1%	7%	8%
	12%	**88%**	**100%**	22%	78%	100%

As at 31 December 2024, the Group had currency swap agreements with banks to swap British Pound principal amount of borrowings equivalent to HK$4,920 million (2023: British Pound principal amount of borrowings equivalent to HK$4,970 million) (see note 40(i)(ii)) to Euro principal amount of borrowings to reflect currency exposures of its underlying businesses.

26 Trade payables and other current liabilities

	2024 HK$ million	2023 HK$ million
Trade payables [(a)]	**21,861**	23,017
Other current liabilities		
Derivative financial instruments		
Fair value hedges – collar agreements	**–**	297
Cash flow hedges		
Forward foreign exchange contracts	**–**	2
Other contracts	**5**	113
Net investment hedges		
Forward foreign exchange contracts	**155**	1,072
Cross currency swaps	**238**	–
Interest free loans from non-controlling shareholders	**349**	438
Contract liabilities	**5,500**	5,948
Obligations for telecommunications licences and other rights	**861**	621
Provisions (see note 27)	**1,161**	1,552
Expenses and other accruals	**33,411**	36,471
Other payables	**19,104**	16,888
	82,645	86,419

(a) At 31 December, the ageing analysis of the trade payables is as follows:

	2024 HK$ million	2023 HK$ million
Less than 31 days	**14,782**	15,763
Within 31 to 60 days	**3,825**	3,361
Within 61 to 90 days	**1,308**	1,333
Over 90 days	**1,946**	2,560
	21,861	23,017

(b) The Group's five largest suppliers accounted for less than 19% of the Group's cost of purchases for the year ended 31 December 2024 (2023: less than 17%).

27 Provisions

	Provision for commitments, onerous contracts and other guarantees HK$ million	Closure obligations HK$ million	Assets retirement obligations HK$ million	Others HK$ million	Total HK$ million
At 1 January 2023	18,477	80	1,272	1,289	21,118
Additions	–	69	5	444	518
Interest accretion	–	–	54	–	54
Utilisations	(897)	(18)	(63)	(129)	(1,107)
Write back	(41)	(22)	(38)	(115)	(216)
Exchange translation differences	(384)	2	17	49	(316)
At 31 December 2023 and 1 January 2024	**17,155**	**111**	**1,247**	**1,538**	**20,051**
Additions	**–**	**45**	**187**	**227**	**459**
Interest accretion	**–**	**–**	**33**	**–**	**33**
Utilisations	**(390)**	**(11)**	**(65)**	**(392)**	**(858)**
Write back	**–**	**(49)**	**–**	**(28)**	**(77)**
Exchange translation differences	**(1,451)**	**(2)**	**(33)**	**(90)**	**(1,576)**
At 31 December 2024	**15,314**	**94**	**1,369**	**1,255**	**18,032**

Provisions are analysed as:

	2024 HK$ million	2023 HK$ million
Current portion (see note 26)	**1,161**	1,552
Non-current portion (see note 30)	**16,871**	18,499
	18,032	20,051

The provision for commitments, onerous contracts and other guarantees represents the unavoidable costs of meeting these commitments and obligations after deducting the associated, expected future benefits and / or estimated recoverable value. The provision for closure obligations represents the estimated costs to execute integration plans and store closures. The provision for assets retirement obligations represents the present value of the estimated future costs of dismantling and removing fixed assets when they are no longer used and restoring the sites on which they are located.

28 Interest bearing loans from non-controlling shareholders

	2024 HK$ million	2023 HK$ million
Interest bearing loans from non-controlling shareholders are analysed as:		
Current portion	**1,874**	–
Non-current portion	**1,597**	3,245
	3,471	3,245

At 31 December 2024 and 2023, these loans mainly bear interest at rates at EURIBOR +2.0%, Stockholm Interbank Offered Rate +2.0% and Stockholm Interbank Offered Rate +0.7% per annum. The carrying amounts of the borrowings approximate their fair values.

29 Pension plans

	2024 HK$ million	2023 HK$ million
Defined benefit assets (see note 21)	**2,239**	1,428
Defined benefit liabilities	**3,197**	3,536
Net defined benefit liabilities	**958**	2,108

The Group operates a number of defined benefit and defined contribution plans, the assets of which are held independently of the Group's assets in trustee administered funds.

(a) Defined benefit plans

The Group's major defined benefit plans are in Hong Kong, the United Kingdom and the Netherlands. The plans are either contributory final salary pension plans, contributory career average pay plans or non-contributory guaranteed return defined contribution plans. No other post-retirement benefits are provided.

The principal actuarial assumptions used for the purpose of the actuarial valuation were as follows:

	2024	2023
Discount rates	**2.8% – 5.5%**	3.2% – 4.7%
Future salary increases	**2.2% – 3.5%**	2.2% – 3.5%
Interest credited on two principal plans in Hong Kong	**5.0% – 6.0%**	5.0% – 6.0%

The amount recognised in the consolidated statement of financial position is determined as follows:

	2024 HK$ million	2023 HK$ million
Present value of defined benefit obligations	**16,585**	17,965
Fair value of plan assets	**15,630**	15,860
	955	2,105
Restrictions on assets recognised	**3**	3
Net defined benefit liabilities	**958**	2,108

29 Pension plans (continued)

(a) Defined benefit plans (continued)

Movements in net defined benefit liabilities and its components are as follows:

	Present value of defined benefit obligations HK$ million	Fair value of plan assets HK$ million	Asset ceiling HK$ million	Net defined benefit liabilities HK$ million
At 1 January 2024	17,965	(15,860)	3	2,108
Net charge (credit) to the consolidated income statement				
Current service cost	514	19	–	533
Past service cost and gains and losses on settlements	2	–	–	2
Interest cost (income)	625	(586)	–	39
	1,141	(567)	–	574
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial gain arising from change in demographic assumptions	(77)	–	–	(77)
Actuarial gain arising from change in financial assumptions	(1,143)	–	–	(1,143)
Actuarial loss arising from experience adjustment	118	–	–	118
Return on plan assets excluding interest income	–	419	–	419
Exchange translation differences	(658)	401	–	(257)
	(1,760)	820	–	(940)
Contributions paid by the employer	–	(766)	–	(766)
Contributions paid by the employee	118	(118)	–	–
Benefits paid	(849)	849	–	–
Relating to subsidiaries acquired (see note 33(c))	32	–	–	32
Relating to subsidiaries disposed (see note 33(d))	(45)	–	–	(45)
Transfer from (to) other liabilities	(17)	12	–	(5)
At 31 December 2024	16,585	(15,630)	3	958

29 Pension plans (continued)

(a) Defined benefit plans (continued)

Movements in net defined benefit liabilities and its components are as follows (continued):

	Present value of defined benefit obligations HK$ million	Fair value of plan assets HK$ million	Asset ceiling HK$ million	Net defined benefit liabilities HK$ million
At 1 January 2023	15,163	(13,750)	6	1,419
Net charge (credit) to the consolidated income statement				
Current service cost	360	18	–	378
Past service cost and gains and losses on settlements	70	–	–	70
Interest cost (income)	596	(589)	–	7
	1,026	(571)	–	455
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial gain arising from change in demographic assumptions	(157)	–	–	(157)
Actuarial loss arising from change in financial assumptions	1,232	–	–	1,232
Actuarial loss arising from experience adjustment	339	–	–	339
Return on plan assets excluding interest income	–	19	–	19
Change in asset ceiling	–	–	(3)	(3)
Exchange translation differences	655	(599)	–	56
	2,069	(580)	(3)	1,486
Contributions paid by the employer	–	(1,253)	–	(1,253)
Contributions paid by the employee	113	(113)	–	–
Benefits paid	(805)	805	–	–
Transfer from (to) other liabilities	399	(398)	–	1
At 31 December 2023	17,965	(15,860)	3	2,108

The net defined benefit liabilities presented above represent the deficit calculated in accordance with Hong Kong Accounting Standard 19 "Employee Benefits" ("HKAS 19") and is the difference between the present value of the defined benefit obligation and the fair value of plan assets. Management appointed actuaries to carry out a valuation of these pension plans to determine the pension obligation and the fair value of the plan assets that are required to be disclosed and accounted for in the financial statements in accordance with HKAS 19 (the "accounting actuarial valuations"). The realisation of the deficit disclosed above is contingent upon the realisation of the actuarial assumptions made which is dependent upon a number of factors including the market performance of plan assets. The accounting actuarial valuations are not used for the purposes of determining the funding contributions to the defined benefit pension plans. Contributions to fund the obligations are based upon the recommendations of independent qualified actuaries for each of the Group's pension plans to fully fund the relevant schemes on an ongoing basis. Funding requirements of the Group's major defined benefit pension plans are detailed below.

29 Pension plans (continued)

(a) Defined benefit plans (continued)

The Group operates two principal pension plans in Hong Kong. One plan, which has been closed to new entrants since 1994, provides pension benefits based on the greater of the aggregate of the employee and employer vested contributions plus a minimum interest thereon of 6% per annum, and pension benefits derived by a formula based on the final salary and years of service. An independent actuarial valuation, undertaken for funding purposes under the provision of Hong Kong's Occupational Retirement Schemes Ordinance ("ORSO"), at 30 June 2024 reported a funding level of 169% of the accrued actuarial liabilities on an ongoing basis. The valuation used the attained age valuation method and the main assumptions in the valuation are an investment return of 5% per annum, salary increases of 3.5% per annum and interest credited to balances of 6% per annum. The valuation was prepared by Tian Keat Aun – Director, Retirement Hong Kong (a Fellow of The Institute and Faculty of Actuaries), and Michael Lee – Consultant, Retirement Hong Kong of Towers Watson Hong Kong Limited. The second plan provides benefits equal to the employer vested contributions plus a minimum interest thereon of 5% per annum. As at 31 December 2024, vested benefits under this plan are fully funded in accordance with the ORSO funding requirements. During the year, forfeited contributions totalling HK$14 million (2023: HK$16 million) were used to reduce the current year's level of contributions and HK$1 million forfeited contribution was available at 31 December 2024 (2023: HK$1 million) to reduce future years' contributions.

The Group operates three contributory defined benefit pension plans for its ports operation in the United Kingdom. The plans are all final salary in nature and they are not open to new entrants. Of the three plans, the Port of Felixstowe Pension Plan ("Felixstowe Scheme") is the principal plan. An independent actuarial valuation, undertaken for funding purposes under the provision of the Pensions Act 2004, at 31 December 2021 reported a funding level of 93% of the accrued actuarial liabilities on an ongoing basis. The sponsoring employer has since made additional contributions of GBP9.5 million in both 2022 and 2023 and a further contributions of GBP5.7 million in 2024 to eliminate the shortfall. The valuation used the projected unit credit method and the main assumptions in the valuation are a pre-retirement discount rate of 4.7% per annum; post-retirement discount rate of 1.7% per annum; pensionable earnings increases of 3.15% per annum; Retail Price Index ("RPI") inflation of 3.5% per annum; Consumer Price Index ("CPI") inflation of 2.9% per annum; and pension increases of 2.1% to 3.4% per annum. The valuation was prepared by Rhidian Williams FIA, a Fellow of the Institute and Faculty of Actuaries, of Quantum Advisory.

The Group's defined benefit pension plans for its ports and retail operations in the Netherlands are guaranteed contracts undertaken by insurance companies to provide defined benefit payable under the plans in return for actuarially determined contributions based on tariffs and conditions agreed for the term of the contracts. As the risk of providing past pension benefits is underwritten by the insurance companies, the Group does not carry funding risk relating to past service. The annual contribution to provide current year benefits varies in accordance with annual actuarial calculations.

The Group operates a defined benefit pension plan for certain of its retail operation in the United Kingdom. It is not open to new entrants. With effect from 28 February 2010, accrual of future defined benefits for all active members was ceased and the final salary linkage was also severed. The last triennial valuation was undertaken on 31 March 2024. This was an independent actuarial valuation, undertaken for funding purposes under the provision of the Pensions Act 2004, at 31 March 2024 which reported a funding level of 107% of the accrued actuarial liabilities on an ongoing basis. The plan was in a surplus position as at 31 March 2024 and as a result there is no requirement for the trustee to agree a recover plan. The company will continue to pay quarterly contributions to fund the scheme expenses of GBP175,000 per quarter. The valuation used the projected unit credit method and the main assumptions in the valuation are investment returns of 3.69% to 5.63% per annum and pension increases of 2.66% to 4.39% per annum for pension tranches increasing at Retail Price Inflation capped at 5% per annum. However, not all pension tranches are subject to the same level of pension increase and following an exercise completed in 2024, there are other pension tranches that increase at either fixed 4% per annum or fixed 0% per annum. The valuation was prepared by Tracey McManus, a Fellow of the Institute and Faculty of Actuaries, of Barnett Waddingham LLP.

29 Pension plans (continued)

(a) Defined benefit plans (continued)

(i) Plan assets

Fair value of the plan assets are analysed as follows:

	2024 Percentage	2023 Percentage
Equity instruments		
Consumer markets and manufacturing	**5%**	4%
Energy and utilities	**1%**	1%
Financial institutions and insurance	**4%**	3%
Telecommunications and information technology	**5%**	5%
Units trust and equity instrument funds	**3%**	4%
Others	**7%**	6%
	25%	23%
Debt instruments		
Government and government guaranteed notes	**22%**	22%
Financial institutions notes	**6%**	5%
Others	**5%**	7%
	33%	34%
Qualifying insurance policies	**30%**	31%
Other assets	**12%**	12%
	100%	100%

The debt instruments are analysed by issuers' credit rating as follows:

	2024 Percentage	2023 Percentage
Aaa / AAA	**7%**	6%
Aa1 / AA+	**16%**	12%
Aa2 / AA	**48%**	52%
Aa3 / AA-	**2%**	1%
A1 / A+	**3%**	2%
A2 / A	**5%**	4%
Other investment grades	**16%**	18%
No investment grades	**3%**	5%
	100%	100%

The fair value of the above equity instruments and debt instruments are determined based on quoted market prices.

29 Pension plans (continued)

(a) Defined benefit plans (continued)

(i) Plan assets (continued)

Fair value of plan assets of HK$15,630 million (2023: HK$15,860 million) includes investments in the Company's shares with a fair value of HK$7 million (2023: HK$10 million).

The long term strategic asset allocations of the plans are set and reviewed from time to time by the plans' trustees taking into account the membership and liability profile, and the liquidity requirements of the plans.

(ii) Defined benefit obligation

The average duration of the defined benefit obligation as at 31 December 2024 is 17 years (2023: 18 years).

The Group expects to make contributions of HK$819 million (2023: HK$958 million) to the defined benefit plans next year.

HKAS 19 "Employee Benefits" requires the disclosure of a sensitivity analysis for the significant actuarial assumptions, used to determine the present value of the defined benefit obligations, that shows the effects of a hypothetical change in the relevant actuarial assumption at the end of the reporting period on defined benefit obligations.

The effect that is disclosed in the following assumes that (a) a hypothetical change of the relevant actuarial assumption had occurred at the end of the reporting period and had applied to the relevant actuarial assumption in existence on that date; and (b) the sensitivity analysis for each type of actuarial assumption does not reflect inter-dependencies between different assumptions.

The preparation and presentation of the sensitivity analysis for significant actuarial assumptions is solely for compliance with HKAS 19 disclosure requirements in respect of defined benefit obligations. The sensitivity analysis measures changes in the defined benefit obligations from hypothetical instantaneous changes in one actuarial assumption (e.g. discount rate or future salary increase), the amount so generated from the sensitivity analysis are "what-if" forward-looking estimates. The sensitivity analysis are for illustration purposes only and it should be noted that in practice actuarial assumptions rarely change in isolation. Actual results in the future may differ materially from the sensitivity analysis due to developments in the markets which may cause fluctuations in actuarial assumptions (e.g. discount rate or future salary increase) to vary and therefore it is important to note that the hypothetical amounts so generated do not present a projection of likely future events and profits or losses.

If the discount rate is 0.25% higher or lower, the defined benefit obligation would decrease by 3.5% or increase by 3.8% respectively (2023: decrease by 2.9% or increase by 3.1% respectively).

If the future salary increase is 0.25% higher or lower, the defined benefit obligation would increase by 0.5% or decrease by 0.5% respectively (2023: increase by 0.6% or decrease by 0.5% respectively).

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the consolidated statement of financial position.

(b) Defined contribution plans

The Group's cost in respect of defined contribution plans for the year amounted to HK$1,354 million (2023: HK$1,505 million) which has been charged to the profit or loss for the year. Forfeited contributions of HK$15 million (2023: HK$15 million) were used to reduce the current year's level of contributions and no forfeited contribution was available at 31 December 2024 (2023: nil) to reduce future years' contributions.

30 Other non-current liabilities

	2024 HK$ million	2023 HK$ million
Derivative financial instruments		
Fair value hedges – collar agreements	–	59
Cash flow hedges		
Other contracts	–	1
Net investment hedges		
Cross currency swaps	2	465
Other derivative financial instruments	91	–
Obligations for telecommunications licences and other rights	3,122	3,994
Other non-current liabilities	6,132	6,387
Liabilities relating to the economic benefits agreements	2,166	2,166
Provisions (see note 27)	16,871	18,499
	28,384	31,571

31 Share capital, share premium, perpetual capital securities and capital management

(a) Share capital and share premium

	Number of shares	Share capital HK$ million	Share premium HK$ million	Total HK$ million
Authorised:				
Ordinary shares of HK$1 each	8,000,000,000	8,000	–	8,000
Issued and fully paid:				
Ordinary shares				
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	3,830,044,500	3,830	242,972	246,802

(b) Perpetual capital securities

	2024 HK$ million	2023 HK$ million
EUR500 million issued in 2018	–	4,566

In December 2018, a wholly owned subsidiary company of the Group issued perpetual capital securities with nominal amount of EUR500 million for cash. The Group has fully redeemed these perpetual capital securities in June 2024.

31 Share capital, share premium, perpetual capital securities and capital management (continued)

(c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue to provide returns for shareholders and to support the Group's stability and growth. The Group regularly reviews and manages its capital structure to ensure optimal capital structure to maintain a balance between higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

At 31 December 2024, total equity amounted to HK$652,592 million (2023: HK$670,549 million), and consolidated net debt of the Group, excluding loans from non-controlling shareholders which are viewed as quasi equity, was HK$128,558 million (2023: HK$130,585 million). The Group's net debt to net total capital ratio increased to 16.4% from 16.2% at the end of last year.

As additional information, the following table shows the net debt to net total capital ratios calculated on the basis of including loans from non-controlling shareholders and also with the Group's investments in its listed subsidiaries and associated companies marked to market value at the end of the reporting period.

Net debt / Net total capital ratios[(i)] at 31 December:

	2024	2023
A1 – excluding interest-bearing loans from non-controlling shareholders from debt	**16.4%**	16.2%
A2 – as in A1 above and investments in listed subsidiaries and associated companies marked to market value	**17.5%**	18.0%
B1 – including interest-bearing loans from non-controlling shareholders as debt	**16.8%**	16.6%
B2 – as in B1 above and investments in listed subsidiaries and associated companies marked to market value	**18.0%**	18.4%

(i) Net debt is defined in the consolidated statement of cash flows. Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions. Net total capital is defined as total bank and other debts plus total equity and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments.

32 Reserves

	2024				
	Attributable to ordinary shareholders				
	Retained profit	Exchange reserve	Hedging reserve	Others [a]	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2024	669,173	(29,260)	2,618	(345,298)	297,233
Profit for the year	17,088	–	–	–	17,088
Other comprehensive income (losses) [b]					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	(528)	(528)
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	126	126
Remeasurement of defined benefit obligations	646	–	–	–	646
Exchange losses on translation of foreign operations	–	(8,156)	–	–	(8,156)
Losses on cash flow hedges	–	–	(122)	–	(122)
Gains on net investment hedges	–	1,123	–	–	1,123
Losses in other reserves related to subsidiaries disposed during the year transferred directly to retained profits	(24)	–	–	24	–
Share of other comprehensive income (losses) of associated companies	(68)	(5,101)	(130)	(21)	(5,320)
Share of other comprehensive income (losses) of joint ventures	(721)	(4,489)	241	–	(4,969)
Tax relating to components of other comprehensive income (losses)	(71)	–	4	–	(67)
Other comprehensive income (losses), net of tax	(238)	(16,623)	(7)	(399)	(17,267)
Transfer of losses on disposal of equity securities at FVOCI to retained profit	(682)	–	–	682	–
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2023	(6,798)	–	–	–	(6,798)
Dividends paid relating to 2024	(2,635)	–	–	–	(2,635)
Unclaimed dividends write back	9	–	–	–	9
Relating to purchase of non-controlling interests	–	–	–	(37)	(37)
Relating to partial disposal of subsidiary companies	–	–	–	320	320
At 31 December 2024	675,917	(45,883)	2,611	(344,732)	287,913

32 Reserves (continued)

	2023				
	Attributable to ordinary shareholders				
	Retained profit HK$ million	Exchange reserve HK$ million	Hedging reserve HK$ million	Others [a] HK$ million	Total HK$ million
At 1 January 2023	657,443	(40,203)	5,332	(345,861)	276,711
Profit for the year	23,500	–	–	–	23,500
Other comprehensive income (losses) [b]					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	718	718
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	120	120
Remeasurement of defined benefit obligations	(1,108)	–	–	–	(1,108)
Exchange gains on translation of foreign operations	–	7,457	–	–	7,457
Exchange losses reclassified to profit or loss	–	339	–	–	339
Losses on cash flow hedges	–	–	(1,033)	–	(1,033)
Losses on net investment hedges	–	(1,308)	–	–	(1,308)
Reclassification adjustments for hedging gains included in profit or loss	–	–	(1,735)	–	(1,735)
Share of other comprehensive income (losses) of associated companies	(578)	1,785	(132)	108	1,183
Share of other comprehensive income of joint ventures	194	2,670	183	18	3,065
Tax relating to components of other comprehensive income (losses)	284	–	3	–	287
Other comprehensive income (losses), net of tax	(1,208)	10,943	(2,714)	964	7,985
Impact of hyperinflation	82	–	–	–	82
Transfer of gains on disposal of equity securities at FVOCI to retained profit	226	–	–	(226)	–
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2022	(7,989)	–	–	–	(7,989)
Dividends paid relating to 2023	(2,896)	–	–	–	(2,896)
Recognition of put option liabilities arising from business combinations	–	–	–	(148)	(148)
Unclaimed dividends write back	15	–	–	–	15
Relating to purchase of non-controlling interests	–	–	–	(34)	(34)
Relating to partial disposal of subsidiary companies	–	–	–	7	7
At 31 December 2023	669,173	(29,260)	2,618	(345,298)	297,233

32 Reserves (continued)

(a) Other reserves comprise revaluation reserve and other capital reserves. As at 31 December 2024, revaluation reserve deficit amounted to HK$2,526 million (1 January 2024: HK$2,835 million and 1 January 2023: HK$3,472 million), and other capital reserves deficit amounted to HK$342,206 million (1 January 2024: HK$342,463 million and 1 January 2023: HK$342,389 million). Revaluation surplus (deficit) arising from revaluation to market value of listed debt securities and listed equity securities are included in the revaluation reserve. Included in the other capital reserves account is a deficit of HK$341,336 million, relating to the fair value of shares of Cheung Kong (Holdings) Limited, the former holding company of the Group, cancelled as part of the reorganisation completed in 2015.

(b) Set out below are before and after related tax effects of other comprehensive income (losses) for the years:

	2024		
	Before-tax amount HK$ million	**Tax effect HK$ million**	**Net-of- tax amount HK$ million**
Changes in fair value of equity instruments at fair value through other comprehensive income	**(528)**	**–**	**(528)**
Changes in fair value of debt instruments at fair value through other comprehensive income	**126**	**–**	**126**
Remeasurement of defined benefit obligations	**810**	**(90)**	**720**
Exchange losses on translation of foreign operations	**(9,543)**	**–**	**(9,543)**
Losses on cash flow hedges	**(132)**	**5**	**(127)**
Gains on net investment hedges	**1,484**	**–**	**1,484**
Share of other comprehensive income (losses) of associated companies	**(5,753)**	**–**	**(5,753)**
Share of other comprehensive income (losses) of joint ventures	**(6,256)**	**–**	**(6,256)**
	(19,792)	**(85)**	**(19,877)**

	2023		
	Before-tax amount HK$ million	Tax effect HK$ million	Net-of-tax amount HK$ million
Changes in fair value of equity instruments at fair value through other comprehensive income	718	–	718
Changes in fair value of debt instruments at fair value through other comprehensive income	120	–	120
Remeasurement of defined benefit obligations	(1,470)	376	(1,094)
Exchange gains on translation of foreign operations	7,771	–	7,771
Exchange losses reclassified to profit or loss	342	–	342
Losses on cash flow hedges	(1,059)	4	(1,055)
Losses on net investment hedges	(1,641)	–	(1,641)
Reclassification adjustments for hedging gains included in profit or loss	(1,735)	–	(1,735)
Share of other comprehensive income of associated companies	1,329	–	1,329
Share of other comprehensive income of joint ventures	3,997	–	3,997
	8,372	380	8,752

33 Notes to the consolidated statement of cash flows

(a) Reconciliation of profit after tax to cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital

	2024 HK$ million	2023 HK$ million
Profit after tax	**23,853**	30,209
Less: share of profits less losses of		
Associated companies	**(6,903)**	(8,138)
Joint ventures	**(9,757)**	(7,990)
	7,193	14,081
Adjustments for:		
Current tax charge	**4,189**	4,119
Deferred tax charge (credit)	**528**	(1,116)
Interest expenses and other finance costs	**13,392**	12,227
Depreciation and amortisation	**40,460**	40,083
EBITDA of Company and subsidiaries [(i)]	**65,762**	69,394
Dividends received from associated companies and joint ventures	**11,509**	11,388
Impairment loss on telecommunications business in Vietnam (see note 7(e))	**1,859**	–
Loss on disposal of fixed assets	**97**	169
Gains on disposals of unlisted investments	**(78)**	–
Gains on disposals of interests in associated companies and joint ventures (see note 7)	**–**	(228)
Loss on disposal of associated companies and joint ventures (see note 7)	**14**	70
A gain on disposal of financial instruments (see note 7)	**–**	(1,829)
Losses (gains) on disposal of subsidiaries (see note 7)		
Italian network business	**–**	250
Ports businesses	**(364)**	–
Customer acquisition and retention costs capitalised in the year	**(4,057)**	(4,143)
Other non-cash items	**388**	345
	75,130	75,416

33 Notes to the consolidated statement of cash flows (continued)

(a) Reconciliation of profit after tax to cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital (continued)

(i) Reconciliation of EBITDA:

	2024 HK$ million	2023 HK$ million
EBITDA of Company and subsidiaries	**65,762**	69,394
Share of EBITDA of associated companies and joint ventures		
Share of profits less losses of		
Associated companies	**6,903**	8,138
Joint ventures	**9,757**	7,990
Adjustments for:		
Depreciation and amortisation	**26,159**	24,724
Interest expenses and other finance costs	**10,658**	11,973
Current tax charge	**4,594**	3,582
Deferred tax charge	**1,613**	1,806
Non-controlling interests	**571**	482
	60,255	58,695
EBITDA (see note 5(b)(ii))	**126,017**	128,089

(b) Changes in working capital

	2024 HK$ million	2023 HK$ million
Increase in inventories	**(1,536)**	(1,005)
Decrease (increase) in trade receivables and other current assets	**1,128**	(5,022)
Decrease in trade payables and other current liabilities	**(1,535)**	(3,767)
Other non-cash items	**(1,040)**	1,829
	(2,983)	(7,965)

33 Notes to the consolidated statement of cash flows (continued)

(c) Purchase of subsidiary companies

The following table summarises the consideration paid and the amounts of the assets acquired and liabilities assumed recognised for acquisitions completed during the years:

	2024 HK$ million	2023 HK$ million
Purchase consideration transferred:		
Cash and cash equivalents paid	**4,167**	127
Fair value		
Fixed assets	**628**	6
Right-of-use assets	**559**	3
Telecommunications licences	**3,368**	–
Brand names and other rights	**18**	9
Deferred tax assets	**4**	3
Cash and cash equivalents	**53**	72
Trade receivables and other current assets	**341**	52
Inventories	**67**	13
Trade payables and other current liabilities and current tax liabilities	**(683)**	(57)
Bank and other debts	**–**	(2)
Lease liabilities	**(1,249)**	(3)
Deferred tax liabilities	**(358)**	–
Pension obligations	**(32)**	(1)
Net identifiable assets acquired	**2,716**	95
Non-controlling interests	**–**	(43)
	2,716	52
Goodwill	**1,451**	75
Total consideration	**4,167**	127
Net cash outflow (inflow) arising from acquisition:		
Cash and cash equivalents paid	**4,167**	127
Cash and cash equivalents acquired	**(53)**	(72)
Total net cash outflow	**4,114**	55

For current year ended 31 December 2024, the completion of the acquisition is within the one year measurement period by the year end date of 31 December 2024. The amounts disclosed above are determined on a provisional basis and are subject to finalisation.

For the year ended 31 December 2024 and 31 December 2023, the acquisition related costs and the contributions to the Group's revenue and profit before tax from the subsidiaries acquired during the year since the respective date of acquisition were not material.

33 Notes to the consolidated statement of cash flows (continued)

(d) Disposal of subsidiary companies

	2024 HK$ million	2023 HK$ million
Equity securities received	**736**	2,563
Net cash consideration	**464**	2,563
Carrying amount of net assets disposed	**(836)**	(5,052)
Gains before reclassification of exchange losses	**364**	74
Cumulative exchange losses reclassified to profit or loss	**–**	(324)
Gains (loss) on disposals	**364**	(250)
Analysis of assets and liabilities over which control was lost:		
Fixed assets	**4,713**	–
Right-of-use assets	**730**	–
Trade receivables and other current assets	**91**	–
Inventories	**43**	–
Assets classified as held for sale	**–**	6,202
Trade payables and other current liabilities and current tax liabilities	**(513)**	–
Bank and other debts	**(2,824)**	–
Interest free loans from non-controlling shareholders	**(92)**	–
Lease liabilities	**(820)**	–
Deferred tax liabilities	**(35)**	–
Pension obligations	**(45)**	–
Liabilities directly associated with assets classified as held for sale	**–**	(1,150)
Non-controlling interests	**(543)**	–
Net assets (excluding cash and cash equivalents) disposed	**705**	5,052
Cash and cash equivalents disposed	**131**	–
Net assets disposed	**836**	5,052
Net cash inflow arising from disposal:		
Cash and cash equivalents received	**464**	2,563
Cash and cash equivalents disposed	**(131)**	–
Total net cash inflow	**333**	2,563

Disposal of subsidiary companies for the current year ended 31 December 2024 mainly related to the disposal of the Group's former non-wholly owned subsidiary Abu Qir Container Terminal Company S.A.E., which became a 41% owned associated company in the current year. For the comparative year ended 31 December 2023, the disposals of subsidiary companies mainly related to the disposal of Zefiro Net S.r.l., which became a 50% owned joint venture in the comparative year. The gains (loss) on these disposals are recognised in the consolidated income statement, with the current year's gains on disposals included in the line item titled "Other income and gains" and the comparative year's loss on disposal included in the line item titled "Other expenses and losses" in the consolidated income statement (see note 7).

Saved as disclosed for the effect arising from the gains (loss) on disposals, the effect on the Group's results from the subsidiaries disposed during the year are not material for the years ended 31 December 2024 and 2023.

33 Notes to the consolidated statement of cash flows (continued)

(e) Changes in liabilities arising from financing activities

The following table sets out an analysis of the cash flows and non-cash flows changes in liabilities arising from financing activities:

	Bank and other debts HK$ million	Lease liabilities HK$ million	Interest bearing loans from non-controlling shareholders HK$ million	Interest free loans from non-controlling shareholders HK$ million	Liabilities relating to the economic benefits agreements HK$ million	Total HK$ million
At 1 January 2023	284,326	66,059	2,567	472	2,166	355,590
Financing cash flows						
New borrowings	58,211	–	–	–	–	58,211
Repayment of borrowings	(75,361)	–	–	–	–	(75,361)
Principal elements of lease payments (see note 13(b))	–	(14,476)	–	–	–	(14,476)
Net loans from (to) non-controlling shareholders	–	–	561	(34)	–	527
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 8)	237	–	–	–	–	237
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 8(a))	(341)	–	–	–	–	(341)
Increase in lease liabilities from entering into new leases (see note 13(a))	–	8,871	–	–	–	8,871
Interest on lease liabilities (see note 8)	–	2,546	–	–	–	2,546
Interest element of lease liabilities paid (included in "Net cash from operating activities")	–	(2,412)	–	–	–	(2,412)
Remeasurement/write off of lease liabilities	–	5,739	–	–	–	5,739
Relating to subsidiaries acquired (see note 33(c))	2	3	–	–	–	5
Exchange translation differences	4,848	1,593	117	–	–	6,558
At 31 December 2023 and 1 January 2024	**271,922**	**67,923**	**3,245**	**438**	**2,166**	**345,694**
Financing cash flows						
New borrowings	**54,594**	**–**	**–**	**–**	**–**	**54,594**
Repayment of borrowings	**(60,201)**	**–**	**–**	**–**	**–**	**(60,201)**
Principal elements of lease payments (see note 13(b))	**–**	**(14,103)**	**–**	**–**	**–**	**(14,103)**
Net loans from (to) non-controlling shareholders	**–**	**–**	**485**	**(19)**	**–**	**466**
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 8)	**248**	**–**	**–**	**–**	**–**	**248**
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 8(a))	**(338)**	**–**	**–**	**–**	**–**	**(338)**
Increase in lease liabilities from entering into new leases (see note 13(a))	**–**	**7,534**	**–**	**–**	**–**	**7,534**
Interest on lease liabilities (see note 8)	**–**	**2,757**	**–**	**–**	**–**	**2,757**
Interest element of lease liabilities paid (included in "Net cash from operating activities")	**–**	**(2,739)**	**–**	**–**	**–**	**(2,739)**
Remeasurement/write off of lease liabilities	**–**	**6,087**	**–**	**–**	**–**	**6,087**
Relating to purchase of non-controlling interests	**–**	**–**	**–**	**22**	**–**	**22**
Relating to subsidiaries acquired (see note 33(c))	**–**	**1,249**	**–**	**–**	**–**	**1,249**
Relating to subsidiaries disposed (see note 33(d))	**(2,824)**	**(820)**	**–**	**(92)**	**–**	**(3,736)**
Exchange translation differences	**(7,009)**	**(3,369)**	**(259)**	**–**	**–**	**(10,637)**
At 31 December 2024	**256,392**	**64,519**	**3,471**	**349**	**2,166**	**326,897**

34 Share-based payments

The Company and its subsidiary companies do not have share option scheme as at 31 December 2024 and 31 December 2023. Certain of the Company's associated companies have issued equity-settled and cash-settled share-based payments to certain employees. The aggregate amount of the share-based payments recognised by these companies during the current and comparative years are not material to the Group's results.

35 Pledge of assets

At 31 December 2024, assets of the Group totalling HK$1,449 million (2023: HK$1,533 million) were pledged as security for bank and other debts.

36 Contingent liabilities and guarantees

At 31 December 2024, the Company and its subsidiaries provide guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures of HK$10,753 million (2023: HK$4,560 million).

The amount utilised by its associated companies and joint ventures are as follows:

	2024 HK$ million	2023 HK$ million
To associated companies	**8,444**	3,661
To joint ventures	**–**	–

At 31 December 2024, the Group had provided performance and other guarantees of HK$4,860 million (2023: HK$4,115 million).

37 Commitments

The Group's outstanding commitments contracted for at 31 December 2024, where material, not provided for in the consolidated financial statements at 31 December 2024 are as follows:

Capital commitments

(a) Ports and Related Services: HK$235 million (2023: HK$462 million)
(b) **3** Group Europe: HK$155 million (2023: HK$181 million)
(c) Telecommunications, Hong Kong and Asia: HK$769 million (2023: HK$149 million)

38 Related parties transactions

Saved as disclosed elsewhere in these financial statements, transactions between the Group and other related parties during the year are not significant to the Group. The outstanding balances with associated companies and joint ventures are disclosed in notes 17 and 18. Transactions between the Company and its subsidiaries have been eliminated on consolidation.

No transactions have been entered with the directors of the Company (being the key management personnel) during the year other than the emoluments paid to them (being the key management personnel compensation).

39 Legal proceedings

As at 31 December 2024 and 2023, the Group is not engaged in any material litigation or arbitration proceedings, and no material litigation or claim is known by the Group to be pending or threatened against it.

40 Financial risk management

The Group's major financial assets and financial liabilities include cash and cash equivalents, liquid funds and other listed investments and borrowings. Details of these financial assets and financial liabilities are disclosed in the respective notes. The Group's treasury function sets financial risk management policies in accordance with policies and procedures that are approved by the Executive Directors, and which are also subject to periodic review by the Group's internal audit function. The Group's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates on the Group's overall financial position and to minimise the Group's financial risks. The Group's treasury function operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks, and for providing cost-efficient funding to the Group and its companies. It manages the majority of the Group's funding needs, interest rate, foreign currency and credit risk exposures. It is the Group's policy not to have credit rating triggers that would accelerate the maturity dates of the Group's borrowings. The Group uses interest rate and foreign currency swaps and forward contracts as appropriate for risk management purposes only, for hedging transactions and for managing the Group's exposure to interest rate and foreign exchange rate fluctuations. The Group generally does not enter into foreign currency hedges in respect of its foreign currency earnings and no derivatives instruments to hedge the Group's earnings were entered during the year or remain outstanding at the end of the year. It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, that have significant underlying leverage or derivative exposure.

(a) Cash management and funding

The Group operates a central cash management system for all of its unlisted subsidiaries. Except for listed and certain overseas entities conducting businesses in non-HK or non-US dollar currencies, the Group generally obtains long-term financing at the Group level to on-lend or contribute as equity to its subsidiaries and associated companies to meet their funding requirements and provide more cost-efficient financing. These borrowings include a range of capital market issues and bank borrowings, for which the proportions will change depending upon financial market conditions and projected interest rates. The Group regularly and closely monitors its overall debt position and reviews its funding costs and maturity profile to facilitate refinancing.

The Group continues to maintain a robust financial position. Cash, liquid funds and other listed investments ("Liquid assets") amounted to HK$129,445 million at 31 December 2024 (2023: HK$143,109 million). The decrease was mainly reflecting dividend payments to ordinary and non-controlling shareholders, redemption of perpetual capital securities, repayment and early repayment of certain borrowings, capital expenditure and investment spending, as well as distributions to perpetual capital securities holders, partly offset by cash arising from positive funds from operations from the Group's businesses and cash from new borrowings. Liquid assets were denominated as to 16% in HK dollar, 45% in US dollar, 3% in Renminbi, 23% in Euro, 5% in British Pound and 8% in other currencies (2023: 17% were denominated in HK dollar, 45% in US dollar, 3% in Renminbi, 23% in Euro, 5% in British Pound and 7% in other currencies).

Cash and cash equivalents represented 94% (2023: 89%) of the liquid assets, US Treasury notes and other listed debt securities 5% (2023: 5%) and listed equity securities 1% (2023: 6%). The US Treasury notes and other listed debt securities, including those held under managed funds, consisted of US Treasury notes of 74% (2023: 72%), government and government guaranteed notes of 22% (2023: 25%) and others of 4% (2023: 3%). All of these US Treasury notes and other listed debt securities (2023: All) are rated at Aaa / AAA or Aa1 / AA+ with an average maturity of 1.1 years (2023: 1.8 years) on the overall portfolio. The Group has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.

40 Financial risk management (continued)

(b) Interest rate exposure

The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate, the Group uses derivatives such as interest rate swaps and forward rate agreements to manage its interest rate exposure. The Group's main interest rate exposure relates to US dollar, British Pound, Euro and HK dollar borrowings.

At 31 December 2024, approximately 34% (2023: approximately 34%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 66% (2023: approximately 66%) were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$3,129 million (2023: HK$3,461 million) principal amount of floating interest rate borrowings that were used to finance long term investments to fixed interest rate borrowings. After taking into consideration of these interest rate swaps, approximately 33% (2023: approximately 32%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 67% (2023: approximately 68%) were at fixed rates at 31 December 2024. All of the aforementioned interest rate derivatives are designated as hedges and these hedges are considered highly effective.

(c) Foreign currency exposure

For subsidiaries, associated companies, joint arrangements, branches and other investments (the activities of which are based or conducted in non-HK dollar or non-US dollar), the Group generally endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. For businesses (the activities of which are based or conducted in non-HK dollar or non-US dollar) that are in the development phase, or where borrowings in local currency are not or are no longer attractive, the Group may not borrow in the local currency or may repay existing borrowings and monitor the development of the businesses' cash flows and the relevant debt markets with a view to refinance these businesses with local currency borrowings in the future when conditions are more appropriate. Exposure to movements in exchange rates for individual transactions (such as major procurement contracts) directly related to its underlying businesses is minimised by using forward foreign exchange contracts and currency swaps where active markets for the relevant currencies exist. The Group generally does not enter into foreign currency hedges in respect of its long-term equity investments in foreign operations, except in relation to certain infrastructure investments. At 31 December 2024, the Group had foreign exchange forward contracts and cross currency swaps with banks to hedge these investments. The total notional amount of the net investment hedges amounted to HK$48,426 million (2023: HK$50,730 million).

The Group has operations in over 50 countries and conducts businesses in around 50 currencies. The Group's functional currency for reporting purposes is Hong Kong dollar and the Group's reported results in Hong Kong dollar are exposed to exchange translation on its foreign currency earnings.

As at 31 December 2024, the Group's total principal amount of bank and other debts are denominated as follows: 51% in US dollar, 30% in Euro, 6% in HK dollar, 5% in British Pound and 8% in other currencies (2023: 49% in US dollar, 33% in Euro, 5% in HK dollar, 5% in British Pound and 8% in other currencies). The Group had currency swap arrangements with banks to swap British Pound principal amount of borrowings equivalent to HK$4,920 million (2023: HK$4,970 million) to Euro principal amount of borrowings to reflect currency exposures of its underlying businesses. The Group's total principal amount of bank and other debts, after the above swaps, were denominated as follows: 51% in US dollar, 32% in Euro, 6% in HK dollar, 3% in British Pound and 8% in other currencies (2023: 49% in US dollar, 34% in Euro, 5% in HK dollar, 4% in British Pound and 8% in other currencies).

40 Financial risk management (continued)

(d) Credit exposure

The Group's holdings of cash, managed funds and other liquid investments, interest rate and foreign currency swaps and forward currency contracts with financial institutions expose the Group to credit risk of counterparties. The Group controls its credit risk to non-performance by its counterparties through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed.

The Group is also exposed to counterparties credit risk from its operating activities, particularly in its ports businesses. Such risks are continuously monitored by the local operational management.

(e) Market price risk

The Group's main market price risk exposures relate to listed debt and equity securities as described in "liquid assets" above and the interest rate swaps described in "interest rate exposure" above. The Group's holding of listed debt and equity securities represented approximately 6% (2023: approximately 11%) of the liquid assets. The Group controls this risk through active monitoring of price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

(f) Market risks sensitivity analysis

For the presentation of financial assets and financial liabilities market risks (including interest rate risk, currency risk and other price risk) information, HKFRS 7 "Financial Instruments: Disclosures" requires the disclosure of a sensitivity analysis for each type of financial market risk that shows the effects of a hypothetical change in the relevant market risk variable to which the Group is exposed at the end of the reporting period on profit for the year and on total equity.

The effect that is disclosed in the following sections is before the related tax effect and the related amount attributable to non- controlling interests, and assumes that (a) a hypothetical change of the relevant risk variable had occurred at the end of the reporting period and had been applied to the relevant risk variable in existence on that date; and (b) the sensitivity analysis for each type of financial market risk does not reflect inter-dependencies between risk variables, e.g. the interest rate sensitivity analysis does not take into account of the impact of changes in interest rates that would have on the relative strengthening and weakening of the currency with other currencies.

The preparation and presentation of the sensitivity analysis on financial market risk is solely for compliance with HKFRS 7 disclosure requirements in respect of financial assets and financial liabilities. The sensitivity analysis measures changes in the fair value and / or cash flows of the Group's financial assets and financial liabilities from hypothetical instantaneous changes in one risk variable (e.g. functional currency rate or interest rate), the amount so generated from the sensitivity analysis are "what-if" forward-looking estimates. The sensitivity analysis are for illustration purposes only and it should be noted that, in practice, market rates rarely change in isolation. Actual results in the future may differ materially from the sensitivity analysis due to developments in the global markets which may cause fluctuations in market rates (e.g. exchange or interest rate) to vary and therefore it is important to note that the hypothetical amounts so generated do not represent a projection of likely future events and profits or losses.

40 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

(i) Interest rate sensitivity analysis

Interest rate risk as defined by HKFRS 7 arises on interest-bearing financial assets and financial liabilities.

The interest rate sensitivity analysis is based on the following assumptions:

In the cases of non-derivative financial assets and financial liabilities with fixed interest rates, changes in market interest rates only affect profit for the year or total equity if these financial assets and financial liabilities are measured at fair value. Accordingly, all non-derivative financial assets and financial liabilities with fixed interest rates that are carried at amortised cost are excluded from the interest rate sensitivity analysis as they are not subject to interest rate risk as defined in HKFRS 7.

In the cases of derivative financial assets and financial liabilities designated as hedging instruments for hedging interest rate risks, changes in market interest rates affect their fair values. All interest rate hedges are expected to be highly effective. Changes in the fair value of fair value interest rate hedges and changes in the fair value of the hedged items that are attributable to interest rate movements effectively balance out with each other in the consolidated income statement in the same period. Accordingly, these hedging instruments and hedged items are excluded from the interest rate sensitivity analysis as they are not exposed to interest rate risk as defined in HKFRS 7. Changes in the fair value of cash flow interest rate hedges resulting from market interest rate movements affect total equity and are therefore taken into consideration in the sensitivity analysis.

In the cases of derivative financial assets and financial liabilities that are not part of an interest rate risk hedging relationship, changes in their fair values (arising from gain or loss from remeasurement of these interest rate derivatives to fair value) resulting from market interest rate movements affect profit for the year and total equity, and are therefore taken into consideration in the sensitivity analysis.

Major financial assets and financial liabilities for the purpose of the interest rate sensitivity analysis include:

- cash and cash equivalents (see note 23)
- some of the listed debt securities and managed funds (see note 20) carried at fair value that bear interest at fixed rate
- some of the listed debt securities and managed funds (see note 20) that bear interest at floating rate
- some of the bank and other debts (see note 25) that bear interest at floating rate
- interest bearing loans from non-controlling shareholders (see note 28)

Under these assumptions, the impact of a hypothetical 100 basis points (2023: 100 basis points) increase in market interest rate at 31 December 2024, with all other variables held constant:

- profit for the year would increase by HK$327 million (2023: HK$334 million) due to increased interest income offset with increased interest expense;
- total equity would increase by HK$327 million (2023: HK$334 million) due to increased interest income offset with increased interest expense; and
- total equity would increase by HK$4 million (2023: HK$45 million) due to the change in fair value of derivative financial instruments.

40 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

(ii) Foreign currency exchange rate sensitivity analysis

Currency risk as defined by HKFRS 7 arises on financial assets and financial liabilities being denominated in a currency that is not the functional currency and being of a monetary nature. Therefore, non-monetary financial assets and financial liabilities, monetary financial assets and financial liabilities denominated in the entity's functional currency and differences resulting from the translation of financial statements of overseas subsidiaries into the Group's presentation currency are not taken into consideration for the purpose of the sensitivity analysis for currency risk.

The foreign currency exchange rate sensitivity analysis is based on the following assumptions:

Major non-derivative monetary financial assets and financial liabilities are either directly denominated in the functional currency or are transferred to the functional currency through the use of foreign currency swaps and forward foreign exchange contracts. Exchange fluctuations of these monetary financial assets and financial liabilities therefore have no material effects on profit for the year and total equity.

In the cases of derivative financial assets and financial liabilities designated as hedging instruments for hedging currency risks, changes in foreign exchange rates affect their fair values. All currency hedges are expected to be highly effective. Changes in the fair value of foreign currency fair value hedges and changes in the fair value of the hedged items effectively balance out with each other in the consolidated income statement in the same period. As a consequence, these hedging instruments and hedged items are excluded from the foreign currency exchange rate sensitivity analysis as they are not exposed to currency risk as defined in HKFRS 7. Changes in the fair value of foreign currency cash flow hedges resulting from market exchange rate movements affect total equity and are therefore taken into consideration in the sensitivity analysis.

Major financial assets and financial liabilities for the purpose of the foreign currency exchange rate sensitivity analysis include:

- some of the cash and cash equivalents (see note 23)
- some of the liquid funds and other listed investments (see note 20)
- some of the bank and other debts (see note 25)

Under these assumptions, the impact of a hypothetical 5% weakening of HK dollar against all exchange rates at the end of the reporting period, with all other variables held constant, on the Group's profit for the year and total equity is set out in the table below:

40 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

(ii) Foreign currency exchange rate sensitivity analysis (continued)

	2024		2023	
	Hypothetical increase (decrease) in profit for the year	**Hypothetical increase (decrease) in total equity**	Hypothetical increase (decrease) in profit for the year	Hypothetical increase (decrease) in total equity
	HK$ million	**HK$ million**	HK$ million	HK$ million
Euro	**159**	**(264)**	172	(264)
British Pound	**83**	**(1,118)**	144	(1,078)
Australian dollar	**40**	**(335)**	43	(368)
Renminbi	**45**	**45**	68	68
US dollar	**2,133**	**2,133**	2,182	2,182
Japanese Yen	**(39)**	**(39)**	(83)	(83)

(iii) Other price sensitivity analysis

Other price risk as defined by HKFRS 7 arises from changes in market prices (other than those arising from interest rate risk and currency risk as detailed in "interest rate exposure" and "foreign currency exposure" paragraphs above) on financial assets and financial liabilities.

The other price sensitivity analysis is based on the assumption that changes in market prices (other than those arising from interest rate risk and currency risk) of financial assets and financial liabilities only affect profit for the year or total equity if these financial assets and financial liabilities are measured at fair values. Accordingly, all non-derivative financial assets and financial liabilities carried at amortised cost are excluded from the other price sensitivity analysis as they are not subject to other price risk as defined in HKFRS 7.

Major financial assets and financial liabilities for the purpose of the other price sensitivity analysis include:

- financial assets at FVOCI (see note 20)

Under these assumptions, the impact of a hypothetical 5% increase in the market price of the Group's financial assets at FVOCI at the end of the reporting period, with all other variables held constant:

- no impact to profit for the year (2023: nil), and consequently no impact to total equity for the year (2023: nil); and
- other comprehensive income would increase by HK$405 million (2023: HK$787 million) due to the increase in gains on financial assets at FVOCI, and consequently, total equity would increase by the same amount for both years.

40 Financial risk management (continued)

(g) Contractual maturities of financial liabilities

The following tables detail the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted principal cash flows and the earliest date the Group can be required to pay:

Non-derivative financial liabilities:

	Contractual maturities					
	Within 1 year	After 1 year, but within 5 years	After 5 years	Total undiscounted cash flows	Difference from carrying amounts	Carrying amounts
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 31 December 2024						
Trade payables	21,861	–	–	21,861	–	21,861
Expenses and other accruals	33,411	–	–	33,411	–	33,411
Other payables	19,104	–	–	19,104	–	19,104
Interest free loans from non-controlling shareholders	349	–	–	349	–	349
Lease liabilities	13,649	32,658	34,922	81,229	(16,710)	64,519
Bank loans	24,896	62,944	–	87,840	(150)	87,690
Other loans	4	14	50	68	–	68
Notes and bonds	6,068	82,059	80,013	168,140	494	168,634
Interest bearing loans from non-controlling shareholders	1,874	1,591	6	3,471	–	3,471
Obligations for telecommunications licences and other rights	864	1,527	1,890	4,281	(298)	3,983
Liabilities relating to the economic benefits agreements	–	2,166	–	2,166	–	2,166
Amounts due to associated companies	535	–	–	535	–	535
Amounts due to joint ventures	270	–	–	270	–	270
	122,885	182,959	116,881	422,725	(16,664)	406,061

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK$8,484 million in "within 1 year" maturity band, HK$22,549 million in "after 1 year, but within 5 years" maturity band, and HK$17,587 million in "after 5 years" maturity band. These estimates are calculated assuming the effect of hedging transactions and interest rates with respect to variable rate financial liabilities remain constant and there is no change in the aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

40 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

Derivative financial liabilities:

	Contractual maturities			
	Within 1 year HK$ million	**After 1 year, but within 5 years** HK$ million	**After 5 years** HK$ million	**Total undiscounted cash flows** HK$ million
At 31 December 2024				
Cash flow hedges				
Other contracts				
Outflow	**(14)**	**–**	**–**	**(14)**
Net investment hedges				
Forward foreign exchange contracts				
Inflow	**1,914**	**–**	**–**	**1,914**
Outflow	**(1,969)**	**–**	**–**	**(1,969)**
Cross currency swaps				
Inflow	**45**	**3,427**	**564**	**4,036**
Outflow	**–**	**(3,641)**	**(540)**	**(4,181)**

Non-derivative financial liabilities:

	Contractual maturities					
	Within 1 year HK$ million	After 1 year, but within 5 years HK$ million	After 5 years HK$ million	Total undiscounted cash flows HK$ million	Difference from carrying amounts HK$ million	Carrying amounts HK$ million
At 31 December 2023						
Trade payables	23,017	–	–	23,017	–	23,017
Expenses and other accruals	36,471	–	–	36,471	–	36,471
Other payables	16,888	–	–	16,888	–	16,888
Interest free loans from non-controlling shareholders	438	–	–	438	–	438
Lease liabilities	14,951	32,804	38,837	86,592	(18,669)	67,923
Bank loans	24,484	65,036	–	89,520	(240)	89,280
Other loans	154	14	58	226	–	226
Notes and bonds	33,755	68,470	79,430	181,655	761	182,416
Interest bearing loans from non-controlling shareholders	726	2,128	391	3,245	–	3,245
Obligations for telecommunications licences and other rights	624	2,059	2,283	4,966	(351)	4,615
Liabilities relating to the economic benefits agreements	–	2,166	–	2,166	–	2,166
Amounts due to associated companies	543	–	–	543	–	543
Amounts due to joint ventures	310	–	–	310	–	310
	152,361	172,677	120,999	446,037	(18,499)	427,538

40 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK$9,366 million in "within 1 year" maturity band, HK$21,465 million in "after 1 year, but within 5 years" maturity band, and HK$17,862 million in "after 5 years" maturity band. These estimates are calculated assuming the effect of hedging transactions and interest rates with respect to variable rate financial liabilities remain constant and there is no change in the aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

Derivative financial liabilities:

	Contractual maturities			
	Within 1 year HK$ million	After 1 year, but within 5 years HK$ million	After 5 years HK$ million	Total undiscounted cash flows HK$ million
At 31 December 2023				
Fair value hedges				
Collar agreements				
Outflow	(297)	(59)	–	(356)
Cash flow hedges				
Forward foreign exchange contracts				
Net outflow	(2)	–	–	(2)
Other contracts				
Outflow	(113)	(1)	–	(114)
Net investment hedges				
Forward foreign exchange contracts				
Inflow	25,680	–	–	25,680
Outflow	(26,750)	–	–	(26,750)
Cross currency swaps				
Inflow	45	3,442	–	3,487
Outflow	–	(3,879)	–	(3,879)

(h) In accordance with the disclosure requirement of HKFRS 7, the Group's financial instruments resulted in the following income, expenses and gains and losses recognised in the consolidated income statement:

	2024 HK$ million	2023 HK$ million
Dividends from equity securities at FVOCI – related to investments held at the end of the reporting period	**114**	142
Interest from debt securities at FVOCI	**111**	104
Interest from cash and cash equivalents held at amortised cost	**5,834**	5,616
Fair value losses on equity securities at fair value through profit or loss ("FVPL")	**–**	(103)
Fair value gains (losses) on debt securities at FVPL	**(15)**	13
Net impairment expense recognised on trade receivables	**(685)**	(612)

40 Financial risk management (continued)

(i) Hedge accounting

(i) Fair value hedges

Hedging instruments	Number of hedged shares in million	Carrying amount of the hedging instrument HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedging instrument is included
	2024			
Collar agreements	3.0	14	69	Trade receivables and other current assets

Hedged items	Carrying amount of the hedged item HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedged item is included
	2024		
Listed equity securities, outside Hong Kong	741	(120)	Liquid funds and other listed investments

Hedging instruments	Number of hedged shares in million	Carrying amount of the hedging instrument HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedging instrument is included
	2023			
Collar agreements	27.3	(356)	(543)	Trade payables and other current liabilities / Other non-current liabilities

Hedged items	Carrying amount of the hedged item HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedged item is included
	2023		
Listed equity securities, outside Hong Kong	8,391	1,140	Liquid funds and other listed investments

40 Financial risk management (continued)

(i) Hedge accounting (continued)

(ii) Cash flow hedges

	2024							
					Carrying amount of derivatives included in			
Hedging instruments	Receive average contracted interest rate Percentage	Pay average contracted interest rate Percentage	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Interest rate swaps								
– receive floating and pay fixed maturing in								
2025	5.15%	3.58%	AUD 509	2,469	7	–	–	–
2025	5.68%	5.30%	NZD 150	660	–	–	–	–
				3,129	7	–	–	–
Cross currency interest rate swaps								
– receive fixed and pay fixed maturing in								
2027	2.00%	0.05%	GBP 500	4,920	–	227	–	–
				4,920	–	227	–	–

	2024						
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Forward foreign exchange contracts maturing in							
2025	1.08	US$ 18	144	5	–	–	–
			144	5	–	–	–

	2024		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Interest rate risk	46	5	–
Foreign exchange risk	(84)	(87)	–

40 Financial risk management (continued)

(i) Hedge accounting (continued)

(ii) Cash flow hedges (continued)

	2023							
					Carrying amount of derivatives included in			
Hedging instruments	Receive average contracted interest rate Percentage	Pay average contracted interest rate Percentage	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Interest rate swaps								
– receive floating and pay fixed maturing in								
2025	5.14%	3.58%	AUD 509	2,718	–	40	–	–
2025	6.45%	5.69%	NZD 150	743	–	12	–	–
				3,461	–	52	–	–
Cross currency interest rate swaps								
– receive fixed and pay fixed maturing in								
2027	2.00%	0.05%	GBP 500	4,970	–	150	–	–
				4,970	–	150	–	–

	2023						
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Forward foreign exchange contracts maturing in							
2024	1.08	US$ 13	98	–	–	(2)	–
			98	–	–	(2)	–

	2023		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Interest rate risk	185	(41)	–
Foreign exchange risk	558	(328)	–

40 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges

	2024						
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Forward foreign exchange contracts maturing in							
2025	5.69	CAD 992	5,355	209	–	(25)	–
2025	5.05	AUD 159	773	31	–	–	–
2025	4.66	NZD 280	1,232	–	–	(73)	–
2025	9.87	GBP 2,487	24,476	195	–	(49)	–
2025	8.29	EUR 82	666	1	–	(8)	–
			32,502	436	–	(155)	–
Cross currency swaps maturing in							
2025 – 2031	5.83	CAD 233	1,255	79	–	–	(2)
2025 – 2031	8.15	EUR 965	7,807	–	82	(238)	–
2027	5.86	AUD 1,415	6,862	–	1,199	–	–
			15,924	79	1,281	(238)	(2)

	2024		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in hedging reserve / exchange reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve / exchange reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Foreign investments	(1,458)	(8,428)	(716)

40 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges (continued)

	2023						
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Forward foreign exchange contracts maturing in							
2024	5.76	CAD 792	4,686	10	–	(101)	–
2024	4.99	AUD 159	851	–	–	(58)	–
2024	4.63	NZD 280	1,386	92	–	–	–
2024	9.54	GBP 2,487	24,725	99	–	(906)	–
2024	8.55	EUR 65	560	–	–	(7)	–
			32,208	201	–	(1,072)	–
Cross currency swaps maturing in							
2024 – 2025	4.57	CAD 447	2,649	60	20	–	–
2024 – 2027	8.45	EUR 965	8,318	276	24	–	(465)
2027	5.86	AUD 1,415	7,555	–	528	–	–
			18,522	336	572	–	(465)

	2023		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in hedging reserve / exchange reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve / exchange reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Foreign investments	1,733	(6,970)	(716)

40 Financial risk management (continued)

(j) Carrying amounts and fair values of financial assets and financial liabilities

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows:

			2024		2023	
	Note	Classification under HKFRS 9	**Carrying amounts HK$ million**	**Fair values HK$ million**	Carrying amounts HK$ million	Fair values HK$ million
Financial assets						
Liquid funds and other listed investments						
Cash and cash equivalents (included in Managed funds)	20	Amortised cost	**34**	**34**	50	50
Listed equity securities, Hong Kong	20	FVOCI	**536**	**536**	608	608
Listed equity securities, outside Hong Kong	20	FVOCI	**747**	**747**	8,589	8,589
Listed debt securities (included in Managed funds)	20	FVOCI	**6,825**	**6,825**	6,539	6,539
Unlisted investments						
Unlisted equity securities	21	FVOCI	**1,933**	**1,933**	2,189	2,189
Unlisted equity securities	21	FVPL	**366**	**366**	369	369
Unlisted debt securities	21	FVPL	**414**	**414**	604	604
Derivative financial instruments						
Fair value hedges – collar agreements	24	Fair value – hedges	**14**	**14**	–	–
Cash flow hedges						
Interest rate swaps	21 & 24	Fair value – hedges	**7**	**7**	52	52
Cross currency interest rate swaps	21	Fair value – hedges	**227**	**227**	150	150
Forward foreign exchange contracts	24	Fair value – hedges	**5**	**5**	–	–
Other contracts	24	Fair value – hedges	**1**	**1**	26	26
Net investment hedges						
Forward foreign exchange contracts	24	Fair value – hedges	**436**	**436**	201	201
Cross currency swaps	21 & 24	Fair value – hedges	**1,360**	**1,360**	908	908
Lease receivables	21	Amortised cost	**875**	**875**	507	507
Cash and cash equivalents	23	Amortised cost	**121,303**	**121,303**	127,323	127,323
Trade receivables	24	Amortised cost	**15,327**	**15,327**	16,297	16,297
Other receivables	24	Amortised cost	**12,169**	**12,169**	13,491	13,491
Amounts due from associated companies	17	Amortised cost	**1,671**	**1,671**	3,435	3,435
Amounts due from joint ventures	18	Amortised cost	**16,953**	**16,953**	22,377	22,377
			181,203	**181,203**	203,715	203,715

40 Financial risk management (continued)

(j) Carrying amounts and fair values of financial assets and financial liabilities (continued)

	Note	Classification under HKFRS 9	2024 Carrying amounts HK$ million	2024 Fair values HK$ million	2023 Carrying amounts HK$ million	2023 Fair values HK$ million
Financial liabilities						
Bank and other debts [(i)]	25	Amortised cost	**256,392**	**239,786**	271,922	258,853
Trade payables	26	Amortised cost	**21,861**	**21,861**	23,017	23,017
Derivative financial instruments						
Fair value hedges – collar agreements	26 & 30	Fair value – hedges	**–**	**–**	356	356
Cash flow hedges						
Forward foreign exchange contracts	26	Fair value – hedges	**–**	**–**	2	2
Other contracts	26 & 30	Fair value – hedges	**5**	**5**	114	114
Net investment hedges						
Forward foreign exchange contracts	26	Fair value – hedges	**155**	**155**	1,072	1,072
Cross currency swaps	26 & 30	Fair value – hedges	**240**	**240**	465	465
Other derivative financial instruments	30	FVPL	**91**	**91**	–	–
Interest free loans from non-controlling shareholders	26	Amortised cost	**349**	**349**	438	438
Expenses and other accruals	26	Amortised cost	**33,411**	**33,411**	36,471	36,471
Other payables	26	Amortised cost	**19,104**	**19,104**	16,888	16,888
Lease liabilities	13	Amortised cost	**64,519**	**64,519**	67,923	67,923
Interest bearing loans from non-controlling shareholders	28	Amortised cost	**3,471**	**3,471**	3,245	3,245
Obligations for telecommunications licences and other rights	26 & 30	Amortised cost	**3,983**	**3,983**	4,615	4,615
Liabilities relating to the economic benefits agreements	30	Amortised cost	**2,166**	**2,166**	2,166	2,166
Amounts due to associated companies	17	Amortised cost	**535**	**535**	543	543
Amounts due to joint ventures	18	Amortised cost	**270**	**270**	310	310
			406,552	**389,946**	429,547	416,478

(i) The fair values of the bank and other debts are based on market quotes or estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

40 Financial risk management (continued)

(j) Carrying amounts and fair values of financial assets and financial liabilities (continued)

	2024		2023	
	Carrying amounts HK$ million	**Fair values HK$ million**	Carrying amounts HK$ million	Fair values HK$ million
Representing:				
Financial assets measured at				
Amortised cost	**168,332**	**168,332**	183,480	183,480
FVOCI	**10,041**	**10,041**	17,925	17,925
FVPL	**780**	**780**	973	973
Fair value – hedges	**2,050**	**2,050**	1,337	1,337
	181,203	**181,203**	203,715	203,715
Financial liabilities measured at				
Amortised cost	**406,061**	**389,455**	427,538	414,469
FVPL	**91**	**91**	–	–
Fair value – hedges	**400**	**400**	2,009	2,009
	406,552	**389,946**	429,547	416,478

(k) Fair value measurements

(i) Financial assets and financial liabilities measured at fair value

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

40 Financial risk management (continued)

(k) Fair value measurements (continued)

(i) Financial assets and financial liabilities measured at fair value (continued)

Fair value hierarchy (continued)

		2024				2023			
	Note	**Level 1 HK$ million**	**Level 2 HK$ million**	**Level 3 HK$ million**	**Total HK$ million**	Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million
Financial assets									
Liquid funds and other listed investments									
Listed equity securities, Hong Kong	20	**536**	**–**	**–**	**536**	608	–	–	608
Listed equity securities, outside Hong Kong	20	**747**	**–**	**–**	**747**	8,589	–	–	8,589
Listed debt securities (included in Managed funds)	20	**6,825**	**–**	**–**	**6,825**	6,539	–	–	6,539
Unlisted investments									
Unlisted equity securities – FVOCI	21	**–**	**–**	**1,933**	**1,933**	–	–	2,189	2,189
Unlisted equity securities – FVPL	21	**–**	**46**	**320**	**366**	–	46	323	369
Unlisted debt securities	21	**–**	**–**	**414**	**414**	–	–	604	604
Derivative financial instruments									
Fair value hedges – collar agreements	24	**–**	**–**	**14**	**14**	–	–	–	–
Cash flow hedges									
Interest rate swaps	21 & 24	**–**	**7**	**–**	**7**	–	52	–	52
Cross currency interest rate swaps	21	**–**	**227**	**–**	**227**	–	150	–	150
Forward foreign exchange contracts	24	**–**	**5**	**–**	**5**	–	–	–	–
Other contracts	24	**–**	**1**	**–**	**1**	–	26	–	26
Net investment hedges									
Forward foreign exchange contracts	24	**–**	**436**	**–**	**436**	–	201	–	201
Cross currency swaps	21 & 24	**–**	**1,360**	**–**	**1,360**	–	908	–	908
		8,108	**2,082**	**2,681**	**12,871**	15,736	1,383	3,116	20,235
Financial liabilities									
Derivative financial instruments									
Fair value hedges – collar agreements	26 & 30	**–**	**–**	**–**	**–**	–	–	356	356
Cash flow hedges									
Forward foreign exchange contracts	26	**–**	**–**	**–**	**–**	–	2	–	2
Other contracts	26 & 30	**–**	**5**	**–**	**5**	–	114	–	114
Net investment hedges									
Forward foreign exchange contracts	26	**–**	**155**	**–**	**155**	–	1,072	–	1,072
Cross currency swaps	26 & 30	**–**	**240**	**–**	**240**	–	465	–	465
Other derivative financial instruments	30	**–**	**91**	**–**	**91**	–	–	–	–
		–	**491**	**–**	**491**	–	1,653	356	2,009

40 Financial risk management (continued)

(k) Fair value measurements (continued)

(i) Financial assets and financial liabilities measured at fair value (continued)

Fair value hierarchy (continued)

The fair value of financial assets and financial liabilities that are not traded in active market is determined by using valuation techniques. Specific valuation techniques used to value financial assets and financial liabilities include discounted cash flow analysis, are used to determine fair value for the financial assets and financial liabilities.

During the year ended 31 December 2024 and 2023, there were no transfer between the Level 1 and Level 2 fair value measurements, and no transfer into or out of Level 3 from or to Level 1 or Level 2 fair value measurements.

Level 3 fair values

The movements of the balance of financial assets and financial liabilities measured at fair value based on Level 3 are as follows:

	2024 **HK$ million**	2023 HK$ million
At 1 January	**2,760**	3,593
Total gains (losses) recognised in		
Income statement	**(15)**	(90)
Other comprehensive income	**79**	(796)
Additions	**43**	75
Disposals	**(187)**	(74)
Exchange translation differences	**1**	52
At 31 December	**2,681**	2,760
Total losses recognised in income statement relating to those financial assets and financial liabilities held at the end of the reporting period	**(15)**	(90)

The fair value of financial assets and financial liabilities that are grouped under Level 3 is determined by using valuation techniques including discounted cash flow analysis. In determining fair value, specific valuation techniques are used with reference to inputs such as dividend stream and other specific input relevant to those particular financial assets and financial liabilities.

Changing unobservable inputs used in Level 3 valuation to reasonable alternative assumptions would not have significant impact on the Group's profit or loss.

40 Financial risk management (continued)

(k) Fair value measurements (continued)

(ii) Financial assets and financial liabilities that are not measured at fair value but fair value disclosures are required

Except for bank and other debts as detailed in the table 40(j) above, the carrying amounts of the financial assets and financial liabilities recognised in the consolidated statement of financial position approximate their fair values.

Fair value hierarchy

The table below analyses the fair value measurements disclosures for bank and other debts. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used.

	Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million
At 31 December 2024				
Bank and other debts	**155,857**	**83,929**	**–**	**239,786**
At 31 December 2023				
Bank and other debts	165,755	93,098	–	258,853

The fair value of the bank and other debts included in Level 2 category above are estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

40 Financial risk management (continued)

(l) Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

The following tables set out the carrying amounts of recognised financial assets and recognised financial liabilities that:

(1) are offset in the Group's consolidated statement of financial position; or

(2) are subject to an enforceable master netting arrangements or similar agreements that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

	Gross amounts of recognised financial assets (liabilities)	Gross amounts offset in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position		Net amounts
				Financial assets (liabilities)	Cash collateral pledged (received)	
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 31 December 2024						
Financial assets						
Trade receivables	47	(47)	–	–	–	–
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	130	–	130	(130)	–	–
Other receivables and prepayments	269	(160)	109	–	–	109
	446	(207)	239	(130)	–	109
Financial liabilities						
Trade payables	(3,062)	47	(3,015)	–	–	(3,015)
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	(240)	–	(240)	130	–	(110)
Other payables and accruals	(160)	160	–	–	–	–
	(3,462)	207	(3,255)	130	–	(3,125)
At 31 December 2023						
Financial assets						
Trade receivables	43	(43)	–	–	–	–
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	24	–	24	(24)	–	–
Other receivables and prepayments	231	(104)	127	–	–	127
	298	(147)	151	(24)	–	127
Financial liabilities						
Trade payables	(937)	43	(894)	–	–	(894)
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	(465)	–	(465)	24	–	(441)
Other payables and accruals	(104)	104	–	–	–	–
	(1,506)	147	(1,359)	24	–	(1,335)

41 Statement of financial position of the Company, as at 31 December 2024

	2024 HK$ million	2023 HK$ million
Non-current assets		
Subsidiary companies – Unlisted shares [(a)]	**368,139**	355,164
Current assets		
Amounts due from subsidiary companies [(b)]	**21,216**	17,660
Other receivables	**1**	1
Cash	**7**	12
Current liabilities		
Other payables and accruals	**99**	97
Net current assets	**21,125**	17,576
Net assets	**389,264**	372,740
Capital and reserves		
Share capital (see note 31(a))	**3,830**	3,830
Share premium (see note 31(a))	**242,972**	242,972
Reserves – Retained profit [(c)]	**142,462**	125,938
Shareholders' funds	**389,264**	372,740

Frank John Sixt
Director

Lai Kai Ming, Dominic
Director

41 Statement of financial position of the Company, as at 31 December 2024 (continued)

(a) Particulars regarding the principal subsidiary companies are set forth on pages 255 to 258.

(b) Amounts due from subsidiary companies are interest-free, unsecured and repayable on demand.

(c) Reserves – Retained profit

	HK$ million
At 1 January 2023	123,845
Profit for the year	12,963
Unclaimed dividends write back	15
Dividends paid relating to 2022	(7,989)
Dividends paid relating to 2023	(2,896)
At 31 December 2023	**125,938**
Profit for the year	**25,948**
Unclaimed dividends write back	**9**
Dividends paid relating to 2023	**(6,798)**
Dividends paid relating to 2024	**(2,635)**
At 31 December 2024	**142,462**

(d) The Company does not have an option scheme for the purchase of ordinary shares in the Company.

(e) The net profit of the Company is HK$25,948 million (2023: HK$12,963 million) and is included in determining the profit attributable to ordinary shareholders of the Company in the consolidated income statement.

(f) At 31 December 2024, the Company's share premium and retained profit amounted to HK$242,972 million (2023: HK$242,972 million) and HK$142,462 million (2023: HK$125,938 million) respectively, and subject to a solvency test, they are available for distribution to shareholders.

42 Subsequent events

Saved as disclosed, no event occurring up to the date of approval of the Annual Financial Statements has been identified that may require material adjustment of, or disclosure in, these financial statements.

43 US dollar equivalents

Amounts in these financial statements are stated in Hong Kong dollar (HK$), the functional currency of the Company. The translation into US dollar (US$) of these financial statements as of, and for the year ended, 31 December 2024, is for convenience only and has been made at the rate of HK$7.8 to US$1. This translation should not be construed as a representation that the Hong Kong dollar amounts actually represented have been, or could be, converted into US dollar at this or any other rate.

44 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million currency units unless otherwise stated.

45 Significant judgements, estimates and assumptions

In applying the Group's accounting policies, the directors are required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements and assumptions are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstance. Although our current estimates contemplate current and, as applicable, expected future conditions, it is reasonably possible that actual achievements, results, performance or other future events or conditions could differ from those on which the estimates are based. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Significant judgements in applying the Group's accounting policies

The following are the significant judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(i) Basis of consolidation and classification of investee entities

The determination if the Group has control, joint control or significant influence over another entity will require exercise of judgement under certain circumstances. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group also considers, in particular, whether it obtains benefits, including non-financial benefits, from its power to control the entity. As such, the classification of the entity as a subsidiary, a joint venture, a joint operation, an associated company or a cost investment might require the application of judgement through the analysis of various indicators, such as the practical ability to direct the relevant activities of the investee, the participation in policy-making processes of the investee, the representation on the board of directors or equivalent governing body of the investee, the percentage of ownership interest held in the investee, and various other factors including, if relevant, the existence of agreement with other shareholders, applicable statutes and regulations and their requirements.

(ii) Allocation of revenue for bundled telecommunications transactions with customers

The Group has bundled transactions under contract with customers including sales of both services and hardware (for example handsets). Revenue is allocated to the respective element in an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services and device. Device revenue is recognised at the inception of the contract upon delivery to the customer and services revenue is recognised throughout the contract period as the services are provided. Significant judgement is required in assessing fair values of both of these elements by considering inter alia, standalone selling price, the consideration to which the Group expects to be entitled in exchange for transferring the services and hardware to the customer, and other relevant observable market data. Changes in the allocation may cause the revenue recognised for sales of services and hardware to change individually but not the total bundled revenue from a specific customer throughout its contract term. The Group periodically re-assesses the allocation of the elements as a result of changes in market conditions.

45 Significant judgements, estimates and assumptions (continued)

(a) Significant judgements in applying the Group's accounting policies (continued)

(iii) Determination of lease term

Lease term is the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not to extend), the Group is typically reasonably certain to extend (or not to terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not to terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 31 December 2024, potential future cash outflows of HK$7,021 million (2023: HK$8,635 million) (undiscounted) have not been included in calculating the lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(iv) Business combinations

As disclosed in note 46(c)(iv), the Group applies the provisions of HKFRS 3 to transactions and other events that meet the definition of a business combination within the scope of HKFRS 3. When the Group completes a business combination, the identifiable assets acquired and the liabilities assumed, including intangible assets, contingent liabilities and commitments, are recognised at their fair value. Judgement is required to determine the fair values of the assets acquired, the liabilities assumed, the date of acquisition, and the purchase consideration, and on the allocation of the purchase consideration to the identifiable assets and liabilities. If the purchase consideration exceeds the fair value of the net assets acquired then the incremental amount paid is recognised as goodwill. If the purchase price consideration is lower than the fair value of the net assets acquired then the difference is recorded as a gain in the consolidated income statement. Allocation of the purchase consideration between finite lived assets and indefinite lived assets such as goodwill affects the subsequent results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its estimates and assumptions on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Revisions to accounting estimates and assumptions are recognised prospectively and could impact fair value and carrying amounts of assets and liabilities, amount and timing of results of operations and cash flows in future periods.

45 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(i) Impairment of goodwill and long-lived assets

Goodwill and intangible assets that have an indefinite useful life (including telecommunication licences and brand names) are not subject to amortisation and are tested for impairment annually and when there is an indication that the asset may be impaired. Other assets are reviewed for impairment to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In assessing whether these assets have suffered any impairment, the carrying value of the asset or its respective business unit, including the goodwill, is compared with its recoverable amount, which is the higher of the fair value less costs of disposal and value-in-use. Fair value is derived, when available and appropriate, by making reference to performance metrics (such as revenue, EBITDA, earnings) and valuation multiples (such as Enterprise value / EBITDA, Enterprise value / Sales, Price/Earnings) of completed transactions of comparable businesses or comparable public companies, or by making reference to traded prices and with consideration for possible premiums, or is measured using discounted cash flow projections (Level 3 of the HKFRS 13 fair value hierarchy). The selection of comparable companies requires management judgement and is based on a number of factors, including comparable companies' location, sizes, growth rates, industries, and development stages.

In determining the value-in-use of the investment, discounted cash flow models will be used to estimate the present value of the estimated future cash flows expected to be generated from the operations and from the ultimate disposal of the investment. The cash flows used in the financial projections (discounted cash flow models) are based on the latest approved financial budgets for the next five years. The Group prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of estimates and assumptions involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Significant estimates and assumptions inherent in the discounted cash flow models include the amount and timing of future cash flows attributable to the respective business unit. Other key estimates and assumptions, where applicable, include the respective business unit's projected revenue, costs, gross margin, inventory level, working capital and capital investments, as well as the discount rate and long term growth rate applied, and the estimated terminal value assumptions.

It is reasonably possible that the judgements, estimates and assumptions described above could change in future periods. Further, unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions. Changes to the judgements, estimates and assumptions can significantly affect the carrying amount of the asset in future periods.

45 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(ii) Impairment assessment on investment accounted for using equity method

Investments accounted for using equity method are subject to impairment testing requirements. The requirements to test for impairment are applied to the net investment in the equity accounted investee. Fair value adjustments and goodwill recognised on acquisitions of equity-accounted investees are not recognised separately. Goodwill recognised on acquisitions of an equity-accounted investee is not subject to annual impairment test. Instead, after applying equity accounting method, the net investment is tested for impairment when there is an indication of possible impairment. The guidance in HKAS 28 "Investments in Associates and Joint Ventures" is used to determine whether it is necessary to perform an impairment test for investments in equity-accounted investees. If there is an indication of impairment, then the impairment test applied follows the principles in HKAS 36 "Impairment of Assets".

In assessing whether these assets have suffered any impairment, the net investment is compared with its recoverable amount, which is the higher of the fair value less costs of disposal and value-in-use. Fair value is derived, when available and appropriate, by making reference to performance metrics (such as revenue, EBITDA, earnings) and valuation multiples (such as Enterprise value / EBITDA, Enterprise value / Sales, Price / Earnings) of completed transactions of comparable businesses or comparable public companies, or by making reference to traded prices and with consideration for possible premiums, or, where financial projections are available, is measured using discounted cash flow projections (Level 3 of the HKFRS 13 fair value hierarchy). The selection of comparable companies requires management judgement and is based on a number of factors, including comparable companies' location, sizes, growth rates, industries, and development stages.

In determining the value-in-use of the investment in an equity-accounted investee, discounted cash flow models will be used to estimate (i) the Group's share of the present value of the estimated future cash flows expected to be generated by the associated company or joint venture, including the cash flows from the operations of the associated company or joint venture and from the ultimate disposal of the investment; or (ii) the present value of the estimated future cash flows to the Group expected to arise from dividends to be received from the investment and from its ultimate disposal.

Significant estimates and assumptions inherent in the discounted cash flow models include the amount and timing of future cash flows attributable to the estimated future cash flows expected to be generated by the associated company or joint venture, including the cash flows from the operations of the associated company or joint venture, the present value of the estimated future cash flows to the Group expected to arise from dividends to be received from the investment and the ultimate disposal of the investment. Other key estimates and assumptions, where applicable, include estimates of the investee's projected revenue, costs, gross margin, inventory level, working capital and capital investments, as well as the discount rate and long term growth rate applied, and, where applicable, dividend yield, and the estimated terminal value assumptions.

It is reasonably possible that the judgements, estimates and assumptions described above could change in future periods. Further, unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions. Changes to the judgements, estimates and assumptions can significantly affect the carrying amount of the investment in future periods.

45 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(iii) Pension costs and estimation of defined benefit pension obligation

The Group operates several defined benefit plans. Pension costs for defined benefit plans are assessed using the projected unit credit method in accordance with HKAS 19, "Employee Benefits". Under this method, the cost of providing pensions is charged to the consolidated income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The liability or asset recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The present value of the defined benefit obligation is measured by discounting the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations. Remeasurements arising from defined benefit plans are recognised in other comprehensive income in the period in which they occur and reflected immediately in retained profit. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Management appoints actuaries to carry out full valuations of these pension plans to determine the pension obligations that are required to be disclosed and accounted for in the financial statements in accordance with the HKFRS requirements.

The actuaries use assumptions and estimates in determining the fair value of the defined benefit plans and evaluate and update these assumptions on an annual basis. Judgement is required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

(iv) Provisions for commitments, onerous contracts and other guarantees

The Group has entered into a number of procurement, supply and other contracts related to specific assets in the ordinary course of its business and provided guarantees in respect of bank and other borrowing facilities to associated companies and joint ventures. Where the unavoidable costs of meeting the obligations under these procurement and supply contracts exceed the associated, expected future net benefits, an onerous contract provision is recognised, or where the borrowing of associated companies and joint ventures are assessed to be unable to repay the indebtedness that the Group has guaranteed, a provision is recognised. The calculation of these provisions will involve the use of estimates and assumptions. These onerous provisions are calculated by taking the unavoidable costs that will be incurred under the contract and deducting any estimate revenues or predicted income to be derived from the assets, or by taking the unavoidable costs that will be incurred under the guarantee and deducting any estimated recoverable value from the investment in such associated companies and joint ventures.

45 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(v) Provision for income tax and recognition of deferred tax asset

The Group is subject to income taxes in numerous jurisdictions. Significant judgement and estimate are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were previously recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilised, based on all available evidence. Recognition primarily involves judgement regarding the future financial performance of the particular legal entity or tax group. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, group relief, tax planning strategies and the periods in which estimated tax losses can be utilised.

The ultimate realisation of deferred tax assets recognised for certain of the Group's businesses depends principally on these businesses maintaining profitability and generating sufficient taxable profits to utilise the underlying unused tax losses. It may be necessary for some or all of the deferred tax assets recognised to be reduced and charged to the consolidated income statement if there is a significant adverse change in the projected performance and resulting projected taxable profits of these businesses. Judgement is required to determine key assumptions adopted in the taxable profit and loss projections and changes to key assumptions used and estimates made can significantly affect these taxable profit and loss projections.

(vi) Estimation of useful life: Fixed assets

Depreciation of operating assets constitutes a substantial operating cost for the Group. The cost of fixed assets is charged as depreciation expense over the estimated useful lives of the respective assets using the straight-line method. The Group periodically reviews changes in technology and industry conditions, asset retirement activity and residual values to determine adjustments to estimated remaining useful lives and depreciation rates. Actual economic lives may differ from estimated useful lives. Periodic reviews could result in a change in depreciable lives and therefore depreciation expense in future periods.

(vii) Estimation of useful life: Telecommunications licences, other licences, brand names, trademarks and other rights

Telecommunications licences, other licences, brand names, trademarks and other rights with a finite useful life are carried at cost less accumulated amortisation and are reviewed for impairment annually. Telecommunications licences, other licences, brand names, trademarks and other rights that are considered to have an indefinite useful life are not amortised and are tested for impairment annually and when there is an indication that they may be impaired. Certain brand names related to Retail and Telecommunications are considered to have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate net cash inflows.

Judgement is required to estimate the useful lives of the telecommunications licences, other licences, brand names, trademarks and other rights. The actual economic lives of these assets may differ from the current contracted or expected usage periods, which could impact the amount of amortisation expense charged to the income statement. In addition, governments from time to time revise the terms of licences to change, amongst other terms, the contracted or expected licence period, which could also impact the amount of amortisation expense charged to the consolidated income statement.

45 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(viii) Estimation of the amortisation period: Customer acquisition and retention costs

In accordance with HKFRS 15, customer acquisition and retention costs, which comprise the net costs to acquire and retain customers, are expensed and recognised in the consolidated income statement in the period in which they are incurred, where (i) the costs are incurred; (ii) the costs are incremental of obtaining a contract and they are expected to be recovered; and (iii) the costs relate directly to the contract, generate resources used in satisfying the contract and are expected to be recovered, then they are capitalised and amortised over the customer contract period. Appropriate allowances are recognised if the carrying amounts of the capitalised costs exceed the remaining amount that the Group expects to receive less any directly related costs that have not been recognised as expenses.

Judgement is required to determine the amount of the provision and the amortisation period. The actual amount to be received from the customer and customer period may differ from the expected amount and the contract periods, which could impact the amount of expense charged to the consolidated income statement.

(c) Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

46 Summary of material accounting policies

(a) Standards adopted during the year ended 31 December 2024

The Group applied for the first-time certain standards and amendments to HKFRS issued by HKICPA, which are effective for annual periods beginning on or after 1 January 2024. The adoption of these amendments do not have a material impact on the Group's consolidated financial statements.

(i) Classification of Liabilities as Current or Non-current – Amendments to HKAS 1; and
Non-current Liabilities with Covenants – Amendments to HKAS 1

Amendments made to HKAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

46 Summary of material accounting policies (continued)

(a) Standards adopted during the year ended 31 December 2024 (continued)

(ii) Lease Liability in a Sale and Leaseback – Amendments to HKFRS 16

These are narrow-scope amendments to the requirements for sale and leaseback transactions in HKFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

(iii) Supplier Finance Arrangements – Amendments to HKAS 7 and HKFRS 7

These amendments clarify the characteristics of supplier finance arrangements ("SFAs") and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of SFAs on an entity's liabilities, cash flows and exposure to liquidity risk.

Other than these changes, the accounting policies and methods of computation used in the preparation of the Annual Financial Statements are consistent with those used in the 2023 Annual Financial Statements.

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting year and have not been early adopted by the Group.

These new / amended accounting standards and interpretations are effective for annual periods beginning after 1 January 2024 and include:

(i) Lack of Exchangeability – Amendments to HKAS 21

The HKICPA amended HKAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.

The amendments to HKAS 21 will be effective for annual reporting periods beginning on or after 1 January 2025. The Group does not expect these amendments to have a material impact on its operations or financial statements.

(ii) Amendments to the Classification and Measurement of Financial Instruments – Amendments to HKFRS 9 and HKFRS 7

The HKICPA issued targeted amendments to HKFRS 9 and HKFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income.

The amendments to HKFRS 9 and HKFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026. The Group does not expect these amendments to have a material impact on its operations or financial statements.

46 Summary of material accounting policies (continued)

(b) New standards and interpretations not yet adopted (continued)

(iii) Presentation and Disclosure in Financial Statements – HKFRS 18

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The key new concepts introduced in HKFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The references in HK Interpretation 5 have been updated correspondingly to reflect the requirements in HKFRS 18.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

(iv) Annual Improvements to HKFRS Accounting Standards – Volume 11

The HKICPA issued narrow-scope amendments to HKFRS that include clarifications, simplifications, corrections, and changes intended to improve consistency in:

- HKFRS 1 First-time Adoption of International Financial Reporting Standards;
- HKFRS 7 Financial Instruments: Disclosures and Guidance on implementing HKFRS 7;
- HKFRS 9 Financial Instruments;
- HKFRS 10 Consolidated Financial Statements; and
- HKAS 7 Statement of Cash Flows.

These amendments will be effective for annual periods beginning on or after 1 January 2026. The Group does not expect these amendments to have a material impact on its operations or financial statements.

(v) Sale or contribution of assets between an investor and its associate or joint venture – Amendments to HKFRS 10 and HKAS 28

The HKICPA has made limited scope amendments to HKFRS 10 Consolidated Financial Statements and HKAS 28 Investments in Associates and Joint Ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associated companies or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associated company or joint venture constitute a 'business' (as defined in HKFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associated company or joint venture. The amendments apply prospectively.

In December 2015, the HKICPA decided to defer the application date of this amendment until such time as the HKICPA has finalised its research project on the equity method.

46 Summary of material accounting policies (continued)

(c) Summary of material accounting policies

Set out below is a summary of material accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes elsewhere in these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(i) Subsidiary companies

Subsidiaries are entities over which the Group has control. Where an entity is governed by voting rights, the Group consolidates when it holds, directly or indirectly, the necessary voting rights to pass resolutions by the governing body. In other cases, the assessment of control is more complex and requires judgement of other factors, including having exposure to variability of returns, power to direct relevant activities, and whether power is held as agent or principal. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Impairment testing is performed where there is an indication of impairment, by comparing the recoverable amount of the relevant investment to its carrying amount. Indicators of impairment include both external and internal sources of information. Similarly, assessments are made as to whether an impairment loss recognised in prior periods may no longer exist or may have decreased. Where this is the case, such an impairment loss is reversed if there has been a change in the estimate used to determine the relevant recoverable amount since the last impairment loss was recognised, and to the extent that it does not increase the carrying amount above that had no impairment loss been previously recognised.

(ii) Associated companies and joint arrangements

The Group classifies investments in entities over which it has significant influence, and which are neither subsidiaries nor joint arrangements, as associated companies. This is generally the case where the Group holds between 20% and 50% of the voting rights.

Joint arrangements are investments in which the Group, together with one or more parties, has joint control and over which none of the participating parties has unilateral control. Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. Joint ventures arise where the investors have rights to the net assets of the arrangement.

The Group recognises its share of the assets, liabilities and results in a joint operation. Investments in associated companies and interests in joint ventures are recognised using the equity method. The attributable share of the results and reserves of joint ventures and associated companies is included in the consolidated financial statements based on either financial statements made up to 31 December or pro-rated amounts adjusted for any material transactions or events occurring between the date the financial statements are available and 31 December.

Investments in associated companies and joint ventures are assessed at each reporting date and tested for impairment when there is an indication that the investment may be impaired, by comparing the recoverable amount of the relevant investment to its carrying amount. Goodwill on acquisitions of interests in joint ventures and associated companies is not tested separately for impairment, but is assessed as part of the carrying amount of the investment. Previously recognised impairments are assessed for reversal when there are indicators that they may no longer exist or have decreased. Any reversal, which may arise from changes in estimates used to determine the prior impairment loss, is recognised to the extent that it does not increase the carrying amount above that had no impairment loss been previously recognised.

(iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the ordinary shareholders of the Company.

46 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(iii) Changes in ownership interests (continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS.

If the ownership interest in a joint venture or an associated company is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(iv) Business combinations

The Group applies the provisions of HKFRS 3, Business combinations, to transactions and other events that meet the definition of a business combination within the scope of HKFRS 3. Where the acquisition method of accounting is used to account for business combinations, the consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the Group to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. This election is made for each business combination. Acquisition-related costs are generally recognised in profit or loss as incurred.

The difference between the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any pre-existing investment in the acquiree over the acquisition-date fair value of assets acquired and the liabilities assumed is recognised as goodwill. If the consideration transferred and the fair value of pre-existing investment in the acquiree is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the Group, the difference is recognised as a gain directly in profit or loss by the Group on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the Group's previously held equity interest in the acquiree.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Business combinations are initially accounted for on a provisional basis. The Group retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period (see above), based on new information obtained about the facts and circumstances that existed as of the acquisition date.

46 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(v) Goodwill

Goodwill is initially recognised and measured as set out in note 46(c)(iv) Business combinations.

Goodwill is not amortised but is subject to impairment test annually and when there is an indication that the carrying value may not be recoverable. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal (but does not include any attributable goodwill previously eliminated against reserves).

The Group's policy for goodwill arising on the acquisition of an associated company and a joint venture is described in note 46(c)(ii) above.

(vi) Fixed assets

Fixed assets other than freehold lands, are stated at cost less depreciation and any impairment loss. Freehold lands included in land and buildings are not depreciated. Buildings are depreciated on the basis of an expected life of 50 years, or the remainder thereof, or over the remaining period of the lease of the underlying leasehold land, whichever is less. The period of the lease includes the period for which a right to renewal is attached.

Depreciation of other fixed assets is provided on the straight-line basis to write off their costs over their estimated useful lives. The principal annual rates used for these purposes are as follows:

Motor vehicles	20 - 25%
Plant, machinery and equipment	3 1/3 - 20%
Container terminal equipment	3 - 20%
Telecommunications equipment	2.5 - 20%
Leasehold improvements	Over the unexpired period of the lease or 15%, whichever is greater

The gain or loss on disposal or retirement of a fixed asset is the difference between the net sales proceeds and the carrying amount.

(vii) Leases

(I) Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the lease liability and interest on lease liability. The interest on lease liability is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

46 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(vii) Leases (continued)

(I) Group as a lessee (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- lease payments made at or before the commencement date less any lease incentives received;
- initial direct costs and restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture and certain IT-equipment.

Some leases contain variable payment terms that are linked to sales generated from a store. For individual retail stores, lease payments are on the basis of variable payment terms and there is a wide range of sales percentages applied. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(II) Group as a lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. If this is not the case, the lease is classified as an operating lease.

However, when the Group is an intermediate lessor the sublease are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

46 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(viii) Telecommunications licences, other licences, brand names, trademarks and other rights

Separately acquired telecommunications licences, other licences, brand names, trademarks and other rights are carried at historical cost. Telecommunications licences, other licences, brand names, trademarks and other rights that are considered to have indefinite useful lives to the Group are not amortised and are tested for impairment annually and when there is an indication that they may be impaired. Telecommunications licences, other licences, brand names, trademarks and other rights with a finite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of these assets over their estimated useful lives:

Telecommunications licences and other licences	2 to 20 years
Brand names, trademarks and other rights	2 to 45 years

(ix) Customer acquisition and retention costs

Customer acquisition and retention costs ("CACs") comprise the net costs to acquire and retain customers, which are mainly mobile telecommunication customers. CACs are expensed and recognised in the consolidated income statement in the period in which they are incurred, except (i) the costs are incremental of obtaining a contract and they are expected to be recovered; and (ii) the costs relate directly to the contract, generate resources used in satisfying the contract and are expected to be recovered, then they are capitalised and amortised over the customer contract period. Appropriate allowance are recognised if the carrying amounts of the capitalised costs exceed the remaining amount that the Group expects to receive less any directly related costs that have not been recognised as expenses.

(x) Liquid funds and other listed investments and unlisted investments

"Liquid funds and other listed investments" are investments in listed debt securities, listed equity securities and cash and cash equivalents. "Unlisted investments", disclosed under other non-current assets, are investments in unlisted debt securities and unlisted equity securities. These investments are recognised and de-recognised on the date the Group commits to purchase or sell the investments or when they expire.

(I) Measurement

Debt instrument financial assets subsequent to initial recognition are measured as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Financial assets at fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses and reversals, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to, and recognised in, profit or loss.

Financial assets at fair value through profit or loss ("FVPL"): Assets that do not meet the criteria for amortised cost or FVOCI, or designated as FVPL using fair value option, are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in the fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established. Where an election is made to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

46 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(x) Liquid funds and other listed investments and unlisted investments (continued)

(II) Impairment

Under the expected loss approach, the Group assesses on a forward looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model under HKFRS 9 applies to debt instruments measured at amortised cost and at FVOCI, contract assets under HKFRS 15, lease receivables, loan commitments and certain financial guarantee contracts. The Group applies the simplified approach to recognise lifetime expected losses for trade receivables due from customers and contract assets. As regards lease receivables, loan commitments, financial guarantee contracts, and certain other financial assets (which are presented under Liquid funds and other listed investments, unlisted investments, and other current assets within Trade receivables and other current assets) the Group considers that they have low credit risk and hence recognises 12-month expected credit losses for such items.

(xi) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(xii) Trade and other receivables, and contract assets

Trade receivables are recognised when the Group's right to consideration is unconditional that only the passage of time is required before the payment is due.

Contract assets primarily relate to the Group's rights to consideration for delivered goods or services but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Trade receivables and contract assets are initially recognised at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value, and are subsequently measured at amortised cost using the effective interest rate, less allowance for expected credit losses.

Other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowances for expected credit losses.

(xiii) Borrowings and borrowing costs

Borrowings and debt instruments are initially measured at fair value, net of transaction costs, and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption amount is recognised over the period of the borrowings using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

(xiv) Trade and other payables, and contract liabilities

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Contract liability is recognised in the amount of the prepayment from customers for the Group's performance obligation to transfer, or to stand ready to transfer, goods or services in future. The contract liabilities primarily relate to the advance consideration received from customers, where the Group has the unconditional right to considerations before the goods or services are delivered. They are released and revenues are recognised when the performance obligations are satisfied upon transferring of goods and services to customers.

46 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(xv) Asset impairment

Assets that have an indefinite useful life are tested for impairment annually and when there is an indication that they may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. Such impairment loss is recognised in the consolidated income statement except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that in which case it is treated as a revaluation decrease.

(xvi) Foreign exchange

Transactions in foreign currencies are converted at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities are translated at the rates of exchange ruling at the end of the reporting period.

The financial statements of foreign operations are translated into Hong Kong dollar using the year end rates of exchange for the consolidated statement of financial position items and the average rates of exchange for the year for the income statement items. Exchange differences are recognised in other comprehensive income and accumulated under the heading of exchange reserve. Exchange differences arising from foreign currency borrowings and other currency instruments designated as hedges of such overseas investments, are recognised in other comprehensive income and accumulated under the heading of exchange reserve.

Exchange differences arising from translation of inter-company loan balances between Group entities are recognised in other comprehensive income and accumulated under the heading of exchange reserve when such loans form part of the Group's net investment in a foreign entity. On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associated company that includes a foreign operation), all of the exchange gains or losses accumulated in exchange reserve in respect of that operation attributable to the owners of the Company are transferred out of the exchange reserve and are recognised in the consolidated income statement.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated income statement. For all other partial disposals (i.e. partial disposals of associated companies or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is transferred out of the exchange reserve and are recognised in the consolidated income statement.

All other exchange differences are recognised in the consolidated income statement.

46 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(xvii) Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

Ports and Related Services

Revenue from the provision of ports and related services is recognised over time when the services are rendered and the Group's performance provides the benefits received and consumed simultaneously by the customer.

Retail

Revenue from the sale of retail goods is recognised at point of sale less an estimate for sales return based on past experience where goods are sold with a right to return. Retail sales are usually settled in cash or by credit card and debit card. The recorded revenue is the gross amount of sales, including credit card fees payable for the transaction.

Infrastructure

Revenue from sales of infrastructure materials is recognised when a performance obligation is satisfied, which is recognised at a point in time, based on the timing of control of the goods underlying the particular performance obligation being transferred to the customer.

Revenue from the provision of waste collection, commercial refuse and recycling services together with refuse transfer station operations and landfill operations is recognised when a performance obligation is satisfied, which is recognised at a point of time, based on the timing of control of the services underlying the particular performance obligation being transferred to the customer.

Telecommunications services

Revenue represents amounts earned for services rendered and for the sale of mobile and related devices. The Group recognises revenue for mobile devices when it transfers the control over the device to the customer which is usually the time the customer signs up to a contract. The Group recognises revenue for mobile telecommunication services as the services are rendered. Monthly recurring charges and additional airtime used by contract customers are invoiced and recorded as part of a periodic billing cycle and recognised as revenue over the related access period. Unbilled revenue resulting from services already provided from the billing cycle date to the end of each period is accrued, and unearned monthly access charges relating to periods after each accounting period are deferred. Products and services may be sold separately or in a bundled transaction. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires.

For bundled transactions under contract comprising the provision of telecommunications services and sale of a device (e.g. handsets), the elements are accounted for separately if they are distinct. A product or service is distinct if they are separately identifiable from other items in the bundled package and if the customer can benefit from it. The revenue is allocated to the respective element in an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services and device, where device revenue is recognised at the inception of the contract upon delivery to the customer and services revenue is recognised throughout the contract period as the services are provided.

Other service income is recognised when the service is rendered. Customer service revenue is mobile telecommunications service revenue, and where a customer is invoiced for a bundled transaction under contract, the invoiced amount less amounts related to accrued device revenue and also less other service income. Total revenue arising from telecommunications services comprises of service revenue, sale of device revenue and other service income.

Finance and investments

Dividend income from investments in securities is recognised when the Group's right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

46 Summary of material accounting policies (continued)

(d) Summary of other potentially material accounting policies

Set out below is a summary of other potentially material accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes elsewhere in these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(i) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated income statement.

(ii) Investment properties

Investment properties are interests in land and buildings that are held to earn rentals or for capital appreciation or both. Such properties are carried in the consolidated statement of financial position at their fair value. Changes in fair values of investment properties are recorded in the consolidated income statement.

(iii) Leasehold land

The acquisition costs and upfront payments made for leasehold land are presented on the face of the consolidated statement of financial position as leasehold land prior to 1 January 2019 and are grouped as part of right-of-use assets with effect from 1 January 2019. Leasehold land are expensed in the consolidated income statement on a straight-line basis over the period of the lease.

(iv) Contractual customer relationships

Separately acquired contractual customer relationships are carried at historical cost. These contractual customer relationships are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method from five to fifteen years over the expected useful life of the customer relationship.

(v) Deferred tax

Deferred tax is recognised, using the liabilities method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilised.

46 Summary of material accounting policies (continued)

(d) Summary of other potentially material accounting policies (continued)

(vi) Derivative financial instruments and hedging activities

Derivative financial instruments are utilised by the Group in the management of its foreign currency and interest rate exposures. Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation (net investment hedges).

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 40(i). Movements in the hedging reserve in shareholders' equity are shown in note 32. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss as other expense except when the hedging instrument hedges an equity instrument designated at FVOCI in which case it is recognised in other comprehensive income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item (if applicable) and is also recognised in profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the effective interest rate ("EIR") method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

46 Summary of material accounting policies (continued)

(d) Summary of other potentially material accounting policies (continued)

(vi) Derivative financial instruments and hedging activities (continued)

Cash flow hedges

Where a derivative financial instrument is designated as a hedging instrument in a cash flow hedge, the effective portion of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset such as inventory, the associated gain or loss is reclassified from equity to be included in the initial cost of the non-financial asset. For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified from equity to profit or loss in the same period or periods during which the hedged cash flows affect profit or loss (such as when a forecast sale occurs or interest expense is recognised).

If a hedge no longer meets the criteria for hedge accounting (including when the hedging instrument expires or is sold, terminated or exercised), then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, but the hedged forecast transaction is still expected to occur, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the amount that has been accumulated in the hedging reserve is reclassified from equity to profit or loss immediately.

Hedge of net investments in foreign operations

The effective portion of any foreign exchange gain or loss on the derivative financial instruments is recognised in other comprehensive income and accumulated in equity in the exchange reserve until the disposal of the foreign operation, at which time the cumulative gain or loss is reclassified from equity to profit or loss. The ineffective portion is recognised immediately in profit or loss.

(vii) Inventories

Inventories consist mainly of retail goods. The carrying value of retail stock is mainly determined using the weighted average cost method. Inventories are stated at the lower of cost and net realisable value. Cost includes all direct expenditure and other appropriate attributable costs incurred in bringing inventories to their present location and condition.

(viii) Customer loyalty credits

Customer loyalty credits are accounted for as a separate component of the sales transaction in which they are granted.

(ix) Share capital

Share capital issued by the Company are recorded in equity at the proceeds received, net of direct issue costs. Where any group company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the ordinary shareholders.

(x) Provisions

Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a present obligation as a result of past events and a reliable estimate can be made of the amount of the obligation.

46 Summary of material accounting policies (continued)

(d) Summary of other potentially material accounting policies (continued)

(xi) Pension plans

Pension plans are classified into defined benefit and defined contribution plans. The pension plans are generally funded by the relevant group companies taking into account the recommendations of independent qualified actuaries and by payments from employees for contributory plans.

The Group's contributions to the defined contribution plans are charged to the consolidated income statement in the year incurred.

Pension costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the consolidated income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The liability or asset recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The present value of the defined benefit obligation is measured by discounting the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations.

Remeasurements arising from defined benefit plans are recognised in other comprehensive income in the period in which they occur and reflected immediately in retained profit. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Pension costs are charged to the consolidated income statement within staff costs.

(xii) Share-based payments

The Company and its subsidiary companies do not have share option scheme as at 31 December 2024 and 31 December 2023 but certain of the Company's associated companies have issued equity-settled and cash-settled share-based compensation plans. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the respective group companies' estimate of their shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at the end of the reporting period.

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2024

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital ** / registered capital		Percentage of equity attributable to the Group	Principal activities
	Ports and related services					
#	Abu Qir Container Terminal Company S.A.E.	Egypt	USD	157,000,000	33	Container terminal operating
	Alexandria International Container Terminals Company S.A.E.	Egypt	USD	30,000,000	59	Container terminal operating
	Amsterdam Container Terminals B.V.	Netherlands	EUR	18,400	80	Container terminal operating
	Brisbane Container Terminals Pty Limited	Australia	AUD	34,100,000	80	Container terminal operating
	ECT Delta Terminal B.V.	Netherlands	EUR	18,000	71	Container terminal operating
	Ensenada Cruiseport Village, S.A. de C.V.	Mexico	MXP	145,695,000	80	Cruise terminal operating
	Ensenada International Terminal, S.A. de C.V.	Mexico	MXP	160,195,000	80	Container terminal operating
	Europe Container Terminals B.V.	Netherlands	EUR	45,000,000	75	Holding company
	Euromax Terminal Rotterdam B.V.	Netherlands	EUR	125,000	39	Container terminal operating
	Freeport Container Port Limited	Bahamas	BSD	2,000	41	Container terminal operating
	Gdynia Container Terminal Sp. z o.o.	Poland	PLN	11,379,300	80	Container terminal operating and rental of port real estate
	Harwich International Port Limited	United Kingdom	GBP	16,812,002	80	Container terminal operating
	Hongkong United Dockyards Limited	Hong Kong	HKD	76,000,000	100	Ship repairing and general engineering
✡	+ 惠州港業股份有限公司	China	RMB	300,000,000	27	Container terminal operating
	Hutchison Ajman International Terminals Limited – F.Z.E.	United Arab Emirates	AED	60,000,000	80	Container terminal operating
	Hutchison Korea Terminals Limited	South Korea	WON	4,107,500,000	80	Container terminal operating
	Hutchison Laemchabang Terminal Limited	Thailand	THB	1,000,000,000	64	Container terminal operating
	Hutchison Port Holdings Limited	British Virgin Islands / Hong Kong	USD	26,000,000	80	Operation, management and development of ports and container terminals, and investment holding
✧ ❋	# Hutchison Port Holdings Trust	Singapore / China	USD	8,797,780,935	30	Container port business trust
	Hutchison Port Investments Limited	Cayman Islands / Hong Kong	USD	74,870,807	80	Holding company
	Hutchison Port Jazan Limited	Saudi Arabia	SAR	18,750,000	48	Container terminal operating
	Hutchison Ports Investments S.à r.l.	Luxembourg	USD	14,090	80	Operation, management and development of ports and container terminals, and investment holding
	Hutchison Ports RAK Limited	British Virgin Islands / United Arab Emirates	USD	10,000	48	Container terminal operating
	Hutchison Ports Sweden AB	Sweden	SEK	100,000	80	Container terminal operating
	Hutchison Ports UAQ Limited	British Virgin Islands / United Arab Emirates	USD	36,320	48	Container terminal operating
	Internacional de Contenedores Asociados de Veracruz, S.A. de C.V.	Mexico	MXP	138,623,200	80	Container terminal operating
✡	⌘ Jiangmen International Container Terminals Limited	China	USD	14,461,665	40	Container terminal operating
	Karachi International Container Terminal Limited	Pakistan	PKR	1,109,384,220	80	Container terminal operating
	Korea International Terminals Limited	South Korea	WON	45,005,000,000	71	Container terminal operating
	L.C. Terminal Portuaria de Contenedores, S.A. de C.V.	Mexico	MXP	995,760,628	80	Container terminal operating
	Maritime Transport Services Limited	United Kingdom	GBP	13,921,323	64	Container terminal operating
✡	⌘ Nanhai International Container Terminals Limited	China	USD	42,800,000	40	Container terminal operating
✡	⌘ 寧波北侖國際集裝箱碼頭有限公司	China	RMB	700,000,000	39	Container terminal operating

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2024

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital ** / registered capital		Percentage of equity attributable to the Group	Principal activities
	Ports and related services (continued)					
	Oman International Container Terminal L.L.C.	Oman	OMR	4,000,000	52	Container terminal operating
	Panama Ports Company, S.A.	Panama	USD	10,000,000	72	Container terminal operating
	Port of Felixstowe Limited	United Kingdom	GBP	100,002	80	Container terminal operating
✡ +	PT Jakarta International Container Terminal	Indonesia	IDR	221,450,406,000	39	Container terminal operating
✡	River Trade Terminal Co. Ltd.	British Virgin Islands / Hong Kong	USD	1	40	River trade terminal operation
	Saigon International Terminals Vietnam Limited	Vietnam	USD	80,084,000	56	Container terminal operating
✡ ⌘	上海明東集裝箱碼頭有限公司	China	RMB	4,000,000,000	24	Container terminal operating
	South Asia Pakistan Terminals Limited	Pakistan	PKR	5,763,773,300	72	Container terminal operating
	Star Classic Investments Limited	British Virgin Islands / Hong Kong	USD	22,796	80	Operation, management and development of ports and container terminals, and investment holding
	Sydney International Container Terminals Pty Ltd	Australia	AUD	49,000,001	80	Container terminal operating
	Talleres Navales del Golfo, S.A. de C.V.	Mexico	MXP	143,700,000	80	Marine construction and ship repair yard
	Terminal Catalunya, S.A.	Spain	EUR	2,342,800	80	Container terminal operating
	Thai Laemchabang Terminal Co., Ltd.	Thailand	THB	680,000,000	70	Container terminal operating
	Thamesport (London) Limited	United Kingdom	GBP	2	64	Container terminal operating
✱ # +	Westports Holdings Berhad	Malaysia	MYR	341,000,000	19	Holding company
# ⌘ +	Xiamen Haicang International Container Terminals Limited	China	RMB	555,515,000	39	Container terminal operating
# ⌘ +	Xiamen International Container Terminals Limited	China	RMB	1,148,700,000	39	Container terminal operating
	Retail					
	AS Watson Holdings Limited	Cayman Islands / Hong Kong	HKD	1,000,000	75	Holding company
	AS Watson (Europe) Retail Holdings B.V.	Netherlands	EUR	18,001	75	Investment holding in retail businesses
	AS Watson Retail (HK) Limited	Hong Kong	HKD	100,000,000	75	Retailing
✡ +	Dirk Rossmann GmbH	Germany	EUR	12,000,000	30	Retailing
	PARKnSHOP (HK) Limited	Hong Kong	HKD	100,000,000	75	Supermarket operating
✱	PT Duta Intidaya Tbk	Indonesia	IDR	242,054,702,500	55	Retailing
✡	Rossmann Supermarkety Drogeryjne Polska sp. z o.o.	Poland	PLN	26,442,892	53	Retailing
	Superdrug Stores plc	United Kingdom	GBP	22,000,000	75	Retailing
	Savers Health and Beauty Limited	United Kingdom	GBP	1,400,000	75	Retailing
	Central Watson Company Limited	Thailand	THB	181,692,100	68	Retailing
	Watson's Personal Care Stores Sdn. Bhd.	Malaysia	MYR	6,000,000	75	Retailing
	Infrastructure					
✡	Australian Gas Networks Limited	Australia	AUD	879,082,753	62	Gas distribution
✡ +	AVR-Afvalverwerking B.V.	Netherlands	EUR	1	38	Producing energy from waste
✱ +	CK Infrastructure Holdings Limited	Bermuda / Hong Kong	HKD	2,519,610,945	76	Holding company
✡ +	CK William UK Holdings Limited	United Kingdom	GBP	5,122,005,121	30	Investment holding in electricity distribution and generation, and gas transmissions and distribution
✡ +	CKP (Canada) Holdings Limited	Canada	CAD	2,243,862,831	19	Water heater and HVAC (heating, ventilation and air conditioning) rentals, sales and services

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital ** / registered capital		Percentage of equity attributable to the Group	Principal activities
	Infrastructure (continued)					
+	Enviro NZ Services Limited	New Zealand	NZD	84,768,736	76	Waste management services
✡ +	Eversholt UK Rails Group Limited	United Kingdom	GBP	1,100	54	Leasing of rolling stock
✡ +	Northern Gas Networks Holdings Limited	United Kingdom	GBP	71,670,980	36	Gas distribution
✡ +	Northumbrian Water Group Limited	United Kingdom	GBP	40	33	Water supply, sewage and waste water businesses
❖ ❋ # +	Power Assets Holdings Limited	Hong Kong	HKD	6,610,008,417	27	Investment in energy and utility-related businesses
✡	Trionista SE	Germany	EUR	125,000	26	Sub-metering and related services
✡ +	UK Power Networks Holdings Limited	United Kingdom	GBP	610,000,000	30	Electricity distribution
✡	Wales & West Gas Networks (Holdings) Limited	United Kingdom	GBP	29,027	33	Gas distribution
	Telecommunications					
	CK Hutchison Group Telecom Holdings Limited	Cayman Islands / Hong Kong	EUR	64	100	Holding company
	Hi3G Access AB	Sweden	SEK	10,000,000	60	Mobile telecommunications services
	Hi3G Denmark ApS	Denmark	DKK	64,375,000	60	Mobile telecommunications services
	Hutchison 3G UK Limited	United Kingdom	GBP	201	100	Mobile telecommunications services
	Hutchison Drei Austria GmbH	Austria	EUR	34,882,960	100	Mobile telecommunications services
❋	Hutchison Telecommunications Hong Kong Holdings Limited	Cayman Islands / Hong Kong	HKD	1,204,774,052	66	Holding company of mobile telecommunications services
	Hutchison Telephone Company Limited	Hong Kong	HKD	2,730,684,340	66	Mobile telecommunications services
✡	Ooredoo Hutchison Asia Pte. Ltd.	Singapore	SGD	435,492	50	Mobile telecommunications services
	Three Ireland (Hutchison) Limited	Ireland	EUR	2	100	Mobile telecommunications services
	Vietnamobile Telecommunications Joint Stock Company	Vietnam	VND	9,348,000,000,000	49	Mobile telecommunications services
	Wind Tre S.p.A.	Italy	EUR	474,303,795	100	Mobile telecommunications services
✡	Zefiro Net S.r.l.	Italy	EUR	20,000	50	Telecommunication network services
	Finance & investments and others					
	Cheung Kong (Holdings) Limited	Hong Kong	HKD	10,488,733,666	100	Holding company
	CK Hutchison Global Investments Limited	British Virgin Islands / Hong Kong	USD	3	100	Holding company
❋ #	Cenovus Energy Inc.	Canada	CAD	15,659,000,000	17	Oil and gas business
❋ # +	CK Life Sciences Int'l., (Holdings) Inc.	Cayman Islands / Hong Kong	HKD	961,107,240	45	Holding company of nutraceuticals, pharmaceuticals and agriculture-related businesses
	Hutchison International Limited	Hong Kong	HKD	727,966,526	100	Holding company & corporate
❋	Hutchison Telecommunications (Australia) Limited	Australia	AUD	4,204,487,847	88	Holding company
	Hutchison Whampoa (China) Limited	Hong Kong	HKD	15,100,000	100	Investment holding & China businesses
	Hutchison Whampoa Limited	Hong Kong	HKD	29,424,795,590	100	Holding company
❋ #	HUTCHMED (China) Limited	Cayman Islands / Hong Kong	USD	87,160,109	38	Holding company of biopharmaceutical business
	Marionnaud Parfumeries S.A.S.	France	EUR	947,782,990	100	Investment holding in perfume retailing businesses
#	Metro Broadcast Corporation Limited	Hong Kong	HKD	1,000,452	24	Radio broadcasting
❋ #	TOM Group Limited	Cayman Islands / Hong Kong	HKD	395,851,056	36	Technology and media
❋ #	TPG Telecom Limited	Australia	AUD	18,399,043,754	22	Telecommunications services

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2024

The above table lists the principal subsidiary and associated companies and joint ventures of the Group which, in the opinion of the directors, principally affect the results and net assets of the Group. To give full details of subsidiary and associated companies and joint ventures would, in the opinion of the directors, result in particulars of excessive length.

Unless otherwise stated, the principal place of operation of each company is the same as its place of incorporation.

Except Cheung Kong (Holdings) Limited and CK Hutchison Global Investments Limited which are 100% directly held by the Company, the interests in the remaining subsidiary and associated companies and joint ventures are held indirectly.

❋ Company listed on The Stock Exchange of Hong Kong Limited except Hutchison Port Holdings Trust which is listed on the Singapore Stock Exchange, Westports Holdings Berhad which is listed on the Bursa Malaysia Securities Berhad, PT Duta Intidaya Tbk is listed on the Indonesia Stock Exchange, Cenovus Energy Inc. which is listed on the New York Stock Exchange and Toronto Stock Exchange, Hutchison Telecommunications (Australia) Limited which is listed on the Australian Securities Exchange, TPG Telecom Limited which is listed on the Australian Securities Exchange and HUTCHMED (China) Limited which is listed on The Stock Exchange of Hong Kong Limited, AIM market of the London Stock Exchange and in the form of American Depositary Shares on the NASDAQ Global Select Market.

** For Hong Kong incorporated companies, this represents issued ordinary share capital.

Associated companies

✡ Joint ventures

⌘ Equity joint venture registered under PRC law

✟ Wholly owned foreign enterprise (WOFE) registered under PRC law

✧ The share capital of Hutchison Port Holdings Trust is in a form of trust units.

❖ Power Assets Holdings Limited indirectly holds 33.37% equity interest in HK Electric Investments and HK Electric Investments Limited, which are listed on The Stock Exchange of Hong Kong Limited.

+ The accounts of these subsidiary and associated companies and joint ventures have been audited by firms other than PricewaterhouseCoopers. The aggregate revenue (excluding share of associated companies and joint ventures) attributable to shareholders and net assets (excluding share of net assets of associated companies and joint ventures) of these companies not audited by PricewaterhouseCoopers amounted to approximately 4% and 30% of the Group's respective items.

Independent Auditor's Report

To the Shareholders of CK Hutchison Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of CK Hutchison Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), which are set out on pages 132 to 270, comprise:

- the consolidated and Company statements of financial position as at 31 December 2023;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 December 2023, and of its consolidated profit and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Goodwill and brand names with an indefinite useful life; and
- Investments in associated companies and joint ventures.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Goodwill and brand names with an indefinite useful life *Refer to notes 15, 16 and 46 to the consolidated financial statements* The Group has a significant amount of goodwill and brand names with an indefinite useful life arising from various acquisitions. As at 31 December 2023, the carrying amounts of goodwill and brand names with an indefinite useful life amounted to approximately HK$271 billion and HK$68 billion respectively. Goodwill and brand names with an indefinite useful life are subject to impairment assessments annually and when there is an indication of impairment. In carrying out the impairment assessments, significant judgements are required to estimate the recoverable amounts, being the higher of the fair value less costs of disposal and value in use. The recoverable amounts are estimated taking into consideration the future cash flows of the respective business units based on the latest approved financial budgets for the next five years and a number of other assumptions, including the growth rates to extrapolate the cash flows beyond the budget period and the discount rates to bring the future cash flows back to their present values. We considered this is a key audit matter as significant judgements are involved in the impairment assessments.	Our procedures to address this key audit matter included: • Understanding management's assessment process of impairment of goodwill and brand names with an indefinite useful life; • Assessing the appropriateness of the valuation methodologies used; • Assessing the reasonableness of key assumptions used in management's estimation of recoverable amounts based on our knowledge of the relevant businesses and industries, other appropriate supporting evidence, and with the involvement of our valuations experts; • Testing source data to supporting evidence, such as approved budgets, on a sample basis, and considering the reasonableness of the estimated future cash flows, the growth rates and discount rates applied; and • Performing sensitivity analyses on the key assumptions to evaluate the potential impacts on the recoverable amounts including the growth rates and discount rates as these are the key assumptions to which the measurement of recoverable amounts is the most sensitive. We found the assumptions adopted in relation to the impairment assessments to be supportable and reasonable based on available evidence.

Key Audit Matter

Investments in associated companies and joint ventures

Refer to notes 17, 18 and 46 to the consolidated financial statements

The Group has significant investments in associated companies and joint ventures, which are accounted for under the equity method. As at 31 December 2023, the carrying amounts of investments in associated companies and joint ventures amounted to approximately HK$144 billion and HK$156 billion respectively.

Investments in associated companies and joint ventures are subject to impairment assessments when there is an indication of impairment. For those associated companies and joint ventures in which such indication exists, the Group performed impairment assessments. In carrying out the impairment assessments, significant judgements are required to estimate the recoverable amounts of the Group's investments in the associated companies and the joint ventures.

We considered this is a key audit matter as significant judgements are involved in the impairment assessments.

How our audit addressed the Key Audit Matter

Our procedures to address this key audit matter included:

- Understanding management's process for identifying the existence of impairment indicators and performing impairment assessments of investments in associated companies and joint ventures when indicators of impairment exist;
- Assessing the appropriateness of the valuation methodologies used in the impairment assessments; and
- Assessing the reasonableness of key assumptions used by management in the estimation of recoverable amounts of those investments in associated companies or joint ventures with impairment indicators, including the projections of cash flows, the growth rates and discount rates applied; and comparing cash flow projections to supporting evidence, such as approved budgets.

We found the assumptions adopted in relation to the impairment assessments to be supportable and reasonable based on available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Luk Lai Yin.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 21 March 2024

Consolidated Income Statement

for the year ended 31 December 2023

2023 # US$ million		Note	2023 HK$ million	2022 HK$ million
35,330	Revenue	4, 5	**275,575**	262,497
(13,556)	Cost of inventories sold	7	**(105,739)**	(101,724)
(5,029)	Staff costs		**(39,226)**	(37,170)
(1,947)	Expensed customer acquisition and retention costs		**(15,188)**	(14,527)
(5,139)	Depreciation and amortisation	7	**(40,083)**	(39,788)
(6,166)	Other expenses and losses	7	**(48,095)**	(55,727)
265	Other income and gains	7	**2,067**	28,180
	Share of profits less losses of:			
1,044	Associated companies		**8,138**	11,822
1,024	Joint ventures		**7,990**	7,422
5,826			**45,439**	60,985
(1,568)	Interest expenses and other finance costs	8	**(12,227)**	(9,052)
4,258	**Profit before tax**		**33,212**	51,933
(528)	Current tax	9	**(4,119)**	(5,435)
143	Deferred tax credit (charge)	9	**1,116**	(2,839)
3,873	**Profit after tax**		**30,209**	43,659
(860)	**Profit attributable to non-controlling interests and holders of perpetual capital securities**		**(6,709)**	(6,979)
3,013	**Profit attributable to ordinary shareholders**		**23,500**	36,680
US$ 0.79	**Earnings per share for profit attributable to ordinary shareholders**	10	**HK$ 6.14**	HK$ 9.57

Details of distribution paid to the holders of perpetual capital securities, interim dividend paid and proposed final dividend payable to the ordinary shareholders are set out in note 11.

See note 44.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2023

2023# US$ million		Note	2023 HK$ million	2022 HK$ million
3,873	**Profit after tax**		**30,209**	43,659
	Other comprehensive income (losses)			
	Items that will not be reclassified to profit or loss			
92	Changes in fair value of equity instruments at fair value through other comprehensive income		**718**	(1,493)
(188)	Remeasurement of defined benefit obligations		**(1,470)**	701
(72)	Share of other comprehensive income (losses) of associated companies		**(560)**	(83)
34	Share of other comprehensive income (losses) of joint ventures		**269**	(520)
48	Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	33 (c)	**376**	(255)
(86)			**(667)**	(1,650)
	Items that may be reclassified to profit or loss			
15	Changes in fair value of debt instruments at fair value through other comprehensive income		**120**	(367)
996	Exchange gains (losses) on translation of foreign operations		**7,771**	(16,078)
44	Exchange losses reclassified to profit or loss		**342**	2,220
(136)	Gains (losses) on cash flow hedges		**(1,059)**	2,201
(210)	Gains (losses) on net investment hedges		**(1,641)**	4,433
(222)	Reclassification adjustments for hedging gains included in profit or loss		**(1,735)**	–
242	Share of other comprehensive income (losses) of associated companies		**1,889**	(2,495)
478	Share of other comprehensive income (losses) of joint ventures		**3,728**	(4,061)
1	Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	33 (c)	**4**	(12)
1,208			**9,419**	(14,159)
1,122	Other comprehensive income (losses), net of tax		**8,752**	(15,809)
4,995	**Total comprehensive income**		**38,961**	27,850
(959)	**Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities**		**(7,476)**	(5,774)
4,036	**Total comprehensive income attributable to ordinary shareholders**		**31,485**	22,076

See note 44.

Consolidated Statement of Financial Position

at 31 December 2023

2023[#] US$ million		Note	2023 HK$ million	2022 HK$ million
	Non-current assets			
15,362	Fixed assets	12	**119,826**	112,650
7,846	Right-of-use assets	13	**61,198**	59,337
8,239	Telecommunications licences	14	**64,264**	60,689
10,692	Brand names and other rights	15	**83,396**	83,694
34,761	Goodwill	16	**271,136**	268,008
18,415	Associated companies	17	**143,638**	140,711
20,043	Interests in joint ventures	18	**156,337**	148,561
2,702	Deferred tax assets	19	**21,074**	18,509
2,024	Liquid funds and other listed investments	20	**15,786**	16,103
2,547	Other non-current assets	21	**19,862**	15,900
122,631			**956,517**	924,162
	Current assets			
16,323	Cash and cash equivalents	23	**127,323**	138,085
3,138	Inventories		**24,473**	23,283
6,486	Trade receivables and other current assets	24	**50,590**	56,811
25,947			**202,386**	218,179
–	Assets classified as held for sale	25	**–**	6,096
25,947			**202,386**	224,275
	Current liabilities			
7,477	Bank and other debts	26	**58,324**	70,130
534	Current tax liabilities		**4,166**	4,001
1,746	Lease liabilities	13	**13,616**	12,128
11,080	Trade payables and other current liabilities	27	**86,419**	89,129
20,837			**162,525**	175,388
–	Liabilities directly associated with assets classified as held for sale	25	**–**	1,127
20,837			**162,525**	176,515
5,110	Net current assets		**39,861**	47,760
127,741	Total assets less current liabilities		**996,378**	971,922
	Non-current liabilities			
27,384	Bank and other debts	26	**213,598**	214,196
416	Interest bearing loans from non-controlling shareholders	29	**3,245**	2,567
6,963	Lease liabilities	13	**54,307**	53,931
2,509	Deferred tax liabilities	19	**19,572**	19,290
453	Pension obligations	30	**3,536**	2,730
4,048	Other non-current liabilities	31	**31,571**	31,899
41,773			**325,829**	324,613
85,968	**Net assets**		**670,549**	647,309

2023 # US$ million		Note	2023 HK$ million	2022 HK$ million
	Capital and reserves			
491	Share capital	32 (a)	**3,830**	3,830
31,150	Share premium	32 (a)	**242,972**	242,972
38,107	Reserves	33	**297,233**	276,711
69,748	Total ordinary shareholders' funds		**544,035**	523,513
585	Perpetual capital securities	32 (b)	**4,566**	4,561
15,635	Non-controlling interests		**121,948**	119,235
85,968	**Total equity**		**670,549**	647,309

See note 44.

Fok Kin Ning, Canning
Director

Frank John Sixt
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

Total equity [#] US$ million		Attributable to Ordinary shareholders: Share capital and share premium [(a)] HK$ million	Reserves [(b)] HK$ million	Total ordinary shareholders' funds HK$ million	Holders of perpetual capital securities HK$ million	Non-controlling interests HK$ million	Total equity HK$ million
82,988	At 1 January 2023	246,802	276,711	523,513	4,561	119,235	647,309
3,873	Profit for the year	–	23,500	23,500	172	6,537	30,209
	Other comprehensive income (losses)						
92	Changes in fair value of equity instruments at fair value through other comprehensive income	–	718	718	–	–	718
15	Changes in fair value of debt instruments at fair value through other comprehensive income	–	120	120	–	–	120
(188)	Remeasurement of defined benefit obligations	–	(1,108)	(1,108)	–	(362)	(1,470)
996	Exchange gains on translation of foreign operations	–	7,457	7,457	–	314	7,771
44	Exchange losses reclassified to profit or loss	–	339	339	–	3	342
(136)	Losses on cash flow hedges	–	(1,033)	(1,033)	–	(26)	(1,059)
(210)	Losses on net investment hedges	–	(1,308)	(1,308)	–	(333)	(1,641)
(222)	Reclassification adjustments for hedging gains included in profit or loss	–	(1,735)	(1,735)	–	–	(1,735)
170	Share of other comprehensive income of associated companies	–	1,183	1,183	–	146	1,329
512	Share of other comprehensive income of joint ventures	–	3,065	3,065	–	932	3,997
49	Tax relating to components of other comprehensive income (losses)	–	287	287	–	93	380
1,122	Other comprehensive income, net of tax	–	7,985	7,985	–	767	8,752
4,995	Total comprehensive income	–	31,485	31,485	172	7,304	38,961
13	Impact of hyperinflation	–	82	82	–	21	103
	Transactions with owners in their capacity as owners:						
(1,024)	Dividends paid relating to 2022	–	(7,989)	(7,989)	–	–	(7,989)
(371)	Dividends paid relating to 2023	–	(2,896)	(2,896)	–	–	(2,896)
(608)	Dividends paid to non-controlling interests	–	–	–	–	(4,744)	(4,744)
(21)	Distribution paid on perpetual capital securities	–	–	–	(167)	–	(167)
(19)	Recognition of put option liabilities arising from business combinations	–	(148)	(148)	–	–	(148)
2	Unclaimed dividends write back	–	15	15	–	–	15
1	Relating to purchase of a subsidiary company	–	–	–	–	8	8
4	Relating to purchase of non-controlling interests	–	(34)	(34)	–	70	36
8	Relating to partial disposal of subsidiary companies	–	7	7	–	54	61
(2,015)		–	(10,963)	(10,963)	(167)	(4,591)	(15,721)
85,968	**At 31 December 2023**	246,802	297,233	544,035	4,566	121,948	670,549

Total equity [#] US$ million		Attributable to Ordinary shareholders: Share capital and share premium [(a)] HK$ million	Reserves [(b)] HK$ million	Total ordinary shareholders' funds HK$ million	Holders of perpetual capital securities HK$ million	Non-controlling interests HK$ million	Total equity HK$ million
82,596	At 1 January 2022	247,003	266,149	513,152	12,414	118,689	644,255
5,597	Profit for the year	–	36,680	36,680	263	6,716	43,659
	Other comprehensive income (losses)						
(192)	Changes in fair value of equity instruments at fair value through other comprehensive income	–	(1,493)	(1,493)	–	–	(1,493)
(47)	Changes in fair value of debt instruments at fair value through other comprehensive income	–	(367)	(367)	–	–	(367)
90	Remeasurement of defined benefit obligations	–	569	569	–	132	701
(2,061)	Exchange losses on translation of foreign operations	–	(14,538)	(14,538)	–	(1,540)	(16,078)
285	Exchange losses reclassified to profit or loss	–	2,090	2,090	–	130	2,220
282	Gains on cash flow hedges	–	2,127	2,127	–	74	2,201
568	Gains on net investment hedges	–	3,380	3,380	–	1,053	4,433
(331)	Share of other comprehensive income (losses) of associated companies	–	(2,576)	(2,576)	–	(2)	(2,578)
(587)	Share of other comprehensive income (losses) of joint ventures	–	(3,578)	(3,578)	–	(1,003)	(4,581)
(34)	Tax relating to components of other comprehensive income (losses)	–	(218)	(218)	–	(49)	(267)
(2,027)	Other comprehensive income (losses), net of tax	–	(14,604)	(14,604)	–	(1,205)	(15,809)
3,570	Total comprehensive income	–	22,076	22,076	263	5,511	27,850
(4)	Impact of hyperinflation	–	(23)	(23)	–	(6)	(29)
	Transactions with owners in their capacity as owners:						
(914)	Dividends paid relating to 2021	–	(7,132)	(7,132)	–	–	(7,132)
(412)	Dividends paid relating to 2022	–	(3,221)	(3,221)	–	–	(3,221)
(619)	Dividends paid to non-controlling interests	–	–	–	–	(4,826)	(4,826)
(41)	Distribution paid on perpetual capital securities	–	–	–	(316)	–	(316)
24	Equity contribution from non-controlling interests	–	–	–	–	191	191
(1,000)	Redemption of perpetual capital securities	–	–	–	(7,800)	–	(7,800)
(25)	Buy-back and cancellation of issued shares (see note 32(a)(ii))	(201)	4	(197)	–	–	(197)
(187)	Relating to purchase of non-controlling interests [(c)]	–	(1,133)	(1,133)	–	(333)	(1,466)
–	Relating to partial disposal of subsidiary companies	–	(9)	(9)	–	9	–
(3,178)		(201)	(11,514)	(11,715)	(8,116)	(4,965)	(24,796)
82,988	At 31 December 2022	246,802	276,711	523,513	4,561	119,235	647,309

See note 44.
(a) See note 32(a) for details on share capital and share premium.
(b) See note 33 for details on reserves.
(c) See note 33(b).

Consolidated Statement of Cash Flows

for the year ended 31 December 2023

2023[#] US$ million		Note	2023 HK$ million	2022 HK$ million
	Operating activities			
9,669	Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	34 (a)	75,416	73,897
(1,549)	Interest expenses and other finance costs paid (net of capitalisation)		(12,083)	(9,051)
(504)	Tax paid		(3,931)	(3,552)
7,616	**Funds from operations (before principal elements of lease payments)**		59,402	61,294
(1,022)	Changes in working capital	34 (b)	(7,965)	(4,580)
6,594	**Net cash from operating activities**		51,437	56,714
	Investing activities			
(2,778)	Purchase of fixed assets		(21,670)	(23,885)
(251)	Additions to telecommunications licences		(1,956)	(160)
(215)	Additions to brand names and other rights		(1,675)	(1,807)
(7)	Purchase of subsidiary companies, net of cash acquired	34 (c)	(55)	–
(9)	Additions to unlisted investments		(74)	(564)
363	Repayments of loans from associated companies and joint ventures		2,829	374
(105)	Purchase of and advances to associated companies and joint ventures		(819)	(3,464)
21	Proceeds from disposal of fixed assets		168	335
329	Proceeds from disposal of subsidiary companies, net of cash disposed	34 (d)	2,563	17,096
314	Proceeds from disposal of financial instruments		2,451	–
94	Proceeds from partial disposal / disposal of associated companies and joint ventures		734	5,226
9	Proceeds from disposal of other unlisted investments		74	2,336
(2,235)	Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments		(17,430)	(4,513)
268	Disposal of liquid funds and other listed investments		2,088	157
(9)	Additions to liquid funds and other listed investments		(73)	–
(1,976)	**Cash flows used in investing activities**		(15,415)	(4,356)
4,618	**Net cash inflow before financing activities**		36,022	52,358
	Financing activities			
7,463	New borrowings	34 (e)	58,211	37,147
(9,662)	Repayment of borrowings	34 (e)	(75,361)	(68,063)
(1,856)	Principal elements of lease payments	34 (e)	(14,476)	(14,307)
67	Net loans from non-controlling shareholders	34 (e)	527	2,118
–	Issue of equity securities by subsidiary companies to non-controlling shareholders		–	85
–	Payments to acquire additional interests in subsidiary companies		–	(904)
8	Proceeds from partial disposal of subsidiary companies		61	–
–	Redemption of perpetual capital securities by a subsidiary		–	(7,800)
–	Payments for buy-back and cancellation of issued shares		–	(197)
(1,395)	Dividends paid to ordinary shareholders		(10,885)	(10,353)
(602)	Dividends paid to non-controlling interests		(4,694)	(4,816)
(21)	Distribution paid on perpetual capital securities		(167)	(316)
(5,998)	**Cash flows used in financing activities**		(46,784)	(67,406)
(1,380)	Decrease in cash and cash equivalents		(10,762)	(15,048)
17,703	Cash and cash equivalents at 1 January		138,085	153,133
16,323	**Cash and cash equivalents at 31 December**		127,323	138,085

2023 # US$ million		Note	2023 HK$ million	2022 HK$ million
	Analysis of cash, liquid funds and other listed investments			
16,323	Cash and cash equivalents, as above	23	**127,323**	138,085
2,024	Liquid funds and other listed investments	20	**15,786**	16,103
18,347	**Total cash, liquid funds and other listed investments**		**143,109**	154,188
35,089	Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	26	**273,694**	286,230
416	Interest bearing loans from non-controlling shareholders	29	**3,245**	2,567
17,158	**Net debt**		**133,830**	134,609
(416)	Interest bearing loans from non-controlling shareholders		**(3,245)**	(2,567)
16,742	**Net debt (excluding interest bearing loans from non-controlling shareholders)**		**130,585**	132,042

See note 44.

1 General information

CK Hutchison Holdings Limited (the "Company" or "CKHH") is a company incorporated in the Cayman Islands with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") as at and for the year ended 31 December 2023 (the "Annual Financial Statements") were authorised for issue by the Company's board of directors on 21 March 2024.

The Chairman's Statement, the Operations Review, the Group Capital Resources and Liquidity, and the Risk Factors, issued outside the Annual Financial Statements as part of the announcement of the Group's results for the year ended 31 December 2023 and the Group's 2023 Annual Report, include discussions of the performance of the Group's businesses for the current year, the principal risk and uncertainties affecting the Group's businesses, the important corporate transactions concluded since the end of the 2022 financial year, and the Group's liquidity and financial profile.

2 Use of judgements, assumptions and estimates

The preparation of financial statements under Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") requires entities to make judgements, estimates and assumptions about the reported amounts and the accompanying disclosures.

In preparing the Annual Financial Statements, the Group has made accounting related estimates based on judgements and assumptions about current and, for some estimates, future economic and market conditions that the Group considers are relevant and reasonable. It is reasonably possible that actual achievements, results, performances or other future events or conditions could differ from those on which the estimates are based. This could result in materially different estimates, judgements and assumptions from those used for the purposes of the Annual Financial Statements. Hence, our accounting estimates, judgements and assumptions could change over time in response to how these events and conditions develop. Note 46 sets out further information on our significant accounting judgements, estimates and assumptions applied in preparing the Annual Financial Statements.

3 Basis of preparation

The Annual Financial Statements have been prepared in accordance with HKFRS and the applicable disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The Annual Financial Statements are prepared on a going concern basis, as Management is satisfied that the Group has the ability to continue as a going concern. In making this assessment, Management has assessed the potential cash generation of the Group, the liquidity of the Group and existing funding available to the Group. On the basis of these assessments, Management has determined that, at the date on which the Annual Financial Statements were authorised for issue, the use of the going concern basis of accounting to prepare the Annual Financial Statements is appropriate.

The Annual Financial Statements have been prepared on a historical cost basis, except that defined benefit plans plan assets, investment properties, certain financial assets and liabilities (including derivative instruments) are measured at fair values, and non-current assets and disposal group classified as held for sale are generally measured at the lower of carrying amount and fair value less cost to sell. In these financial statements, non-current assets classified as held for sale and assets of a disposal group classified as held for sale are presented separately from other assets in the consolidated statement of financial position. Liabilities directly associated with non-current assets classified as held for sale and liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

There were no new accounting standards or interpretations adopted during the year ended 31 December 2023 that had a significant effect on the Group in 2023. A summary of the amendments to HKFRS adopted by the Group in the current year and the Group's material accounting policies are included in note 47.

4 Revenue

(a) An analysis of revenue of the Company and subsidiary companies is as follows:

	2023	2022
	HK$ million	HK$ million
Sale of goods	**161,147**	154,603
Revenue from services	**105,838**	102,726
Interest	**8,448**	5,049
Dividend income	**142**	119
	275,575	262,497

4 Revenue (continued)

(b) Further details are set out below in respect of revenue of the Company and subsidiary companies, including the disaggregation of revenue from contracts with customers within the scope of HKFRS 15:

(i) By segments *

	Revenue from contracts with customers				
	recognised at a point in time	recognised over time	Subtotal	Revenue from other sources	2023 Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	–	30,794	30,794	160	30,954
Retail	133,624	48	133,672	–	133,672
Infrastructure	3,728	–	3,728	2,877	6,605
Telecommunications					
CK Hutchison Group Telecom					
3 Group Europe	*12,652*	*67,558*	*80,210*	*12*	*80,222*
Hutchison Telecommunications Hong Kong Holdings	*1,364*	*3,532*	*4,896*	*–*	*4,896*
Corporate and Others	*26*	*444*	*470*	*1,095*	*1,565*
	14,042	71,534	85,576	1,107	86,683
Hutchison Asia Telecommunications	–	945	945	–	945
Finance & Investments and Others	12,022	151	12,173	4,543	16,716
	163,416	103,472	266,888	8,687	275,575

	Revenue from contracts with customers				
	recognised at a point in time	recognised over time	Subtotal	Revenue from other sources	2022 Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	–	30,376	30,376	134	30,510
Retail	127,310	72	127,382	–	127,382
Infrastructure	3,964	4	3,968	2,853	6,821
Telecommunications					
CK Hutchison Group Telecom					
3 Group Europe	*12,402*	*65,502*	*77,904*	*10*	*77,914*
Hutchison Telecommunications Hong Kong Holdings	*1,604*	*3,278*	*4,882*	*–*	*4,882*
Corporate and Others	*10*	*107*	*117*	*253*	*370*
	14,016	68,887	82,903	263	83,166
Hutchison Asia Telecommunications	–	1,011	1,011	–	1,011
Finance & Investments and Others	11,425	177	11,602	2,005	13,607
	156,715	100,527	257,242	5,255	262,497

* See note 5 for operating segment information.

4 Revenue (continued)

(b) Further details are set out below in respect of revenue of the Company and subsidiary companies, including the disaggregation of revenue from contracts with customers within the scope of HKFRS 15 (continued):

(ii) By geographical locations *

	Revenue from contracts with customers			Revenue from other sources	2023 Total
	recognised at a point in time	recognised over time	Subtotal		
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	**25,402**	**4,167**	**29,569**	**288**	**29,857**
Mainland China	**19,817**	**231**	**20,048**	**24**	**20,072**
The People's Republic of China	**45,219**	**4,398**	**49,617**	**312**	**49,929**
Europe	**72,857**	**80,145**	**153,002**	**1,707**	**154,709**
Canada	**–**	**–**	**–**	**229**	**229**
Asia, Australia and Others	**33,318**	**18,778**	**52,096**	**1,896**	**53,992**
	106,175	**98,923**	**205,098**	**3,832**	**208,930**
	151,394	**103,321**	**254,715**	**4,144**	**258,859**
Finance & Investments and Others	**12,022**	**151**	**12,173**	**4,543**	**16,716**
	163,416	**103,472**	**266,888**	**8,687**	**275,575**

	Revenue from contracts with customers			Revenue from other sources	2022 Total
	recognised at a point in time	recognised over time	Subtotal		
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	28,831	3,760	32,591	89	32,680
Mainland China	21,278	366	21,644	32	21,676
The People's Republic of China	50,109	4,126	54,235	121	54,356
Europe	65,951	77,921	143,872	1,866	145,738
Canada	–	–	–	253	253
Asia, Australia and Others	29,230	18,303	47,533	1,010	48,543
	95,181	96,224	191,405	3,129	194,534
	145,290	100,350	245,640	3,250	248,890
Finance & Investments and Others	11,425	177	11,602	2,005	13,607
	156,715	100,527	257,242	5,255	262,497

* See note 5 for operating segment information.

4 Revenue (continued)

(c) Contract balances related to contracts with customers within the scope of HKFRS 15

Under HKFRS 15, a contract asset or a contract liability is generated when either party to the contract performs, depending on the relationship between the entity's performance and the customer's payment. When an entity satisfies a performance obligation by transferring a promised goods or service, the entity has earned a right to consideration from the customer and, therefore, has a contract asset. When the customer performs first, for example, by prepaying its promised consideration, the entity has a contract liability. Generally, contract assets may represent conditional or unconditional rights to consideration. The right would be conditional, for example, when an entity is required first to satisfy another performance obligation in the contract before it is entitled to payment from the customer. If an entity has an unconditional right to receive consideration from the customer, the contract asset is classified as and accounted for as a receivable and presented separately from other contract assets. A right is unconditional if nothing other than the passage of time is required before payment of that consideration is due.

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers within the scope of HKFRS 15.

	2023 HK$ million	2022 HK$ million
Trade receivables, which are included in "Trade receivables and other current assets" (see note 24)	**16,297**	14,945
Trade receivables, which are included in "Assets classified as held for sale" (see note 25)	**–**	21
Contract assets (see notes 21 and 24)	**7,580**	6,314
Contract liabilities (see note 27)	**(5,948)**	(6,027)

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. In 2023, HK$653 million (2022: HK$998 million) was recognised in the consolidated income statement as provision for expected credit losses on trade receivables.

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. In 2023, HK$927 million (2022: HK$921 million) was recognised in the consolidated income statement as provision for expected credit losses on contract assets.

Contract liabilities primarily relate to the Group's unfulfilled performance obligations for which consideration has been received at the reporting date. On fulfilment of its obligations, the contract liability is recognised in revenue in the period when the performance obligations are fulfilled. HK$4,614 million (2022: HK$3,757 million) was recognised as revenue in 2023 that was included in the contract liability balance at the beginning of the year.

(d) Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date. The Group applies the practical expedient in paragraph 121 of HKFRS 15 and does not disclose the amount of the transaction price allocated to the remaining performance obligations for contracts with an original expected duration of one year or less. In addition, contracts that include a promise to perform an undefined quantity of tasks at a fixed contractual rate per unit, with no contractual minimums that would make some or all of the consideration variable, are not included in the following analysis as the possible transaction prices and the ultimate consideration for those contracts will depend on the occurrence or non-occurrence of future customer usage. In light of these basis of preparation, the following does not reflect the expectation of the Group's future performance. The analysis is for compliance with HKFRS 15 disclosure requirement in respect of transaction price allocated to the remaining performance obligations.

	2023 HK$ million	2022 HK$ million
Within one year	**15,384**	13,230
More than one year	**5,195**	8,555
	20,579	21,785

5 Operating segment information

(a) Description of segments and basis of presentation of segment information

For management purposes, the Group is organised into four core businesses – ports and related services, retail, infrastructure and telecommunications. The Group's most senior executive management (the Chief Operating Decision Maker as defined in HKFRS 8) monitors the operating results of the core businesses separately for the purpose of making decisions about resource allocation and performance assessment. Segment information sets out in this note is organised into these four core businesses, as follows:

Ports and Related Services:

This division is the world's leading port network, and has interests in 53 ports comprising 293 operational berths in 24 countries as at 31 December 2023. This division operates container terminals in five of the 10 busiest container ports in the world. The division comprises the Group's 80% interest in the Hutchison Ports group of companies and its 30.07% interest in the Hutchison Port Holdings Trust ("HPH Trust"). Results of HPH Trust are included in the segment results (under Ports and Related Services) based on the Group's effective shareholdings (net of non-controlling interests) in HPH Trust.

Retail:

The retail division consists of the AS Watson ("ASW") group of companies, the world's largest international health and beauty retailer with a 159 million loyalty member base. ASW operated 12 retail brands with 16,491 stores in 28 markets worldwide as at 31 December 2023.

Infrastructure:

The Infrastructure division comprises the Group's 75.67% interest in CK Infrastructure Holdings Limited ("CKI"), a subsidiary company listed on the Stock Exchange and interests in six co-owned infrastructure investments with CKI, including Northumbrian Water, Park'N Fly, Australian Gas Networks, Dutch Enviro Energy, Wales & West Utilities and UK Rails.

Telecommunications:

The Group's telecommunications division consists of CK Hutchison Group Telecom Holdings ("CK Hutchison Group Telecom") which consolidates the **3** Group businesses in Europe ("**3** Group Europe") and a 66.09% interest in Hutchison Telecommunications Hong Kong Holdings, which is listed on the Stock Exchange, as well as Hutchison Asia Telecommunications.

In addition, Finance & Investments and Others is presented in the segment information below to reconcile to the totals included in the Group's consolidated income statement and consolidated statement of financial position. Finance & Investments and Others covers the activities of other areas of the Group that are not presented separately and includes a 87.87% interest in the Australian Securities Exchange listed Hutchison Telecommunications (Australia) ("HTAL"), which has a 25.05% attributable interest in a listed associated company TPG Telecom Limited ("TPG"), Hutchison Whampoa (China), Hutchison E-Commerce, the Marionnaud business, listed associated companies Hutchison China MediTech ("HUTCHMED"), TOM Group, CK Life Sciences Int'l., (Holdings) Inc. and Cenovus Energy Inc. ("Cenovus Energy"), corporate head office operations and the returns earned on the Group's holdings of cash and liquid investments.

The Group has adopted HKFRS 16 "Leases" accounting standard (which relates to accounting for leases) for its statutory reporting but its management reporting has remained on the precedent lease accounting standard Hong Kong Accounting Standard 17 "Leases" ("HKAS 17"). The Group believes that the HKAS 17 basis metrics ("Pre-HKFRS 16 basis"), which are not intended to be a substitute for, or superior to, the reported metrics on a HKFRS 16 basis ("Post-HKFRS 16 basis"), better reflect management's view of the Group's underlying operational performances. Pre-HKFRS 16 basis metrics financial information is regularly reviewed by the Group's most senior executive management.

5 Operating segment information (continued)

(a) Description of segments and basis of presentation of segment information (continued)

Segment information sets out below is presented, except where indicated otherwise, on a Pre-HKFRS 16 basis together with reconciliations to the total under the Post-HKFRS 16 basis. Section (c) of this note includes reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics for the Group's consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flows for the current and comparative years, and the Group's consolidated statement of financial position as at 31 December 2023 and 31 December 2022.

Saved as disclosed in the notes below, the column headed as Company and Subsidiaries refers to the holding company of the Group and subsidiary companies' respective items and the column headed as Associates and JV refers to the Group's share of associated companies and joint ventures' respective items.

(b) Segment results, assets and liabilities

(i) An analysis of revenue by segments

	Revenue							
	Company and Subsidiaries	**Associates and JV**	**2023 Total**		Company and Subsidiaries	Associates and JV	2022 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
Ports and Related Services	**30,954**	**9,897**	**40,851**	**9%**	30,510	13,631	44,141	10%
Retail	**133,672**	**49,672**	**183,344**	**40%**	127,382	42,263	169,645	37%
Infrastructure	**6,605**	**48,109**	**54,714**	**12%**	6,821	47,620	54,441	12%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***80,222***	***9***	***80,231***	***17%***	*77,914*	*11*	*77,925*	*17%*
Hutchison Telecommunications Hong Kong Holdings	***4,896***	***–***	***4,896***	***1%***	*4,882*	*–*	*4,882*	*1%*
Corporate and Others	***1,565***	***122***	***1,687***	***–***	*370*	*112*	*482*	*–*
	86,683	**131**	**86,814**	**18%**	83,166	123	83,289	18%
Hutchison Asia Telecommunications	**945**	**10,834**	**11,779**	**3%**	1,011	10,617	11,628	2%
Finance & Investments and Others	**16,716**	**67,340**	**84,056**	**18%**	13,607	80,478	94,085	21%
	275,575	**185,983**	**461,558**	**100%**	262,497	194,732	457,229	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**–**	**1,158**	**1,158**		–	1,269	1,269	
Divesture of infrastructure investments	**–**	**813**	**813**		–	884	884	
	275,575	**187,954**	**463,529**		262,497	196,885	459,382	
HKFRS 16 impact	**–**	**–**	**–**		–	–	–	
	275,575	**187,954**	**463,529**		262,497	196,885	459,382	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

The Group uses two measures of segment results, EBITDA (see note 5(b)(xiv)) and EBIT (see note 5(b)(xv)). Analysis of segment results by EBITDA and EBIT are set out in (ii), (iii), (ix), (x) and (xiii) below.

(ii) An analysis of EBITDA by segments

	EBITDA (LBITDA)[xiv]							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2023 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2022 Total HK$ million	%
Ports and Related Services	**10,104**	**3,524**	**13,628**	**13%**	9,387	6,418	15,805	13%
Retail	**11,335**	**4,891**	**16,226**	**15%**	10,287	4,022	14,309	12%
Infrastructure	**3,364**	**25,837**	**29,201**	**28%**	3,996	24,819	28,815	24%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***21,059***	***289***	***21,348***	***20%***	*23,864*	–	*23,864*	*20%*
Hutchison Telecommunications Hong Kong Holdings	***1,182***	***61***	***1,243***	***1%***	*998*	*60*	*1,058*	*1%*
Corporate and Others[xviii]	***(240)***	***(10)***	***(250)***	**–**	*7,280*	*(10)*	*7,270*	*6%*
	22,001	**340**	**22,341**	**21%**	32,142	50	32,192	27%
Hutchison Asia Telecommunications[xviii]	**70**	**3,882**	**3,952**	**4%**	5,044	4,376	9,420	8%
Finance & Investments and Others[xvi][xix]	**5,561**	**13,971**	**19,532**	**19%**	1,942	16,527	18,469	16%
EBITDA	**52,435**	**52,445**	**104,880**	**100%**	62,798	56,212	119,010	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**–**	**780**	**780**		–	856	856	
EBITDA ^	**52,435 ^**	**53,225 ^**	**105,660 ^**		62,798 ^	57,068 ^	119,866 ^	
Depreciation and amortisation	**(25,957)**	**(20,623)**	**(46,580)**		(25,736)	(20,682)	(46,418)	
Interest expenses and other finance costs	**(9,720)**	**(10,427)**	**(20,147)**		(6,818)	(8,042)	(14,860)	
Current tax	**(4,123)**	**(3,582)**	**(7,705)**		(5,438)	(3,983)	(9,421)	
Deferred tax credit (charge)	**1,083**	**(1,878)**	**(795)**		(2,721)	(3,949)	(6,670)	
Non-controlling interests	**(6,708)**	**(482)**	**(7,190)**		(7,020)	(608)	(7,628)	
	7,010	**16,233**	**23,243**		15,065	19,804	34,869	
HKFRS 16 impact								
EBITDA ^	**16,959 ^**	**5,470 ^**	**22,429 ^**		18,731 ^	4,391 ^	23,122 ^	
Depreciation and amortisation	**(14,126)**	**(4,101)**	**(18,227)**		(14,052)	(3,673)	(17,725)	
Interest expenses and other finance costs	**(2,507)**	**(1,546)**	**(4,053)**		(2,234)	(1,304)	(3,538)	
Current tax	**4**	**–**	**4**		3	–	3	
Deferred tax	**33**	**72**	**105**		(118)	26	(92)	
Non-controlling interests	**(1)**	**–**	**(1)**		41	–	41	
	7,372	**16,128**	**23,500**		17,436	19,244	36,680	
^ Reconciliation to Post-HKFRS 16 basis EBITDA:								
Pre-HKFRS 16 basis EBITDA per above	**52,435**	**53,225**	**105,660**		62,798	57,068	119,866	
HKFRS 16 impact per above	**16,959**	**5,470**	**22,429**		18,731	4,391	23,122	
Post-HKFRS 16 basis EBITDA (see note 34(a)(i))	**69,394**	**58,695**	**128,089**		81,529	61,459	142,988	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iii) An analysis of EBIT by segments

	EBIT (LBIT) [xv]							
	Company and Subsidiaries	**Associates and JV**	**2023 Total**		Company and Subsidiaries	Associates and JV	2022 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
Ports and Related Services	**7,261**	**2,067**	**9,328**	**16%**	6,492	4,934	11,426	16%
Retail	**8,785**	**4,103**	**12,888**	**22%**	7,662	3,386	11,048	15%
Infrastructure	**3,079**	**16,483**	**19,562**	**33%**	3,692	15,141	18,833	26%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe								
EBITDA before the following non-cash items:	**21,059**	**289**	**21,348**		23,864	–	23,864	
Depreciation	**(11,489)**	**(260)**	**(11,749)**		(11,289)	–	(11,289)	
Amortisation of licence fees, other rights, customer acquisition and retention costs	**(7,199)**	**–**	**(7,199)**		(7,011)	–	(7,011)	
EBIT – **3** Group Europe	**2,371**	**29**	**2,400**	**4%**	5,564	–	5,564	8%
Hutchison Telecommunications Hong Kong Holdings	**100**	**16**	**116**	**–**	(44)	14	(30)	–
Corporate and Others [xvii]	**(241)**	**(10)**	**(251)**	**–**	7,279	(10)	7,269	10%
	2,230	**35**	**2,265**	**4%**	12,799	4	12,803	18%
Hutchison Asia Telecommunications [xviii]	**(256)**	**1,868**	**1,612**	**3%**	4,662	2,083	6,745	9%
Finance & Investments and Others [xvi] [xix]	**5,379**	**7,534**	**12,913**	**22%**	1,755	10,254	12,009	16%
EBIT	**26,478**	**32,090**	**58,568**	**100%**	37,062	35,802	72,864	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**–**	**512**	**512**		–	584	584	
EBIT ^	**26,478 ^**	**32,602 ^**	**59,080 ^**		37,062 ^	36,386 ^	73,448 ^	
Interest expenses and other finance costs	**(9,720)**	**(10,427)**	**(20,147)**		(6,818)	(8,042)	(14,860)	
Current tax	**(4,123)**	**(3,582)**	**(7,705)**		(5,438)	(3,983)	(9,421)	
Deferred tax credit (charge)	**1,083**	**(1,878)**	**(795)**		(2,721)	(3,949)	(6,670)	
Non-controlling interests	**(6,708)**	**(482)**	**(7,190)**		(7,020)	(608)	(7,628)	
	7,010	**16,233**	**23,243**		15,065	19,804	34,869	
HKFRS 16 impact								
EBIT ^	**2,833 ^**	**1,369 ^**	**4,202 ^**		4,679 ^	718 ^	5,397 ^	
Interest expenses and other finance costs	**(2,507)**	**(1,546)**	**(4,053)**		(2,234)	(1,304)	(3,538)	
Current tax	**4**	**–**	**4**		3	–	3	
Deferred tax	**33**	**72**	**105**		(118)	26	(92)	
Non-controlling interests	**(1)**	**–**	**(1)**		41	–	41	
	7,372	**16,128**	**23,500**		17,436	19,244	36,680	
^ Reconciliation to Post-HKFRS 16 basis EBIT:								
Pre-HKFRS 16 basis EBIT per above	**26,478**	**32,602**	**59,080**		37,062	36,386	73,448	
HKFRS 16 impact per above	**2,833**	**1,369**	**4,202**		4,679	718	5,397	
Post-HKFRS 16 basis EBIT	**29,311**	**33,971**	**63,282**		41,741	37,104	78,845	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iv) An analysis of depreciation and amortisation expenses by segments

	Depreciation and amortisation					
	Company and Subsidiaries	**Associates and JV**	**2023 Total**	Company and Subsidiaries	Associates and JV	2022 Total
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Ports and Related Services	**2,843**	**1,457**	**4,300**	2,895	1,484	4,379
Retail	**2,550**	**788**	**3,338**	2,625	636	3,261
Infrastructure	**285**	**9,354**	**9,639**	304	9,678	9,982
Telecommunications						
CK Hutchison Group Telecom						
3 Group Europe	***18,688***	***260***	***18,948***	*18,300*	–	*18,300*
Hutchison Telecommunications Hong Kong Holdings	***1,082***	***45***	***1,127***	*1,042*	*46*	*1,088*
Corporate and Others	***1***	**–**	***1***	*1*	–	*1*
	19,771	**305**	**20,076**	19,343	46	19,389
Hutchison Asia Telecommunications	**326**	**2,014**	**2,340**	382	2,293	2,675
Finance & Investments and Others	**182**	**6,437**	**6,619**	187	6,273	6,460
	25,957	**20,355**	**46,312**	25,736	20,410	46,146
Portion attributable to:						
Non-controlling interests of HPH Trust	**–**	**268**	**268**	–	272	272
	25,957	**20,623**	**46,580**	25,736	20,682	46,418
Divesture of infrastructure investments	**–**	**176**	**176**	–	143	143
	25,957	**20,799**	**46,756**	25,736	20,825	46,561
HKFRS 16 impact	**14,126**	**4,101**	**18,227**	14,052	3,673	17,725
	40,083	**24,900**	**64,983**	39,788	24,498	64,286

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(v) An analysis of capital expenditure by segments

	Capital expenditure [xxiii]							
	Fixed assets	**Telecom-munications licences**	**Brand names and other rights**	**2023 Total**	Fixed assets	Telecom-munications licences	Brand names and other rights	2022 Total
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	**5,511**	**–**	**10**	**5,521**	3,801	–	–	3,801
Retail	**2,814**	**–**	**–**	**2,814**	2,387	–	–	2,387
Infrastructure	**320**	**–**	**2**	**322**	473	–	4	477
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***12,450***	***1,937***	***1,663***	***16,050***	*16,653*	–	*1,779*	*18,432*
Hutchison Telecommunications Hong Kong Holdings	***481***	**–**	**–**	***481***	*496*	*138*	–	*634*
Corporate and Others	***2***	**–**	**–**	***2***	–	–	*3*	*3*
	12,933	**1,937**	**1,663**	**16,533**	17,149	138	1,782	19,069
Hutchison Asia Telecommunications	**109**	**19**	**–**	**128**	313	22	14	349
Finance & Investments and Others	**192**	**–**	**–**	**192**	129	–	7	136
	21,879	**1,956**	**1,675**	**25,510**	24,252	160	1,807	26,219
HKFRS 16 impact	**(209)**	**–**	**–**	**(209)**	(367)	–	–	(367)
	21,670	**1,956**	**1,675**	**25,301**	23,885	160	1,807	25,852

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(vi) An analysis of total assets by segments

	Total assets								
	Segment assets (xxi)	**Deferred tax assets**	**Investments in associated companies and interests in joint ventures**	**2023 Total assets**	Segment assets (xxi)	Deferred tax assets	Assets classified as held for sale (xxiv)	Investments in associated companies and interests in joint ventures	2022 Total assets
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	**75,587**	**609**	**21,519**	**97,715**	72,263	352	–	23,200	95,815
Retail	**201,155**	**1,802**	**17,233**	**220,190**	198,358	1,471	–	15,630	215,459
Infrastructure	**59,577**	**2**	**171,277**	**230,856**	65,516	3	–	165,138	230,657
Telecommunications									
CK Hutchison Group Telecom									
3 Group Europe	***275,196***	***16,858***	***2,628***	***294,682***	*263,859*	*15,067*	*5,178*	*10*	*284,114*
Hutchison Telecommunications Hong Kong Holdings	***15,776***	***2***	***109***	***15,887***	*16,148*	*4*	–	*157*	*16,309*
Corporate and Others	***26,995***	**–**	***1***	***26,996***	*35,040*	–	–	*2*	*35,042*
	317,967	**16,860**	**2,738**	**337,565**	315,047	15,071	5,178	169	335,465
Hutchison Asia Telecommunications	**2,374**	**–**	**14,720**	**17,094**	2,668	–	–	15,395	18,063
Finance & Investments and Others	**129,494**	**64**	**74,404**	**203,962**	130,789	57	–	71,635	202,481
	786,154	**19,337**	**301,891**	**1,107,382**	784,641	16,954	5,178	291,167	1,097,940
HKFRS 16 impact	**51,700**	**1,737**	**(1,916)**	**51,521**	49,919	1,555	918	(1,895)	50,497
	837,854	**21,074**	**299,975**	**1,158,903**	834,560	18,509	6,096	289,272	1,148,437

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(vii) An analysis of total liabilities by segments

	Total liabilities								
	Segment liabilities [xxi]	Current & non-current borrowings [xxii] and other non-current liabilities	Current & deferred tax liabilities	2023 Total liabilities	Segment liabilities [xxi]	Current & non-current borrowings [xxii] and other non-current liabilities	Liabilities directly associated with assets classified as held for sale [xxiv]	Current & deferred tax liabilities	2022 Total liabilities
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	**11,591**	**14,867**	**4,535**	**30,993**	10,948	14,604	–	4,696	30,248
Retail	**27,748**	**7,056**	**10,900**	**45,704**	24,598	10,531	–	10,619	45,748
Infrastructure	**7,236**	**24,551**	**615**	**32,402**	7,338	28,416	–	556	36,310
Telecommunications									
CK Hutchison Group Telecom									
3 Group Europe	***32,856***	***16,319***	***3,935***	***53,110***	*37,008*	*14,989*	*207*	*3,393*	*55,597*
Hutchison Telecommunications Hong Kong Holdings	***1,835***	***2,249***	***123***	***4,207***	*1,808*	*2,371*	–	*50*	*4,229*
Corporate and Others	***1,105***	***44,428***	***26***	***45,559***	*777*	*50,923*	–	*11*	*51,711*
	35,796	**62,996**	**4,084**	**102,876**	39,593	68,283	207	3,454	111,537
Hutchison Asia Telecommunications	**767**	**3,492**	**1**	**4,260**	939	533	–	1	1,473
Finance & Investments and Others	**7,875**	**195,001**	**4,461**	**207,337**	9,721	197,490	–	4,859	212,070
	91,013	**307,963**	**24,596**	**423,572**	93,137	319,857	207	24,185	437,386
HKFRS 16 impact	**66,865**	**(1,225)**	**(858)**	**64,782**	64,781	(1,065)	920	(894)	63,742
	157,878	**306,738**	**23,738**	**488,354**	157,918	318,792	1,127	23,291	501,128

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(viii) An analysis of revenue by geographical locations

	Revenue [xx]							
	Company and Subsidiaries	**Associates and JV**	**2023 Total**		Company and Subsidiaries	Associates and JV	2022 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
Hong Kong	**29,857**	**4,554**	**34,411**	**8%**	32,680	4,646	37,326	8%
Mainland China	**20,072**	**7,264**	**27,336**	**6%**	21,676	11,013	32,689	7%
The People's Republic of China	**49,929**	**11,818**	**61,747**	**14%**	54,356	15,659	70,015	15%
Europe	**154,709**	**76,970**	**231,679**	**50%**	145,738	69,150	214,888	47%
Canada	**229**	**3,633**	**3,862**	**1%**	253	3,554	3,807	1%
Asia, Australia and Others	**53,992**	**26,222**	**80,214**	**17%**	48,543	25,891	74,434	16%
	208,930	**106,825**	**315,755**	**68%**	194,534	98,595	293,129	64%
	258,859	**118,643**	**377,502**	**82%**	248,890	114,254	363,144	79%
Finance & Investments and Others	**16,716**	**67,340**	**84,056**	**18%**	13,607	80,478	94,085	21%
	275,575	**185,983**	**461,558 ****	**100%**	262,497	194,732	457,229 **	100%

** see note 5(b)(i) for reconciliation of segment revenue to revenue presented in the consolidated income statement.

(ix) An analysis of EBITDA by geographical locations

	EBITDA (LBITDA) [xiv]							
	Company and Subsidiaries	**Associates and JV**	**2023 Total**		Company and Subsidiaries	Associates and JV	2022 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
Hong Kong	**1,146**	**1,686**	**2,832**	**3%**	1,414	1,943	3,357	3%
Mainland China	**1,484**	**2,222**	**3,706**	**4%**	1,143	4,777	5,920	5%
The People's Republic of China	**2,630**	**3,908**	**6,538**	**7%**	2,557	6,720	9,277	8%
Europe	**31,511**	**20,612**	**52,123**	**49%**	42,378	18,427	60,805	51%
Canada	**230**	**1,978**	**2,208**	**2%**	246	1,795	2,041	1%
Asia, Australia and Others	**12,503**	**11,976**	**24,479**	**23%**	15,675	12,743	28,418	24%
	44,244	**34,566**	**78,810**	**74%**	58,299	32,965	91,264	76%
	46,874	**38,474**	**85,348**	**81%**	60,856	39,685	100,541	84%
Finance & Investments and Others [xvi] [xix]	**5,561**	**13,971**	**19,532**	**19%**	1,942	16,527	18,469	16%
	52,435	**52,445**	**104,880 ##**	**100%**	62,798	56,212	119,010 ##	100%

see note 5(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(x) An analysis of EBIT by geographical locations

	EBIT (LBIT)[xv]							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2023 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2022 Total HK$ million	%
Hong Kong	**(378)**	**741**	**363**	**1%**	(50)	982	932	1%
Mainland China	**632**	**1,460**	**2,092**	**3%**	137	3,997	4,134	6%
The People's Republic of China	**254**	**2,201**	**2,455**	**4%**	87	4,979	5,066	7%
Europe	**10,865**	**14,376**	**25,241**	**43%**	22,127	12,139	34,266	47%
Canada	**229**	**1,308**	**1,537**	**3%**	246	1,129	1,375	2%
Asia, Australia and Others	**9,751**	**6,671**	**16,422**	**28%**	12,847	7,301	20,148	28%
	20,845	**22,355**	**43,200**	**74%**	35,220	20,569	55,789	77%
	21,099	**24,556**	**45,655**	**78%**	35,307	25,548	60,855	84%
Finance & Investments and Others[xvi][xix]	**5,379**	**7,534**	**12,913**	**22%**	1,755	10,254	12,009	16%
	26,478	**32,090**	**58,568 @@**	**100%**	37,062	35,802	72,864 @@	100%

@@ see note 5(b)(iii) for reconciliation of segment EBIT to EBIT included and presented in the consolidated income statement.

(xi) An analysis of capital expenditure by geographical locations

	Capital expenditure[xxiii]							
	Fixed assets HK$ million	**Telecom-munications licences HK$ million**	**Brand names and other rights HK$ million**	**2023 Total HK$ million**	Fixed assets HK$ million	Telecom-munications licences HK$ million	Brand names and other rights HK$ million	2022 Total HK$ million
Hong Kong	**1,389**	**–**	**–**	**1,389**	1,332	138	–	1,470
Mainland China	**658**	**–**	**–**	**658**	410	–	–	410
The People's Republic of China	**2,047**	**–**	**–**	**2,047**	1,742	138	–	1,880
Europe	**14,799**	**1,088**	**1,663**	**17,550**	18,358	–	1,782	20,140
Asia, Australia and Others	**4,841**	**868**	**12**	**5,721**	4,023	22	18	4,063
	19,640	**1,956**	**1,675**	**23,271**	22,381	22	1,800	24,203
	21,687	**1,956**	**1,675**	**25,318**	24,123	160	1,800	26,083
Finance & Investments and Others	**192**	**–**	**–**	**192**	129	–	7	136
	21,879	**1,956**	**1,675**	**25,510**	24,252	160	1,807	26,219
HKFRS 16 impact	**(209)**	**–**	**–**	**(209)**	(367)	–	–	(367)
	21,670	**1,956**	**1,675**	**25,301**	23,885	160	1,807	25,852

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xii) An analysis of total assets by geographical locations

	Total assets								
	Segment assets[xxi]	**Deferred tax assets**	**Investments in associated companies and interests in joint ventures**	**2023 Total assets**	Segment assets[xxi]	Deferred tax assets	Assets classified as held for sale[xxiv]	Investments in associated companies and interests in joint ventures	2022 Total assets
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	**48,060**	**161**	**10,656**	**58,877**	52,253	79	–	10,708	63,040
Mainland China	**33,223**	**688**	**15,184**	**49,095**	37,850	765	–	17,209	55,824
The People's Republic of China	**81,283**	**849**	**25,840**	**107,972**	90,103	844	–	27,917	118,864
Europe	**444,041**	**17,614**	**117,538**	**579,193**	420,785	15,512	5,178	106,525	548,000
Canada	**4,333**	**2**	**12,329**	**16,664**	4,169	3	–	12,238	16,410
Asia, Australia and Others	**127,003**	**808**	**71,780**	**199,591**	138,795	538	–	72,852	212,185
	575,377	**18,424**	**201,647**	**795,448**	563,749	16,053	5,178	191,615	776,595
	656,660	**19,273**	**227,487**	**903,420**	653,852	16,897	5,178	219,532	895,459
Finance & Investments and Others	**129,494**	**64**	**74,404**	**203,962**	130,789	57	–	71,635	202,481
	786,154	**19,337**	**301,891**	**1,107,382**	784,641	16,954	5,178	291,167	1,097,940
HKFRS 16 impact	**51,700**	**1,737**	**(1,916)**	**51,521**	49,919	1,555	918	(1,895)	50,497
	837,854	**21,074**	**299,975**	**1,158,903**	834,560	18,509	6,096	289,272	1,148,437

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net gains from major transaction activities and other one-off items by segments and geographical locations

The Group's EBITDA and EBIT for the comparative year ended 31 December 2022 included the gains attributable to shareholders from the disposal of interests in the Group's telecommunications tower assets in the United Kingdom (the "UK") that completed in November 2022 of HK$18,957 million (see note 5(b)(xvii)) and the Group's telecommunications business in Indonesia in January 2022 of HK$6,100 million (see note 5(b)(xviii)). These gains were partly offset by impairment of Wind Tre S.p.A.'s ("Wind Tre") goodwill of HK$11,039 million (see note 5(b)(xvii)), the impairment charge against the assets of the Group's telecommunications business in Sri Lanka of HK$962 million (see note 5(b)(xviii)) and the Group's share of Cenovus Energy's impairment charges, before tax, of HK$253 million (see note 5(b)(xix)).

An analysis of EBITDA by segments

	EBITDA (LBITDA) [xiv]							
	Company and Subsidiaries	**Associates and JV**	**2023 Total**		Company and Subsidiaries	Associates and JV	2022 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
EBITDA before the following one-off items								
Ports and Related Services	**10,104**	**3,524**	**13,628**	**13%**	9,387	6,418	15,805	15%
Retail	**11,335**	**4,891**	**16,226**	**15%**	10,287	4,022	14,309	13%
Infrastructure	**3,364**	**25,837**	**29,201**	**28%**	3,996	24,819	28,815	27%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***21,059***	***289***	***21,348***	***20%***	*23,864*	*–*	*23,864*	*23%*
Hutchison Telecommunications Hong Kong Holdings	***1,182***	***61***	***1,243***	***1%***	*998*	*60*	*1,058*	*1%*
Corporate and Others	***(240)***	***(10)***	***(250)***	***–***	*(638)*	*(10)*	*(648)*	*-1%*
	22,001	**340**	**22,341**	**21%**	24,224	50	24,274	23%
Hutchison Asia Telecommunications	**70**	**3,882**	**3,952**	**4%**	(94)	4,376	4,282	4%
Finance & Investments and Others [xvi]	**5,561**	**13,971**	**19,532**	**19%**	1,942	16,780	18,722	18%
	52,435	**52,445**	**104,880**	**100%**	49,742	56,465	106,207	100%
One-off items								
Gains from disposal of European telecommunications tower assets [xvii]	**–**	**–**	**–**		18,957	–	18,957	
Gains from disposal of telecommunications business in Indonesia [xviii]	**–**	**–**	**–**		6,100	–	6,100	
Impairment of telecommunications business in Sri Lanka [xviii]	**–**	**–**	**–**		(962)	–	(962)	
Impairment of Wind Tre's goodwill [xvii]	**–**	**–**	**–**		(11,039)	–	(11,039)	
Share of Cenovus Energy's impairment charges [xix]	**–**	**–**	**–**		–	(253)	(253)	
	52,435	**52,445**	**104,880** [##]		62,798	56,212	119,010 [##]	

see note 5(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net gains from major transaction activities and other one-off items by segments and geographical locations (continued)

An analysis of EBITDA by geographical locations

	EBITDA (LBITDA) [xiv]							
	Company and Subsidiaries	**Associates and JV**	**2023 Total**		Company and Subsidiaries	Associates and JV	2022 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
EBITDA before the following one-off items								
Hong Kong	**1,146**	**1,686**	**2,832**	**3%**	1,414	1,943	3,357	3%
Mainland China	**1,484**	**2,222**	**3,706**	**4%**	1,143	4,777	5,920	6%
The People's Republic of China	**2,630**	**3,908**	**6,538**	**7%**	2,557	6,720	9,277	9%
Europe	**31,511**	**20,612**	**52,123**	**49%**	34,460	18,427	52,887	49%
Canada	**230**	**1,978**	**2,208**	**2%**	246	1,795	2,041	2%
Asia, Australia and Others	**12,503**	**11,976**	**24,479**	**23%**	10,537	12,743	23,280	22%
	44,244	**34,566**	**78,810**	**74%**	45,243	32,965	78,208	73%
	46,874	**38,474**	**85,348**	**81%**	47,800	39,685	87,485	82%
Finance & Investments and Others [xvi]	**5,561**	**13,971**	**19,532**	**19%**	1,942	16,780	18,722	18%
	52,435	**52,445**	**104,880**	**100%**	49,742	56,465	106,207	100%
One-off items								
Gains from disposal of European telecommunications tower assets [xvii]	–	–	–		18,957	–	18,957	
Gains from disposal of telecommunications business in Indonesia [xviii]	–	–	–		6,100	–	6,100	
Impairment of telecommunications business in Sri Lanka [xviii]	–	–	–		(962)	–	(962)	
Impairment of Wind Tre's goodwill [xvii]	–	–	–		(11,039)	–	(11,039)	
Share of Cenovus Energy's impairment charges [xix]	–	–	–		–	(253)	(253)	
	52,435	**52,445**	**104,880** ##		62,798	56,212	119,010 ##	

see note 5(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net gains from major transaction activities and other one-off items by segments and geographical locations (continued)

An analysis of EBIT by segments

	EBIT (LBIT) [xv]							
	Company and Subsidiaries	**Associates and JV**	**2023 Total**		Company and Subsidiaries	Associates and JV	2022 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
EBIT before the following one-off items								
Ports and Related Services	**7,261**	**2,067**	**9,328**	**16%**	6,492	4,934	11,426	19%
Retail	**8,785**	**4,103**	**12,888**	**22%**	7,662	3,386	11,048	18%
Infrastructure	**3,079**	**16,483**	**19,562**	**33%**	3,692	15,141	18,833	32%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***2,371***	***29***	***2,400***	***4%***	*5,564*	–	*5,564*	*9%*
Hutchison Telecommunications Hong Kong Holdings	***100***	***16***	***116***	**–**	*(44)*	*14*	*(30)*	–
Corporate and Others	***(241)***	***(10)***	***(251)***	**–**	*(639)*	*(10)*	*(649)*	*-1%*
	2,230	**35**	**2,265**	**4%**	4,881	4	4,885	8%
Hutchison Asia Telecommunications	**(256)**	**1,868**	**1,612**	**3%**	(476)	2,083	1,607	3%
Finance & Investments and Others [xvi]	**5,379**	**7,534**	**12,913**	**22%**	1,755	10,507	12,262	20%
	26,478	**32,090**	**58,568**	**100%**	24,006	36,055	60,061	100%
One-off items								
Gains from disposal of European telecommunications tower assets [xvii]	**–**	**–**	**–**		18,957	–	18,957	
Gains from disposal of telecommunications business in Indonesia [xviii]	**–**	**–**	**–**		6,100	–	6,100	
Impairment of telecommunications business in Sri Lanka [xviii]	**–**	**–**	**–**		(962)	–	(962)	
Impairment of Wind Tre's goodwill [xvii]	**–**	**–**	**–**		(11,039)	–	(11,039)	
Share of Cenovus Energy's impairment charges [xix]	**–**	**–**	**–**		–	(253)	(253)	
	26,478	**32,090**	**58,568 @@**		37,062	35,802	72,864 @@	

@@ see note 5(b)(iii) for reconciliation of segment EBIT to EBIT included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net gains from major transaction activities and other one-off items by segments and geographical locations (continued)

An analysis of EBIT by geographical locations

	EBIT (LBIT) [xv]							
	Company and Subsidiaries	**Associates and JV**	**2023 Total**		Company and Subsidiaries	Associates and JV	2022 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
EBIT before the following one-off items								
Hong Kong	**(378)**	**741**	**363**	**1%**	(50)	982	932	2%
Mainland China	**632**	**1,460**	**2,092**	**3%**	137	3,997	4,134	7%
The People's Republic of China	**254**	**2,201**	**2,455**	**4%**	87	4,979	5,066	9%
Europe	**10,865**	**14,376**	**25,241**	**43%**	14,209	12,139	26,348	44%
Canada	**229**	**1,308**	**1,537**	**3%**	246	1,129	1,375	2%
Asia, Australia and Others	**9,751**	**6,671**	**16,422**	**28%**	7,709	7,301	15,010	25%
	20,845	**22,355**	**43,200**	**74%**	22,164	20,569	42,733	71%
	21,099	**24,556**	**45,655**	**78%**	22,251	25,548	47,799	80%
Finance & Investments and Others [xvi]	**5,379**	**7,534**	**12,913**	**22%**	1,755	10,507	12,262	20%
	26,478	**32,090**	**58,568**	**100%**	24,006	36,055	60,061	100%
One-off items								
Gains from disposal of European telecommunications tower assets [xvii]	–	–	–		18,957	–	18,957	
Gains from disposal of telecommunications business in Indonesia [xviii]	–	–	–		6,100	–	6,100	
Impairment of telecommunications business in Sri Lanka [xviii]	–	–	–		(962)	–	(962)	
Impairment of Wind Tre's goodwill [xvii]	–	–	–		(11,039)	–	(11,039)	
Share of Cenovus Energy's impairment charges [xix]	–	–	–		–	(253)	(253)	
	26,478	**32,090**	**58,568** @@		37,062	35,802	72,864 @@	

@@ see note 5(b)(iii) for reconciliation of segment EBIT to EBIT included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiv) EBITDA (LBITDA) represents the EBITDA (LBITDA) of the Company and subsidiary companies as well as the Group's share of the EBITDA (LBITDA) of associated companies and joint ventures except for HPH Trust which is included based on the Group's effective share of EBITDA for this operation and the Group's interests in six infrastructure investments co-owned with CKI that are based on the Group's economic benefits in these investments. EBITDA (LBITDA) is defined as earnings (losses) before interest expenses and other finance costs, tax, depreciation and amortisation. Information concerning EBITDA (LBITDA) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of gross cash flow generation. The Group considers EBITDA (LBITDA) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBITDA (LBITDA) is therefore presented as a measure of segment results in accordance with HKFRS 8. EBITDA (LBITDA) is not a measure of cash liquidity or financial performance under HKFRS and the EBITDA (LBITDA) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBITDA (LBITDA) should not necessarily be construed as an alternative to cash flows or results from operations as determined in accordance with HKFRS.

(xv) EBIT (LBIT) represents the EBIT (LBIT) of the Company and subsidiary companies as well as the Group's share of the EBIT (LBIT) of associated companies and joint ventures except for HPH Trust which is included based on the Group's effective share of EBIT for this operation and the Group's interests in six infrastructure investments co-owned with CKI that are based on the Group's economic benefits in these investments. EBIT (LBIT) is defined as earnings (losses) before interest expenses and other finance costs and tax. Information concerning EBIT (LBIT) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of results from operations. The Group considers EBIT (LBIT) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBIT (LBIT) is therefore presented as a measure of segment results in accordance with HKFRS 8. EBIT (LBIT) is not a measure of financial performance under HKFRS and the EBIT (LBIT) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBIT (LBIT) should not necessarily be construed as an alternative to results from operations as determined in accordance with HKFRS.

(xvi) On 14 June 2023, the Group entered into a warrant repurchase agreement with Cenovus Energy, under which the Group sold 26.3 million Cenovus Energy share warrants to Cenovus Energy for a total consideration of approximately C$410 million. Before their disposal, these share warrants, as hedging instrument in a cash flow hedge, were measured at fair value through other comprehensive income and reported under "Finance & Investments and Others" in the segment information note and under other non-current assets in the consolidated statement of financial position. The disposal has resulted in a gain (after reclassification adjustments of hedging gains to profit or loss) of approximately HK$1,829 million (HK$1,829 million at Post-HKFRS 16 basis), see note 7(f). This gain is reported under "Finance & Investments and Others" in the segment results and under "Other income and gains" in the consolidated income statement.

(xvii) Included in the comparative year balance are a gain of HK$18,957 million (HK$19,060 million at Post-HKFRS 16 basis, see note 7(g)) arising from the disposal of interests in telecommunications tower assets in the UK completed in November 2022 and an impairment charge of HK$11,039 million (HK$11,039 million at Post-HKFRS 16 basis, see note 7(c)) against Wind Tre's goodwill. Both amounts are at EBITDA and EBIT levels and are reported under "Telecommunications: CK Hutchison Group Telecom – Corporate and Others" in the segment results. In the consolidated income statement, both amounts are reported under the Post-HKFRS 16 basis, the disposal gain of HK$19,060 million is reported in "Other income and gains" and the impairment charge of HK$11,039 million is reported in "Other expenses and losses".

(xviii) Included in the comparative year balance are a disposal gain of HK$6,100 million (HK$7,245 million at Post-HKFRS 16 basis, see note 7(g)) arising from the completion of the merger of the Group's telecommunications business in Indonesia with PT Indosat Tbk and an impairment charge of HK$962 million (HK$1,000 million at Post-HKFRS 16 basis, see note 7(c)) against goodwill, telecommunications licences, tangible and other assets of the Group's telecommunications business in Sri Lanka. Both amounts are at EBITDA and EBIT levels and are reported under "Telecommunications: Hutchison Asia Telecommunications" in the segment results. In the consolidated income statement, both amounts are reported under the Post-HKFRS 16 basis, the disposal gain of HK$7,245 million is reported in "Other income and gains" and the impairment charge of HK$1,000 million is reported in "Other expenses and losses".

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xix) Included in the comparative year balance is the Group's share of Cenovus Energy's non-cash impairment charges, before tax, of HK$253 million (HK$253 million at Post-HKFRS 16 basis) on certain refinery assets. The Group's share of this charge is HK$253 million (HK$253 million at Post-HKFRS 16 basis) at the EBITDA and EBIT levels, and is reported under "Finance & Investments and Others" in the segment results. In the consolidated income statements, the Group's share of this charge (after tax) is HK$193 million (HK$193 million at Post-HKFRS 16 basis) and is included in "Share of profits less losses of associated companies".

(xx) The geographical location of customers is based on the location at which the services were provided or goods delivered. Hong Kong is the location of principal place of business of the Company.

(xxi) Segment assets and segment liabilities

Segment assets are assets other than deferred tax assets, assets classified as held for sale, and investments in associated companies and interests in joint ventures.

Segment liabilities are liabilities other than bank and other debts, interest bearing loans from non-controlling shareholders, tax liabilities (including deferred tax liabilities), liabilities directly associated with assets classified as held for sale and other non-current liabilities.

The specified non-current assets are non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets. The geographical location of the specified non-current assets is based on the physical location of the asset (for fixed assets, right-of-use assets and other operating assets), the location of the operation in which they are allocated (for assets classified as held for sale, intangible assets and goodwill), and the location of operations (for associated companies and interests in joint ventures).

See note 5(b)(vi) and 5(b)(vii) for reconciliation of segment assets and segment liabilities from Pre-HKFRS 16 basis to Post-HKFRS 16 basis.

Geographical analysis of the Group's non-current assets (based on Post-HKFRS 16 basis) other than financial instruments, deferred tax assets and post-employment benefit assets is as follows:

	2023 HK$ million	2022 HK$ million
Hong Kong	**72,857**	76,195
Mainland China	**57,362**	63,398
The People's Republic of China	**130,219**	139,593
Europe	**523,476**	487,612
Canada	**62,643**	59,262
Asia, Australia and Others	**197,955**	193,888
	784,074	740,762
	914,293	880,355

(xxii) Current and non-current borrowings comprise bank and other debts and interest bearing loans from non-controlling shareholders.

(xxiii) For the purpose of segmental information analysis, expenditures incurred for leases are not regarded as capital expenditures.

(xxiv) See note 25.

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics

(i) Consolidated Income Statement

	2023			2022		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Revenue	**275,575**	**–**	**275,575**	262,497	–	262,497
Cost of inventories sold	**(105,771)**	**32**	**(105,739)**	(101,766)	42	(101,724)
Staff costs	**(39,226)**	**–**	**(39,226)**	(37,170)	–	(37,170)
Expensed customer acquisition and retention costs	**(15,577)**	**389**	**(15,188)**	(14,927)	400	(14,527)
Depreciation and amortisation	**(25,957)**	**(14,126)**	**(40,083)**	(25,736)	(14,052)	(39,788)
Other expenses and losses	**(64,633)**	**16,538**	**(48,095)**	(72,767)	17,040	(55,727)
Other income and gains	**2,067**	**–**	**2,067**	26,931	1,249	28,180
Share of profits less losses of:						
Associated companies	**8,215**	**(77)**	**8,138**	12,282	(460)	11,822
Joint ventures	**8,018**	**(28)**	**7,990**	7,522	(100)	7,422
	42,711	**2,728**	**45,439**	56,866	4,119	60,985
Interest expenses and other finance costs	**(9,720)**	**(2,507)**	**(12,227)**	(6,818)	(2,234)	(9,052)
Profit before tax	**32,991**	**221**	**33,212**	50,048	1,885	51,933
Current tax	**(4,123)**	**4**	**(4,119)**	(5,438)	3	(5,435)
Deferred tax credit (charge)	**1,083**	**33**	**1,116**	(2,721)	(118)	(2,839)
Profit after tax	**29,951**	**258**	**30,209**	41,889	1,770	43,659
Profit attributable to non-controlling interests and holders of perpetual capital securities	**(6,708)**	**(1)**	**(6,709)**	(7,020)	41	(6,979)
Profit attributable to ordinary shareholders	**23,243**	**257**	**23,500**	34,869	1,811	36,680
Earnings per share for profit attributable to ordinary shareholders	**HK$ 6.07**	**HK$ 0.07**	**HK$ 6.14**	HK$ 9.09	HK$ 0.48	HK$ 9.57

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(ii) Consolidated Statement of Comprehensive Income

	2023			2022		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Profit after tax	**29,951**	**258**	**30,209**	41,889	1,770	43,659
Other comprehensive income (losses)						
Items that will not be reclassified to profit or loss						
Changes in fair value of equity instruments at fair value through other comprehensive income	**718**	**–**	**718**	(1,493)	–	(1,493)
Remeasurement of defined benefit obligations	**(1,470)**	**–**	**(1,470)**	701	–	701
Share of other comprehensive income (losses) of associated companies	**(560)**	**–**	**(560)**	(83)	–	(83)
Share of other comprehensive income (losses) of joint ventures	**269**	**–**	**269**	(520)	–	(520)
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	**376**	**–**	**376**	(255)	–	(255)
	(667)	**–**	**(667)**	(1,650)	–	(1,650)
Items that may be reclassified to profit or loss						
Changes in fair value of debt instruments at fair value through other comprehensive income	**120**	**–**	**120**	(367)	–	(367)
Exchange gains (losses) on translation of foreign operations	**8,100**	**(329)**	**7,771**	(16,578)	500	(16,078)
Exchange losses reclassified to profit or loss	**344**	**(2)**	**342**	2,213	7	2,220
Gains (losses) on cash flow hedges	**(1,059)**	**–**	**(1,059)**	2,201	–	2,201
Gains (losses) on net investment hedges	**(1,641)**	**–**	**(1,641)**	4,433	–	4,433
Reclassification adjustments for hedging gains included in profit or loss	**(1,735)**	**–**	**(1,735)**	–	–	–
Share of other comprehensive income (losses) of associated companies	**1,812**	**77**	**1,889**	(2,526)	31	(2,495)
Share of other comprehensive income (losses) of joint ventures	**3,748**	**(20)**	**3,728**	(4,103)	42	(4,061)
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	**4**	**–**	**4**	(12)	–	(12)
	9,693	**(274)**	**9,419**	(14,739)	580	(14,159)
Other comprehensive income (losses), net of tax	**9,026**	**(274)**	**8,752**	(16,389)	580	(15,809)
Total comprehensive income	**38,977**	**(16)**	**38,961**	25,500	2,350	27,850
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	**(7,560)**	**84**	**(7,476)**	(5,614)	(160)	(5,774)
Total comprehensive income attributable to ordinary shareholders	**31,417**	**68**	**31,485**	19,886	2,190	22,076

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(iii) Consolidated Statement of Financial Position

	2023			2022		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Non-current assets						
Fixed assets	**121,957**	**(2,131)**	**119,826**	114,564	(1,914)	112,650
Right-of-use assets	**–**	**61,198**	**61,198**	–	59,337	59,337
Leasehold land	**5,958**	**(5,958)**	**–**	6,129	(6,129)	–
Telecommunications licences	**64,264**	**–**	**64,264**	60,689	–	60,689
Brand names and other rights	**83,396**	**–**	**83,396**	83,694	–	83,694
Goodwill	**271,136**	**–**	**271,136**	268,008	–	268,008
Associated companies	**144,375**	**(737)**	**143,638**	141,475	(764)	140,711
Interests in joint ventures	**157,516**	**(1,179)**	**156,337**	149,692	(1,131)	148,561
Deferred tax assets	**19,337**	**1,737**	**21,074**	16,954	1,555	18,509
Liquid funds and other listed investments	**15,786**	**–**	**15,786**	16,103	–	16,103
Other non-current assets	**19,356**	**506**	**19,862**	15,358	542	15,900
	903,081	**53,436**	**956,517**	872,666	51,496	924,162
Current assets						
Cash and cash equivalents	**127,323**	**–**	**127,323**	138,085	–	138,085
Inventories	**24,473**	**–**	**24,473**	23,283	–	23,283
Trade receivables and other current assets	**52,505**	**(1,915)**	**50,590**	58,728	(1,917)	56,811
	204,301	**(1,915)**	**202,386**	220,096	(1,917)	218,179
Assets classified as held for sale	**–**	**–**	**–**	5,178	918	6,096
	204,301	**(1,915)**	**202,386**	225,274	(999)	224,275
Current liabilities						
Bank and other debts	**58,785**	**(461)**	**58,324**	70,430	(300)	70,130
Current tax liabilities	**4,215**	**(49)**	**4,166**	4,040	(39)	4,001
Lease liabilities	**–**	**13,616**	**13,616**	–	12,128	12,128
Trade payables and other current liabilities	**87,477**	**(1,058)**	**86,419**	90,407	(1,278)	89,129
	150,477	**12,048**	**162,525**	164,877	10,511	175,388
Liabilities directly associated with assets classified as held for sale	**–**	**–**	**–**	207	920	1,127
	150,477	**12,048**	**162,525**	165,084	11,431	176,515
Net current assets	**53,824**	**(13,963)**	**39,861**	60,190	(12,430)	47,760
Total assets less current liabilities	**956,905**	**39,473**	**996,378**	932,856	39,066	971,922
Non-current liabilities						
Bank and other debts	**214,362**	**(764)**	**213,598**	214,963	(767)	214,196
Interest bearing loans from non-controlling shareholders	**3,245**	**–**	**3,245**	2,567	–	2,567
Lease liabilities	**–**	**54,307**	**54,307**	–	53,931	53,931
Deferred tax liabilities	**20,381**	**(809)**	**19,572**	20,145	(855)	19,290
Pension obligations	**3,536**	**–**	**3,536**	2,730	–	2,730
Other non-current liabilities	**31,571**	**–**	**31,571**	31,897	2	31,899
	273,095	**52,734**	**325,829**	272,302	52,311	324,613
Net assets	**683,810**	**(13,261)**	**670,549**	660,554	(13,245)	647,309
Capital and reserves						
Share capital	**3,830**	**–**	**3,830**	3,830	–	3,830
Share premium	**242,972**	**–**	**242,972**	242,972	–	242,972
Reserves	**306,629**	**(9,396)**	**297,233**	286,167	(9,456)	276,711
Total ordinary shareholders' funds	**553,431**	**(9,396)**	**544,035**	532,969	(9,456)	523,513
Perpetual capital securities	**4,566**	**–**	**4,566**	4,561	–	4,561
Non-controlling interests	**125,813**	**(3,865)**	**121,948**	123,024	(3,789)	119,235
Total equity	**683,810**	**(13,261)**	**670,549**	660,554	(13,245)	647,309

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows

	2023			2022		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
	(A)		**(B)**	(A)		(B)
Operating activities						
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	**58,574**	**16,842**	**75,416**	57,409	16,488	73,897
Interest expenses and other finance costs paid (net of capitalisation)	**(9,576)**	**(2,507)**	**(12,083)**	(6,817)	(2,234)	(9,051)
Tax paid	**(3,931)**	**–**	**(3,931)**	(3,552)	–	(3,552)
Funds from operations (Funds from operations under (B) is before principal elements of lease payments)	**45,067**	**14,335**	**59,402**	47,040	14,254	61,294
Changes in working capital	**(7,909)**	**(56)**	**(7,965)**	(4,454)	(126)	(4,580)
Net cash from operating activities	**37,158**	**14,279**	**51,437**	42,586	14,128	56,714
Investing activities						
Purchase of fixed assets	**(21,879)**	**209**	**(21,670)**	(24,252)	367	(23,885)
Additions to telecommunications licences	**(1,956)**	**–**	**(1,956)**	(160)	–	(160)
Additions to brand names and other rights	**(1,675)**	**–**	**(1,675)**	(1,807)	–	(1,807)
Purchase of subsidiary companies, net of cash acquired	**(55)**	**–**	**(55)**	–	–	–
Additions to unlisted investments	**(74)**	**–**	**(74)**	(564)	–	(564)
Repayments of loans from associated companies and joint ventures	**2,829**	**–**	**2,829**	374	–	374
Purchase of and advances to associated companies and joint ventures	**(819)**	**–**	**(819)**	(3,464)	–	(3,464)
Proceeds from disposal of fixed assets	**168**	**–**	**168**	335	–	335
Proceeds from disposal of subsidiary companies, net of cash disposed	**2,563**	**–**	**2,563**	17,096	–	17,096
Proceeds from disposal of financial instruments	**2,451**	**–**	**2,451**	–	–	–
Proceeds from partial disposal / disposal of associated companies and joint ventures	**734**	**–**	**734**	5,226	–	5,226
Proceeds from disposal of other unlisted investments	**74**	**–**	**74**	2,336	–	2,336
Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments	**(17,639)**	**209**	**(17,430)**	(4,880)	367	(4,513)
Disposal of liquid funds and other listed investments	**2,088**	**–**	**2,088**	157	–	157
Additions to liquid funds and other listed investments	**(73)**	**–**	**(73)**	–	–	–
Cash flows used in investing activities	**(15,624)**	**209**	**(15,415)**	(4,723)	367	(4,356)
Net cash inflow before financing activities	**21,534**	**14,488**	**36,022**	37,863	14,495	52,358
Financing activities						
New borrowings	**58,420**	**(209)**	**58,211**	37,514	(367)	37,147
Repayment of borrowings	**(75,558)**	**197**	**(75,361)**	(68,242)	179	(68,063)
Principal elements of lease payments	**–**	**(14,476)**	**(14,476)**	–	(14,307)	(14,307)
Net loans from non-controlling shareholders	**527**	**–**	**527**	2,118	–	2,118
Issue of equity securities by subsidiary companies to non-controlling shareholders	**–**	**–**	**–**	85	–	85
Payment to acquire additional interests in subsidiary companies	**–**	**–**	**–**	(904)	–	(904)
Proceeds from partial disposal of subsidiary companies	**61**	**–**	**61**	–	–	–
Redemption of perpetual capital securities by a subsidiary	**–**	**–**	**–**	(7,800)	–	(7,800)
Payments for buy-back and cancellation of issued shares	**–**	**–**	**–**	(197)	–	(197)
Dividends paid to ordinary shareholders	**(10,885)**	**–**	**(10,885)**	(10,353)	–	(10,353)
Dividends paid to non-controlling interests	**(4,694)**	**–**	**(4,694)**	(4,816)	–	(4,816)
Distribution paid on perpetual capital securities	**(167)**	**–**	**(167)**	(316)	–	(316)
Cash flows used in financing activities	**(32,296)**	**(14,488)**	**(46,784)**	(52,911)	(14,495)	(67,406)
Decrease in cash and cash equivalents	**(10,762)**	**–**	**(10,762)**	(15,048)	–	(15,048)
Cash and cash equivalents at 1 January	**138,085**	**–**	**138,085**	153,133	–	153,133
Cash and cash equivalents at 31 December	**127,323**	**–**	**127,323**	138,085	–	138,085

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows (continued)

	2023			2022		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Analysis of cash, liquid funds and other listed investments						
Cash and cash equivalents, as above	**127,323**	**–**	**127,323**	138,085	–	138,085
Liquid funds and other listed investments	**15,786**	**–**	**15,786**	16,103	–	16,103
Total cash, liquid funds and other listed investments	**143,109**	**–**	**143,109**	154,188	–	154,188
Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	**274,919**	**(1,225)**	**273,694**	287,297	(1,067)	286,230
Interest bearing loans from non-controlling shareholders	**3,245**	**–**	**3,245**	2,567	–	2,567
Net debt	**135,055**	**(1,225)**	**133,830**	135,676	(1,067)	134,609
Interest bearing loans from non-controlling shareholders	**(3,245)**	**–**	**(3,245)**	(2,567)	–	(2,567)
Net debt (excluding interest bearing loans from non-controlling shareholders)	**131,810**	**(1,225)**	**130,585**	133,109	(1,067)	132,042

6 Directors' emoluments

	2023 HK$ million	2022 HK$ million
Directors' emoluments	**419**	537

Directors' emoluments comprise payments to directors by the Company and its subsidiaries in connection with the management of the affairs of the Company and its subsidiaries. The emoluments exclude amounts received from the Company's listed subsidiaries and paid to the Company. The amounts disclosed above are the amounts recognised as directors' emolument expenses and are included in "Staff costs" and "Other expenses and losses" in the consolidated income statement.

As at 31 December 2023 and 31 December 2022, the Company and its subsidiary companies do not have share option scheme. None of the directors have received any share-based payments from the Company or any of its subsidiaries during the year (2022: nil).

In 2023, the five individuals whose emoluments were the highest for the year were four (2022: four) directors of the Company and one (2022: one) director of a subsidiary of the Company. The remuneration of the director of the subsidiary company consisted of basic salary, allowances and benefits-in-kind of HK$4.94 million (2022: HK$4.66 million); provident fund contribution of HK$0.39 million (2022: HK$0.37 million) and discretionary bonus of HK$23.85 million (2022: HK$23.85 million).

Further details of the directors' emoluments are set out in table below:

(a) Directors' emolument expenses recognised in the Group's consolidated income statement:

	2023					
Name of directors	Director's fees HK$ million	Basic salaries, allowances and benefits-in-kind HK$ million	Discretionary bonuses HK$ million	Provident fund contributions HK$ million	Inducement or compensation fees HK$ million	Total emoluments HK$ million
Victor T K LI [1] [2]						
Paid by the Company	0.31	5.14	44.70	–	–	50.15
Paid by CKI	0.13	–	30.02	–	–	30.15
	0.44	5.14	74.72	–	–	80.30
FOK Kin Ning, Canning [3]	0.22	12.28	116.14	1.10	–	129.74
Frank John SIXT [3] [4]	0.28	9.48	59.36	0.53	–	69.65
IP Tak Chuen, Edmond						
Paid by the Company	0.22	1.72	8.94	–	–	10.88
Paid by CKI	0.10	1.80	11.79	–	–	13.69
	0.32	3.52	20.73	–	–	24.57
KAM Hing Lam						
Paid by the Company	0.22	2.52	8.31	–	–	11.05
Paid by CKI	0.08	4.20	10.82	–	–	15.10
	0.30	6.72	19.13	–	–	26.15
LAI Kai Ming, Dominic [3]	0.22	6.23	57.22	0.51	–	64.18
Edith SHIH [3] [4]	0.28	4.84	16.22	0.36	–	21.70
CHOW Kun Chee, Roland [5]	0.22	–	–	–	–	0.22
CHOW WOO Mo Fong, Susan [5]	0.22	–	–	–	–	0.22
LEE Yeh Kwong, Charles [5]	0.22	–	–	–	–	0.22
George Colin MAGNUS [5]						
Paid by the Company	0.22	–	–	–	–	0.22
Paid by CKI	0.08	–	–	–	–	0.08
	0.30	–	–	–	–	0.30
LEE Wai Mun, Rose [6]	0.33	–	–	–	–	0.33
CHOW Ching Yee, Cynthia [7] [8] [9]	0.02	–	–	–	–	0.02
Philip Lawrence KADOORIE [8]	0.22	–	–	–	–	0.22
LEUNG LAU Yau Fun, Sophie [1] [8]	0.25	–	–	–	–	0.25
Paul Joseph TIGHE [8] [9]						
Paid by the Company	0.35	–	–	–	–	0.35
Paid by CKI	0.20	–	–	–	–	0.20
	0.55	–	–	–	–	0.55
WONG Kwai Lam [2] [8] [9]	0.41	–	–	–	–	0.41
WONG Yick-ming, Rosanna [1] [2] [4] [8]	0.37	–	–	–	–	0.37
Total	5.17	48.21	363.52	2.50	–	419.40

6 Directors' emoluments (continued)

(a) Directors' emolument expenses recognised in the Group's consolidated income statement (continued):

	2022					
Name of directors	Director's fees HK$ million	Basic salaries, allowances and benefits-in-kind HK$ million	Discretionary bonuses HK$ million	Provident fund contributions HK$ million	Inducement or compensation fees HK$ million	Total emoluments HK$ million
Victor T K LI [1] [2]						
Paid by the Company	0.31	5.01	69.84	–	–	75.16
Paid by CKI	0.13	–	30.65	–	–	30.78
	0.44	5.01	100.49	–	–	105.94
FOK Kin Ning, Canning [3]	0.22	11.88	191.03	1.07	–	204.20
Frank John SIXT [3] [4]	0.28	9.03	65.96	0.77	–	76.04
IP Tak Chuen, Edmond						
Paid by the Company	0.22	1.67	9.93	–	–	11.82
Paid by CKI	0.10	1.80	12.45	–	–	14.35
	0.32	3.47	22.38	–	–	26.17
KAM Hing Lam						
Paid by the Company	0.22	2.47	9.24	–	–	11.93
Paid by CKI	0.08	4.20	11.42	–	–	15.70
	0.30	6.67	20.66	–	–	27.63
LAI Kai Ming, Dominic [3]	0.22	6.09	63.58	0.49	–	70.38
Edith SHIH [3] [4]	0.28	4.71	18.03	0.34	–	23.36
CHOW Kun Chee, Roland [5]	0.22	–	–	–	–	0.22
CHOW WOO Mo Fong, Susan [5]	0.22	–	–	–	–	0.22
LEE Yeh Kwong, Charles [5]	0.22	–	–	–	–	0.22
George Colin MAGNUS [5]						
Paid by the Company	0.22	–	–	–	–	0.22
Paid by CKI	0.08	–	–	–	–	0.08
	0.30	–	–	–	–	0.30
CHENG Hoi Chuen, Vincent [10]	0.29	–	–	–	–	0.29
Michael David KADOORIE [11]	0.21	–	–	–	–	0.21
Philip Lawrence KADOORIE [8] [12]	0.01	–	–	–	–	0.01
LEE Wai Mun, Rose [8] [9]	0.26	–	–	–	–	0.26
LEUNG LAU Yau Fun, Sophie [1] [8]	0.23	–	–	–	–	0.23
Paul Joseph TIGHE [8] [9]						
Paid by the Company	0.35	–	–	–	–	0.35
Paid by CKI	0.20	–	–	–	–	0.20
	0.55	–	–	–	–	0.55
WONG Kwai Lam [2] [8] [9]	0.41	–	–	–	–	0.41
WONG Yick-ming, Rosanna [1] [2] [4] [8]	0.37	–	–	–	–	0.37
Total	5.35	46.86	482.13	2.67	–	537.01

(1) Member of the Nomination Committee.

(2) Member of the Remuneration Committee.

(3) Directors' fees to these Directors from the Company's listed subsidiaries during the period they served as directors have been paid to the Company and are not included in the amounts above.

(4) Member of the Sustainability Committee.

(5) Non-executive Director.

(6) Former Independent Non-executive Director and member of Audit Committee. Resigned on 14 December 2023.

(7) Appointed on 14 December 2023.

(8) Independent Non-executive Director. The total emoluments of the Independent Non-executive Directors of the Company are HK$2.15 million (2022: HK$2.33 million).

(9) Member of the Audit Committee.

(10) Former Independent Non-executive Director and member of the Audit Committee, Nomination Committee and Remuneration Committee. Passed away on 28 August 2022.

(11) Former Independent Non-executive Director. Resigned on 16 December 2022.

(12) Appointed on 16 December 2022.

7 Presentation of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains

This note provides additional details in respect of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains.

	2023 HK$ million	2022 HK$ million
Cost of goods sold:		
included in "Cost of inventories sold"	**105,739**	101,724
included in "Expensed customer acquisition and retention costs"	**9,456**	8,879
	115,195	110,603

	2023 HK$ million	2022 HK$ million
Depreciation and amortisation:		
Fixed assets (see note 12)	**17,550**	17,515
Right-of-use assets (see note 13(b))	**14,651**	14,582
Telecommunications licences (see note 14)	**953**	919
Brand names and other rights (see note 15)	**3,262**	3,308
Customer acquisition and retention costs (see note 21(a))	**3,667**	3,464
	40,083	39,788

	2023 HK$ million	2022 HK$ million
Other expenses and losses:		
Cost of providing services [(a)]	**(29,435)**	(29,678)
Office and general administrative expenses and others	**(7,740)**	(3,762)
Expenses for short-term, low-value assets leases and payment for variable rent (see note 13(b))	**(3,319)**	(3,802)
Advertising and promotion expenses	**(4,783)**	(4,677)
Legal and professional fees	**(2,101)**	(1,404)
Auditors' remuneration [(b)]	**(397)**	(328)
Impairment loss [(c)]		
Against goodwill on telecommunications business in Italy	**–**	(11,039)
Against goodwill and other assets on telecommunications business in Sri Lanka	**–**	(1,000)
Losses on disposal of subsidiaries [#]		
Italian network business	**(250)**	–
Other businesses	**–**	(37)
Loss on disposal of interests in associated companies	**(70)**	–
	(48,095)	(55,727)

See note 34(d).

7 Presentation of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains (continued)

	2023 HK$ million	2022 HK$ million
Other income and gains:		
Rent concessions [d]	–	188
Employment and other subsidies [e]	10	225
Gains on disposals of unlisted investments	–	515
A gain on disposal of financial instruments [f]	1,829	–
Gains on disposal of subsidiaries [g] #		
European telecommunications tower assets	–	19,060
Indonesia telecommunications businesses	–	7,245
Gains on disposals of interests in associated companies and joint ventures	228	947
	2,067	28,180

See note 34(d).

(a) Cost of providing services of HK$29,435 million (2022: HK$29,678 million) includes telecommunication network related costs of HK$19,093 million (2022: HK$17,395 million), repair and maintenance of HK$4,160 million (2022: HK$5,861 million) and others of HK$6,182 million (2022: HK$6,422 million).

(b) Auditors' remuneration of HK$397 million (2022: HK$328 million) are charged for audit and audit related work performed by the Company's auditor, PricewaterhouseCoopers of HK$262 million (2022: HK$224 million) and performed by other auditors of HK$14 million (2022: HK$12 million), and for non-audit work, including tax compliance and other tax related services, and financial due diligence services, performed by the Company's auditor, PricewaterhouseCoopers of HK$71 million (2022: HK$56 million) and performed by other auditors of HK$50 million (2022: HK$36 million).

(c) Impairment loss

(i) For the comparative year, an impairment loss of HK$11,039 million arose in the telecommunications business in Italy, which is included as part of the Telecommunications segment under CK Hutchison Group Telecom in note 5.

In late Q3 to Q4 2022, Italy has seen a series of downgrades in medium-term growth prospects for its economy from rating agency, the Bank of Italy, Italy's National Institute of Statistics, the Organisation for Economic Cooperation and Development, and the European Commission. Management has taken into consideration the decelerating outlooks of the Italian economy when it conducted the 2022 annual impairment testing. For the 2022 annual impairment testing for Wind Tre, the recoverable amount was determined based on the value-in-use ("VIU") calculations, as it was higher than the fair value less costs of disposal ("FVLCD") calculations. The VIU is measured using a discounted cash flow projection for the period covered by the forecast and a calculated terminal value at the end of the forecast period. The calculations used cash flow projections based on the latest financial budget covering a five-year 2023 – 2027 period and business plan approved by Wind Tre's management in Q4 2022, reflecting a lowered expectation on growth and reported service revenues, and heightened competition in the Italian market. As a result, the forecasted revenue and margin, including the future 5G revenue contribution, was lower as compared to the last financial budget covering the five-year 2022 – 2026 period. The key assumptions and estimates used in preparing the discounted cash flow projection for the 2022 annual impairment testing have also been updated with caution to take into account the deteriorating growth prospects in the Italian economy, including a pre-tax discount rate of 8.3%. Cash flows beyond the five-year period had been extrapolated using a growth rate of 1.3% to estimate the terminal value at the end of the five-year period. The results of the impairment testing showed that the carrying amount exceeded the estimated recoverable amount by HK$11,039 million. As a result, the Group recognised an impairment loss of HK$11,039 million against goodwill. No class of asset other than goodwill was impaired.

7 Presentation of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains (continued)

(c) Impairment loss (continued)

(ii) For the comparative year, an impairment loss of HK$1,000 million arose in the telecommunications business in Sri Lanka, which is included as part of the Telecommunications segment under Hutchison Asia Telecommunications in note 5.

During 2022, Sri Lanka was in the midst of a deep and unprecedented economic crisis and facing rampant fuel and food shortages. These external events led the Group to carry out an impairment test on this business at 30 June 2022 and as a result the Group recognised an impairment loss of HK$1,000 million in the first half of 2022, of which HK$174 million against goodwill and HK$826 million against telecommunications licences, tangible and other assets. The impairment loss was primarily resulted from the lowered expectation on growth and reported service revenues, and higher cost base attributable to the upward inflation expectation in the Sri Lanka market. An annual impairment testing on the telecommunications business in Sri Lanka was conducted at 31 December 2022. The results of the 2022 annual impairment test indicated that, saved for the impairment loss of HK$1,000 million already recorded in the first half of 2022, there were no impairment at 31 December 2022. The recoverable amount of this business was determined based on the VIU calculations, as it was not practical to arrive at the FVLCD calculations under the current circumstances. The VIU used discounted cash flow projections based on the latest financial budget covering a five-year period and business plan approved by management. Key assumptions and estimates used to prepare the discounted cash flow model include a pre-tax discount rate of 20.6% for 2023 and 2024 to reflect the prevailing high interest rate in Sri Lanka and 12.2% in the outer years to reflect the expected economic recovery, and a long term growth rate of 1% to estimate the terminal value at the end of the five-year period.

(d) Benefits derived from changes in lease payments arising from COVID-19 related rent concessions.

(e) Benefits received from governments and other authorities under COVID-19 related employment and other support schemes.

(f) Current year balance represents a gain arising from disposal of Cenovus Energy share warrants of HK$1,829 millions (see note 5(b)(xvi)).

(g) Prior year balance includes a gain arising from the disposal of telecommunications tower assets in the UK of HK$19,060 million and a gain arising from the merger of the Group's telecommunication business in Indonesia, Hutchison 3 Indonesia ("H3I") and PT Indosat Tbk of HK$7,245 million.

8 Interest expenses and other finance costs

	2023 HK$ million	2022 HK$ million
Bank loans and overdrafts	**4,384**	1,834
Other loans	**4**	4
Notes and bonds	**5,057**	4,809
Interest bearing loans from non-controlling shareholders	**124**	37
Other finance costs	**234**	149
Amortisation of loan facilities fees and premiums or discounts relating to debts	**237**	243
Other non-cash interest adjustments [(a)]	**(93)**	(242)
	9,947	6,834
Less: interest capitalised	**(266)**	(52)
Interest on lease liabilities (see note 13(b))	**2,546**	2,270
	12,227	9,052

(a) Other non-cash interest adjustments represent amortisation of acquisition-date fair value adjustments relating to debts of HK$341 million (2022: HK$420 million) net with accretion expense associated with an increase in the present value of certain obligations over time.

9 Tax

	2023 HK$ million	2022 HK$ million
Current tax charge		
Hong Kong	**216**	243
Outside Hong Kong	**3,903**	5,192
	4,119	5,435
Deferred tax charge (credit)		
Hong Kong	**(37)**	75
Outside Hong Kong	**(1,079)**	2,764
	(1,116)	2,839
	3,003	8,274

The Group's profits are taxed at different rates depending on the country or territory in which the profits arise.

Hong Kong profits tax has been provided for at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits less estimated available tax losses. Tax outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses.

9 Tax (continued)

The tax charged to the consolidated income statement of HK$3,003 million (2022: HK$8,274 million) differs from the tax charge of HK$2,982 million (2022: HK$4,883 million) that would apply if the Groups pre-tax profits (before share of results of the associated companies and joint ventures) had been taxed at the statutory rates of the countries in which the profits arose. The differences are set out as follows:

	2023 HK$ million	2022 HK$ million
Tax calculated at the domestic rates applicable in the jurisdiction concerned	**2,982**	4,883
Tax effect of:		
Tax losses not recognised	**1,824**	1,976
Income or gains not subject to tax	**(1,112)**	(1,080)
Expenses not deductible for tax purposes	**1,847**	1,322
Recognition of previously unrecognised tax losses	**(32)**	(208)
Utilisation of previously unrecognised tax losses	**(200)**	(48)
Under (over) provision in prior years	**(855)**	223
Other temporary differences	**(1,451)**	1,037
Effect of change in tax rate	**–**	169
Total tax for the year	**3,003**	8,274

In December 2021, the Organisation for Economic Co-operation and Development ("OECD") released the Pillar Two model rules (the Global Anti-Base Erosion Proposal, or "GloBE rules") for a new global minimum tax reform applicable to multinational enterprise groups with annual revenues of at least EUR750 million. The Group will be in scope of this new Pillar Two tax reform.

While Hong Kong has yet to introduce its draft legislation for implementation of the global minimum tax and the domestic minimum top-up tax in Hong Kong, it is expected that the new regime will come into effect for the Group's financial year beginning on 1 January 2025. For certain other jurisdictions where the Group has operations, Pillar Two legislation has been enacted or substantively enacted and will be effective for the Group's financial year beginning on 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure.

In July 2023, the HKICPA made narrow-scope amendments to HKAS 12 which provided temporary relief from the requirement to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. In adopting these amendments, the Group has applied the mandatory temporary exception from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under OECD's Pillar Two model rules, a top-up tax liability arises when the effective tax rate of the Group's operations in a jurisdiction, calculated using principles set out in the Pillar Two legislation, is below 15%. Based on the information currently available, the impact of these rules on the Group's income tax position is not expected to be material.

10 Earnings per share for profit attributable to ordinary shareholders

The calculation of earnings per share is based on profit attributable to ordinary shareholders of the Company of HK$23,500 million (2022: HK$36,680 million) and 3,830,044,500 shares in issue during the year of 2023 (2022: weighted average number of 3,834,106,390 shares outstanding).

The Company and its subsidiary companies do not have share option scheme or other dilutive potential ordinary shares as at 31 December 2023 and 31 December 2022. Certain of the Company's associated companies have employee share options outstanding as at 31 December 2023 and 31 December 2022. The employee share options of these associated companies outstanding as at 31 December 2023 and 31 December 2022 did not have a dilutive effect on earnings per share.

11 Distributions and dividends

(a) Distribution paid on perpetual capital securities

	2023 HK$ million	2022 HK$ million
Distribution paid on perpetual capital securities	**167**	316

(b) Dividends

	2023 HK$ million	2022 HK$ million
Interim dividend, paid of HK$0.756 per share (2022: HK$0.84 per share)	**2,896**	3,221
Final dividend, proposed of HK$1.775 per share (2022: HK$2.086 per share)	**6,798**	7,989
	9,694	11,210

The final dividend proposed after the end of the reporting period has not been recognised as a liability at 31 December 2023. The amount of the 2023 proposed final dividend is expected to be paid on 13 June 2024 out of retained profit.

12 Fixed assets

	Land and buildings HK$ million	Telecom-munications network assets HK$ million	Other assets[(a)] HK$ million	Total HK$ million
Cost				
At 1 January 2022	29,665	82,425	90,022	202,112
Additions	702	1,479	21,704	23,885
Disposals	(49)	(1,423)	(3,266)	(4,738)
Relating to subsidiaries disposed (see note 34(d))	–	(14,083)	(2,265)	(16,348)
Transfer between categories	80	11,250	(11,330)	–
Exchange translation differences	(1,417)	(5,357)	(5,830)	(12,604)
Transfer to assets classified as held for sale (see note 25)	–	(3,786)	(200)	(3,986)
At 31 December 2022 and 1 January 2023	**28,981**	**70,505**	**88,835**	**188,321**
Additions	**1,291**	**2,243**	**18,136**	**21,670**
Relating to subsidiaries acquired (see note 34(c))	**–**	**–**	**6**	**6**
Disposals	**(273)**	**(908)**	**(2,637)**	**(3,818)**
Transfer between categories	**255**	**7,818**	**(8,073)**	**–**
Exchange translation differences	**685**	**2,580**	**2,512**	**5,777**
At 31 December 2023	**30,939**	**82,238**	**98,779**	**211,956**
Accumulated depreciation and impairment				
At 1 January 2022	6,343	29,700	34,970	71,013
Charge for the year	1,108	8,785	7,622	17,515
Impairment recognised	1	318	158	477
Disposals	(38)	(1,251)	(2,917)	(4,206)
Relating to subsidiaries disposed (see note 34(d))	–	(3,777)	(319)	(4,096)
Transfer between categories	6	–	(6)	–
Exchange translation differences	(210)	(1,991)	(1,990)	(4,191)
Transfer to assets classified as held for sale (see note 25)	–	(841)	–	(841)
At 31 December 2022 and 1 January 2023	**7,210**	**30,943**	**37,518**	**75,671**
Charge for the year	**1,093**	**8,256**	**8,201**	**17,550**
Disposals	**(270)**	**(783)**	**(2,424)**	**(3,477)**
Transfer between categories	**–**	**(42)**	**42**	**–**
Exchange translation differences	**333**	**1,327**	**726**	**2,386**
At 31 December 2023	**8,366**	**39,701**	**44,063**	**92,130**
Net book value				
At 31 December 2023	**22,573**	**42,537**	**54,716**	**119,826**
At 31 December 2022	21,771	39,562	51,317	112,650
At 1 January 2022	23,322	52,725	55,052	131,099

(a) Net book value of other assets of HK$54,716 million (2022: HK$51,317 million) primarily relate to fixed assets used in business of Ports and related services of HK$21,837 million (2022: HK$18,984 million), Telecommunications of HK$23,411 million (2022: HK$23,327 million), and Infrastructure of HK$1,476 million (2022: HK$1,376 million).

As at 31 December 2023, other assets with a net book value of HK$22,227 million (2022: HK$18,753 million) are assets under construction.

12 Fixed assets (continued)

(b) The analysis of the Group's aggregate future minimum lease receivable under non-cancellable operating leases of fixed assets is as follows:

	2023 HK$ million	2022 HK$ million
Within 1 year	**80**	95
Between 1 and 2 years	**13**	31
Between 2 and 3 years	**2**	11
Between 3 and 4 years	**2**	11
Between 4 and 5 years	**6**	3
After 5 years	**1**	6
	104	157

13 Leases

(a) Group as a lessee – amounts recognised in the consolidated statement of financial position

	2023 HK$ million	2022 HK$ million
Right-of-use assets		
Container terminals	**15,312**	15,225
Retail stores	**20,653**	20,715
Telecommunications network infrastructure sites	**14,688**	13,085
Leasehold land	**5,958**	6,129
Other assets	**4,587**	4,183
	61,198	59,337
Lease liabilities		
Current	**13,616**	12,128
Non-current	**54,307**	53,931
	67,923	66,059

On leases that commenced during the year, the Group has recognised HK$8,871 million (2022: HK$6,539 million) of right-of-use assets, and HK$8,871 million (2022: HK$6,528 million) of lease liabilities.

13 Leases (continued)

(b) Group as a lessee – amounts recognised in the consolidated income statement

	2023 HK$ million	2022 HK$ million
Expenses relating to short-term leases (included in "Other expenses and losses")	**498**	714
Expenses relating to leases of low-value assets that are not short-term leases (included in "Other expenses and losses")	**568**	649
Expenses relating to variable lease payments not included in lease liabilities (included in "Other expenses and losses")	**2,253**	2,439
	3,319	3,802
Depreciation charge of right-of-use assets (included in "Depreciation and amortisation")		
Container terminals	**1,080**	1,179
Retail stores	**6,721**	6,919
Telecommunications network infrastructure sites	**5,203**	4,885
Leasehold land	**348**	351
Other assets	**1,299**	1,248
	14,651	14,582
Interest on lease liabilities (included in "Interest expenses and other finance costs")	**2,546**	2,270
Total charges recognised in profit or loss for leases	**20,516**	20,654

(c) Group as a lessee – amounts recognised in the consolidated statement of cash flows

	2023 HK$ million	2022 HK$ million
Within operating cash flows	**5,549**	5,716
Within financing cash flows (see note 34(e))	**14,476**	14,307
Total cash outflows for leases	**20,025**	20,023

(d) Group as lessee – other lease disclosure

Variable lease payments

Some retail store leases contain variable payment terms that are linked to sales generated from a store. There is a wide range of sales percentages applied to such leases. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

A 1% increase in sales across all stores / operations in the companies with leases containing variable lease payment terms that are linked to sales would increase total lease payments (see note (c)) by approximately 0.1% or HK$20 million (2022: approximately 0.1% or HK$22 million).

13 Leases (continued)

(d) Group as lessee – other lease disclosure (continued)

Extension and termination options

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

As at 31 December 2023, in accordance with applicable provision in HKFRS 16, potential future cash outflows of HK$8,635 million (2022: HK$8,385 million) (undiscounted) have not been included in calculating the lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated).

Residual value guarantees

As at 31 December 2023, residual value guarantee of HK$15 million (2022: HK$11 million) is expected to be payable and had been included in calculating the lease liabilities.

Leases not yet commenced to which the lessee is committed

At 31 December 2023, the Group is committed to leases that are not yet commenced, and the lease payments payable under which amounted to HK$19 million (2022: HK$87 million). This amount has not been included in calculating the lease liabilities as at 31 December 2023.

Restriction or covenants imposed by leases

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(e) Group as lessor

	2023 HK$ million	2022 HK$ million
Income from subleasing right-of-use assets (included in "Other expenses and losses")	**182**	159

The analysis of the Group's aggregate future minimum lease receivable under non-cancellable operating leases from subleasing right-of-use assets is as follows:

	2023 HK$ million	2022 HK$ million
Within 1 year	**153**	150
Between 1 and 2 years	**70**	86
Between 2 and 3 years	**49**	60
Between 3 and 4 years	**37**	41
Between 4 and 5 years	**33**	37
After 5 years	**27**	57
	369	431

In addition, the Group has recognised income of HK$217 million (2022: HK$208 million) from leasing of fixed assets for the year ended 31 December 2023.

14 Telecommunications licences

	2023 HK$ million	2022 HK$ million
Net book value		
At 1 January	**60,689**	69,985
Additions	**1,956**	160
Amortisation for the year	**(953)**	(919)
Impairment charge for the year	**–**	(152)
Relating to subsidiaries disposed (see note 34(d))	**–**	(3,836)
Exchange translation differences	**2,572**	(4,549)
At 31 December	**64,264**	60,689
Cost	**71,396**	67,054
Accumulated amortisation and impairment	**(7,132)**	(6,365)
	64,264	60,689

The Group's telecommunications licences in the UK and Italy are considered to have an indefinite useful life. At 31 December 2023, telecommunications licences with indefinite useful life in the UK and Italy with a carrying value of HK$19,914 million and HK$33,781 million respectively (2022: HK$18,924 million and HK$32,527 million respectively) have been allocated to the Telecommunications segment.

15 Brand names and other rights

	Brand names HK$ million	Other rights HK$ million	Total HK$ million
Net book value			
At 1 January 2022	69,080	19,939	89,019
Additions	–	1,807	1,807
Amortisation for the year	(12)	(3,296)	(3,308)
Impairment charge for the year	–	(11)	(11)
Disposal	–	(2)	(2)
Exchange translation differences	(2,169)	(1,642)	(3,811)
At 31 December 2022 and 1 January 2023	**66,899**	**16,795**	**83,694**
Additions	**–**	**1,675**	**1,675**
Amortisation for the year	**(11)**	**(3,251)**	**(3,262)**
Relating to subsidiaries acquired (see note 34(c))	**3**	**6**	**9**
Exchange translation differences	**1,163**	**117**	**1,280**
At 31 December 2023	**68,054**	**15,342**	**83,396**
Cost	**68,148**	**34,120**	**102,268**
Accumulated amortisation	**(94)**	**(18,778)**	**(18,872)**
	68,054	**15,342**	**83,396**

Brand names considered to have an indefinite useful life are not subject to amortisation. The carrying value of brand names with indefinite useful life at 31 December 2023 of HK$49,730 million (2022: HK$49,294 million) and HK$18,156 million (2022: HK$17,424 million) has been attributed to Retail segment and the Telecommunications segment respectively.

Other rights, primarily include operating and service content rights, and resource consents and customer lists. These rights are amortised over their finite useful lives. At 31 December 2023, the carrying value of these rights amounted to HK$9,773 million (2022: HK$10,433 million) and HK$5,569 million (2022: HK$6,362 million) respectively.

16 Goodwill

	2023 HK$ million	2022 HK$ million
Net book value		
At 1 January	**268,008**	289,340
Impairment charge for the year	**–**	(11,213)
Relating to subsidiaries acquired (see note 34(c))	**75**	–
Relating to subsidiaries disposed (see note 34(d))	**–**	(1,119)
Transfer to asset classified as held for sale (see note 25)	**–**	(2,012)
Exchange translation differences	**3,053**	(6,988)
At 31 December	**271,136**	268,008
Cost	**297,159**	293,070
Accumulated impairment	**(26,023)**	(25,062)
	271,136	268,008

Goodwill is monitored by the management at the level of the operating segments identified (see note 5). As at 31 December 2023, the carrying amount of goodwill are mainly allocated to Telecommunications segment of HK$84,897 million (2022: HK$81,771 million), Retail segment of HK$114,099 million (2022: HK$114,098 million), and Infrastructure segment of HK$39,123 million (2022: HK$39,123 million).

Management tests whether goodwill and intangible assets that have an indefinite useful life (including certain telecommunication licences and brand names as set out in notes 14 and 15) have suffered any impairment on an annual basis and when there is an indication these assets may be impaired. The annual tests of goodwill and intangible assets with indefinite useful life for impairment were conducted at 31 December 2023. The results of the impairment tests undertaken as of 31 December 2023 indicated no impairment charge was necessary for the Group. Set out below are additional information about the estimates used to measure recoverable amounts in the 31 December 2023 annual impairment tests for the Telecommunications and Retail operations.

16 Goodwill (continued)

The recoverable amounts of the Group's Telecommunications operations at 31 December 2023 were determined based on VIU calculations. VIU is measured using discounted cash flow projections for the next five years and a calculated terminal value at the end of the five-year period. The cash flows are based on the latest approved financial budgets of the relevant telecommunications business for the next five years. Management prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of assumptions and estimates involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Key assumptions, include revenues, service margin, operating costs, growth rates used for the budget periods, and selection of discount rates and the terminal growth rate used to extrapolate cash flow projections to estimate the terminal value at the end of the five-year period. The VIU amount derived from the cash flow projections is sensitive to the discount rate used for the cash flow projections and the growth rate used for extrapolation purposes as well as the 5G revenue expectations. A discount rate (pre-tax) ranging from 5.4% to 11.0% (2022: 4.8% to 20.6%) has been applied. A growth rate, for the purpose of impairment testing calculation, ranging from 1% to 2% p.a. (2022: 0% to 2% p.a.), which is not expected to exceed the anticipated economic growth for the underlying business units, is used to extrapolate cash flow projections to estimate the terminal value of the underlying business units at the end of the five-year period.

The recoverable amounts of the Group's Retail operations at 31 December 2023 were determined based on FVLCD calculation. Fair value is measured using discounted cash flow projections for the next five years and a calculated terminal value at the end of the five-year period (a Level 3 fair value hierarchy). The cash flows are based on the latest approved financial budgets for the next five years. Management prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of assumptions and estimates involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Key assumptions, include the expected growth in revenues and gross margin, inventory level, volume and operating costs, timing of future capital expenditures, growth rates used for the budget periods, and selection of discount rates and the terminal growth rate used to extrapolate cash flow projections to estimate the terminal value at the end of the five-year period. The FVLCD amount derived from the cash flow projections is sensitive to the discount rate used for the discounted cash flow projections and the growth rate used for extrapolation purposes. A discount rate (post-tax) of 8.4% (2022: 8.4%) has been applied. In estimating the terminal value at the end of the five-year period, a growth rate, for the purpose of impairment testing calculation, of 3.9% p.a. (2022: 4.2% p.a.), which is not expected to exceed the anticipated economic growth for the business, has been used to extrapolate cash flow projections.

Annual impairment tests in comparative year indicated that, saved for HK$11,039 million and HK$174 million impairment charges against goodwill allocated to the telecommunication businesses in Italy and Sri Lanka respectively, with details as set out in note 7(c), there was no impairment loss in respect of these assets at 31 December 2022. In performing the impairment tests for these assets, the management has considered and assessed reasonably possible changes for key assumptions and has not identified any instance, saved as disclosed in note 7(c), that could cause the carrying amount of these assets to exceed their recoverable amount.

Please refer to note 46(b)(i) for significant accounting judgement applied, estimates and assumptions made in assessing whether goodwill has suffered any impairment.

17 Associated companies

	2023 HK$ million	2022 HK$ million
Unlisted shares	**9,071**	9,071
Listed shares, Hong Kong	**62,919**	62,919
Listed shares, outside Hong Kong	**80,837**	81,012
Share of undistributed post acquisition reserves	**(12,081)**	(15,264)
	140,746	137,738
Amounts due from (net with amounts due to) associated companies [a]	**2,892**	2,973
	143,638	140,711

The market value of the above listed investments at 31 December 2023 was HK$112,390 million (2022: HK$117,220 million), inclusive of HK$41,370 million (2022: HK$47,735 million) and HK$34,614 million (2022: HK$32,811 million) for Cenovus Energy and Power Assets Holdings Limited ("Power Assets") respectively.

There are no material contingent liabilities relating to the Group's interests in associated companies, save for those disclosed in note 37.

(a) Amounts due from (net with amounts due to) associated companies

	2023 HK$ million	2022 HK$ million
Amounts due from associated companies [i]		
Interest free	**410**	398
Interest bearing at fixed rates [ii]	**2,618**	2,739
Interest bearing at floating rates [iii]	**407**	405
	3,435	3,542
Amounts due to associated companies [iv]		
Interest free	**543**	569
Amounts due from (net with amounts due to) associated companies	**2,892**	2,973

17 Associated companies (continued)

(a) Amounts due from (net with amounts due to) associated companies (continued)

(i) At 31 December 2023 and 2022, the amounts due from associated companies are unsecured and have no fixed terms of repayment, except for HK$4 million for 2022, are repayable within one year.

Amounts due from associated companies are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of the amounts due from associated companies. The expected credit loss was minimal as the amounts were due from companies which the Group has significant influence, and where applicable, including participation in their financial and operating policies, and which are subject to the Group's financial and investment requirements. These amounts had no recent history of default. The Group is not aware of any unfavourable current conditions and forecast future economic conditions existed at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets.

(ii) At 31 December 2023, HK$2,618 million (2022: HK$2,739 million) bear interests at fixed rates ranging from approximately 4.7% to 11.2% (2022: 4.7% to 11.2%) per annum.

(iii) At 31 December 2023, HK$407 million (2022: HK$405 million) bear interests at floating rates ranging from approximately 6.0% to 6.4% (2022: 3.4% to 4.1%) per annum with reference to Euro Interbank Offered Rate ("EURIBOR") and Hong Kong Interbank Offered Rate ("HIBOR"), where applicable.

(iv) At 31 December 2023 and 2022, the amounts due to associated companies are unsecured and have no fixed terms of repayment.

(b) Material associated companies

Set out below are additional information in respect of the Group's material associated companies:

	2023		2022	
	Cenovus Energy HK$ million	**Power Assets HK$ million**	Cenovus Energy HK$ million	Power Assets HK$ million
Dividends received from associated companies	**964**	**2,164**	866	2,164
Gross amount of the following items of the associated companies [(1)]:				
Total revenue	**304,130**	**1,292**	403,798	1,265
EBITDA	**60,278**	**18,733**	84,536	18,292
EBIT	**33,224**	**13,077**	57,982	12,533
Other comprehensive income (losses)	**3,706**	**1,901**	(10,721)	581
Total comprehensive income	**25,882**	**7,904**	28,252	6,230
Current assets	**57,898**	**4,359**	71,348	6,880
Non-current assets	**367,380**	**128,973**	354,131	125,278
Current liabilities	**36,763**	**3,249**	46,041	4,038
Non-current liabilities	**112,439**	**3,701**	116,287	3,632
Net assets (net of preferred shares and non-controlling interests)	**272,773**	**126,382**	260,097	124,488
Reconciliation to the carrying amount of the Group's interests in associated companies:				
Group's interest	**16.9%**	**36.0%**	16.6%	36.0%
Group's share of net assets	**46,180**	**45,515**	43,176	44,832
Carrying amount	**46,180**	**45,515**	43,176	44,832

17 Associated companies (continued)

(b) Material associated companies (continued)

The carrying amount of the Group's interests in all individually immaterial associated companies that are accounted for using the equity method of accounting is HK$51,943 million (2022: HK$52,703 million).

	2023				2022			
	Cenovus Energy	**Power Assets**	**Other associated companies**	**Total**	Cenovus Energy	Power Assets	Other associated companies	Total
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million	HK$ million
Group's share of the following items of the associated companies [(i)]:								
Profits less losses after tax	**3,963**	**2,161**	**2,014**	**8,138**	6,333	2,033	3,456	11,822
Other comprehensive income (losses)	**627**	**685**	**17**	**1,329**	(1,778)	210	(1,010)	(2,578)
Total comprehensive income	**4,590**	**2,846**	**2,031**	**9,467**	4,555	2,243	2,446	9,244

(i) After translation into Hong Kong dollar and consolidation adjustments.

Particulars regarding the principal associated companies are set forth on pages 267 to 270.

18 Interests in joint ventures

	2023	2022
	HK$ million	HK$ million
Unlisted shares	**127,116**	118,039
Share of undistributed post acquisition reserves	**7,154**	1,049
	134,270	119,088
Amounts due from (net with amounts due to) joint ventures [(a)]	**22,067**	29,473
	156,337	148,561

There are no material contingent liabilities relating to the Group's interests in the joint ventures, save for those disclosed in note 37.

18 Interests in joint ventures (continued)

(a) Amounts due from (net with amounts due to) joint ventures

	2023 HK$ million	2022 HK$ million
Amounts due from joint ventures [i]		
Interest free	**2,239**	2,764
Interest bearing at fixed rates [ii]	**7,972**	9,650
Interest bearing at floating rates [iii]	**12,166**	17,378
	22,377	29,792
Amounts due to joint ventures [iv]		
Interest free	**310**	319
Amounts due from (net with amounts due to) joint ventures	**22,067**	29,473

(i) At 31 December 2023 and 2022, the amounts due from joint ventures are unsecured and have no fixed terms of repayment except for HK$32 million which are repayable within one to two years (2022: HK$1,650 million which are repayable within one to three years).

Amounts due from joint ventures are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of the amounts due from joint ventures. The expected credit loss was minimal as the amounts were due from companies which the Group has joint control, and where applicable, including participation in their financial and operating policies, and which are subject to the Group's financial and investment requirements. These amounts had no recent history of default. The Group is not aware of any unfavourable current conditions and forecast future economic conditions existed at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets.

(ii) At 31 December 2023, HK$7,972 million (2022: HK$9,650 million) bear interests at fixed rates ranging from approximately 4.4% to 11.0% (2022: 4.4% to 11.0%) per annum.

(iii) At 31 December 2023, HK$12,166 million (2022: HK$17,378 million) bear interests at floating rates ranging from approximately 4.1% to 8.3% (2022: 4.9% to 14.1%) per annum with reference to Australian Bank Bill Swap Reference Rate, EURIBOR, HIBOR and Sterling Overnight Index Average Rate, where applicable.

(iv) At 31 December 2023 and 2022, the amounts due to joint ventures are unsecured and have no fixed terms of repayment.

(b) Set out below are the aggregate amount of the Group's share of the following items of joint ventures:

	2023 HK$ million	2022 HK$ million
Profits less losses after tax	**7,990**	7,422
Other comprehensive income (losses)	**3,997**	(4,581)
Total comprehensive income	**11,987**	2,841
Capital commitments	**13,880**	4,811

As at 31 December 2023 and 2022, no interests in joint ventures are individually material to the Group. Particulars regarding the principal joint ventures are set forth on pages 267 to 270.

19 Deferred tax

	2023 HK$ million	2022 HK$ million
Deferred tax assets	**21,074**	18,509
Deferred tax liabilities	**19,572**	19,290
Net deferred tax assets (liabilities)	**1,502**	(781)

Movements in net deferred tax assets (liabilities) are summarised as follows:

	2023 HK$ million	2022 HK$ million
At 1 January	**(781)**	3,805
Relating to subsidiaries acquired	**3**	–
Relating to subsidiaries disposed	**–**	(33)
Transfer to current tax	**6**	(10)
Net credit (charge) to other comprehensive income	**380**	(267)
Net credit (charge) to the consolidated income statement		
Tax losses	**1,617**	337
Accelerated depreciation allowances	**(62)**	(24)
Fair value adjustments arising from acquisitions	**(551)**	(249)
Withholding tax on undistributed profits	**(48)**	(520)
Other temporary differences	**160**	(2,383)
Exchange translation differences	**778**	(1,437)
At 31 December	**1,502**	(781)

Analysis of net deferred tax assets (liabilities):

	2023 HK$ million	2022 HK$ million
Tax losses	**16,865**	14,703
Accelerated depreciation allowances	**(2,425)**	(2,555)
Fair value adjustments arising from acquisitions	**(12,268)**	(11,625)
Revaluation of investment properties and other investments	**20**	16
Withholding tax on undistributed profits	**(912)**	(875)
Other temporary differences	**222**	(445)
	1,502	(781)

19 Deferred tax (continued)

The Group is subject to income taxes in numerous jurisdictions and significant judgement is required in determining the provision for income taxes. To the extent that dividends distributed from investments in subsidiaries, branches and associated companies, and interests in joint ventures are expected to result in additional taxes, appropriate amounts have been provided for. No deferred tax has been provided for the temporary differences arising from undistributed profits of these companies to the extent that the undistributed profits are considered permanently employed in their businesses and it is probable that such temporary differences will not reverse in the foreseeable future.

The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same fiscal authority.

At 31 December 2023, the Group has recognised accumulated deferred tax assets amounting to HK$21,074 million (2022: HK$18,509 million) of which HK$16,973 million (2022: HK$15,191 million) relates to **3** Group Europe.

Note 46(b)(v) contains information about the estimates, assumptions and judgements relating to the recognition of deferred tax assets for unutilised tax losses carried forward.

The amounts of unutilised tax losses and deductible temporary differences for which no deferred tax assets is recognised in the consolidated statement of financial position at 31 December 2023 were HK$531,915 million (2022: HK$120,844 million) and HK$27,472 million (2022: HK$10,309 million), respectively, totalling HK$559,387 million (2022: HK$131,153 million). The current year's amounts included balances that are subject to agreement by relevant tax authorities. If the same basis is applied, the comparative total would increase by HK$394,252 million to HK$525,405 million.

These unutilised tax losses and deductible temporary differences can be carried forward against future taxable income. Of the total amounts unrecognised, HK$174,454 million (2022: HK$91,882 million) has no expiry date, HK$8,269 million (2022: HK$6,658 million) is expected to expire within 10 years and the remaining balances is expected to expire after 10 years.

20 Liquid funds and other listed investments

	2023 HK$ million	2022 HK$ million
Financial assets at amortised cost		
Managed funds – cash and cash equivalents, outside Hong Kong [c]	**50**	40
Financial assets at fair value through other comprehensive income ("FVOCI") [d]		
Listed equity securities, Hong Kong [e]	**608**	608
Listed equity securities, outside Hong Kong [e]	**8,589**	9,096
Managed funds – listed debt securities, outside Hong Kong [b] [f]	**6,539**	6,359
	15,786	16,103

(a) At 31 December, liquid funds and other listed investments totalling HK$15,786 million (2022: HK$16,103 million) are denominated in the following currencies:

	2023		2022	
	Financial assets at amortised cost Percentage	**Financial assets at FVOCI Percentage**	Financial assets at amortised cost Percentage	Financial assets at FVOCI Percentage
HK dollar	**–**	**4%**	–	4%
US dollar	**100%**	**42%**	60%	39%
Other currencies	**–**	**54%**	40%	57%
	100%	**100%**	100%	100%

See note 41(a) for further analysis.

20 Liquid funds and other listed investments (continued)

(b) At 31 December, listed debt securities totalling HK$6,539 million (2022: HK$6,359 million) presented above are analysed as follows:

	2023	2022
	Financial assets at FVOCI	Financial assets at FVOCI
	Percentage	Percentage
Credit ratings		
Aaa / AAA	**14%**	12%
Aa1 / AA+	**86%**	87%
Other investment grades	**–**	1%
	100%	100%
Sectorial		
US Treasury notes	**72%**	73%
Government and government guaranteed notes	**25%**	23%
Others	**3%**	4%
	100%	100%
Weighted average maturity	**1.8 years**	2.6 years
Weighted average effective yield	**1.61%**	1.54%

(c) "Managed funds – cash and cash equivalents" are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of the "Managed funds – cash and cash equivalents". These amounts were held with reputable financial institutions. The Group controls the credit risk to non-performance by the counterparties, where applicable, through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed. Accordingly, these assets are considered to be of low credit risk.

(d) The fair values are based on quoted market prices.

(e) These equity securities are not investments held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at fair value through other comprehensive income. As at 31 December 2023, the Group has collar agreements with banks to hedge fair values of certain of these listed equity securities. Fair value deficits of HK$297 million and HK$59 million at 31 December 2023 of these collar arrangements are included in current and non-current liabilities (see notes 27 and 31, respectively). The comparative balance of the listed equity securities, outside Hong Kong includes HK$216 million fair value of these collar agreements. The Group considered this FVOCI category to be an appropriate classification.

(f) Managed funds – listed debt securities comprised predominately US Treasury notes and government and government guaranteed notes. All (2022: 99%) of the carrying amount of these assets at 31 December 2023 were rated at Aaa / AAA or Aa1 / AA+. These assets are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was required at the reporting date in respect of these assets.

21 Other non-current assets

	2023 HK$ million	2022 HK$ million
Investment properties (see note 22)	**408**	408
Customer acquisition and retention costs [(a)]	**4,290**	3,660
Contract assets (see note 24(b))	**3,826**	2,095
Unlisted investments		
Financial assets at FVOCI – equity securities [(b)]	**2,189**	2,451
Financial assets at fair value through profit or loss – equity securities	**369**	417
Financial assets at fair value through profit or loss – debt securities	**604**	555
Pension assets (see note 30)	**1,428**	1,311
Derivative financial instruments		
Cash flow hedges		
Interest rate swaps	**52**	84
Cross currency interest rate swaps	**150**	132
Other contracts	**–**	3,081
Net investment hedges		
Cross currency swaps	**572**	1,164
Other non-current assets [(c)]	**5,974**	542
	19,862	15,900

(a) Customer acquisition and retention costs primarily relate to incremental commission costs incurred to obtain telecommunications contracts with customers. The amount of customer acquisition and retention costs shown above is after deducting the amortisation charged to the current year's consolidated income statement of HK$3,667 million (2022: HK$3,464 million). Further, there was no impairment loss in relation to the cost capitalised. The Group applies the practical expedient in paragraph 94 of HKFRS 15, and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the costs that the Group otherwise would have recognised is one year or less.

(b) These equity securities are not investments held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at fair value through other comprehensive income. The Group considered this FVOCI category to be an appropriate classification. Fair value for these investments are determined by using valuation techniques, including discounted cashflow analysis.

(c) Amount included lease receivables of HK$507 million (2022: HK$542 million), which are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of lease receivables. The expected credit loss was minimal as lease receivables are from entities which are subject to the Group's lease acceptance requirements. There was no unfavourable current conditions and forecast future economic conditions at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets. The remaining balances are mainly prepayments of telecommunications annual licences fee.

22 Investment properties

Investment properties are included in "Other non-current assets" (see note 21) in the consolidated statement of financial position.

	2023 HK$ million	2022 HK$ million
Valuation		
At 1 January	**408**	408
Increase in fair value of investment properties	**–**	–
At 31 December	**408**	408

At 31 December 2023, investment properties amounting to HK$408 million (2022: HK$408 million) were measured at fair value based on value inputs, other than quoted prices, that were observable either directly or indirectly. The fair values of the investment properties at 31 December 2023 and 2022 were determined based on a valuation carried out by Cushman & Wakefield Limited, professional valuers. The valuation which reflected the highest and best use was arrived at by reference to comparable market transactions and also took reference of capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential of the properties. There were no transfers among Level 1, Level 2 and Level 3 during the year. The Group's policy is to recognise transfers into / out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

At 31 December 2023 and 2022, the Group's aggregate future minimum lease receivable under non-cancellable operating leases is not material.

23 Cash and cash equivalents

	2023 HK$ million	2022 HK$ million
Cash at bank and in hand	**34,000**	27,769
Short term bank deposits	**93,323**	110,316
	127,323	138,085

The carrying amounts of cash and cash equivalents approximate their fair values.

Cash and cash equivalents were held with reputable financial institutions. The Group controls the credit risk to non-performance by the counterparties, where applicable, through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed. Accordingly, cash and cash equivalents are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of these assets.

See note 41(a) for further analysis.

24 Trade receivables and other current assets

	2023 HK$ million	2022 HK$ million
Trade receivables [a]	**20,264**	18,650
Less: loss allowance provision	**(3,967)**	(3,705)
	16,297	14,945
Other current assets		
Derivative financial instruments		
Cash flow hedges		
Interest rate swaps	**–**	153
Cross currency interest rate swaps	**–**	622
Forward foreign exchange contracts	**–**	1
Other contracts	**26**	167
Net investment hedges		
Cross currency interest rate swaps	**–**	112
Forward foreign exchange contracts	**201**	44
Cross currency swaps	**336**	9
Contract assets [b]	**3,754**	4,219
Prepayments	**16,361**	22,978
Other receivables [c]	**13,491**	13,433
Current tax receivables	**124**	128
	50,590	56,811

(a) Trade receivables are stated at the expected recoverable amount, net of any provision for estimated impairment losses where it is deemed that a receivable may not be fully recoverable. The carrying amounts of these assets approximate their fair values.

Trade receivables exposures are managed locally in the operating units where they arise and credit limits are set as deemed appropriate for the customer. The Group's operating units have established credit policies for customers. The average credit period granted for trade receivables ranges from 30 to 60 days. Trade receivables which are past due at the end of the reporting period are stated at the expected recoverable amount, after netting of provision for estimated impairment losses. Given the profile of the Group's customers and the Group's different types of businesses, the Group generally does not hold collateral over these balances.

The Group's five largest customers contributed less than 5% of the Group's revenue for the year ended 31 December 2023 (2022: less than 5%).

At 31 December, the ageing analysis of the trade receivables presented based on the invoice date, is as follows:

	2023 HK$ million	2022 HK$ million
Less than 31 days	**11,996**	10,609
Within 31 to 60 days	**1,874**	1,704
Within 61 to 180 days	**1,523**	1,681
Over 180 days	**4,871**	4,656
	20,264	18,650

24 Trade receivables and other current assets (continued)

Movements on the loss allowance provision for trade receivables are as follows:

	2023 HK$ million	2022 HK$ million
At 1 January	**3,705**	3,797
Additions	**653**	998
Utilisations	**(492)**	(763)
Write back	**(41)**	(61)
Exchange translation differences	**142**	(266)
At 31 December	**3,967**	3,705

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for trade receivables. The expected credit loss provision rates for trade receivables are based on historical payment profiles and historical credit loss experience, adjusted to reflect, where relevant and appropriate, current and information specific to the debtors, future economic and market conditions and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables that the Group considers are reasonable and appropriate. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The gross carrying amount of the trade receivables and the loss allowance provision analysed by ageing bands are set out below.

	2023			2022		
	Gross carrying amount HK$ million	Loss allowance provision HK$ million	Expected loss rate Percentage	Gross carrying amount HK$ million	Loss allowance provision HK$ million	Expected loss rate Percentage
Not past due	**9,965**	**89**	**1%**	9,169	95	1%
Past due less than 31 days	**3,501**	**67**	**2%**	2,918	82	3%
Past due within 31 to 60 days	**787**	**70**	**9%**	782	79	10%
Past due within 61 to 180 days	**1,291**	**380**	**29%**	1,312	384	29%
Past due over 180 days	**4,720**	**3,361**	**71%**	4,469	3,065	69%
	20,264	**3,967**		18,650	3,705	

24 Trade receivables and other current assets (continued)

(b) As at 31 December 2023, contract assets of HK$3,754 million (2022: HK$4,219 million) and HK$3,826 million (2022: HK$2,095 million) are included in "Trade receivables and other current assets" (see above) and "Other non-current assets" (see note 21) respectively. These assets are stated at the expected recoverable amount, after netting of provision for estimated impairment losses of HK$1,637 million (2022: HK$1,525 million). The Group measures the loss allowance for its contract assets at an amount equal to the lifetime expected credit losses. Movement on the provision for estimated impairment losses are as follows:

	2023 HK$ million	2022 HK$ million
At 1 January	**1,525**	1,390
Additions	**927**	921
Utilisations	**(823)**	(643)
Write back	**(55)**	(55)
Exchange translation differences	**63**	(88)
At 31 December	**1,637**	1,525

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The Group's historical credit loss experience does not indicate a substantial different loss pattern for contract assets as compared to trade receivables for similar customer bases. The Group makes reference to the expected credit loss provision rates for trade receivables to measure the contract assets' expected credit losses. The rates are adjusted to reflect information specific to the contract assets that may affect the recovery of the carrying amount of the contract assets.

(c) Other receivables are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of other receivables.

25 Assets and liabilities classified as held for sale

	2023 HK$ million	2022 HK$ million
Assets classified as held for sale		
Disposal group held for sale	–	6,096
Liabilities directly associated with assets classified as held for sale	–	1,127

On 3 January 2023, Wind Tre, a wholly owned subsidiary, and Iliad Italia S.p.A. announced the closing of Zefiro Net S.r.l., a 50:50 joint venture which is dedicated to accelerate the deployment of mobile phone networks in less densely populated areas of Italy. Under the joint venture arrangement, both parties will jointly manage their respective mobile phone networks via the joint venture in the less densely populated areas of Italy. Accordingly, the related assets and liabilities to be transferred by Wind Tre into the joint venture were classified for accounting purposes as held for sale as at 31 December 2022. The major classes of these assets and liabilities and their carrying amounts at 31 December 2022 were as follows:

	2023 HK$ million	2022 HK$ million
Assets		
Fixed assets	–	3,145
Right-of-use assets	–	918
Goodwill	–	2,012
Trade receivables	–	21
Assets classified as held for sale	–	6,096
Liabilities		
Lease liabilities	–	920
Provisions	–	205
Other non-current liabilities	–	2
Liabilities directly associated with assets classified as held for sale	–	1,127
Net assets directly associated with disposal group	–	4,969

	2023 HK$ million	2022 HK$ million
Cumulative amounts included in other comprehensive income:		
Exchange reserve deficit	–	(324)
Reserves of disposal group classified as held for sale	–	(324)

Disposal group held for sale is presented within total assets and total liabilities of "Telecommunications: CK Hutchison Group Telecom – **3** Group Europe" segment in note 5(b)(vi), 5(b)(vii) respectively and total assets of "Europe" in note 5(b)(xii).

26 Bank and other debts

	2023			2022		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Principal amounts						
Bank loans	**24,484**	**65,036**	**89,520**	40,697	53,806	94,503
Other loans	**154**	**72**	**226**	4	225	229
Notes and bonds	**33,755**	**147,900**	**181,655**	29,505	159,370	188,875
	58,393	**213,008**	**271,401**	70,206	213,401	283,607
Unamortised fair value adjustments arising from acquisitions	**18**	**2,275**	**2,293**	–	2,623	2,623
Subtotal before the following items	**58,411**	**215,283**	**273,694**	70,206	216,024	286,230
Unamortised loan facilities fees and premiums or discounts related to debts	**(87)**	**(1,685)**	**(1,772)**	(76)	(1,828)	(1,904)
	58,324	**213,598**	**271,922**	70,130	214,196	284,326

26 Bank and other debts (continued)

Details of the bank and other debts by principal amounts are as follows:

	2023			2022		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans	**24,484**	**65,036**	**89,520**	40,697	53,806	94,503
Other loans	**154**	**72**	**226**	4	225	229
Notes and bonds						
HK$2,413 million notes, 3-mth HIBOR^ + 0.32% due 2024	**2,413**	**–**	**2,413**	–	2,413	2,413
HK$260 million notes, 4% due 2027	**–**	**260**	**260**	–	260	260
US$750 million notes, 2.75% due 2023	**–**	**–**	**–**	5,850	–	5,850
US$750 million notes, 3.25% due 2024	**5,850**	**–**	**5,850**	–	5,850	5,850
US$1,500 million notes, 3.625% due 2024	**11,700**	**–**	**11,700**	–	11,700	11,700
US$500 million notes, 1.5% due 2026	**–**	**3,900**	**3,900**	–	3,900	3,900
US$500 million notes, 2.75% due 2026	**–**	**3,900**	**3,900**	–	3,900	3,900
US$309 million notes – Series C, 7.5% due 2027	**–**	**2,410**	**2,410**	–	2,410	2,410
US$500 million notes, 3.25% due 2027	**–**	**3,900**	**3,900**	–	3,900	3,900
US$800 million notes, 3.5% due 2027	**–**	**6,240**	**6,240**	–	6,240	6,240
US$1,250 million notes, 4.75% due 2028	**–**	**9,750**	**9,750**	–	–	–
US$500 million notes, 2.75% due 2029	**–**	**3,900**	**3,900**	–	3,900	3,900
US$750 million notes, 3.625% due 2029	**–**	**5,850**	**5,850**	–	5,850	5,850
US$750 million notes, 2.5% due 2030	**–**	**5,850**	**5,850**	–	5,850	5,850
US$850 million notes, 2.5% due 2031	**–**	**6,630**	**6,630**	–	6,630	6,630
US$1,039 million notes, 7.45% due 2033	**–**	**8,107**	**8,107**	–	8,107	8,107
US$1,250 million notes, 4.875% due 2033	**–**	**9,750**	**9,750**	–	–	–
US$25 million notes – Series D, 6.988% due 2037	**–**	**196**	**196**	–	196	196
US$650 million notes, 3.125% due 2041	**–**	**5,070**	**5,070**	–	5,070	5,070
US$750 million notes, 3.375% due 2049	**–**	**5,850**	**5,850**	–	5,850	5,850
US$750 million notes, 3.375% due 2050	**–**	**5,850**	**5,850**	–	5,850	5,850
EUR1,350 million notes, 1.25% due 2023	**–**	**–**	**–**	11,205	–	11,205
EUR1,500 million notes, 0.375% due 2023	**–**	**–**	**–**	12,450	–	12,450
EUR600 million bonds, 1% due 2024	**5,172**	**–**	**5,172**	–	4,980	4,980
EUR1,000 million notes, 0.875% due 2024	**8,620**	**–**	**8,620**	–	8,300	8,300
EUR750 million notes, 1.25% due 2025	**–**	**6,465**	**6,465**	–	6,225	6,225
EUR1,000 million notes, 0.75% due 2026	**–**	**8,620**	**8,620**	–	8,300	8,300
EUR650 million notes, 2% due 2028	**–**	**5,603**	**5,603**	–	5,395	5,395
EUR1,000 million notes, 1.125% due 2028	**–**	**8,620**	**8,620**	–	8,300	8,300
EUR500 million notes, 0.75% due 2029	**–**	**4,310**	**4,310**	–	4,150	4,150
EUR500 million notes, 2% due 2030	**–**	**4,310**	**4,310**	–	4,150	4,150
EUR750 million notes, 1.5% due 2031	**–**	**6,465**	**6,465**	–	6,225	6,225
EUR500 million notes, 1% due 2033	**–**	**4,310**	**4,310**	–	4,150	4,150
GBP303 million notes, 5.625% due 2026	**–**	**3,010**	**3,010**	–	2,866	2,866
GBP500 million notes, 2% due 2027	**–**	**4,970**	**4,970**	–	4,730	4,730
GBP300 million notes, 2.625% due 2034	**–**	**2,982**	**2,982**	–	2,837	2,837
JPY15,000 million notes, 2.6% due 2027	**–**	**822**	**822**	–	886	886
	33,755	**147,900**	**181,655**	29,505	159,370	188,875
	58,393	**213,008**	**271,401**	70,206	213,401	283,607

^ HIBOR represents the Hong Kong Interbank Offered Rate

26 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below:

(a) By year of repayment

	2023			2022		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans						
Within a year	**24,484**	**–**	**24,484**	40,697	–	40,697
After 1 year, but within 2 years	**–**	**25,326**	**25,326**	–	13,007	13,007
After 2 years, but within 5 years	**–**	**39,710**	**39,710**	–	40,799	40,799
	24,484	**65,036**	**89,520**	40,697	53,806	94,503
Other loans						
Within a year	**154**	**–**	**154**	4	–	4
After 1 year, but within 2 years	**–**	**4**	**4**	–	156	156
After 2 years, but within 5 years	**–**	**10**	**10**	–	10	10
After 5 years	**–**	**58**	**58**	–	59	59
	154	**72**	**226**	4	225	229
Notes and bonds						
Within a year	**33,755**	**–**	**33,755**	29,505	–	29,505
After 1 year, but within 2 years	**–**	**6,465**	**6,465**	–	33,243	33,243
After 2 years, but within 5 years	**–**	**62,005**	**62,005**	–	43,617	43,617
After 5 years	**–**	**79,430**	**79,430**	–	82,510	82,510
	33,755	**147,900**	**181,655**	29,505	159,370	188,875
	58,393	**213,008**	**271,401**	70,206	213,401	283,607

(b) By secured and unsecured borrowings

	2023			2022		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Secured borrowings	**1**	**1,558**	**1,559**	1	1,524	1,525
Unsecured borrowings	**58,392**	**211,450**	**269,842**	70,205	211,877	282,082
	58,393	**213,008**	**271,401**	70,206	213,401	283,607

26 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below (continued):

(c) By borrowings at fixed and floating interest rate

	2023			2022		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Borrowings at fixed rate	**31,496**	**147,972**	**179,468**	29,509	157,183	186,692
Borrowings at floating rate	**26,897**	**65,036**	**91,933**	40,697	56,218	96,915
	58,393	**213,008**	**271,401**	70,206	213,401	283,607

(d) By borrowings at fixed and floating interest rate (adjusted for the effect of hedging transactions)

	2023			2022		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Borrowings at fixed rate	**31,496**	**151,433**	**182,929**	47,449	160,603	208,052
Borrowings at floating rate	**26,897**	**61,575**	**88,472**	22,757	52,798	75,555
	58,393	**213,008**	**271,401**	70,206	213,401	283,607

Derivative financial instruments are principally utilised by the Group in the management of its foreign currency and interest rate exposures.

The Group has entered into interest rate swap agreements to swap floating interest rate borrowings to fixed interest rate borrowings to mainly mitigate interest rate exposures to certain infrastructure project related borrowings. At 31 December 2023, the notional amount of the outstanding interest rate swap agreements amounted to HK$3,461 million (2022: interest rate swap agreements and cross currency interest rate swap agreements of HK$11,220 million and HK$10,140 million respectively) (See note 41(i)(ii)).

26 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below (continued):

(e) By currency

	2023			2022		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	Percentage	**Percentage**	**Percentage**	Percentage	Percentage	Percentage
US dollar	**8%**	**41%**	**49%**	9%	40%	49%
Euro	**11%**	**22%**	**33%**	12%	23%	35%
HK dollar	**1%**	**4%**	**5%**	1%	1%	2%
British Pound	**1%**	**4%**	**5%**	1%	4%	5%
Other currencies	**1%**	**7%**	**8%**	2%	7%	9%
	22%	**78%**	**100%**	25%	75%	100%

(f) By currency (adjusted for the effect of hedging transactions)

	2023			2022		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	Percentage	**Percentage**	**Percentage**	Percentage	Percentage	Percentage
US dollar	**8%**	**41%**	**49%**	4%	39%	43%
Euro	**11%**	**23%**	**34%**	17%	25%	42%
HK dollar	**1%**	**4%**	**5%**	1%	1%	2%
British Pound	**1%**	**3%**	**4%**	1%	3%	4%
Other currencies	**1%**	**7%**	**8%**	2%	7%	9%
	22%	**78%**	**100%**	25%	75%	100%

As at 31 December 2023, the Group had currency swap agreements with banks to swap British Pound principal amount of borrowings equivalent to HK$4,970 million (2022: US dollar principal amount of borrowings equivalent to HK$15,990 million and British Pound principal amount of borrowings equivalent to HK$4,730 million) (see note 41(i)(ii)) to Euro principal amount of borrowings to reflect currency exposures of its underlying businesses. For the 2022 comparative amount, the Hong Kong dollar equivalent amount of HK$15,990 million mentioned in the preceding sentence includes the Hong Kong dollar equivalent amount of HK$10,140 million disclosed under item (d) above.

27 Trade payables and other current liabilities

	2023 HK$ million	2022 HK$ million
Trade payables [(a)]	**23,017**	21,356
Other current liabilities		
Derivative financial instruments		
Fair value hedges – Collar agreements	**297**	–
Cash flow hedges		
Forward foreign exchange contracts	**2**	2
Other contracts	**113**	151
Net investment hedges		
Forward foreign exchange contracts	**1,072**	891
Other derivative financial instruments	**–**	795
Interest free loans from non-controlling shareholders	**438**	472
Contract liabilities	**5,948**	6,027
Obligations for telecommunications licences and other rights	**621**	680
Provisions (see note 28)	**1,552**	1,341
Expenses and other accruals	**36,471**	35,995
Other payables	**16,888**	21,419
	86,419	89,129

(a) At 31 December, the ageing analysis of the trade payables is as follows:

	2023 HK$ million	2022 HK$ million
Less than 31 days	**15,763**	13,566
Within 31 to 60 days	**3,361**	2,912
Within 61 to 90 days	**1,333**	1,427
Over 90 days	**2,560**	3,451
	23,017	21,356

(b) The Group's five largest suppliers accounted for less than 17% of the Group's cost of purchases for the year ended 31 December 2023 (2022: less than 17%).

28 Provisions

	Provision for commitments, onerous contracts and other guarantees HK$ million	Closure obligations HK$ million	Assets retirement obligations HK$ million	Others HK$ million	Total HK$ million
At 1 January 2022	21,672	110	1,725	1,282	24,789
Additions	–	43	1	305	349
Interest accretion	–	–	10	–	10
Utilisations	(656)	(10)	(90)	(162)	(918)
Write back	–	(59)	–	(78)	(137)
Relating to subsidiaries disposed (see note 34(d))	(2,175)	–	(13)	–	(2,188)
Transfer to liabilities directly associated with assets classified as held for sale (see note 25)	–	–	(205)	–	(205)
Exchange translation differences	(364)	(4)	(156)	(58)	(582)
At 31 December 2022 and 1 January 2023	**18,477**	**80**	**1,272**	**1,289**	**21,118**
Additions	**–**	**69**	**5**	**444**	**518**
Interest accretion	**–**	**–**	**54**	**–**	**54**
Utilisations	**(897)**	**(18)**	**(63)**	**(129)**	**(1,107)**
Write back	**(41)**	**(22)**	**(38)**	**(115)**	**(216)**
Exchange translation differences	**(384)**	**2**	**17**	**49**	**(316)**
At 31 December 2023	**17,155**	**111**	**1,247**	**1,538**	**20,051**

Provisions are analysed as:

	2023 HK$ million	2022 HK$ million
Current portion (see note 27)	**1,552**	1,341
Non-current portion (see note 31)	**18,499**	19,777
	20,051	21,118

The provision for commitments, onerous contracts and other guarantees represents the unavoidable costs of meeting these commitments and obligations after deducting the associated, expected future benefits and / or estimated recoverable value. The provision for closure obligations represents the estimated costs to execute integration plans and store closures. The provision for assets retirement obligations represents the present value of the estimated future costs of dismantling and removing fixed assets when they are no longer used and restoring the sites on which they are located.

29 Interest bearing loans from non-controlling shareholders

	2023 HK$ million	2022 HK$ million
Interest bearing loans from non-controlling shareholders	**3,245**	2,567

At 31 December 2023, these loans bear interest at rates at EURIBOR+2.0%, Stockholm Interbank Offered Rate +2.0% and Stockholm Interbank Offered Rate +0.7% (2022: EURIBOR+2.0% and Stockholm Interbank Offered Rate +0.7%) per annum. The carrying amounts of the borrowings approximate their fair values.

30 Pension plans

	2023 HK$ million	2022 HK$ million
Defined benefit assets (see note 21)	**1,428**	1,311
Defined benefit liabilities	**3,536**	2,730
Net defined benefit liabilities	**2,108**	1,419

The Group operates a number of defined benefit and defined contribution plans, the assets of which are held independently of the Group's assets in trustee administered funds.

(a) Defined benefit plans

The Group's major defined benefit plans are in Hong Kong, the United Kingdom and the Netherlands. The plans are either contributory final salary pension plans, contributory career average pay plans or non-contributory guaranteed return defined contribution plans. No other post-retirement benefits are provided.

The principal actuarial assumptions used for the purpose of the actuarial valuation were as follows:

	2023	2022
Discount rates	**3.2% – 4.7%**	3.2% – 4.8%
Future salary increases	**2.2% – 3.5%**	2.3% – 3.5%
Interest credited on two principal plans in Hong Kong	**5.0% – 6.0%**	5.0% – 6.0%

The amount recognised in the consolidated statement of financial position is determined as follows:

	2023 HK$ million	2022 HK$ million
Present value of defined benefit obligations	**17,965**	15,163
Fair value of plan assets	**15,860**	13,750
	2,105	1,413
Restrictions on assets recognised	**3**	6
Net defined benefit liabilities	**2,108**	1,419

30 Pension plans (continued)

(a) Defined benefit plans (continued)

Movements in net defined benefit liabilities and its components are as follows:

	Present value of defined benefit obligations HK$ million	Fair value of plan assets HK$ million	Asset ceiling HK$ million	Net defined benefit liabilities HK$ million
At 1 January 2023	15,163	(13,750)	6	1,419
Net charge (credit) to the consolidated income statement				
Current service cost	360	18	–	378
Past service cost and gains and losses on settlements	70	–	–	70
Interest cost (income)	596	(589)	–	7
	1,026	(571)	–	455
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial gain arising from change in demographic assumptions	(157)	–	–	(157)
Actuarial loss arising from change in financial assumptions	1,232	–	–	1,232
Actuarial loss arising from experience adjustment	339	–	–	339
Return on plan assets excluding interest income	–	19	–	19
Change in asset ceiling	–	–	(3)	(3)
Exchange translation differences	655	(599)	–	56
	2,069	(580)	(3)	1,486
Contributions paid by the employer	–	(1,253)	–	(1,253)
Contributions paid by the employee	113	(113)	–	–
Benefits paid	(805)	805	–	–
Transfer from (to) other liabilities	399	(398)	–	1
At 31 December 2023	17,965	(15,860)	3	2,108

30 Pension plans (continued)

(a) Defined benefit plans (continued)

Movements in net defined benefit liabilities and its components are as follows (continued):

	Present value of defined benefit obligations HK$ million	Fair value of plan assets HK$ million	Asset ceiling HK$ million	Net defined benefit liabilities HK$ million
At 1 January 2022	23,686	(21,255)	3	2,434
Net charge (credit) to the consolidated income statement				
Current service cost	561	18	–	579
Past service cost and gains and losses on settlements	8	–	–	8
Interest cost (income)	358	(326)	–	32
	927	(308)	–	619
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial gain arising from change in financial assumptions	(6,700)	–	–	(6,700)
Actuarial loss arising from experience adjustment	32	–	–	32
Return on plan assets excluding interest income	–	6,047	–	6,047
Change in asset ceiling	–	–	3	3
Exchange translation differences	(1,933)	1,750	–	(183)
	(8,601)	7,797	3	(801)
Contributions paid by the employer	–	(711)	–	(711)
Contributions paid by the employee	103	(103)	–	–
Benefits paid	(783)	783	–	–
Relating to subsidiaries disposed (see note 34(d))	(119)	3	–	(116)
Transfer from (to) other liabilities	(50)	44	–	(6)
At 31 December 2022	15,163	(13,750)	6	1,419

The net defined benefit liabilities presented above represent the deficit calculated in accordance with Hong Kong Accounting Standard 19 "Employee Benefits" ("HKAS 19") and is the difference between the present value of the defined benefit obligation and the fair value of plan assets. Management appointed actuaries to carry out a valuation of these pension plans to determine the pension obligation and the fair value of the plan assets that are required to be disclosed and accounted for in the financial statements in accordance with HKAS 19 (the "accounting actuarial valuations"). The realisation of the deficit disclosed above is contingent upon the realisation of the actuarial assumptions made which is dependent upon a number of factors including the market performance of plan assets. The accounting actuarial valuations are not used for the purposes of determining the funding contributions to the defined benefit pension plans. Contributions to fund the obligations are based upon the recommendations of independent qualified actuaries for each of the Group's pension plans to fully fund the relevant schemes on an ongoing basis. Funding requirements of the Group's major defined benefit pension plans are detailed below.

30 Pension plans (continued)

(a) Defined benefit plans (continued)

The Group operates two principal pension plans in Hong Kong. One plan, which has been closed to new entrants since 1994, provides pension benefits based on the greater of the aggregate of the employee and employer vested contributions plus a minimum interest thereon of 6% per annum, and pension benefits derived by a formula based on the final salary and years of service. An independent actuarial valuation, undertaken for funding purposes under the provision of Hong Kong's Occupational Retirement Schemes Ordinance ("ORSO"), at 1 January 2022 reported a funding level of 164% of the accrued actuarial liabilities on an ongoing basis. The valuation used the attained age valuation method and the main assumptions in the valuation are an investment return of 4% per annum, salary increases of 3.5% per annum and interest credited to balances of 6% per annum. The valuation was prepared by Tian Keat Aun, a Fellow of The Institute and Faculty of Actuaries, and Stewart Chan, a Fellow of the Society of Actuaries, of Towers Watson Hong Kong Limited. The second plan provides benefits equal to the employer vested contributions plus a minimum interest thereon of 5% per annum. As at 31 December 2023, vested benefits under this plan are fully funded in accordance with the ORSO funding requirements. During the year, forfeited contributions totalling HK$16 million (2022: HK$21 million) were used to reduce the current year's level of contributions and HK$1 million forfeited contribution was available at 31 December 2023 (2022: HK$1 million) to reduce future years' contributions.

The Group operates three contributory defined benefit pension plans for its ports operation in the United Kingdom. The plans are all final salary in nature and they are not open to new entrants. Of the three plans, the Port of Felixstowe Pension Plan ("Felixstowe Scheme") is the principal plan. An independent actuarial valuation, undertaken for funding purposes under the provision of the Pensions Act 2004, at 31 December 2021 reported a funding level of 93% of the accrued actuarial liabilities on an ongoing basis. The sponsoring employer has since made additional contributions of GBP9.5 million in both 2022 and 2023 and will make a further contributions of GBP5.7 million in 2024 to eliminate the shortfall. The valuation used the projected unit credit method and the main assumptions in the valuation are a pre-retirement discount rate of 4.7% per annum; post-retirement discount rate of 1.7% per annum; pensionable earnings increases of 3.15% per annum; Retail Price Index ("RPI") inflation of 3.5% per annum; Consumer Price Index ("CPI") inflation of 2.9% per annum; and pension increases of 2.1% to 3.4% per annum. The valuation was prepared by Rhidian Williams FIA, a Fellow of the Institute and Faculty of Actuaries, of Quantum Advisory.

The Group's defined benefit pension plans for its ports and retail operations in the Netherlands are guaranteed contracts undertaken by insurance companies to provide defined benefit payable under the plans in return for actuarially determined contributions based on tariffs and conditions agreed for the term of the contracts. As the risk of providing past pension benefits is underwritten by the insurance companies, the Group does not carry funding risk relating to past service. The annual contribution to provide current year benefits varies in accordance with annual actuarial calculations.

The Group operates a defined benefit pension plan for certain of its retail operation in the United Kingdom. It is not open to new entrants. With effect from 28 February 2010, accrual of future defined benefits for all active members was ceased and the final salary linkage was also severed. The last triennial valuation was undertaken on 31 March 2021. This was an independent actuarial valuation, undertaken for funding purposes under the provision of the Pensions Act 2004, at 31 March 2021 which reported a funding level of 91% of the accrued actuarial liabilities on an ongoing basis. A schedule of contributions was agreed with GBP10.0 million to pay in 2022 and 2023, and GBP0.3 million in 2024 to eliminate the shortfall by February 2024. The valuation used the projected unit credit method and the main assumptions in the valuation are investment returns of 1.14% to 2.35% per annum and pension increases of 1.74% to 3.64% per annum. The valuation was prepared by Paul Jayson, a Fellow of the Institute and Faculty of Actuaries, of Barnett Waddingham LLP. The sponsoring employers have since made contributions of GBP10.0 million in 2023 (2022: GBP10.0 million).

30 Pension plans (continued)

(a) Defined benefit plans (continued)

(i) Plan assets

Fair value of the plan assets are analysed as follows:

	2023 Percentage	2022 Percentage
Equity instruments		
Consumer markets and manufacturing	**4%**	6%
Energy and utilities	**1%**	2%
Financial institutions and insurance	**3%**	4%
Telecommunications and information technology	**5%**	6%
Units trust and equity instrument funds	**4%**	4%
Others	**6%**	8%
	23%	30%
Debt instruments		
US Treasury notes	**–**	1%
Government and government guaranteed notes	**22%**	19%
Financial institutions notes	**5%**	7%
Others	**7%**	8%
	34%	35%
Qualifying insurance policies	**31%**	26%
Other assets	**12%**	9%
	100%	100%

The debt instruments are analysed by issuers' credit rating as follows:

	2023 Percentage	2022 Percentage
Aaa / AAA	**6%**	7%
Aa1 / AA+	**12%**	20%
Aa2 / AA	**52%**	41%
Aa3 / AA-	**1%**	2%
A1 / A+	**2%**	3%
A2 / A	**4%**	4%
Other investment grades	**18%**	17%
No investment grades	**5%**	6%
	100%	100%

The fair value of the above equity instruments and debt instruments are determined based on quoted market prices.

30 Pension plans (continued)

(a) Defined benefit plans (continued)

(i) Plan assets (continued)

Fair value of plan assets of HK$15,860 million (2022: HK$13,750 million) includes investments in the Company's shares with a fair value of HK$10 million (2022: HK$11 million).

The long term strategic asset allocations of the plans are set and reviewed from time to time by the plans' trustees taking into account the membership and liability profile, and the liquidity requirements of the plans.

(ii) Defined benefit obligation

The average duration of the defined benefit obligation as at 31 December 2023 is 18 years (2022: 17 years).

The Group expects to make contributions of HK$958 million (2022: HK$1,282 million) to the defined benefit plans next year.

HKAS 19 "Employee Benefits" requires disclosure of a sensitivity analysis for the significant actuarial assumptions, used to determine the present value of the defined benefit obligations, that shows the effects of a hypothetical change in the relevant actuarial assumption at the end of the reporting period on defined benefit obligations.

The effect that is disclosed in the following assumes that (a) a hypothetical change of the relevant actuarial assumption had occurred at the end of the reporting period and had applied to the relevant actuarial assumption in existence on that date; and (b) the sensitivity analysis for each type of actuarial assumption does not reflect inter-dependencies between different assumptions.

The preparation and presentation of the sensitivity analysis for significant actuarial assumptions is solely for compliance with HKAS 19 disclosure requirements in respect of defined benefit obligations. The sensitivity analysis measures changes in the defined benefit obligations from hypothetical instantaneous changes in one actuarial assumption (e.g. discount rate or future salary increase), the amount so generated from the sensitivity analysis are "what-if" forward-looking estimates. The sensitivity analysis are for illustration purposes only and it should be noted that in practice actuarial assumptions rarely change in isolation. Actual results in the future may differ materially from the sensitivity analysis due to developments in the markets which may cause fluctuations in actuarial assumptions (e.g. discount rate or future salary increase) to vary and therefore it is important to note that the hypothetical amounts so generated do not present a projection of likely future events and profits or losses.

If the discount rate is 0.25% higher or lower, the defined benefit obligation would decrease by 2.9% or increase by 3.1% respectively (2022: decrease by 2.8% or increase by 3.0% respectively).

If the future salary increase is 0.25% higher or lower, the defined benefit obligation would increase by 0.6% or decrease by 0.5% respectively (2022: increase by 0.8% or decrease by 0.5% respectively).

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the consolidated statement of financial position.

(b) Defined contribution plans

The Group's cost in respect of defined contribution plans for the year amounted to HK$1,505 million (2022: HK$1,420 million) which has been charged to the profit or loss for the year. Forfeited contributions of HK$15 million (2022: HK$15 million) were used to reduce the current year's level of contributions and no forfeited contribution was available at 31 December 2023 (2022: nil) to reduce future years' contributions.

31 Other non-current liabilities

	2023 HK$ million	2022 HK$ million
Derivative financial instruments		
Fair value hedges – Collar agreements	**59**	–
Cash flow hedges		
Other contracts	**1**	–
Net investment hedges		
Cross currency swaps	**465**	314
Obligations for telecommunications licences and other rights	**3,994**	3,309
Other non-current liabilities	**6,387**	6,333
Liabilities relating to the economic benefits agreements [(a)]	**2,166**	2,166
Provisions (see note 28)	**18,499**	19,777
	31,571	31,899

(a) In October 2018, the Group completed the divesture of an aggregated 90% economic benefits in Australian Gas Networks. As part of the arrangement, upon the occurrence of certain events, the Group is required to return the consideration. The Group recognises liabilities measured by reference to the amount of consideration it received under this arrangement from entities outside the Group.

32 Share capital, share premium, perpetual capital securities and capital management

(a) Share capital and share premium

	Number of shares	Share capital HK$ million	Share premium HK$ million	Total HK$ million
Authorised:				
Ordinary shares of HK$1 each	**8,000,000,000**	**8,000**	**–**	**8,000**
Issued and fully paid:				
Ordinary shares				
At 1 January 2022	3,834,634,500	3,834	243,169	247,003
Cancellation of issued shares [(i)]	(100,000)	–	(5)	(5)
Cancellation of issued shares [(ii)]	(4,490,000)	(4)	(192)	(196)
At 31 December 2022, 1 January 2023 and 31 December 2023	**3,830,044,500**	**3,830**	**242,972**	**246,802**

(i) During the year ended 31 December 2021, the Company acquired a total of 21,706,000 of its own ordinary shares through purchases on the Stock Exchange. Of these 21,706,000 shares, 21,606,000 shares were cancelled before the reporting date of 31 December 2021 and 100,000 shares were cancelled subsequent to the reporting date on 18 January 2022. Upon the cancellation of the 100,000 shares, HK$5 million have been deducted from share premium with a corresponding credit to retained profit.

(ii) During the year ended 31 December 2022, the Company acquired a total of 4,490,000 of its own ordinary shares through purchases on the Stock Exchange. The purchased shares were cancelled before the reporting date of 31 December 2022. The total amount paid to acquire these shares was approximately HK$197 million, of which approximately HK$4 million and HK$192 million have been deducted from share capital and share premium respectively, and the remaining balance of HK$1 million has been charged to retained profit.

32 Share capital, share premium, perpetual capital securities and capital management (continued)

(b) Perpetual capital securities

	2023 HK$ million	2022 HK$ million
EUR500 million issued in 2018	**4,566**	4,561

In December 2018, wholly owned subsidiary company of the Group issued perpetual capital securities with nominal amount of EUR500 million (approximately HK$4,475 million) for cash.

These securities are perpetual, subordinated and the payment of distributions is optional in nature. Therefore, perpetual capital securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position.

(c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue to provide returns for shareholders and to support the Group's stability and growth. The Group regularly reviews and manages its capital structure to ensure optimal capital structure to maintain a balance between higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

At 31 December 2023, total equity amounted to HK$670,549 million (2022: HK$647,309 million), and consolidated net debt of the Group, excluding loans from non-controlling shareholders which are viewed as quasi equity, was HK$130,585 million (2022: HK$132,042 million). The Group's net debt to net total capital ratio decreased to 16.2% from 16.9% at the end of last year.

As additional information, the following table shows the net debt to net total capital ratios calculated on the basis of including loans from non-controlling shareholders and also with the Group's investments in its listed subsidiaries and associated companies marked to market value at the end of the reporting period.

Net debt / Net total capital ratios[(i)] at 31 December:

	2023	2022
A1 – excluding interest-bearing loans from non-controlling shareholders from debt	**16.2%**	16.9%
A2 – as in A1 above and investments in listed subsidiaries and associated companies marked to market value	**18.0%**	18.4%
B1 – including interest-bearing loans from non-controlling shareholders as debt	**16.6%**	17.2%
B2 – as in B1 above and investments in listed subsidiaries and associated companies marked to market value	**18.4%**	18.8%

(i) Net debt is defined in the consolidated statement of cash flows. Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions. Net total capital is defined as total bank and other debts plus total equity and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments.

33 Reserves

	2023				
	Attributable to ordinary shareholders				
	Retained profit HK$ million	Exchange reserve HK$ million	Hedging reserve HK$ million	Others [a] HK$ million	Total HK$ million
At 1 January 2023	657,443	(40,203)	5,332	(345,861)	276,711
Profit for the year	23,500	–	–	–	23,500
Other comprehensive income (losses) [c]					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	718	718
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	120	120
Remeasurement of defined benefit obligations	(1,108)	–	–	–	(1,108)
Exchange gains on translation of foreign operations	–	7,457	–	–	7,457
Exchange losses reclassified to profit or loss	–	339	–	–	339
Losses on cash flow hedges	–	–	(1,033)	–	(1,033)
Losses on net investment hedges	–	(1,308)	–	–	(1,308)
Reclassification adjustments for hedging gains included in profit or loss	–	–	(1,735)	–	(1,735)
Share of other comprehensive income (losses) of associated companies	(578)	1,785	(132)	108	1,183
Share of other comprehensive income of joint ventures	194	2,670	183	18	3,065
Tax relating to components of other comprehensive income (losses)	284	–	3	–	287
Other comprehensive income (losses), net of tax	(1,208)	10,943	(2,714)	964	7,985
Impact of hyperinflation	82	–	–	–	82
Transfer of gains on disposal of equity securities at FVOCI to retained profit	226	–	–	(226)	–
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2022	(7,989)	–	–	–	(7,989)
Dividends paid relating to 2023	(2,896)	–	–	–	(2,896)
Recognition of put option liabilities arising from business combinations	–	–	–	(148)	(148)
Unclaimed dividends write back	15	–	–	–	15
Relating to purchase of non-controlling interests	–	–	–	(34)	(34)
Relating to partial disposal of subsidiary companies	–	–	–	7	7
At 31 December 2023	669,173	(29,260)	2,618	(345,298)	297,233

33 Reserves (continued)

	2022				
	Attributable to ordinary shareholders				
	Retained profit	Exchange reserve	Hedging reserve	Others [a]	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2022	631,181	(20,925)	(1,378)	(342,729)	266,149
Profit for the year	36,680	–	–	–	36,680
Other comprehensive income (losses) [c]					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	(1,493)	(1,493)
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	(367)	(367)
Remeasurement of defined benefit obligations	569	–	–	–	569
Exchange losses on translation of foreign operations	–	(14,538)	–	–	(14,538)
Exchange losses reclassified to profit or loss	–	2,035	55	–	2,090
Gains on cash flow hedges	–	–	2,127	–	2,127
Gains on net investment hedges	–	3,380	–	–	3,380
Share of other comprehensive income (losses) of associated companies	(38)	(3,981)	1,539	(96)	(2,576)
Share of other comprehensive income (losses) of joint ventures	(385)	(6,174)	2,998	(17)	(3,578)
Tax relating to components of other comprehensive income (losses)	(209)	–	(9)	–	(218)
Other comprehensive income (losses), net of tax	(63)	(19,278)	6,710	(1,973)	(14,604)
Impact of hyperinflation	(23)	–	–	–	(23)
Transfer of gains on disposal of equity securities at FVOCI to retained profit	17	–	–	(17)	–
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2021	(7,132)	–	–	–	(7,132)
Dividends paid relating to 2022	(3,221)	–	–	–	(3,221)
Buy-back and cancellation of issued shares (see note 32(a)(ii))	4	–	–	–	4
Relating to purchase of non-controlling interests [b]	–	–	–	(1,133)	(1,133)
Relating to partial disposal of subsidiary companies	–	–	–	(9)	(9)
At 31 December 2022	657,443	(40,203)	5,332	(345,861)	276,711

33 Reserves (continued)

(a) Other reserves comprise revaluation reserve and other capital reserves. As at 31 December 2023, revaluation reserve deficit amounted to HK$2,835 million (1 January 2023: HK$3,472 million and 1 January 2022: HK$1,574 million), and other capital reserves deficit amounted to HK$342,463 million (1 January 2023: HK$342,389 million and 1 January 2022: HK$341,155 million). Included in the other capital reserves account is a deficit of HK$341,336 million, relating to the fair value of shares of Cheung Kong (Holdings) Limited, the former holding company of the Group, cancelled as part of the reorganisation completed in 2015. Revaluation surplus (deficit) arising from revaluation to market value of listed debt securities and listed equity securities are included in the revaluation reserve.

(b) During the comparative year, the Group had acquired the remaining 25% interests in an intermediate holding company which holds certain of the Group's attributable interests in the port division from the non-controlling interests shareholder. The acquisition was accounted for as a transaction with equity participant and the economic effect was recorded in equity.

(c) Set out below are the before and after related tax effects of other comprehensive income (losses) for the years:

	2023		
	Before-tax amount HK$ million	**Tax effect HK$ million**	**Net-of-tax amount HK$ million**
Changes in fair value of equity instruments at fair value through other comprehensive income	**718**	**–**	**718**
Changes in fair value of debt instruments at fair value through other comprehensive income	**120**	**–**	**120**
Remeasurement of defined benefit obligations	**(1,470)**	**376**	**(1,094)**
Exchange gains on translation of foreign operations	**7,771**	**–**	**7,771**
Exchange losses reclassified to profit or loss	**342**	**–**	**342**
Losses on cash flow hedges	**(1,059)**	**4**	**(1,055)**
Losses on net investment hedges	**(1,641)**	**–**	**(1,641)**
Reclassification adjustments for hedging gains included in profit or loss	**(1,735)**	**–**	**(1,735)**
Share of other comprehensive income of associated companies	**1,329**	**–**	**1,329**
Share of other comprehensive income of joint ventures	**3,997**	**–**	**3,997**
	8,372	**380**	**8,752**

	2022		
	Before-tax amount HK$ million	Tax effect HK$ million	Net-of-tax amount HK$ million
Changes in fair value of equity instruments at fair value through other comprehensive income	(1,493)	–	(1,493)
Changes in fair value of debt instruments at fair value through other comprehensive income	(367)	–	(367)
Remeasurement of defined benefit obligations	701	(255)	446
Exchange losses on translation of foreign operations	(16,078)	–	(16,078)
Exchange losses reclassified to profit or loss	2,220	–	2,220
Gains on cash flow hedges	2,201	(12)	2,189
Gains on net investment hedges	4,433	–	4,433
Share of other comprehensive income (losses) of associated companies	(2,578)	–	(2,578)
Share of other comprehensive income (losses) of joint ventures	(4,581)	–	(4,581)
	(15,542)	(267)	(15,809)

34 Notes to the consolidated statement of cash flows

(a) Reconciliation of profit after tax to cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital

	2023 HK$ million	2022 HK$ million
Profit after tax	**30,209**	43,659
Less: share of profits less losses of		
Associated companies	**(8,138)**	(11,822)
Joint ventures	**(7,990)**	(7,422)
	14,081	24,415
Adjustments for:		
Current tax charge	**4,119**	5,435
Deferred tax charge (credit)	**(1,116)**	2,839
Interest expenses and other finance costs	**12,227**	9,052
Depreciation and amortisation	**40,083**	39,788
EBITDA of Company and subsidiaries [(i)]	**69,394**	81,529
Dividends received from associated companies and joint ventures	**11,388**	12,783
Impairment loss against goodwill and other assets on telecommunications business in Sri Lanka (see note 7(c))	**–**	1,000
Impairment loss against goodwill on telecommunications business in Italy (see note 7(c))	**–**	11,039
Loss on disposal of fixed assets	**169**	196
Gains on disposals of unlisted investments (see note 7)	**–**	(515)
Gains on disposals of interests in associated companies and joint ventures (see note 7)	**(228)**	(947)
Loss on disposal of interests in associated companies (see note 7)	**70**	–
A gain on disposal of financial instruments (see note 7)	**(1,829)**	–
Losses (gains) on disposal of subsidiaries (see note 7)		
European telecommunications tower assets	**–**	(19,060)
Indonesia telecommunications businesses	**–**	(7,245)
Italian network business	**250**	–
Other businesses	**–**	37
Customer acquisition and retention costs capitalised in the year	**(4,143)**	(3,586)
Other non-cash items	**345**	(1,334)
	75,416	73,897

34 Notes to the consolidated statement of cash flows (continued)

(a) Reconciliation of profit after tax to cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital (continued)

(i) Reconciliation of EBITDA:

	2023 HK$ million	2022 HK$ million
EBITDA of Company and subsidiaries	**69,394**	81,529
Share of EBITDA of associated companies and joint ventures		
Share of profits less losses of		
Associated companies	**8,138**	11,822
Joint ventures	**7,990**	7,422
Adjustments for:		
Depreciation and amortisation	**24,724**	24,355
Interest expenses and other finance costs	**11,973**	9,346
Current tax charge	**3,582**	3,983
Deferred tax charge	**1,806**	3,923
Non-controlling interests	**482**	608
	58,695	61,459
EBITDA (see note 5(b)(ii))	**128,089**	142,988

(b) Changes in working capital

	2023 HK$ million	2022 HK$ million
Increase in inventories	**(1,005)**	(1,401)
Increase in trade receivables and other current assets	**(5,022)**	(493)
Decrease in trade payables and other current liabilities	**(3,767)**	(2,581)
Other non-cash items	**1,829**	(105)
	(7,965)	(4,580)

34 Notes to the consolidated statement of cash flows (continued)

(c) Purchase of subsidiary companies

The following table summarises the consideration paid and the amounts of the assets acquired and liabilities assumed recognised for acquisitions completed during the years:

	2023 HK$ million	2022 HK$ million
Purchase consideration transferred:		
Cash and cash equivalents paid	**127**	–
Fair value		
Fixed assets	**6**	–
Right-of-use assets	**3**	–
Brand names and other rights	**9**	–
Deferred tax assets	**3**	–
Cash and cash equivalents	**72**	–
Trade receivables and other current assets	**52**	–
Inventories	**13**	–
Trade payables and other current liabilities and current tax liabilities	**(57)**	–
Bank and other debts	**(2)**	–
Lease liabilities	**(3)**	–
Pension obligations	**(1)**	–
Net identifiable assets acquired	**95**	–
Non-controlling interests	**(43)**	–
	52	–
Goodwill	**75**	–
Total consideration	**127**	–
Net cash outflow (inflow) arising from acquisition:		
Cash and cash equivalents paid	**127**	–
Cash and cash equivalents acquired	**(72)**	–
Total net cash outflow	**55**	–

The assets acquired and liabilities assumed are recognised at the acquisition date fair value and are recorded at the consolidation level.

For the year ended 31 December 2023, the acquisition related cost and the contribution to the Group's revenue and profit before tax from the subsidiaries acquired during the year since the respective date of acquisition are not material.

34 Notes to the consolidated statement of cash flows (continued)

(d) Disposal of subsidiary companies

	2023 HK$ million	2022 HK$ million
Equity securities received	**2,563**	24,089
Net cash consideration [(i)]	**2,563**	14,077
Carrying amount of net assets disposed	**(5,052)**	(10,015)
Gains before reclassification of exchange losses	**74**	28,151
Cumulative exchange losses reclassified to profit or loss	**(324)**	(1,883)
Gains (loss) on disposals	**(250)**	26,268
Analysis of assets and liabilities over which control was lost		
Fixed assets	**–**	12,252
Right-of-use assets	**–**	9,564
Telecommunications licences	**–**	3,836
Goodwill	**–**	1,119
Deferred tax assets	**–**	266
Trade receivables and other current assets	**–**	2,252
Inventories	**–**	78
Assets classified as held for sale	**6,202**	–
Trade payables and other current liabilities and current tax liabilities	**–**	(4,089)
Bank and other debts	**–**	(356)
Lease liabilities	**–**	(10,315)
Deferred tax liabilities	**–**	(233)
Pension obligations	**–**	(116)
Other non-current liabilities	**–**	(4,243)
Liabilities directly associated with assets classified as held for sale	**(1,150)**	–
Net assets (excluding cash and cash equivalents) disposed	**5,052**	10,015
Cash and cash equivalents disposed [(ii)]	**–**	1,511
Net assets disposed	**5,052**	11,526

Disposal of subsidiary companies for the current year ended 31 December 2023 mainly related to the disposal of the Group's former subsidiary Zefiro Net S.r.l. which has become a 50% owned joint venture in the current year (see note 25). For the comparative year ended 31 December 2022, the disposals of subsidiary companies mainly related to the disposal of interest in tower assets in the UK and the disposal of the Group's former subsidiary H3I, following the completion of it's merger with PT Indosat Tbk (see note 5(b)(xvii) and 5(b)(xviii)). The gains (loss) on these disposals are recognised in the consolidated income statement, with the current year's loss on disposal included in the line item titled "Other expenses and losses" and the comparative year's gains on disposals included in the line item titled "Other income and gains" in the consolidated income statement (see note 7).

Saved as disclosed for the effect arising from the gains (loss) on disposals, the effect on the Group's results from the subsidiaries disposed during the year are not material for the periods ended 31 December 2023 and 2022.

(i) The current year amount is presented as "Proceeds from disposal of subsidiary companies, net of cash disposed" in the consolidated statement of cash flows. For the comparative year amount, HK$17,096 million cash received was presented as "Proceeds from disposal of subsidiary companies, net of cash disposed" and HK$3,019 million cash paid was included in "Purchase of and advances to associated companies and joint ventures" in the consolidated statement of cash flows respectively.

(ii) The comparative year amount is included in "Proceeds from disposal of subsidiary companies, net of cash disposed" in the consolidated statement of cash flows.

34 Notes to the consolidated statement of cash flows (continued)

(e) Changes in liabilities arising from financing activities

The following table sets out an analysis of the cash flows and non-cash flows changes in liabilities arising from financing activities:

	Bank and other debts	Lease liabilities	Interest bearing loans from non-controlling shareholders	Interest free loans from non-controlling shareholders	Liabilities relating to the economic benefits agreements	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2022	325,799	85,079	759	427	2,166	414,230
Financing cash flows						
New borrowings	37,147	–	–	–	–	37,147
Repayment of borrowings	(68,063)	–	–	–	–	(68,063)
Principal elements of lease payments (see note 13(c))	–	(14,307)	–	–	–	(14,307)
Net loans from non-controlling shareholders	–	–	2,073	45	–	2,118
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 8)	243	–	–	–	–	243
Gains arising on adjustment for hedged items in a designated fair value hedge (see note 41(h))	(4)	–	–	–	–	(4)
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 8(a))	(420)	–	–	–	–	(420)
Increase in lease liabilities from entering into new leases (see note 13(a))	–	6,528	–	–	–	6,528
Interest on lease liabilities (see note 8)	–	2,270	–	–	–	2,270
Interest element of lease liabilities paid (included in "Net cash from operating activities")	–	(2,071)	–	–	–	(2,071)
Remeasurement / write off of lease liabilities						
Rental concessions (see note 7)	–	(188)	–	–	–	(188)
Others	–	4,182	–	–	–	4,182
Relating to subsidiaries disposed (see note 34(d))	(356)	(10,315)	–	–	–	(10,671)
Transfer to liabilities directly associated with assets classified as held for sale (see note 25)	–	(920)	–	–	–	(920)
Exchange translation differences	(10,020)	(4,199)	(265)	–	–	(14,484)
At 31 December 2022 and 1 January 2023	**284,326**	**66,059**	**2,567**	**472**	**2,166**	**355,590**
Financing cash flows						
New borrowings	**58,211**	**–**	**–**	**–**	**–**	**58,211**
Repayment of borrowings	**(75,361)**	**–**	**–**	**–**	**–**	**(75,361)**
Principal elements of lease payments (see note 13(c))	**–**	**(14,476)**	**–**	**–**	**–**	**(14,476)**
Net loans from (to) non-controlling shareholders	**–**	**–**	**561**	**(34)**	**–**	**527**
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 8)	**237**	**–**	**–**	**–**	**–**	**237**
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 8(a))	**(341)**	**–**	**–**	**–**	**–**	**(341)**
Increase in lease liabilities from entering into new leases (see note 13(a))	**–**	**8,871**	**–**	**–**	**–**	**8,871**
Interest on lease liabilities (see note 8)	**–**	**2,546**	**–**	**–**	**–**	**2,546**
Interest element of lease liabilities paid (included in "Net cash from operating activities")	**–**	**(2,412)**	**–**	**–**	**–**	**(2,412)**
Remeasurement / write off of lease liabilities	**–**	**5,739**	**–**	**–**	**–**	**5,739**
Relating to subsidiaries acquired (see note 34(c))	**2**	**3**	**–**	**–**	**–**	**5**
Exchange translation differences	**4,848**	**1,593**	**117**	**–**	**–**	**6,558**
At 31 December 2023	**271,922**	**67,923**	**3,245**	**438**	**2,166**	**345,694**

35 Share-based payments

The Company and its subsidiary companies do not have share option scheme as at 31 December 2023 and 31 December 2022. Certain of the Company's associated companies have issued equity-settled and cash-settled share-based payments to certain employees. The aggregate amount of the share-based payments recognised by these companies during the current and comparative years are not material to the Group's results.

36 Pledge of assets

At 31 December 2023, assets of the Group totalling HK$1,533 million (2022: HK$1,442 million) were pledged as security for bank and other debts.

37 Contingent liabilities and guarantees

At 31 December 2023, the Company and its subsidiaries provide guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures of HK$4,560 million (2022: HK$4,856 million).

The amount utilised by its associated companies and joint ventures are as follows:

	2023 HK$ million	2022 HK$ million
To associated companies	**3,661**	3,527
To joint ventures	**–**	1,096

At 31 December 2023, the Group had provided performance and other guarantees of HK$4,115 million (2022: HK$5,033 million).

38 Commitments

The Group's outstanding commitments contracted for at 31 December 2023, where material, not provided for in the consolidated financial statements at 31 December 2023 are as follows:

Capital commitments

(a) Ports and Related Services: HK$462 million (2022: HK$582 million)
(b) **3** Group Europe: HK$181 million (2022: HK$183 million)
(c) Telecommunications, Hong Kong and Asia: HK$149 million (2022: HK$308 million)

39 Related parties transactions

Saved as disclosed elsewhere in these financial statements, transactions between the Group and other related parties during the year are not significant to the Group. The outstanding balances with associated companies and joint ventures are disclosed in notes 17 and 18. Transactions between the Company and its subsidiaries have been eliminated on consolidation.

No transactions have been entered with the directors of the Company (being the key management personnel) during the year other than the emoluments paid to them (being the key management personnel compensation).

40 Legal proceedings

As at 31 December 2023, the Group is not engaged in any material litigation or arbitration proceedings, and no material litigation or claim is known by the Group to be pending or threatened against it.

41 Financial risk management

The Group's major financial assets and financial liabilities include cash and cash equivalents, liquid funds and other listed investments and borrowings. Details of these financial assets and financial liabilities are disclosed in the respective notes. The Group's treasury function sets financial risk management policies in accordance with policies and procedures that are approved by the Executive Directors, and which are also subject to periodic review by the Group's internal audit function. The Group's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates on the Group's overall financial position and to minimise the Group's financial risks. The Group's treasury function operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks, and for providing cost-efficient funding to the Group and its companies. It manages the majority of the Group's funding needs, interest rate, foreign currency and credit risk exposures. It is the Group's policy not to have credit rating triggers that would accelerate the maturity dates of the Group's borrowings. The Group uses interest rate and foreign currency swaps and forward contracts as appropriate for risk management purposes only, for hedging transactions and for managing the Group's exposure to interest rate and foreign exchange rate fluctuations. The Group generally does not enter into foreign currency hedges in respect of its foreign currency earnings and no derivatives instruments to hedge the Group's earnings were entered during the year or remain outstanding at the end of the year. It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, that have significant underlying leverage or derivative exposure.

(a) Cash management and funding

The Group operates a central cash management system for all of its unlisted subsidiaries. Except for listed and certain overseas entities conducting businesses in non-HK or non-US dollar currencies, the Group generally obtains long-term financing at the Group level to on-lend or contribute as equity to its subsidiaries and associated companies to meet their funding requirements and provide more cost-efficient financing. These borrowings include a range of capital market issues and bank borrowings, for which the proportions will change depending upon financial market conditions and projected interest rates. The Group regularly and closely monitors its overall debt position and reviews its funding costs and maturity profile to facilitate refinancing.

The Group continues to maintain a robust financial position. Cash, liquid funds and other listed investments ("Liquid assets") amounted to HK$143,109 million at 31 December 2023 (2022: HK$154,188 million). The decrease was mainly reflecting dividend payments to ordinary and non-controlling shareholders as well as distributions to perpetual capital securities holders, repayment and early repayment of certain borrowings, capital expenditure and investment spending, partly offset by cash arising from positive funds from operations from the Group's businesses and cash from new borrowings. Liquid assets were denominated as to 17% in HK dollar, 45% in US dollar, 3% in Renminbi, 23% in Euro, 5% in British Pound and 7% in other currencies (2022: 15% were denominated in HK dollar, 55% in US dollar, 3% in Renminbi, 14% in Euro, 7% in British Pound and 6% in other currencies).

Cash and cash equivalents represented 89% (2022: 90%) of the liquid assets, US Treasury notes and other listed debt securities 5% (2022: 4%) and listed equity securities 6% (2022: 6%). The US Treasury notes and other listed debt securities, including those held under managed funds, consisted of US Treasury notes of 72% (2022: 73%), government and government guaranteed notes of 25% (2022: 23%) and others of 3% (2022: 4%). All of these US Treasury notes and other listed debt securities (2022: 99%) are rated at Aaa / AAA or Aa1 / AA+ with an average maturity of 1.8 years (2022: 2.6 years) on the overall portfolio. The Group has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.

41 Financial risk management (continued)

(b) Interest rate exposure

The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate, the Group uses derivatives such as interest rate swaps and forward rate agreements to manage its interest rate exposure. The Group's main interest rate exposure relates to US dollar, British Pound, Euro and HK dollar borrowings.

At 31 December 2023, approximately 34% (2022: approximately 34%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 66% (2022: approximately 66%) were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$3,461 million (2022: HK$21,360 million) principal amount of floating interest rate borrowings that were used to finance long term investments to fixed interest rate borrowings. After taking into consideration of these interest rate swaps, approximately 32% (2022: approximately 27%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 68% (2022: approximately 73%) were at fixed rates at 31 December 2023. All of the aforementioned interest rate derivatives are designated as hedges and these hedges are considered highly effective.

(c) Foreign currency exposure

For subsidiaries, associated companies, joint arrangements, branches and other investments (the activities of which are based or conducted in non-HK dollar or non-US dollar), the Group generally endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. For businesses (the activities of which are based or conducted in non-HK dollar or non-US dollar) that are in the development phase, or where borrowings in local currency are not or are no longer attractive, the Group may not borrow in the local currency or may repay existing borrowings and monitor the development of the businesses' cash flows and the relevant debt markets with a view to refinance these businesses with local currency borrowings in the future when conditions are more appropriate. Exposure to movements in exchange rates for individual transactions (such as major procurement contracts) directly related to its underlying businesses is minimised by using forward foreign exchange contracts and currency swaps where active markets for the relevant currencies exist. The Group generally does not enter into foreign currency hedges in respect of its long-term equity investments in foreign operations, except in relation to certain infrastructure investments. At 31 December 2023, the Group had foreign exchange forward contracts and cross currency swaps with banks to hedge these investments. The total notional amount of the net investment hedges amounted to HK$50,730 million (2022: HK$53,725 million).

The Group has operations in over 50 countries and conducts businesses in around 50 currencies. The Group's functional currency for reporting purposes is Hong Kong dollar and the Group's reported results in Hong Kong dollar are exposed to exchange translation on its foreign currency earnings.

As at 31 December 2023, the Group's total principal amount of bank and other debts are denominated as follows: 49% in US dollar, 33% in Euro, 5% in HK dollar, 5% in British Pound and 8% in other currencies (2022: 49% in US dollar, 35% in Euro, 2% in HK dollar, 5% in British Pound and 9% in other currencies). The Group had currency swap arrangements with banks to swap British Pound principal amount of borrowings equivalent to HK$4,970 million (2022: US dollar principal amount of borrowings equivalent to HK$15,990 million and British Pound principal amount of borrowings equivalent to HK$4,730 million) to Euro principal amount of borrowings to reflect currency exposures of its underlying businesses. The Group's total principal amount of bank and other debts, after the above swaps, were denominated as follows: 49% in US dollar, 34% in Euro, 5% in HK dollar, 4% in British Pound and 8% in other currencies (2022: 43% in US dollar, 42% in Euro, 2% in HK dollar, 4% in British Pound and 9% in other currencies).

41 Financial risk management (continued)

(d) Credit exposure

The Group's holdings of cash, managed funds and other liquid investments, interest rate and foreign currency swaps and forward currency contracts with financial institutions expose the Group to credit risk of counterparties. The Group controls its credit risk to non-performance by its counterparties through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed.

The Group is also exposed to counterparties credit risk from its operating activities, particularly in its ports businesses. Such risks are continuously monitored by the local operational management.

(e) Market price risk

The Group's main market price risk exposures relate to listed debt and equity securities as described in "liquid assets" above and the interest rate swaps described in "interest rate exposure" above. The Group's holding of listed debt and equity securities represented approximately 11% (2022: approximately 10%) of the liquid assets. The Group controls this risk through active monitoring of price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

(f) Market risks sensitivity analysis

For the presentation of financial assets and financial liabilities market risks (including interest rate risk, currency risk and other price risk) information, HKFRS 7 "Financial Instruments: Disclosures" requires the disclosure of a sensitivity analysis for each type of financial market risk that shows the effects of a hypothetical change in the relevant market risk variable to which the Group is exposed at the end of the reporting period on profit for the year and on total equity.

The effect that is disclosed in the following sections is before the related tax effect and the related amount attributable to non-controlling interests, and assumes that (a) a hypothetical change of the relevant risk variable had occurred at the end of the reporting period and had been applied to the relevant risk variable in existence on that date; and (b) the sensitivity analysis for each type of financial market risk does not reflect inter-dependencies between risk variables, e.g. the interest rate sensitivity analysis does not take into account of the impact of changes in interest rates that would have on the relative strengthening and weakening of the currency with other currencies.

The preparation and presentation of the sensitivity analysis on financial market risk is solely for compliance with HKFRS 7 disclosure requirements in respect of financial assets and financial liabilities. The sensitivity analysis measures changes in the fair value and / or cash flows of the Group's financial assets and financial liabilities from hypothetical instantaneous changes in one risk variable (e.g. functional currency rate or interest rate), the amount so generated from the sensitivity analysis are "what-if" forward-looking estimates. The sensitivity analysis are for illustration purposes only and it should be noted that, in practice, market rates rarely change in isolation. Actual results in the future may differ materially from the sensitivity analysis due to developments in the global markets which may cause fluctuations in market rates (e.g. exchange or interest rate) to vary and therefore it is important to note that the hypothetical amounts so generated do not represent a projection of likely future events and profits or losses.

41 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

(i) Interest rate sensitivity analysis

Interest rate risk as defined by HKFRS 7 arises on interest-bearing financial assets and financial liabilities.

The interest rate sensitivity analysis is based on the following assumptions:

In the cases of non-derivative financial assets and financial liabilities with fixed interest rates, changes in market interest rates only affect profit for the year or total equity if these financial assets and financial liabilities are measured at fair value. Accordingly, all non-derivative financial assets and financial liabilities with fixed interest rates that are carried at amortised cost are excluded from the interest rate sensitivity analysis as they are not subject to interest rate risk as defined in HKFRS 7.

In the cases of derivative financial assets and financial liabilities designated as hedging instruments for hedging interest rate risks, changes in market interest rates affect their fair values. All interest rate hedges are expected to be highly effective. Changes in the fair value of fair value interest rate hedges and changes in the fair value of the hedged items that are attributable to interest rate movements effectively balance out with each other in the consolidated income statement in the same period. Accordingly, these hedging instruments and hedged items are excluded from the interest rate sensitivity analysis as they are not exposed to interest rate risk as defined in HKFRS 7. Changes in the fair value of cash flow interest rate hedges resulting from market interest rate movements affect total equity and are therefore taken into consideration in the sensitivity analysis.

In the cases of derivative financial assets and financial liabilities that are not part of an interest rate risk hedging relationship, changes in their fair values (arising from gain or loss from remeasurement of these interest rate derivatives to fair value) resulting from market interest rate movements affect profit for the year and total equity, and are therefore taken into consideration in the sensitivity analysis.

Major financial assets and financial liabilities for the purpose of the interest rate sensitivity analysis include:

- cash and cash equivalents (see note 23)
- some of the listed debt securities and managed funds (see note 20) carried at fair value that bear interest at fixed rate
- some of the listed debt securities and managed funds (see note 20) that bear interest at floating rate
- some of the bank and other debts (see note 26) that bear interest at floating rate
- interest bearing loans from non-controlling shareholders (see note 29)

Under these assumptions, the impact of a hypothetical 100 basis points (2022: 100 basis points) increase in market interest rate at 31 December 2023, with all other variables held constant:

– profit for the year would increase by HK$334 million (2022: HK$656 million) due to increased interest income offset with increased interest expense;
– total equity would increase by HK$334 million (2022: HK$656 million) due to increased interest income offset with increased interest expense; and
– total equity would increase by HK$45 million (2022: HK$85 million) due to change in fair value of derivative financial instruments.

41 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

(ii) Foreign currency exchange rate sensitivity analysis

Currency risk as defined by HKFRS 7 arises on financial assets and financial liabilities being denominated in a currency that is not the functional currency and being of a monetary nature. Therefore, non-monetary financial assets and financial liabilities, monetary financial assets and financial liabilities denominated in the entity's functional currency and differences resulting from the translation of financial statements of overseas subsidiaries into the Group's presentation currency are not taken into consideration for the purpose of the sensitivity analysis for currency risk.

The foreign currency exchange rate sensitivity analysis is based on the following assumptions:

Major non-derivative monetary financial assets and financial liabilities are either directly denominated in the functional currency or are transferred to the functional currency through the use of foreign currency swaps and forward foreign exchange contracts. Exchange fluctuations of these monetary financial assets and financial liabilities therefore have no material effects on profit for the year and total equity.

In the cases of derivative financial assets and financial liabilities designated as hedging instruments for hedging currency risks, changes in foreign exchange rates affect their fair values. All currency hedges are expected to be highly effective. Changes in the fair value of foreign currency fair value hedges and changes in the fair value of the hedged items effectively balance out with each other in the consolidated income statement in the same period. As a consequence, these hedging instruments and hedged items are excluded from the foreign currency exchange rate sensitivity analysis as they are not exposed to currency risk as defined in HKFRS 7. Changes in the fair value of foreign currency cash flow hedges resulting from market exchange rate movements affect total equity and are therefore taken into consideration in the sensitivity analysis.

Major financial assets and financial liabilities for the purpose of the foreign currency exchange rate sensitivity analysis include:

- some of the cash and cash equivalents (see note 23)
- some of the liquid funds and other listed investments (see note 20)
- some of the bank and other debts (see note 26)

Under these assumptions, the impact of a hypothetical 5% weakening of HK dollar against all exchange rates at the end of the reporting period, with all other variables held constant, on the Group's profit for the year and total equity is set out in the table below:

41 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

(ii) Foreign currency exchange rate sensitivity analysis (continued)

	2023		2022	
	Hypothetical increase (decrease) in profit for the year	**Hypothetical increase (decrease) in total equity**	Hypothetical increase (decrease) in profit for the year	Hypothetical increase (decrease) in total equity
	HK$ million	**HK$ million**	HK$ million	HK$ million
Euro	**172**	**(264)**	60	(356)
British Pound	**144**	**(1,078)**	356	(807)
Australian dollar	**43**	**(368)**	33	(371)
Renminbi	**68**	**68**	63	63
US dollar	**2,182**	**2,182**	2,921	2,921
Japanese Yen	**(83)**	**(83)**	(89)	(89)

(iii) Other price sensitivity analysis

Other price risk as defined by HKFRS 7 arises from changes in market prices (other than those arising from interest rate risk and currency risk as detailed in "interest rate exposure" and "foreign currency exposure" paragraphs above) on financial assets and financial liabilities.

The other price sensitivity analysis is based on the assumption that changes in market prices (other than those arising from interest rate risk and currency risk) of financial assets and financial liabilities only affect profit for the year or total equity if these financial assets and financial liabilities are measured at the fair values. Accordingly, all non-derivative financial assets and financial liabilities carried at amortised cost are excluded from the other price sensitivity analysis as they are not subject to other price risk as defined in HKFRS 7.

Major financial assets and financial liabilities for the purpose of the other price sensitivity analysis include:

- financial assets at FVOCI (see note 20)

Under these assumptions, the impact of a hypothetical 5% increase in the market price of the Group's financial assets at FVOCI at the end of the reporting period, with all other variables held constant:

– no impact to profit for the year (2022: nil), and consequently no impact to total equity for the year (2022: nil); and
– other comprehensive income would increase by HK$787 million (2022: HK$803 million) due to the increase in gains on financial assets at FVOCI, and consequently, total equity would increase by the same amount for both years.

41 Financial risk management (continued)

(g) Contractual maturities of financial liabilities

The following tables detail the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted principal cash flows and the earliest date the Group can be required to pay:

Non-derivative financial liabilities:

	Contractual maturities					
	Within 1 year	After 1 year, but within 5 years	After 5 years	Total undiscounted cash flows	Difference from carrying amounts	Carrying amounts
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 31 December 2023						
Trade payables	23,017	–	–	23,017	–	23,017
Expenses and other accruals	36,471	–	–	36,471	–	36,471
Other payables	16,888	–	–	16,888	–	16,888
Interest free loans from non-controlling shareholders	438	–	–	438	–	438
Lease liabilities	14,951	32,804	38,837	86,592	(18,669)	67,923
Bank loans	24,484	65,036	–	89,520	(240)	89,280
Other loans	154	14	58	226	–	226
Notes and bonds	33,755	68,470	79,430	181,655	761	182,416
Interest bearing loans from non-controlling shareholders	726	2,128	391	3,245	–	3,245
Obligations for telecommunications licences and other rights	624	2,059	2,283	4,966	(351)	4,615
Liabilities relating to the economic benefits agreements	–	2,166	–	2,166	–	2,166
Amounts due to associated companies	543	–	–	543	–	543
Amounts due to joint ventures	310	–	–	310	–	310
	152,361	172,677	120,999	446,037	(18,499)	427,538

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK$9,366 million in "within 1 year" maturity band, HK$21,465 million in "after 1 year, but within 5 years" maturity band, and HK$17,862 million in "after 5 years" maturity band. These estimates are calculated assuming the effect of hedging transactions and interest rates with respect to variable rate financial liabilities remain constant and there is no change in the aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

41 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

Derivative financial liabilities:

	Contractual maturities			
	Within 1 year HK$ million	After 1 year, but within 5 years HK$ million	After 5 years HK$ million	Total undiscounted cash flows HK$ million
At 31 December 2023				
Fair value hedges				
Collar agreements				
Outflow	(297)	(59)	–	(356)
Cash flow hedges				
Forward foreign exchange contracts				
Net outflow	(2)	–	–	(2)
Other contracts				
Outflow	(113)	(1)	–	(114)
Net investment hedges				
Forward foreign exchange contracts				
Inflow	25,680	–	–	25,680
Outflow	(26,750)	–	–	(26,750)
Cross currency swaps				
Inflow	45	3,442	–	3,487
Outflow	–	(3,879)	–	(3,879)

41 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

Non-derivative financial liabilities:

	Contractual maturities					
	Within 1 year	After 1 year, but within 5 years	After 5 years	Total undiscounted cash flows	Difference from carrying amounts	Carrying amounts
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 31 December 2022						
Trade payables	21,356	–	–	21,356	–	21,356
Expenses and other accruals	35,995	–	–	35,995	–	35,995
Other payables	21,419	–	–	21,419	–	21,419
Interest free loans from non-controlling shareholders	472	–	–	472	–	472
Lease liabilities	13,063	30,683	39,922	83,668	(17,609)	66,059
Bank loans	40,697	53,806	–	94,503	(235)	94,268
Other loans	4	166	59	229	–	229
Notes and bonds	29,505	76,860	82,510	188,875	954	189,829
Interest bearing loans from non-controlling shareholders	743	1,824	–	2,567	–	2,567
Obligations for telecommunications licences and other rights	682	1,585	2,128	4,395	(406)	3,989
Liabilities relating to the economic benefits agreements	–	2,166	–	2,166	–	2,166
Amounts due to associated companies	569	–	–	569	–	569
Amounts due to joint ventures	319	–	–	319	–	319
	164,824	167,090	124,619	456,533	(17,296)	439,237

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK$7,129 million in "within 1 year" maturity band, HK$16,905 million in "after 1 year, but within 5 years" maturity band, and HK$17,046 million in "after 5 years" maturity band. These estimates are calculated assuming the effect of hedging transactions and interest rates with respect to variable rate financial liabilities remain constant and there is no change in the aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

41 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

Derivative financial liabilities:

	Contractual maturities			
	Within 1 year HK$ million	After 1 year, but within 5 years HK$ million	After 5 years HK$ million	Total undiscounted cash flows HK$ million
At 31 December 2022				
Cash flow hedges				
Forward foreign exchange contracts				
Net outflow	(2)	–	–	(2)
Other contracts				
Outflow	(151)	–	–	(151)
Net investment hedges				
Forward foreign exchange contracts				
Inflow	22,223	–	–	22,223
Outflow	(23,187)	–	–	(23,187)
Cross currency swaps				
Inflow	48	3,494	–	3,542
Outflow	–	(3,735)	–	(3,735)
Other derivative financial instruments				
Net outflow	(821)	–	–	(821)

(h) In accordance with the disclosure requirement of HKFRS 7, the Group's financial instruments resulted in the following income, expenses and gains and losses recognised in the consolidated income statement:

	2023 HK$ million	2022 HK$ million
Dividends from equity securities at FVOCI – related to investments held at the end of the reporting period	**142**	119
Interest from debt securities at FVOCI	**104**	94
Interest from cash and cash equivalents held at amortised cost	**5,616**	2,017
Fair value losses on equity securities at fair value through profit or loss ("FVPL")	**(103)**	(6)
Fair value gains (losses) on debt securities at FVPL	**13**	(15)
Net impairment expense recognised on trade receivables	**(612)**	(937)
Losses arising on derivatives in a designated fair value hedge	**–**	(4)
Gains arising on adjustment for hedged items in a designated fair value hedge	**–**	4

41 Financial risk management (continued)

(i) Hedge accounting

(i) Fair value hedges

Hedging instruments	Number of hedged shares in million	Carrying amount of the hedging instrument HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedging instrument is included
	2023			
Collar agreements	27.3	(356)	(543)	Trade payables and other current liabilities / Other non-current liabilities

Hedged items	Carrying amount of the hedged item HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedged item is included
	2023		
Listed equity securities, outside Hong Kong	8,391	1,140	Liquid funds and other listed investments

Hedging instruments	Number of hedged shares in million	Carrying amount of the hedging instrument HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedging instrument is included
	2022			
Collar agreements	32.4	216	216	Liquid funds and other listed investments

Hedged items	Carrying amount of the hedged item HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedged item is included
	2022		
Listed equity securities, outside Hong Kong	8,317	(1,409)	Liquid funds and other listed investments

41 Financial risk management (continued)

(i) Hedge accounting (continued)

(ii) Cash flow hedges

	2023							
					Carrying amount of derivatives included in			
Hedging instruments	Receive average contracted interest rate Percentage	Pay average contracted interest rate Percentage	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Interest rate swaps								
– receive floating and pay fixed maturing in								
2025	5.14%	3.58%	AUD 509	2,718	–	40	–	–
2025	6.45%	5.69%	NZD 150	743	–	12	–	–
				3,461	–	52	–	–
Cross currency interest rate swaps								
– receive fixed and pay fixed maturing in								
2027	2.00%	0.05%	GBP 500	4,970	–	150	–	–
				4,970	–	150	–	–

	2023						
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Forward foreign exchange contracts maturing in							
2024	1.08	US$ 13	98	–	–	(2)	–
			98	–	–	(2)	–

	2023		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Interest rate risk	185	(41)	–
Foreign exchange risk	558	(328)	–

41 Financial risk management (continued)

(i) Hedge accounting (continued)

(ii) Cash flow hedges (continued)

	2022							
					Carrying amount of derivatives included in			
Hedging instruments	Receive average contracted interest rate Percentage	Pay average contracted interest rate Percentage	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Interest rate swaps								
– receive floating and pay fixed maturing in								
2023	2.95%	0.94%	US$ 1,000	7,800	153	–	–	–
2025	3.81%	3.58%	AUD 509	2,682	–	64	–	–
2025	5.43%	5.13%	NZD 150	738	–	20	–	–
				11,220	153	84	–	–
Cross currency interest rate swaps								
– receive floating and pay fixed maturing in								
2023	2.37%	0.05%	US$ 1,300	10,140	277	–	–	–
– receive fixed and pay fixed maturing in								
2023	2.75%	0.03%	US$ 750	5,850	345	–	–	–
2027	2.00%	0.05%	GBP 500	4,730	–	132	–	–
				20,720	622	132	–	–

	2022						
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Forward foreign exchange contracts maturing in							
2023	0.94	EUR 85	709	1	–	–	–
2023	1.01	US$ 4	35	–	–	(2)	–
			744	1	–	(2)	–

	2022		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Interest rate risk	(362)	(226)	–
Foreign exchange risk	(1,107)	(886)	–

41 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges

	2023						
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Forward foreign exchange contracts maturing in							
2024	5.76	CAD 792	4,686	10	–	(101)	–
2024	4.99	AUD 159	851	–	–	(58)	–
2024	4.63	NZD 280	1,386	92	–	–	–
2024	9.54	GBP 2,487	24,725	99	–	(906)	–
2024	8.55	EUR 65	560	–	–	(7)	–
			32,208	201	–	(1,072)	–
Cross currency swaps maturing in							
2024 – 2025	4.57	CAD 447	2,649	60	20	–	–
2024 – 2027	8.45	EUR 965	8,318	276	24	–	(465)
2027	5.86	AUD 1,415	7,555	–	528	–	–
			18,522	336	572	–	(465)

	2023		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in hedging reserve/ exchange reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve/ exchange reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Foreign investments	1,733	(6,970)	(716)

41 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges (continued)

	2022						
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Cross currency interest rate swaps maturing in							
2023	9.57	GBP 583	5,518	112	–	–	–
			5,518	112	–	–	–
Forward foreign exchange contracts maturing in							
2023	5.79	CAD 677	3,884	27	–	(13)	–
2023	4.89	AUD 159	840	–	–	(65)	–
2023	4.64	NZD 280	1,378	–	–	(81)	–
2023	9.13	GBP 2,487	23,531	15	–	(732)	–
2023	8.42	EUR 65	540	2	–	–	–
			30,173	44	–	(891)	–
Cross currency swaps maturing in							
2023 – 2025	6.07	CAD 447	2,568	9	112	–	–
2024 – 2027	8.31	EUR 965	8,010	–	470	–	(314)
2027	5.86	AUD 1,415	7,456	–	582	–	–
			18,034	9	1,164	–	(314)

	2022		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in hedging reserve/ exchange reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve/ exchange reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Foreign investments	(4,333)	(8,703)	(716)

41 Financial risk management (continued)

(j) Carrying amounts and fair values of financial assets and financial liabilities

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows:

			2023		2022	
	Note	Classification under HKFRS 9	**Carrying amounts HK$ million**	**Fair values HK$ million**	Carrying amounts HK$ million	Fair values HK$ million
Financial assets						
Liquid funds and other listed investments						
Cash and cash equivalents (included in Managed funds)	20	Amortised cost	**50**	**50**	40	40
Listed equity securities, Hong Kong	20	FVOCI	**608**	**608**	608	608
Listed equity securities, outside Hong Kong	20	FVOCI	**8,589**	**8,589**	8,880	8,880
Fair value hedges – Collar agreements	20	Fair value – hedges	**–**	**–**	216	216
Listed debt securities (included in Managed funds)	20	FVOCI	**6,539**	**6,539**	6,359	6,359
Unlisted investments						
Unlisted equity securities	21	FVOCI	**2,189**	**2,189**	2,451	2,451
Unlisted equity securities	21	FVPL	**369**	**369**	417	417
Unlisted debt securities	21	FVPL	**604**	**604**	555	555
Derivative financial instruments						
Cash flow hedges						
Interest rate swaps	21 & 24	Fair value – hedges	**52**	**52**	237	237
Cross currency interest rate swaps	21 & 24	Fair value – hedges	**150**	**150**	754	754
Forward foreign exchange contracts	24	Fair value – hedges	**–**	**–**	1	1
Other contracts	21 & 24	Fair value – hedges	**26**	**26**	3,248	3,248
Net investment hedges						
Cross currency interest rate swaps	24	Fair value – hedges	**–**	**–**	112	112
Forward foreign exchange contracts	24	Fair value – hedges	**201**	**201**	44	44
Cross currency swaps	21 & 24	Fair value – hedges	**908**	**908**	1,173	1,173
Lease receivables	21	Amortised cost	**507**	**507**	542	542
Cash and cash equivalents	23	Amortised cost	**127,323**	**127,323**	138,085	138,085
Trade receivables	24	Amortised cost	**16,297**	**16,297**	14,945	14,945
Other receivables	24	Amortised cost	**13,491**	**13,491**	13,433	13,433
Amounts due from associated companies	17	Amortised cost	**3,435**	**3,435**	3,542	3,542
Amounts due from joint ventures	18	Amortised cost	**22,377**	**22,377**	29,792	29,792
			203,715	**203,715**	225,434	225,434

41 Financial risk management (continued)

(j) Carrying amounts and fair values of financial assets and financial liabilities (continued)

	Note	Classification under HKFRS 9	2023 Carrying amounts HK$ million	2023 Fair values HK$ million	2022 Carrying amounts HK$ million	2022 Fair values HK$ million
Financial liabilities						
Bank and other debts [i]	26	Amortised cost	**271,922**	**258,853**	284,326	265,418
Trade payables	27	Amortised cost	**23,017**	**23,017**	21,356	21,356
Derivative financial instruments						
Fair value hedges – Collar agreements	27 & 31	Fair value – hedges	**356**	**356**	–	–
Cash flow hedges						
Forward foreign exchange contracts	27	Fair value – hedges	**2**	**2**	2	2
Other contracts	27 & 31	Fair value – hedges	**114**	**114**	151	151
Net investment hedges						
Forward foreign exchange contracts	27	Fair value – hedges	**1,072**	**1,072**	891	891
Cross currency swaps	31	Fair value – hedges	**465**	**465**	314	314
Other derivative financial instruments	27	FVPL	**–**	**–**	795	795
Interest free loans from non-controlling shareholders	27	Amortised cost	**438**	**438**	472	472
Expenses and other accruals	27	Amortised cost	**36,471**	**36,471**	35,995	35,995
Other payables	27	Amortised cost	**16,888**	**16,888**	21,419	21,419
Lease liabilities	13	Amortised cost	**67,923**	**67,923**	66,059	66,059
Interest bearing loans from non-controlling shareholders	29	Amortised cost	**3,245**	**3,245**	2,567	2,567
Obligations for telecommunications licences and other rights	27 & 31	Amortised cost	**4,615**	**4,615**	3,989	3,989
Liabilities relating to the economic benefits agreements	31	Amortised cost	**2,166**	**2,166**	2,166	2,166
Amounts due to associated companies	17	Amortised cost	**543**	**543**	569	569
Amounts due to joint ventures	18	Amortised cost	**310**	**310**	319	319
			429,547	**416,478**	441,390	422,482

(i) The fair values of the bank and other debts are based on market quotes or estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

41 Financial risk management (continued)

(j) Carrying amounts and fair values of financial assets and financial liabilities (continued)

	2023		2022	
	Carrying amounts HK$ million	**Fair values HK$ million**	Carrying amounts HK$ million	Fair values HK$ million
Representing:				
Financial assets measured at				
Amortised cost	**183,480**	**183,480**	200,379	200,379
FVOCI	**17,925**	**17,925**	18,298	18,298
FVPL	**973**	**973**	972	972
Fair value – hedges	**1,337**	**1,337**	5,785	5,785
	203,715	**203,715**	225,434	225,434
Financial liabilities measured at				
Amortised cost	**427,538**	**414,469**	439,237	420,329
FVPL	**–**	**–**	795	795
Fair value – hedges	**2,009**	**2,009**	1,358	1,358
	429,547	**416,478**	441,390	422,482

(k) Fair value measurements

(i) Financial assets and financial liabilities measured at fair value

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

41 Financial risk management (continued)

(k) Fair value measurements (continued)

(i) Financial assets and financial liabilities measured at fair value (continued)

Fair value hierarchy (continued)

		2023				2022			
	Note	Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million	Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million
Financial assets									
Liquid funds and other listed investments									
Listed equity securities, Hong Kong	20	**608**	**–**	**–**	**608**	608	–	–	608
Listed equity securities, outside Hong Kong	20	**8,589**	**–**	**–**	**8,589**	8,880	–	–	8,880
Fair value hedges – Collar agreement	20	**–**	**–**	**–**	**–**	–	–	216	216
Listed debt securities (included in Managed funds)	20	**6,539**	**–**	**–**	**6,539**	6,359	–	–	6,359
Unlisted investments									
Unlisted equity securities – FVOCI	21	**–**	**–**	**2,189**	**2,189**	–	–	2,451	2,451
Unlisted equity securities – FVPL	21	**–**	**46**	**323**	**369**	–	46	371	417
Unlisted debt securities	21	**–**	**–**	**604**	**604**	–	–	555	555
Derivative financial instruments									
Cash flow hedges									
Interest rate swaps	21 & 24	**–**	**52**	**–**	**52**	–	237	–	237
Cross currency interest rate swaps	21 & 24	**–**	**150**	**–**	**150**	–	754	–	754
Forward foreign exchange contracts	24	**–**	**–**	**–**	**–**	–	1	–	1
Other contracts	21 & 24	**–**	**26**	**–**	**26**	–	3,248	–	3,248
Net investment hedges									
Cross currency interest rate swaps	24	**–**	**–**	**–**	**–**	–	112	–	112
Forward foreign exchange contracts	24	**–**	**201**	**–**	**201**	–	44	–	44
Cross currency swaps	21 & 24	**–**	**908**	**–**	**908**	–	1,173	–	1,173
		15,736	**1,383**	**3,116**	**20,235**	15,847	5,615	3,593	25,055
Financial liabilities									
Derivative financial instruments									
Fair value hedges – Collar agreement	27 & 31	**–**	**–**	**356**	**356**	–	–	–	–
Cash flow hedges									
Forward foreign exchange contracts	27	**–**	**2**	**–**	**2**	–	2	–	2
Other contracts	27 & 31	**–**	**114**	**–**	**114**	–	151	–	151
Net investment hedges									
Forward foreign exchange contracts	27	**–**	**1,072**	**–**	**1,072**	–	891	–	891
Cross currency swaps	31	**–**	**465**	**–**	**465**	–	314	–	314
Other derivative financial instruments	27	**–**	**–**	**–**	**–**	–	795	–	795
		–	**1,653**	**356**	**2,009**	–	2,153	–	2,153

41 Financial risk management (continued)

(k) Fair value measurements (continued)

(i) Financial assets and financial liabilities measured at fair value (continued)

Fair value hierarchy (continued)

The fair value of financial assets and financial liabilities that are not traded in active market is determined by using valuation techniques. Specific valuation techniques used to value financial assets and financial liabilities include discounted cash flow analysis, are used to determine fair value for the financial assets and financial liabilities.

During the year ended 31 December 2023 and 2022, there were no transfer between the Level 1 and Level 2 fair value measurements, and no transfer into or out of Level 3 from or to Level 1 or Level 2 fair value measurements.

Level 3 fair values

The movements of the balance of financial assets and financial liabilities measured at fair value based on Level 3 are as follows:

	2023 **HK$ million**	2022 HK$ million
At 1 January	**3,593**	3,057
Total gains (losses) recognised in		
Income statement	**(90)**	(21)
Other comprehensive income	**(796)**	44
Additions	**75**	561
Disposals	**(74)**	–
Exchange translation differences	**52**	(48)
At 31 December	**2,760**	3,593
Total losses recognised in income statement relating to those financial assets and financial liabilities held at the end of the reporting period	**(90)**	(21)

The fair value of financial assets and financial liabilities that are grouped under Level 3 is determined by using valuation techniques including discounted cash flow analysis. In determining fair value, specific valuation techniques are used with reference to inputs such as dividend stream and other specific input relevant to those particular financial assets and financial liabilities.

Changing unobservable inputs used in Level 3 valuation to reasonable alternative assumptions would not have significant impact on the Group's profit or loss.

41 Financial risk management (continued)

(k) Fair value measurements (continued)

(ii) Financial assets and financial liabilities that are not measured at fair value but fair value disclosures are required

Except for bank and other debts as detailed in the table 41(j) above, the carrying amounts of the financial assets and financial liabilities recognised in the consolidated statement of financial position approximate their fair values.

Fair value hierarchy

The table below analyses the fair value measurements disclosures for bank and other debts. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used.

	Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million
At 31 December 2023				
Bank and other debts	**165,755**	**93,098**	**–**	**258,853**
At 31 December 2022				
Bank and other debts	167,251	98,167	–	265,418

The fair value of the bank and other debts included in Level 2 category above are estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

41 Financial risk management (continued)

(l) Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

The following tables set out the carrying amounts of recognised financial assets and recognised financial liabilities that:

(1) are offset in the Group's consolidated statement of financial position; or

(2) are subject to an enforceable master netting arrangements or similar agreements that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

	Gross amounts of recognised financial assets (liabilities)	Gross amounts offset in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position		Net amounts
				Financial assets (liabilities)	Cash collateral pledged (received)	
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 31 December 2023						
Financial assets						
Trade receivables	43	(43)	–	–	–	–
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	24	–	24	(24)	–	–
Other receivables and prepayments	231	(104)	127	–	–	127
	298	(147)	151	(24)	–	127
Financial liabilities						
Trade payables	(937)	43	(894)	–	–	(894)
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	(465)	–	(465)	24	–	(441)
Other payables and accruals	(104)	104	–	–	–	–
	(1,506)	147	(1,359)	24	–	(1,335)
At 31 December 2022						
Financial assets						
Trade receivables	314	(314)	–	–	–	–
Derivative financial instruments						
Net investment hedges						
Forward foreign exchange contracts	42	–	42	(42)	–	–
Cross currency swaps	168	–	168	(168)	–	–
Other receivables and prepayments	11	(11)	–	–	–	–
	535	(325)	210	(210)	–	–
Financial liabilities						
Trade payables	(941)	314	(627)	–	–	(627)
Derivative financial instruments						
Net investment hedges						
Forward foreign exchange contracts	(543)	–	(543)	42	–	(501)
Cross currency swaps	(314)	–	(314)	168	–	(146)
Other payables and accruals	(97)	11	(86)	–	–	(86)
	(1,895)	325	(1,570)	210	–	(1,360)

42 Statement of financial position of the Company, as at 31 December 2023

	2023 HK$ million	2022 HK$ million
Non-current assets		
Subsidiary companies – Unlisted shares [(a)]	**355,164**	355,164
Current assets		
Amounts due from subsidiary companies [(b)]	**17,660**	15,575
Other receivables	**1**	1
Cash	**12**	8
Current liabilities		
Other payables and accruals	**97**	101
Net current assets	**17,576**	15,483
Net assets	**372,740**	370,647
Capital and reserves		
Share capital (see note 32(a))	**3,830**	3,830
Share premium (see note 32(a))	**242,972**	242,972
Reserves – Retained profit [(c)]	**125,938**	123,845
Shareholders' funds	**372,740**	370,647

Fok Kin Ning, Canning
Director

Frank John Sixt
Director

42 Statement of financial position of the Company, as at 31 December 2023 (continued)

(a) Particulars regarding the principal subsidiary companies are set forth on pages 267 to 270.

(b) Amounts due from subsidiary companies are interest-free, unsecured and repayable on demand.

(c) Reserves – Retained profit

	HK$ million
At 1 January 2022	121,216
Profit for the year	12,978
Buy-back and cancellation of issued shares (see note 32(a)(i))	4
Dividends paid relating to 2021	(7,132)
Dividends paid relating to 2022	(3,221)
At 31 December 2022	**123,845**
Profit for the year	**12,963**
Unclaimed dividends write back	**15**
Dividends paid relating to 2022	**(7,989)**
Dividends paid relating to 2023	**(2,896)**
At 31 December 2023	**125,938**

(d) The Company does not have an option scheme for the purchase of ordinary shares in the Company.

(e) The net profit of the Company is HK12,963 million (2022: HK$12,978 million) and is included in determining the profit attributable to ordinary shareholders of the Company in the consolidated income statement.

(f) At 31 December 2023, the Company's share premium and retained profit amounted to HK$242,972 million (2022: HK$242,972 million) and HK$125,938 million (2022: HK$123,845 million) respectively, and subject to a solvency test, they are available for distribution to shareholders.

43 Subsequent events

Saved as disclosed elsewhere in the Annual Financial Statements, no event occurring up to the date of approval of the Annual Financial Statements has been identified that may require material adjustment of, or disclosure in, these financial statements.

44 US dollar equivalents

Amounts in these financial statements are stated in Hong Kong dollar (HK$), the functional currency of the Company. The translation into US dollar (US$) of these financial statements as of, and for the year ended, 31 December 2023, is for convenience only and has been made at the rate of HK$7.8 to US$1. This translation should not be construed as a representation that the Hong Kong dollar amounts actually represented have been, or could be, converted into US dollar at this or any other rate.

45 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million currency units unless otherwise stated.

46 Significant judgements, estimates and assumptions

In applying the Group's accounting policies, the directors are required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements and assumptions are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstance. Although our current estimates contemplate current and, as applicable, expected future conditions, it is reasonably possible that actual achievements, results, performance or other future events or conditions could differ from those on which the estimates are based. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Significant judgements in applying the Group's accounting policies

The following are the significant judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(i) Basis of consolidation and classification of investee entities

The determination if the Group has control, joint control or significant influence over another entity will require exercise of judgement under certain circumstances. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group also considers, in particular, whether it obtains benefits, including non-financial benefits, from its power to control the entity. As such, the classification of the entity as a subsidiary, a joint venture, a joint operation, an associated company or a cost investment might require the application of judgement through the analysis of various indicators, such as the practical ability to direct the relevant activities of the investee, the participation in policy-making processes of the investee, the representation on the board of directors or equivalent governing body of the investee, the percentage of ownership interest held in the investee, and various other factors including, if relevant, the existence of agreement with other shareholders, applicable statutes and regulations and their requirements.

(ii) Allocation of revenue for bundled telecommunications transactions with customers

The Group has bundled transactions under contract with customers including sales of both services and hardware (for example handsets). Revenue is allocated to the respective element in an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services and device. Device revenue is recognised at the inception of the contract upon delivery to the customer and services revenue is recognised throughout the contract period as the services are provided. Significant judgement is required in assessing fair values of both of these elements by considering inter alia, standalone selling price, the consideration to which the Group expects to be entitled in exchange for transferring the services and hardware to the customer, and other relevant observable market data. Changes in the allocation may cause the revenue recognised for sales of services and hardware to change individually but not the total bundled revenue from a specific customer throughout its contract term. The Group periodically re-assesses the allocation of the elements as a result of changes in market conditions.

46 Significant judgements, estimates and assumptions (continued)

(a) Significant judgements in applying the Group's accounting policies (continued)

(iii) Determination of lease term

Lease term is the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 31 December 2023, potential future cash outflows of HK$8,635 million (2022: HK$8,385 million) (undiscounted) have not been included in calculating the lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(iv) Business combinations

As disclosed in note 47(c)(iv), the Group applies the provisions of HKFRS 3 to transactions and other events that meet the definition of a business combination within the scope of HKFRS 3. When the Group completes a business combination, the identifiable assets acquired and the liabilities assumed, including intangible assets, contingent liabilities and commitments, are recognised at their fair value. Judgement is required to determine the fair values of the assets acquired, the liabilities assumed, the date of acquisition, and the purchase consideration, and on the allocation of the purchase consideration to the identifiable assets and liabilities. If the purchase consideration exceeds the fair value of the net assets acquired then the incremental amount paid is recognised as goodwill. If the purchase price consideration is lower than the fair value of the net assets acquired then the difference is recorded as a gain in the consolidated income statement. Allocation of the purchase consideration between finite lived assets and indefinite lived assets such as goodwill affects the subsequent results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its estimates and assumptions on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Revisions to accounting estimates and assumptions are recognised prospectively and could impact fair value and carrying amounts of assets and liabilities, amount and timing of results of operations and cash flows in future periods.

46 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(i) Impairment of goodwill and long-lived assets

Goodwill and intangible assets that have an indefinite useful life (including telecommunication licences and brand names) are not subject to amortisation and are tested for impairment annually and when there is an indication that the asset may be impaired. Other assets are reviewed for impairment to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In assessing whether these assets have suffered any impairment, the carrying value of the asset or its respective business unit, including the goodwill, is compared with its recoverable amount, which is the higher of the fair value less costs of disposal and value-in-use. Fair value is derived, when available and appropriate, by making reference to performance metrics (such as revenue, EBITDA, earnings) and valuation multiples (such as Enterprise value / EBITDA, Enterprise value / Sales, Price / Earnings) of completed transactions of comparable businesses or comparable public companies, or by making reference to traded prices and with consideration for possible premiums, or is measured using discounted cash flow projections (Level 3 of the HKFRS 13 fair value hierarchy). The selection of comparable companies requires management judgement and is based on a number of factors, including comparable companies' location, sizes, growth rates, industries, and development stages.

In determining the value-in-use of the investment, discounted cash flow models will be used to estimate the present value of the estimated future cash flows expected to be generated from the operations and from the ultimate disposal of the investment. The cash flows used in the financial projections (discounted cash flow models) are based on the latest approved financial budgets for the next five years. The Group prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of estimates and assumptions involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Significant estimates and assumptions inherent in the discounted cash flow models include the amount and timing of future cash flows attributable to the respective business unit. Other key estimates and assumptions, where applicable, include the respective business unit's projected revenue, costs, gross margin, inventory level, working capital and capital investments, as well as the discount rate and long term growth rate applied, and the estimated terminal value assumptions.

It is reasonably possible that the judgements, estimates and assumptions described above could change in future periods. Further, unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions. Changes to the judgements, estimates and assumptions can significantly affect the carrying amount of the asset in future periods.

46 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(ii) Impairment assessment on investment accounted for using equity method

Investments accounted for using equity method are subject to impairment testing requirements. The requirements to test for impairment are applied to the net investment in the equity accounted investee. Fair value adjustments and goodwill recognised on acquisitions of equity-accounted investees are not recognised separately. Goodwill recognised on acquisitions of an equity-accounted investee is not subject to annual impairment test. Instead, after applying equity accounting method, the net investment is tested for impairment when there is an indication of possible impairment. The guidance in HKAS 28 "Investments in Associates and Joint Ventures" is used to determine whether it is necessary to perform an impairment test for investments in equity-accounted investees. If there is an indication of impairment, then the impairment test applied follows the principles in HKAS 36 "Impairment of Assets".

In assessing whether these assets have suffered any impairment, the net investment is compared with its recoverable amount, which is the higher of the fair value less costs of disposal and value-in-use. Fair value is derived, when available and appropriate, by making reference to performance metrics (such as revenue, EBITDA, earnings) and valuation multiples (such as Enterprise value / EBITDA, Enterprise value / Sales, Price / Earnings) of completed transactions of comparable businesses or comparable public companies, or by making reference to traded prices and with consideration for possible premiums, or, where financial projections are available, is measured using discounted cash flow projections (Level 3 of the HKFRS 13 fair value hierarchy). The selection of comparable companies requires management judgement and is based on a number of factors, including comparable companies' location, sizes, growth rates, industries, and development stages.

In determining the value-in-use of the investment in an equity-accounted investee, discounted cash flow models will be used to estimate (i) the Group's share of the present value of the estimated future cash flows expected to be generated by the associated company or joint venture, including the cash flows from the operations of the associated company or joint venture and from the ultimate disposal of the investment; or (ii) the present value of the estimated future cash flows to the Group expected to arise from dividends to be received from the investment and from its ultimate disposal.

Significant estimates and assumptions inherent in the discounted cash flow models include the amount and timing of future cash flows attributable to the estimated future cash flows expected to be generated by the associated company or joint venture, including the cash flows from the operations of the associated company or joint venture, the present value of the estimated future cash flows to the Group expected to arise from dividends to be received from the investment and the ultimate disposal of the investment. Other key estimates and assumptions, where applicable, include estimates of the investee's projected revenue, costs, gross margin, inventory level, working capital and capital investments, as well as the discount rate and long term growth rate applied, and, where applicable, dividend yield, and the estimated terminal value assumptions.

It is reasonably possible that the judgements, estimates and assumptions described above could change in future periods. Further, unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions. Changes to the judgements, estimates and assumptions can significantly affect the carrying amount of the investment in future periods.

46 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(iii) Pension costs and estimation of defined benefit pension obligation

The Group operates several defined benefit plans. Pension costs for defined benefit plans are assessed using the projected unit credit method in accordance with HKAS 19, "Employee Benefits". Under this method, the cost of providing pensions is charged to the consolidated income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The liability or asset recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The present value of the defined benefit obligation is measured by discounting the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations. Remeasurements arising from defined benefit plans are recognised in other comprehensive income in the period in which they occur and reflected immediately in retained profit. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Management appoints actuaries to carry out full valuations of these pension plans to determine the pension obligations that are required to be disclosed and accounted for in the financial statements in accordance with the HKFRS requirements.

The actuaries use assumptions and estimates in determining the fair value of the defined benefit plans and evaluate and update these assumptions on an annual basis. Judgement is required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

(iv) Provisions for commitments, onerous contracts and other guarantees

The Group has entered into a number of procurement, supply and other contracts related to specific assets in the ordinary course of its business and provided guarantees in respect of bank and other borrowing facilities to associated companies and joint ventures. Where the unavoidable costs of meeting the obligations under these procurement and supply contracts exceed the associated, expected future net benefits, an onerous contract provision is recognised, or where the borrowing of associated companies and joint ventures are assessed to be unable to repay the indebtedness that the Group has guaranteed, a provision is recognised. The calculation of these provisions will involve the use of estimates and assumptions. These onerous provisions are calculated by taking the unavoidable costs that will be incurred under the contract and deducting any estimate revenues or predicted income to be derived from the assets, or by taking the unavoidable costs that will be incurred under the guarantee and deducting any estimated recoverable value from the investment in such associated companies and joint ventures.

46 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(v) Provision for income tax and recognition of deferred tax asset

The Group is subject to income taxes in numerous jurisdictions. Significant judgement and estimate are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were previously recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilised, based on all available evidence. Recognition primarily involves judgement regarding the future financial performance of the particular legal entity or tax group. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, group relief, tax planning strategies and the periods in which estimated tax losses can be utilised.

The ultimate realisation of deferred tax assets recognised for certain of the Group's businesses depends principally on these businesses maintaining profitability and generating sufficient taxable profits to utilise the underlying unused tax losses. It may be necessary for some or all of the deferred tax assets recognised to be reduced and charged to the consolidated income statement if there is a significant adverse change in the projected performance and resulting projected taxable profits of these businesses. Judgement is required to determine key assumptions adopted in the taxable profit and loss projections and changes to key assumptions used and estimates made can significantly affect these taxable profit and loss projections.

(vi) Estimation of useful life: Fixed assets

Depreciation of operating assets constitutes a substantial operating cost for the Group. The cost of fixed assets is charged as depreciation expense over the estimated useful lives of the respective assets using the straight-line method. The Group periodically reviews changes in technology and industry conditions, asset retirement activity and residual values to determine adjustments to estimated remaining useful lives and depreciation rates. Actual economic lives may differ from estimated useful lives. Periodic reviews could result in a change in depreciable lives and therefore depreciation expense in future periods.

(vii) Estimation of useful life: Telecommunications licences, other licences, brand names, trademarks and other rights

Telecommunications licences, other licences, brand names, trademarks and other rights with a finite useful life are carried at cost less accumulated amortisation and are reviewed for impairment annually. Telecommunications licences, other licences, brand names, trademarks and other rights that are considered to have an indefinite useful life are not amortised and are tested for impairment annually and when there is an indication that they may be impaired. Certain brand names related to Retail and Telecommunications are considered to have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate net cash inflows.

Judgement is required to estimate the useful lives of the telecommunications licences, other licences, brand names, trademarks and other rights. The actual economic lives of these assets may differ from the current contracted or expected usage periods, which could impact the amount of amortisation expense charged to the income statement. In addition, governments from time to time revise the terms of licences to change, amongst other terms, the contracted or expected licence period, which could also impact the amount of amortisation expense charged to the consolidated income statement.

46 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(viii) Estimation of the amortisation period: Customer acquisition and retention costs

In accordance with HKFRS 15, customer acquisition and retention costs, which comprise the net costs to acquire and retain customers, are expensed and recognised in the consolidated income statement in the period in which they are incurred, where (i) the costs are incurred; (ii) the costs are incremental of obtaining a contract and they are expected to be recovered; and (iii) the costs relate directly to the contract, generate resources used in satisfying the contract and are expected to be recovered, then they are capitalised and amortised over the customer contract period. Appropriate allowances are recognised if the carrying amounts of the capitalised costs exceed the remaining amount that the Group expects to receive less any directly related costs that have not been recognised as expenses.

Judgement is required to determine the amount of the provision and the amortisation period. The actual amount to be received from the customer and customer period may differ from the expected amount and the contract periods, which could impact the amount of expense charged to the consolidated income statement.

(c) Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

47 Summary of material accounting policies

(a) Standards adopted during the year ended 31 December 2023

The Group applied for the first-time certain standards and amendments to HKFRS issued by HKICPA, which are effective for annual periods beginning on or after 1 January 2023.

(i) Disclosure of Accounting Policies – Amendments to HKAS 1 Presentation of Financial Statements and HKFRS Practice Statement 2 Making Materiality Judgements

The HKICPA amended HKAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

To support this amendment, the HKICPA also amended HKFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

47 Summary of material accounting policies (continued)

(a) Standards adopted during the year ended 31 December 2023 (continued)

(ii) Definition of Accounting Estimates – Amendments to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments clarify the distinction between changes in accounting policies and changes in accounting estimates. Among other things, the amendments now define accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty, and clarify that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates unless they result from the correction of prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. Entities are required to apply the amendments prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments. The amendments had no impact on the Group's consolidated financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to HKAS 12 Income Taxes

The amendments narrow the scope of the initial recognition exemption in HKAS 12 so that entities will need to recognise additional deferred tax assets and deferred tax liabilities on transactions that, on initial recognition, give rise to equal amounts of taxable and deducible temporary differences. Entities should apply the amendments to recognise deferred tax for all temporary differences related to leases and decommissioning obligations at the beginning of the earliest comparative period, with any cumulative effect recognised as an adjustment to retained earnings or other component of equity at that date. The amendments are applied prospectively to other transactions that occur on or after the beginning of the earliest comparative period presented. The amendments had no impact on the Group's consolidated financial statements.

(iv) International Tax Reform – Pillar Two Model Rules – Amendments to HKAS 12 Income Taxes

The amendments clarify the application of HKAS 12 to income taxes arising from tax law enacted or substantively enacted to implement the OECD / G20 Inclusive Framework on Base Erosion and Profit Shifting Pillar Two model rules ("Pillar Two income taxes").

The amendments provide a mandatory temporary exception from recognising and disclosing deferred tax assets and liabilities arising from implementation of the OECD's Pillar Two model rules. The amendments also introduce targeted disclosure requirements for affected companies and require entities to disclose:

- the fact that they have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes;
- their current tax expense (if any) related to the Pillar Two income taxes; and
- during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, known or reasonably estimable information that would help users of financial statements to understand an entity's exposure to Pillar Two income taxes arising from that legislation. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.

The amendments are required to be applied immediately (subject to any local endorsement processes) and retrospectively in accordance with HKAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors". In adopting these amendments the Group has applied the mandatory temporary exception from recognising and disclosing information about deferred tax assets and liabilities arising from implementation of the OECD's Pillar Two model rules. In addition, the amendments have had an impact on the Group's disclosures of certain information about the Group's exposure to Pillar Two income taxes arising from that legislation. Other than these, the amendments do not have an impact on the measurement and recognition of any items in the Group's financial statements.

Other than these changes, the accounting policies and methods of computation used in the preparation of the Annual Financial Statements are consistent with those used in the 2022 Annual Financial Statements.

47 Summary of material accounting policies (continued)

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting year and have not been early adopted by the Group. The adoption of these standards and interpretations in future periods is not expected to have a material impact on the financial statements of the Group.

These new / amended accounting standards and interpretations are effective for annual periods beginning after 1 January 2023 and include:

(i) Classification of Liabilities as Current or Non-current – Amendments to HKAS 1

Amendments made to HKAS 1 Presentation of Financial Statements in 2020 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarified what HKAS 1 means when it refers to the 'settlement' of a liability. The amendments were due to be applied from 1 January 2022. However, the effective date was subsequently deferred to 1 January 2023 and then further to 1 January 2024.

(ii) Non-current Liabilities with Covenants – Amendments to HKAS 1

In October 2022, the HKICPA made further amendments to HKAS 1 in response to concerns raised about these changes to the classification of liabilities as current or non-current.

The new amendments clarify that covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability,
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what HKAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current / non-current classification of a convertible note.

The amendments must be applied retrospectively in accordance with the normal requirements in HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

(iii) Lease Liability in a Sale and Leaseback – Amendments to HKFRS 16

In September 2022, the HKICPA finalised narrow-scope amendments to the requirements for sale and leaseback transactions in HKFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

47 Summary of material accounting policies (continued)

(b) New standards and interpretations not yet adopted (continued)

(iv) Lack of Exchangeability – Amendments to HKAS 21

Amendments to HKAS 21 The Effects of Changes in Foreign Exchange Rates specify when a currency is exchangeable into another currency and when it is not, and how an entity determines a spot rate when a currency lacks exchangeability. Under the amendments, entities are required to provide additional disclosures to help users evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

(v) Supplier Finance Arrangements – Amendments to HKAS 7 and HKFRS 7

Amendments to HKAS 7 Statement of Cash Flows and HKFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements ("SFAs") and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of SFAs on an entity's liabilities, cash flows and exposure to liquidity risk.

(vi) Sale or contribution of assets between an investor and its associate or joint venture – Amendments to HKFRS 10 and HKAS 28

The HKICPA has made limited scope amendments to HKFRS 10 Consolidated Financial Statements and HKAS 28 Investments in Associates and Joint Ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associated companies or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associated company or joint venture constitute a 'business' (as defined in HKFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associated company or joint venture. The amendments apply prospectively.

In December 2015, the HKICPA decided to defer the application date of this amendment until such time as the HKICPA has finalised its research project on the equity method.

(c) Summary of material accounting policies

Set out below is a summary of material accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes elsewhere in these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(i) Subsidiary companies

Subsidiaries are entities over which the Group has control. Where an entity is governed by voting rights, the Group consolidates when it holds, directly or indirectly, the necessary voting rights to pass resolutions by the governing body. In other cases, the assessment of control is more complex and requires judgement of other factors, including having exposure to variability of returns, power to direct relevant activities, and whether power is held as agent or principal. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Impairment testing is performed where there is an indication of impairment, by comparing the recoverable amount of the relevant investment to its carrying amount. Indicators of impairment include both external and internal sources of information. Similarly, assessments are made as to whether an impairment loss recognised in prior periods may no longer exist or may have decreased. Where this is the case, such an impairment loss is reversed if there has been a change in the estimate used to determine the relevant recoverable amount since the last impairment loss was recognised, and to the extent that it does not increase the carrying amount above that had no impairment loss been previously recognised.

47 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(ii) Associated companies and joint arrangements

The Group classifies investments in entities over which it has significant influence, and which are neither subsidiaries nor joint arrangements, as associated companies. This is generally the case where the Group holds between 20% and 50% of the voting rights.

Joint arrangements are investments in which the Group, together with one or more parties, has joint control and over which none of the participating parties has unilateral control. Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. Joint ventures arise where the investors have rights to the net assets of the arrangement.

The Group recognises its share of the assets, liabilities and results in a joint operation. Investments in associated companies and interests in joint ventures are recognised using the equity method. The attributable share of the results and reserves of joint ventures and associated companies is included in the consolidated financial statements based on either financial statements made up to 31 December or pro-rated amounts adjusted for any material transactions or events occurring between the date the financial statements are available and 31 December.

Investments in associated companies and joint ventures are assessed at each reporting date and tested for impairment when there is an indication that the investment may be impaired, by comparing the recoverable amount of the relevant investment to its carrying amount. Goodwill on acquisitions of interests in joint ventures and associated companies is not tested separately for impairment, but is assessed as part of the carrying amount of the investment. Previously recognised impairments are assessed for reversal when there are indicators that they may no longer exist or have decreased. Any reversal, which may arise from changes in estimates used to determine the prior impairment loss, is recognised to the extent that it does not increase the carrying amount above that had no impairment loss been previously recognised.

(iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the ordinary shareholders of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified / permitted by applicable HKFRS.

If the ownership interest in a joint venture or an associated company is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

47 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(iv) Business combinations

The Group applies the provisions of HKFRS 3, Business combinations, to transactions and other events that meet the definition of a business combination within the scope of HKFRS 3. Where the acquisition method of accounting is used to account for business combinations, the consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the Group to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. This election is made for each business combination. Acquisition-related costs are generally recognised in profit or loss as incurred.

The difference between the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any pre-existing investment in the acquiree over the acquisition-date fair value of assets acquired and the liabilities assumed is recognised as goodwill. If the consideration transferred and the fair value of pre-existing investment in the acquiree is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the Group, the difference is recognised as a gain directly in profit or loss by the Group on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the Group's previously held equity interest in the acquiree.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Business combinations are initially accounted for on a provisional basis. The Group retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period (see above), based on new information obtained about the facts and circumstances that existed as of the acquisition date.

47 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(v) Goodwill

Goodwill is initially recognised and measured as set out in note 47(c)(iv) Business combinations.

Goodwill is not amortised but is subject to impairment test annually and when there is an indication that the carrying value may not be recoverable. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal (but does not include any attributable goodwill previously eliminated against reserves).

The Group's policy for goodwill arising on the acquisition of an associated company and a joint venture is described in note 47(c)(ii) above.

(vi) Fixed assets

Fixed assets other than freehold lands, are stated at cost less depreciation and any impairment loss. Freehold lands included in land and buildings are not depreciated. Buildings are depreciated on the basis of an expected life of 50 years, or the remainder thereof, or over the remaining period of the lease of the underlying leasehold land, whichever is less. The period of the lease includes the period for which a right to renewal is attached.

Depreciation of other fixed assets is provided on the straight-line basis to write off their costs over their estimated useful lives. The principal annual rates used for these purposes are as follows:

Motor vehicles	20 – 25%
Plant, machinery and equipment	3 1/3 – 20%
Container terminal equipment	3 – 20%
Telecommunications equipment	2.5 – 20%
Leasehold improvements	Over the unexpired period of the lease or 15%, whichever is greater

The gain or loss on disposal or retirement of a fixed asset is the difference between the net sales proceeds and the carrying amount.

(vii) Leases

(I) Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the lease liability and interest on lease liability. The interest on lease liability is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

47 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(vii) Leases (continued)

(I) Group as a lessee (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- lease payments made at or before the commencement date less any lease incentives received;
- initial direct costs and restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture and certain IT-equipment.

Some leases contain variable payment terms that are linked to sales generated from a store. For individual retail stores, lease payments are on the basis of variable payment terms and there is a wide range of sales percentages applied. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(II) Group as a lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. If this is not the case, the lease is classified as an operating lease.

However, when the Group is an intermediate lessor the sublease are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

47 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(viii) Telecommunications licences, other licences, brand names, trademarks and other rights

Separately acquired telecommunications licences, other licences, brand names, trademarks and other rights are carried at historical cost. Telecommunications licences, other licences, brand names, trademarks and other rights that are considered to have indefinite useful lives to the Group are not amortised and are tested for impairment annually and when there is an indication that they may be impaired. Telecommunications licences, other licences, brand names, trademarks and other rights with a finite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of these assets over their estimated useful lives:

Telecommunications licences and other licences	2 to 20 years
Brand names, trademarks and other rights	2 to 45 years

(ix) Customer acquisition and retention costs

Customer acquisition and retention costs ("CACs") comprise the net costs to acquire and retain customers, which are mainly mobile telecommunication customers. CACs are expensed and recognised in the consolidated income statement in the period in which they are incurred, except (i) the costs are incremental of obtaining a contract and they are expected to be recovered; and (ii) the costs relate directly to the contract, generate resources used in satisfying the contract and are expected to be recovered, then they are capitalised and amortised over the customer contract period. Appropriate allowance are recognised if the carrying amounts of the capitalised costs exceed the remaining amount that the Group expects to receive less any directly related costs that have not been recognised as expenses.

(x) Liquid funds and other listed investments and unlisted investments

"Liquid funds and other listed investments" are investments in listed debt securities, listed equity securities and cash and cash equivalents. "Unlisted investments", disclosed under other non-current assets, are investments in unlisted debt securities and unlisted equity securities. These investments are recognised and de-recognised on the date the Group commits to purchase or sell the investments or when they expire.

(I) Measurement

Debt instrument financial assets subsequent to initial recognition are measured as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Financial assets at fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses and reversals, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to, and recognised in, profit or loss.

Financial assets at fair value through profit or loss ("FVPL"): Assets that do not meet the criteria for amortised cost or FVOCI, or designated as FVPL using fair value option, are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in the fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established. Where an election is made to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

47 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(x) Liquid funds and other listed investments and unlisted investments (continued)

(II) Impairment

Under the expected loss approach, the Group assesses on a forward looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model under HKFRS 9 applies to debt instruments measured at amortised cost and at FVOCI, contract assets under HKFRS 15, lease receivables, loan commitments and certain financial guarantee contracts. The Group applies the simplified approach to recognise lifetime expected losses for trade receivables, due from customers and contract assets. As regards lease receivables, loan commitments, financial guarantee contracts, and certain other financial assets (which are presented under Liquid funds and other listed investments, unlisted investments, and other current assets within Trade receivables and other current assets) the Group considers that they have low credit risk and hence recognises 12-month expected credit losses for such items.

(xi) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(xii) Trade and other receivables, and contract assets

Trade receivables are recognised when the Group's right to consideration is unconditional that only the passage of time is required before the payment is due.

Contract assets primarily relate to the Group's rights to consideration for delivered goods or services but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Trade receivables and contract assets are initially recognised at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value, and are subsequently measured at amortised cost using the effective interest rate, less allowance for expected credit losses.

Other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowances for expected credit losses.

(xiii) Borrowings and borrowing costs

Borrowings and debt instruments are initially measured at fair value, net of transaction costs, and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption amount is recognised over the period of the borrowings using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

(xiv) Trade and other payables, and contract liabilities

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Contract liability is recognised in the amount of the prepayment from customers for the Group's performance obligation to transfer, or to stand ready to transfer, goods or services in future. The contract liabilities primarily relate to the advance consideration received from customers, where the Group has the unconditional right to considerations before the goods or services are delivered. They are released and revenues are recognised when the performance obligations are satisfied upon transferring of goods and services to customers.

47 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(xv) Asset impairment

Assets that have an indefinite useful life are tested for impairment annually and when there is an indication that they may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. Such impairment loss is recognised in the consolidated income statement except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that in which case it is treated as a revaluation decrease.

(xvi) Foreign exchange

Transactions in foreign currencies are converted at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities are translated at the rates of exchange ruling at the end of the reporting period.

The financial statements of foreign operations are translated into Hong Kong dollar using the year end rates of exchange for the consolidated statement of financial position items and the average rates of exchange for the year for the income statement items. Exchange differences are recognised in other comprehensive income and accumulated under the heading of exchange reserve. Exchange differences arising from foreign currency borrowings and other currency instruments designated as hedges of such overseas investments, are recognised in other comprehensive income and accumulated under the heading of exchange reserve.

Exchange differences arising from translation of inter-company loan balances between Group entities are recognised in other comprehensive income and accumulated under the heading of exchange reserve when such loans form part of the Group's net investment in a foreign entity. On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associated company that includes a foreign operation), all of the exchange gains or losses accumulated in exchange reserve in respect of that operation attributable to the owners of the Company are transferred out of the exchange reserve and are recognised in the consolidated income statement.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated income statement. For all other partial disposals (i.e. partial disposals of associated companies or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is transferred out of the exchange reserve and are recognised in the consolidated income statement.

For accounting purposes, Argentina is considered a hyper-inflationary economy for accounting periods ended after 1 July 2018. HKAS 29 "Financial Reporting in Hyperinflationary Economies" requires financial statements of these subsidiary companies whose functional currency is Argentine peso to be restated into the current purchasing power at the end of the reporting period before being included in the Group's consolidated financial statements. Under this requirement, transactions during the reporting period and non-monetary balances at the end of the reporting period of these subsidiary companies have been restated to reflect a price index that is current at the consolidated statement of financial position date, using consumer price index published by The National Institute of Statistics and Censuses of Argentina of 3,533 in December 2023 (2022: 1,115) as basis for hyperinflation adjustment calculation. All amounts, including income, expenses, assets, liabilities and equity items are then translated at the closing exchange rate into Hong Kong dollar. The differences from retranslation of opening equity are directly recognised in equity. As required by HKAS 29, comparative amounts of these subsidiary companies included in the comparative consolidated financial statements of the Group are not restated and continue to be those previously presented.

All other exchange differences are recognised in the consolidated income statement.

47 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(xvii) Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

Ports and Related Services

Revenue from the provision of ports and related services is recognised over time when the services are rendered and the Group's performance provides the benefits received and consumed simultaneously by the customer.

Retail

Revenue from the sale of retail goods is recognised at point of sale less an estimate for sales return based on past experience where goods are sold with a right to return. Retail sales are usually settled in cash or by credit card and debit card. The recorded revenue is the gross amount of sales, including credit card fees payable for the transaction.

Infrastructure

Revenue from sales of infrastructure materials is recognised when a performance obligation is satisfied, which is recognised at a point in time, based on the timing of control of the goods underlying the particular performance obligation being transferred to the customer.

Revenue from the provision of waste collection, commercial refuse and recycling services together with refuse transfer station operations and landfill operations is recognised when a performance obligation is satisfied, which is recognised at a point of time, based on the timing of control of the services underlying the particular performance obligation being transferred to the customer.

Telecommunications services

Revenue represents amounts earned for services rendered and for the sale of mobile and related devices. The Group recognises revenue for mobile devices when it transfers the control over the device to the customer which is usually the time the customer signs up to a contract. The Group recognises revenue for mobile telecommunication services as the services are rendered. Monthly recurring charges and additional airtime used by contract customers are invoiced and recorded as part of a periodic billing cycle and recognised as revenue over the related access period. Unbilled revenue resulting from services already provided from the billing cycle date to the end of each period is accrued, and unearned monthly access charges relating to periods after each accounting period are deferred. Products and services may be sold separately or in a bundled transaction. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires.

For bundled transactions under contract comprising the provision of telecommunications services and sale of a device (e.g. handsets), the elements are accounted for separately if they are distinct. A product or service is distinct if they are separately identifiable from other items in the bundled package and if the customer can benefit from it. The revenue is allocated to the respective element in an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services and device, where device revenue is recognised at the inception of the contract upon delivery to the customer and services revenue is recognised throughout the contract period as the services are provided.

Other service income is recognised when the service is rendered. Customer service revenue is mobile telecommunications service revenue, and where a customer is invoiced for a bundled transaction under contract, the invoiced amount less amounts related to accrued device revenue and also less other service income. Total revenue arising from telecommunications services comprises of service revenue, sale of device revenue and other service income.

Finance and investments

Dividend income from investments in securities is recognised when the Group's right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

47 Summary of material accounting policies (continued)

(d) Summary of other potentially material accounting policies

Set out below is a summary of other potentially material accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes elsewhere in these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(i) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated income statement.

(ii) Investment properties

Investment properties are interests in land and buildings that are held to earn rentals or for capital appreciation or both. Such properties are carried in the consolidated statement of financial position at their fair value. Changes in fair values of investment properties are recorded in the consolidated income statement.

(iii) Leasehold land

The acquisition costs and upfront payments made for leasehold land are presented on the face of the consolidated statement of financial position as leasehold land prior to 1 January 2019 and are grouped as part of right-of-use assets with effect from 1 January 2019. Leasehold land are expensed in the consolidated income statement on a straight-line basis over the period of the lease.

(iv) Contractual customer relationships

Separately acquired contractual customer relationships are carried at historical cost. These contractual customer relationships are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method from five to fifteen years over the expected useful life of the customer relationship.

(v) Deferred tax

Deferred tax is recognised, using the liabilities method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilised.

47 Summary of material accounting policies (continued)

(d) Summary of other potentially material accounting policies (continued)

(vi) Derivative financial instruments and hedging activities

Derivative financial instruments are utilised by the Group in the management of its foreign currency and interest rate exposures. Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation (net investment hedges).

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 41(i). Movements in the hedging reserve in shareholders' equity are shown in note 33. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss as other expense except when the hedging instrument hedges an equity instrument designated at FVOCI in which case it is recognised in other comprehensive income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item (if applicable) and is also recognised in profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the effective interest rate ("EIR") method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

47 Summary of material accounting policies (continued)

(d) Summary of other potentially material accounting policies (continued)

(vi) Derivative financial instruments and hedging activities (continued)

Cash flow hedges

Where a derivative financial instrument is designated as a hedging instrument in a cash flow hedge, the effective portion of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset such as inventory, the associated gain or loss is reclassified from equity to be included in the initial cost of the non-financial asset. For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified from equity to profit or loss in the same period or periods during which the hedged cash flows affect profit or loss (such as when a forecast sale occurs or interest expense is recognised).

If a hedge no longer meets the criteria for hedge accounting (including when the hedging instrument expires or is sold, terminated or exercised), then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, but the hedged forecast transaction is still expected to occur, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the amount that has been accumulated in the hedging reserve is reclassified from equity to profit or loss immediately.

Hedge of net investments in foreign operations

The effective portion of any foreign exchange gain or loss on the derivative financial instruments is recognised in other comprehensive income and accumulated in equity in the exchange reserve until the disposal of the foreign operation, at which time the cumulative gain or loss is reclassified from equity to profit or loss. The ineffective portion is recognised immediately in profit or loss.

(vii) Inventories

Inventories consist mainly of retail goods. The carrying value of retail stock is mainly determined using the weighted average cost method. Inventories are stated at the lower of cost and net realisable value. Cost includes all direct expenditure and other appropriate attributable costs incurred in bringing inventories to their present location and condition.

(viii) Customer loyalty credits

Customer loyalty credits are accounted for as a separate component of the sales transaction in which they are granted.

(ix) Share capital

Share capital issued by the Company are recorded in equity at the proceeds received, net of direct issue costs. Where any group company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the ordinary shareholders.

(x) Provisions

Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a present obligation as a result of past events and a reliable estimate can be made of the amount of the obligation.

47 Summary of material accounting policies (continued)

(d) Summary of other potentially material accounting policies (continued)

(xi) Pension plans

Pension plans are classified into defined benefit and defined contribution plans. The pension plans are generally funded by the relevant group companies taking into account the recommendations of independent qualified actuaries and by payments from employees for contributory plans.

The Group's contributions to the defined contribution plans are charged to the consolidated income statement in the year incurred.

Pension costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the consolidated income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The liability or asset recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The present value of the defined benefit obligation is measured by discounting the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations.

Remeasurements arising from defined benefit plans are recognised in other comprehensive income in the period in which they occur and reflected immediately in retained profit. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Pension costs are charged to the consolidated income statement within staff costs.

(xii) Share-based payments

The Company and its subsidiary companies do not have share option scheme as at 31 December 2023 and 31 December 2022 but certain of the Company's associated companies have issued equity-settled and cash-settled share-based compensation plans. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the respective group companies' estimate of their shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at the end of the reporting period.

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2023

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital **/ registered capital		Percentage of equity attributable to the Group	Principal activities
	Ports and related services					
	Abu Qir Container Terminal Company S.A.E.	Egypt	USD	157,000,000	45	Container terminal operating
	Alexandria International Container Terminals Company S.A.E.	Egypt	USD	30,000,000	59	Container terminal operating
	Amsterdam Container Terminals B.V.	Netherlands	EUR	18,400	80	Container terminal operating
	Brisbane Container Terminals Pty Limited	Australia	AUD	34,100,000	80	Container terminal operating
	ECT Delta Terminal B.V.	Netherlands	EUR	18,000	71	Container terminal operating
	Ensenada Cruiseport Village, S.A. de C.V.	Mexico	MXP	145,695,000	80	Cruise terminal operating
	Ensenada International Terminal, S.A. de C.V.	Mexico	MXP	160,195,000	80	Container terminal operating
	Europe Container Terminals B.V.	Netherlands	EUR	45,000,000	75	Holding company
	Euromax Terminal Rotterdam B.V.	Netherlands	EUR	100,000	49	Container terminal operating
	Freeport Container Port Limited	Bahamas	BSD	2,000	41	Container terminal operating
	Gdynia Container Terminal Sp. z o.o.	Poland	PLN	11,379,300	80	Container terminal operating and rental of port real estate
	Harwich International Port Limited	United Kingdom	GBP	16,812,002	80	Container terminal operating
	Hongkong United Dockyards Limited	Hong Kong	HKD	76,000,000	100	Ship repairing and general engineering
✡	惠州港業股份有限公司	China	RMB	300,000,000	27	Container terminal operating
	Hutchison Ajman International Terminals Limited – F.Z.E.	United Arab Emirates	AED	60,000,000	80	Container terminal operating
	Hutchison Korea Terminals Limited	South Korea	WON	4,107,500,000	80	Container terminal operating
	Hutchison Laemchabang Terminal Limited	Thailand	THB	1,000,000,000	64	Container terminal operating
	Hutchison Port Holdings Limited	British Virgin Islands/ Hong Kong	USD	26,000,000	80	Operation, management and development of ports and container terminals, and investment holding
✧ ❋ #	Hutchison Port Holdings Trust	Singapore/China	USD	8,797,780,935	30	Container port business trust
	Hutchison Port Investments Limited	Cayman Islands/ Hong Kong	USD	74,870,807	80	Holding company
	Hutchison Port Jazan Limited	Saudi Arabia	SAR	18,750,000	48	Container terminal operating
	Hutchison Ports Investments S.à r.l.	Luxembourg	EUR	12,750	80	Operation, management and development of ports and container terminals, and investment holding
	Hutchison Ports RAK Limited	British Virgin Islands/ United Arab Emirates	USD	10,000	48	Container terminal operating
	Hutchison Ports Sweden AB	Sweden	SEK	100,000	80	Container terminal operating
	Hutchison Ports UAQ Limited	British Virgin Islands/ United Arab Emirates	USD	36,320	48	Container terminal operating
	Internacional de Contenedores Asociados de Veracruz S.A. de C.V.	Mexico	MXP	138,623,200	80	Container terminal operating
✡ ⌘	Jiangmen International Container Terminals Limited	China	USD	14,461,665	40	Container terminal operating
	Karachi International Container Terminal Limited	Pakistan	PKR	1,109,384,220	80	Container terminal operating
	Korea International Terminals Limited	South Korea	WON	45,005,000,000	71	Container terminal operating
	L.C. Terminal Portuaria de Contenedores, S.A. de C.V.	Mexico	MXP	995,760,628	80	Container terminal operating
	Maritime Transport Services Limited	United Kingdom	GBP	13,921,323	64	Container terminal operating
✡ ⌘	Nanhai International Container Terminals Limited	China	USD	42,800,000	40	Container terminal operating
	NAWAH for Ports Management LLC	Iraq	IQD	10,000,000	41	Container terminal operating
✡ ⌘	寧波北侖國際集裝箱碼頭有限公司	China	RMB	700,000,000	39	Container terminal operating

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2023

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital **/ registered capital		Percentage of equity attributable to the Group	Principal activities
	Ports and related services (continued)					
	Oman International Container Terminal L.L.C.	Oman	OMR	4,000,000	52	Container terminal operating
	Panama Ports Company, S.A.	Panama	USD	10,000,000	72	Container terminal operating
	Port of Felixstowe Limited	United Kingdom	GBP	100,002	80	Container terminal operating
✡ +	PT Jakarta International Container Terminal	Indonesia	IDR	221,450,406,000	39	Container terminal operating
✡	River Trade Terminal Co. Ltd.	British Virgin Islands/ Hong Kong	USD	1	40	River trade terminal operation
	Saigon International Terminals Vietnam Limited	Vietnam	USD	80,084,000	56	Container terminal operating
✡ ⌘	上海明東集裝箱碼頭有限公司	China	RMB	4,000,000,000	24	Container terminal operating
	South Asia Pakistan Terminals Limited	Pakistan	PKR	5,763,773,300	72	Container terminal operating
	Star Classic Investments Limited	British Virgin Islands/ Hong Kong	USD	22,796	80	Operation, management and development of ports and container terminals, and investment holding
	Sydney International Container Terminals Pty Ltd	Australia	AUD	49,000,001	80	Container terminal operating
	Talleres Navales del Golfo, S.A. de C.V.	Mexico	MXP	143,700,000	80	Marine construction and ship repair yard
	Terminal Catalunya, S.A.	Spain	EUR	2,342,800	80	Container terminal operating
	Thai Laemchabang Terminal Co., Ltd.	Thailand	THB	680,000,000	70	Container terminal operating
	Thamesport (London) Limited	United Kingdom	GBP	2	64	Container terminal operating
✱ # +	Westports Holdings Berhad	Malaysia	MYR	341,000,000	19	Holding company
# ⌘ +	Xiamen Haicang International Container Terminals Limited	China	RMB	555,515,000	39	Container terminal operating
# ⌘ +	Xiamen International Container Terminals Limited	China	RMB	1,148,700,000	39	Container terminal operating
	Retail					
	A.S. Watson Holdings Limited	Cayman Islands/ Hong Kong	HKD	1,000,000	75	Holding company
	A.S. Watson (Europe) Retail Holdings B.V.	Netherlands	EUR	18,001	75	Investment holding in retail businesses
	AS Watson Retail (HK) Limited	Hong Kong	HKD	100,000,000	75	Retailing
✡ +	Dirk Rossmann GmbH	Germany	EUR	12,000,000	30	Retailing
⌘	廣州屈臣氏個人用品商店有限公司	China	HKD	71,600,000	71	Retailing
	PARKnSHOP (HK) Limited	Hong Kong	HKD	100,000,000	75	Supermarket operating
✱	PT Duta Intidaya Tbk	Indonesia	IDR	242,054,702,500	55	Retailing
✡	Rossmann Supermarkety Drogeryjne Polska sp. z o.o.	Poland	PLN	26,442,892	53	Retailing
	Superdrug Stores plc	United Kingdom	GBP	22,000,000	75	Retailing
✟	武漢屈臣氏個人用品商店有限公司	China	RMB	55,930,000	75	Retailing
	Watson's Personal Care Stores Sdn. Bhd.	Malaysia	MYR	6,000,000	75	Retailing
	Infrastructure					
✡	Australian Gas Networks Limited	Australia	AUD	879,082,753	62	Gas distribution
✡ +	AVR-Afvalverwerking B.V.	Netherlands	EUR	1	38	Producing energy from waste
✱ +	CK Infrastructure Holdings Limited	Bermuda/Hong Kong	HKD	2,519,610,945	76	Holding company
✡ +	CK William UK Holdings Limited	United Kingdom	GBP	2,049,000,000	30	Investment holding in electricity distribution and generation, and gas transmissions and distribution
✡ +	CKP (Canada) Holdings Limited	Canada	CAD	1,143,862,831	19	Water heater and HVAC (heating, ventilation and air conditioning) rentals, sales and services

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital **/ registered capital		Percentage of equity attributable to the Group	Principal activities
	Infrastructure (continued)					
+	Enviro Waste Services Limited	New Zealand	NZD	84,768,736	76	Waste management services
✡ +	Eversholt UK Rails Group Limited	United Kingdom	GBP	1,100	54	Leasing of rolling stock
✡ +	Northern Gas Networks Holdings Limited	United Kingdom	GBP	71,670,980	36	Gas distribution
✡ +	Northumbrian Water Group Limited	United Kingdom	GBP	40	33	Water supply, sewage and waste water businesses
❖ ✱ # +	Power Assets Holdings Limited	Hong Kong	HKD	6,610,008,417	27	Investment in energy and utility-related businesses
✡	Trionista SE	Germany	EUR	125,000	26	Sub-metering and related services
✡ +	UK Power Networks Holdings Limited	United Kingdom	GBP	610,000,000	30	Electricity distribution
✡	Wales & West Gas Networks (Holdings) Limited	United Kingdom	GBP	29,027	33	Gas distribution
	Telecommunications					
	CK Hutchison Group Telecom Holdings Limited	Cayman Islands/ Hong Kong	EUR	64	100	Holding company
	Hi3G Access AB	Sweden	SEK	10,000,000	60	Mobile telecommunications services
	Hi3G Denmark ApS	Denmark	DKK	64,375,000	60	Mobile telecommunications services
	Hutchison 3G UK Limited	United Kingdom	GBP	201	100	Mobile telecommunications services
	Hutchison Drei Austria GmbH	Austria	EUR	34,882,960	100	Mobile telecommunications services
✱	Hutchison Telecommunications Hong Kong Holdings Limited	Cayman Islands/ Hong Kong	HKD	1,204,774,052	66	Holding company of mobile telecommunications services
	Hutchison Telephone Company Limited	Hong Kong	HKD	2,730,684,340	66	Mobile telecommunications services
✡	Ooredoo Hutchison Asia Pte. Ltd.	Singapore	SGD	435,492	50	Mobile telecommunications services
	Three Ireland (Hutchison) Limited	Ireland	EUR	2	100	Mobile telecommunications services
	Vietnamobile Telecommunications Joint Stock Company	Vietnam	VND	9,348,000,000,000	49	Mobile telecommunications services
	Wind Tre S.p.A.	Italy	EUR	474,303,795	100	Mobile telecommunications services
✡	Zefiro Net S.r.l.	Italy	EUR	20,000	50	Telecommunication network services
	Finance & investments and others					
	Cheung Kong (Holdings) Limited	Hong Kong	HKD	10,488,733,666	100	Holding company
	CK Hutchison Global Investments Limited	British Virgin Islands/ Hong Kong	USD	2	100	Holding company
✱ #	Cenovus Energy Inc.	Canada	CAD	16,031,000,000	17	Oil and gas business
✱ # +	CK Life Sciences Int'l., (Holdings) Inc.	Cayman Islands/ Hong Kong	HKD	961,107,240	45	Holding company of nutraceuticals, pharmaceuticals and agriculture-related businesses
	Hutchison International Limited	Hong Kong	HKD	727,966,526	100	Holding company & corporate
✱	Hutchison Telecommunications (Australia) Limited	Australia	AUD	4,204,487,847	88	Holding company
	Hutchison Whampoa (China) Limited	Hong Kong	HKD	15,100,000	100	Investment holding & China businesses
	Hutchison Whampoa Limited	Hong Kong	HKD	29,424,795,590	100	Holding company
✱ #	HUTCHMED (China) Limited	Cayman Islands/ Hong Kong	USD	87,125,627	38	Holding company of biopharmaceutical business
	Marionnaud Parfumeries S.A.S.	France	EUR	947,782,990	100	Investment holding in perfume retailing businesses
#	Metro Broadcast Corporation Limited	Hong Kong	HKD	1,000,452	24	Radio broadcasting
✱ #	TOM Group Limited	Cayman Islands/ Hong Kong	HKD	395,851,056	36	Technology and media
✱ #	TPG Telecom Limited	Australia	AUD	18,399,043,754	22	Telecommunications services

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2023

The above table lists the principal subsidiary and associated companies and joint ventures of the Group which, in the opinion of the directors, principally affect the results and net assets of the Group. To give full details of subsidiary and associated companies and joint ventures would, in the opinion of the directors, result in particulars of excessive length.

Unless otherwise stated, the principal place of operation of each company is the same as its place of incorporation.

Except Cheung Kong (Holdings) Limited and CK Hutchison Global Investments Limited which are 100% directly held by the Company, the interests in the remaining subsidiary and associated companies and joint ventures are held indirectly.

❋ Company listed on The Stock Exchange of Hong Kong Limited except Hutchison Port Holdings Trust which is listed on the Singapore Stock Exchange, Westports Holdings Berhad which is listed on the Bursa Malaysia Securities Berhad, PT Duta Intidaya Tbk is listed on the Indonesia Stock Exchange, Cenovus Energy Inc. which is listed on the New York Stock Exchange and Toronto Stock Exchange, Hutchison Telecommunications (Australia) Limited which is listed on the Australian Securities Exchange, TPG Telecom Limited which is listed on the Australian Securities Exchange and HUTCHMED (China) Limited which is listed on The Stock Exchange of Hong Kong Limited, AIM market of the London Stock Exchange and in the form of American Depositary Shares on the NASDAQ Global Select Market.

** For Hong Kong incorporated companies, this represents issued ordinary share capital.

Associated companies

✡ Joint ventures

⌘ Equity joint venture registered under PRC law

✟ Wholly owned foreign enterprise (WOFE) registered under PRC law

✧ The share capital of Hutchison Port Holdings Trust is in a form of trust units.

❖ Power Assets Holdings Limited indirectly holds 33.37% equity interest in HK Electric Investments and HK Electric Investments Limited, which are listed on The Stock Exchange of Hong Kong Limited.

+ The accounts of these subsidiary and associated companies and joint ventures have been audited by firms other than PricewaterhouseCoopers. The aggregate revenue (excluding share of associated companies and joint ventures) attributable to shareholders and net assets (excluding share of net assets of associated companies and joint ventures) of these companies not audited by PricewaterhouseCoopers amounted to approximately 4% and 30% of the Group's respective items.

Independent Auditor's Report

To the Shareholders of CK Hutchison Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of CK Hutchison Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), which are set out on pages 126 to 266, comprise:

- the consolidated and Company statements of financial position as at 31 December 2022;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 December 2022, and of its consolidated profit and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Goodwill and brand names with an indefinite useful life; and
- Investments in associated companies and joint ventures.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Goodwill and brand names with an indefinite useful life *Refer to notes 5(b)(xvi), 7(c)(i), 15, 16 and 46 to the consolidated financial statements* The Group has a significant amount of goodwill and brand names with an indefinite useful life arising from various acquisitions. As at 31 December 2022, goodwill amounted to approximately HK$268 billion and brand names with an indefinite useful life amounted to approximately HK$67 billion. Goodwill and brand names with an indefinite useful life are subject to impairment assessments annually and when there is an indication of impairment. In carrying out the impairment assessments, significant judgements are required to estimate the recoverable amounts, being the higher of the fair value less costs of disposal and value in use. The recoverable amounts are estimated taking into consideration the future cash flows of the respective business units based on the latest approved financial budgets for the next five years and a number of other assumptions, including the growth rates to extrapolate the cash flows beyond the budget period and the discount rates to bring the future cash flows back to their present values. The Group recognised the impairment of goodwill of approximately HK$11 billion relating to the mobile telecommunications business in Italy for the year ended 31 December 2022. Refer to notes 5(b)(xvi), 7(c)(i) and 16 to the consolidated financial statements for details. The significant assumptions are disclosed in notes 7(c)(i), 16 and 46 to the consolidated financial statements. We considered this is a key audit matter as significant judgements are involved in the impairment assessments.	Our procedures to address this key audit matter included: • Understanding the management's assessment process of impairment of goodwill and brand names with an indefinite useful life and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgements involved in determining the assumptions to be applied; • Assessing the appropriateness of the valuation methodologies used; • Assessing the reasonableness of key assumptions used in management's estimation of recoverable amounts based on our knowledge of the relevant businesses and industries, other appropriate supporting evidence, and with the involvement of our valuations experts; • Testing source data to supporting evidence, such as approved budgets, on a sample basis, and considering the reasonableness of these budgets; and • Performing sensitivity analyses on the key assumptions to evaluate the potential impacts on the recoverable amounts including the growth rates and discount rates as these are the key assumptions to which the measurement of recoverable amounts is the most sensitive. We found the assumptions adopted in relation to the impairment assessments to be supportable and reasonable based on available evidence.

Key Audit Matters (continued)

Key Audit Matter

Investments in associated companies and joint ventures

Refer to notes 17, 18 and 46 to the consolidated financial statements

The Group has significant investments in associated companies and joint ventures, which are accounted for under the equity method. As at 31 December 2022, investments in associated companies and joint ventures amounted to approximately HK$289 billion.

Investments in associated companies and joint ventures are subject to impairment assessments when there is an indication of impairment. For those associated companies and joint ventures in which such indication exists, the Group performed impairment assessments. In carrying out the impairment assessments, significant judgements are required to estimate the recoverable amounts of the Group's investments in the associated companies and the joint ventures, taking into consideration the share of the associated companies' and the joint ventures' future cash flows and a number of other assumptions, including the growth rates to prepare the associated companies' and joint ventures' cash flow projections, and the discount rates to bring the future cash flows back to their present values. We considered this is a key audit matter as significant judgements are involved in the impairment assessments.

How our audit addressed the Key Audit Matter

Our procedures to address this key audit matter included:

- Understanding the management's assessment process of identification of impairment indicators and impairment assessments of investments in associated companies and joint ventures and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgements involved in determining the assumptions to be applied;
- Assessing the appropriateness of the valuation methodologies used;
- Assessing the reasonableness of key assumptions used by management in the estimation of recoverable amounts of those investments in associated companies or joint ventures with impairment indicators, including the growth rates and discount rates; and comparing cash flow projections to supporting evidence, such as approved budgets; and
- Performing sensitivity analyses on the key assumptions, including the growth rates and discount rates, to evaluate the potential impacts on the recoverable amounts.

We found the assumptions adopted in relation to the impairment assessments to be supportable and reasonable based on available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Luk Lai Yin.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 16 March 2023

Consolidated Income Statement

for the year ended 31 December 2022

2022 # US$ million		Note	2022 HK$ million	2021 HK$ million
33,653	Revenue	4, 5	**262,497**	280,847
(13,042)	Cost of inventories sold	7	**(101,724)**	(104,266)
(4,765)	Staff costs		**(37,170)**	(37,462)
(1,862)	Expensed customer acquisition and retention costs		**(14,527)**	(16,411)
(5,101)	Depreciation and amortisation	7	**(39,788)**	(45,256)
(7,145)	Other expenses and losses	7	**(55,727)**	(63,758)
3,613	Other income and gains	7	**28,180**	27,505
	Share of profits less losses of:			
1,516	Associated companies		**11,822**	5,718
952	Joint ventures		**7,422**	6,393
7,819			**60,985**	53,310
(1,161)	Interest expenses and other finance costs	8	**(9,052)**	(10,608)
6,658	**Profit before tax**		**51,933**	42,702
(697)	Current tax	9	**(5,435)**	(4,029)
(364)	Deferred tax credit (charge)	9	**(2,839)**	1,799
5,597	**Profit after tax**		**43,659**	40,472
(895)	**Profit attributable to non-controlling interests and holders of perpetual capital securities**		**(6,979)**	(6,988)
4,702	**Profit attributable to ordinary shareholders**		**36,680**	33,484
US$ 1.23	**Earnings per share for profit attributable to ordinary shareholders**	10	**HK$ 9.57**	HK$ 8.70

Details of distribution paid to the holders of perpetual capital securities, interim dividend paid and proposed final dividend payable to the ordinary shareholders are set out in note 11.

See note 44.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2022

2022 # US$ million		Note	2022 HK$ million	2021 HK$ million
5,597	**Profit after tax**		**43,659**	40,472
	Other comprehensive income (losses)			
	Items that will not be reclassified to profit or loss			
	Equity securities at fair value through other comprehensive income ("FVOCI")			
(192)	Valuation gains (losses) recognised directly in reserves		**(1,493)**	265
90	Remeasurement of defined benefit obligations recognised directly in reserves		**701**	1,034
(11)	Share of other comprehensive income (losses) of associated companies		**(83)**	766
(67)	Share of other comprehensive income (losses) of joint ventures		**(520)**	1,684
(33)	Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	33 (c)	**(255)**	80
(213)			**(1,650)**	3,829
	Items that may be reclassified to profit or loss			
	Debt securities at FVOCI			
(47)	Valuation losses recognised directly in reserves		**(369)**	(60)
–	Valuation losses (gains) previously in reserves recognised in income statement		**2**	(7)
282	Gains on cash flow hedges recognised directly in reserves		**2,201**	1,020
568	Gains on net investment hedges recognised directly in reserves		**4,433**	1,767
(2,061)	Losses on translating overseas subsidiaries' net assets recognised directly in reserves		**(16,078)**	(10,567)
285	Losses previously in exchange and other reserves related to subsidiaries, associated companies and joint ventures disposed during the year recognised in income statement		**2,220**	2,913
(320)	Share of other comprehensive income (losses) of associated companies		**(2,495)**	(708)
(520)	Share of other comprehensive income (losses) of joint ventures		**(4,061)**	(2,184)
(1)	Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	33 (c)	**(12)**	(8)
(1,814)			**(14,159)**	(7,834)
(2,027)	Other comprehensive income (losses), net of tax		**(15,809)**	(4,005)
3,570	**Total comprehensive income**		**27,850**	36,467
(740)	**Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities**		**(5,774)**	(6,753)
2,830	**Total comprehensive income attributable to ordinary shareholders**		**22,076**	29,714

See note 44.

Consolidated Statement of Financial Position

at 31 December 2022

2022[#] US$ million		Note	2022 HK$ million	2021 HK$ million
	Non-current assets			
14,442	Fixed assets	12	**112,650**	131,099
7,607	Right-of-use assets	13	**59,337**	76,852
7,781	Telecommunications licences	14	**60,689**	69,985
10,730	Brand names and other rights	15	**83,694**	89,019
34,360	Goodwill	16	**268,008**	289,340
18,040	Associated companies	17	**140,711**	137,781
19,046	Interests in joint ventures	18	**148,561**	141,344
2,373	Deferred tax assets	19	**18,509**	21,188
2,064	Liquid funds and other listed investments	20	**16,103**	8,227
2,039	Other non-current assets	21	**15,900**	14,202
118,482			**924,162**	979,037
	Current assets			
17,703	Cash and cash equivalents	23	**138,085**	153,133
2,985	Inventories		**23,283**	23,625
7,283	Trade receivables and other current assets	24	**56,811**	57,731
27,971			**218,179**	234,489
782	Assets classified as held for sale	25	**6,096**	–
28,753			**224,275**	234,489
	Current liabilities			
8,991	Bank and other debts	26	**70,130**	66,361
513	Current tax liabilities		**4,001**	2,402
1,555	Lease liabilities	13	**12,128**	16,085
11,427	Trade payables and other current liabilities	27	**89,129**	96,565
22,486			**175,388**	181,413
144	Liabilities directly associated with assets classified as held for sale	25	**1,127**	–
22,630			**176,515**	181,413
6,123	Net current assets		**47,760**	53,076
124,605	Total assets less current liabilities		**971,922**	1,032,113
	Non-current liabilities			
27,461	Bank and other debts	26	**214,196**	259,438
329	Interest bearing loans from non-controlling shareholders	29	**2,567**	759
6,914	Lease liabilities	13	**53,931**	68,994
2,473	Deferred tax liabilities	19	**19,290**	17,383
350	Pension obligations	30	**2,730**	3,466
4,090	Other non-current liabilities	31	**31,899**	37,818
41,617			**324,613**	387,858
82,988	**Net assets**		**647,309**	644,255

2022 # US$ million		Note	2022 HK$ million	2021 HK$ million
	Capital and reserves			
491	Share capital	32 (a)	**3,830**	3,834
31,150	Share premium	32 (a)	**242,972**	243,169
35,476	Reserves	33	**276,711**	266,149
67,117	Total ordinary shareholders' funds		**523,513**	513,152
585	Perpetual capital securities	32 (b)	**4,561**	12,414
15,286	Non-controlling interests		**119,235**	118,689
82,988	**Total equity**		**647,309**	644,255

See note 44.

Fok Kin Ning, Canning
Director

Frank John Sixt
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2022

Total equity # US$ million		Attributable to Ordinary shareholders: Share capital and share premium [a] HK$ million	Reserves [b] HK$ million	Total ordinary shareholders' funds HK$ million	Holders of perpetual capital securities HK$ million	Non-controlling interests HK$ million	Total equity HK$ million
82,596	At 1 January 2022	247,003	266,149	513,152	12,414	118,689	644,255
5,597	Profit for the year	–	36,680	36,680	263	6,716	43,659
	Other comprehensive income (losses)						
	Equity securities at FVOCI						
(192)	Valuation losses recognised directly in reserves	–	(1,493)	(1,493)	–	–	(1,493)
	Debt securities at FVOCI						
(47)	Valuation losses recognised directly in reserves	–	(369)	(369)	–	–	(369)
	Valuation losses previously in reserves recognised						
–	in income statement	–	2	2	–	–	2
	Remeasurement of defined benefit obligations						
90	recognised directly in reserves	–	569	569	–	132	701
	Gains on cash flow hedges recognised directly						
282	in reserves	–	2,127	2,127	–	74	2,201
	Gains on net investment hedges recognised directly						
568	in reserves	–	3,380	3,380	–	1,053	4,433
	Losses on translating overseas subsidiaries' net assets						
(2,061)	recognised directly in reserves	–	(14,538)	(14,538)	–	(1,540)	(16,078)
	Losses previously in exchange and other reserves related to subsidiaries, associated companies and joint ventures disposed during the year recognised						
285	in income statement	–	2,090	2,090	–	130	2,220
	Share of other comprehensive income (losses) of						
(331)	associated companies	–	(2,576)	(2,576)	–	(2)	(2,578)
	Share of other comprehensive income (losses) of						
(587)	joint ventures	–	(3,578)	(3,578)	–	(1,003)	(4,581)
	Tax relating to components of other comprehensive						
(34)	income (losses)	–	(218)	(218)	–	(49)	(267)
(2,027)	Other comprehensive income (losses), net of tax	–	(14,604)	(14,604)	–	(1,205)	(15,809)
3,570	Total comprehensive income	–	22,076	22,076	263	5,511	27,850
(4)	Impact of hyperinflation	–	(23)	(23)	–	(6)	(29)
	Transactions with owners in their capacity as owners:						
(914)	Dividends paid relating to 2021	–	(7,132)	(7,132)	–	–	(7,132)
(412)	Dividends paid relating to 2022	–	(3,221)	(3,221)	–	–	(3,221)
(619)	Dividends paid to non-controlling interests	–	–	–	–	(4,826)	(4,826)
(41)	Distribution paid on perpetual capital securities	–	–	–	(316)	–	(316)
24	Equity contribution from non-controlling interests	–	–	–	–	191	191
(1,000)	Redemption of perpetual capital securities	–	–	–	(7,800)	–	(7,800)
	Buy-back and cancellation of issued shares						
(25)	(see note 32(a)(ii))	(201)	4	(197)	–	–	(197)
(187)	Relating to purchase of non-controlling interests [c]	–	(1,133)	(1,133)	–	(333)	(1,466)
–	Relating to partial disposal of subsidiary companies	–	(9)	(9)	–	9	–
(3,178)		(201)	(11,514)	(11,715)	(8,116)	(4,965)	(24,796)
82,988	**At 31 December 2022**	246,802	276,711	523,513	4,561	119,235	647,309

Total equity # US$ million		Attributable to Ordinary shareholders: Share capital and share premium [a] HK$ million	Reserves [b] HK$ million	Total ordinary shareholders' funds HK$ million	Holders of perpetual capital securities HK$ million	Non-controlling interests HK$ million	Total equity HK$ million
80,777	At 1 January 2021	248,233	246,063	494,296	12,415	123,352	630,063
5,189	Profit for the year	–	33,484	33,484	490	6,498	40,472
	Other comprehensive income (losses)						
	Equity securities at FVOCI						
34	Valuation gains recognised directly in reserves	–	266	266	–	(1)	265
	Debt securities at FVOCI						
(8)	Valuation losses recognised directly in reserves	–	(60)	(60)	–	–	(60)
(1)	Valuation gains previously in reserves recognised in income statement	–	(7)	(7)	–	–	(7)
133	Remeasurement of defined benefit obligations recognised directly in reserves	–	845	845	–	189	1,034
131	Gains on cash flow hedges recognised directly in reserves	–	954	954	–	66	1,020
227	Gains on net investment hedges recognised directly in reserves	–	1,337	1,337	–	430	1,767
(1,355)	Losses on translating overseas subsidiaries' net assets recognised directly in reserves	–	(9,603)	(9,603)	–	(964)	(10,567)
373	Losses previously in exchange and other reserves related to subsidiaries and associated companies disposed during the year recognised in income statement	–	2,913	2,913	–	–	2,913
7	Share of other comprehensive income (losses) of associated companies	–	(85)	(85)	–	143	58
(64)	Share of other comprehensive income (losses) of joint ventures	–	(380)	(380)	–	(120)	(500)
9	Tax relating to components of other comprehensive income (losses)	–	50	50	–	22	72
(514)	Other comprehensive income (losses), net of tax	–	(3,770)	(3,770)	–	(235)	(4,005)
4,675	Total comprehensive income	–	29,714	29,714	490	6,263	36,467
1	Impact of hyperinflation	–	5	5	–	1	6
	Transactions with owners in their capacity as owners:						
(840)	Dividends paid relating to 2020	–	(6,555)	(6,555)	–	–	(6,555)
(394)	Dividends paid relating to 2021	–	(3,072)	(3,072)	–	–	(3,072)
(825)	Dividends paid to non-controlling interests	–	–	–	–	(6,437)	(6,437)
(63)	Distribution paid on perpetual capital securities	–	–	–	(491)	–	(491)
627	Equity contribution from non-controlling interests	–	–	–	–	4,890	4,890
(1,200)	Redemption of perpetual capital securities by a subsidiary	–	–	–	–	(9,360)	(9,360)
(4)	Transaction costs in relation to equity contribution from non-controlling interests	–	(24)	(24)	–	(8)	(32)
(159)	Buy-back and cancellation of issued shares (see note 32(a)(i))	(1,230)	(9)	(1,239)	–	–	(1,239)
3	Unclaimed dividends write back of a subsidiary	–	27	27	–	–	27
(1)	Relating to acquisition of subsidiary companies	–	–	–	–	(12)	(12)
(2,855)		(1,230)	(9,628)	(10,858)	(491)	(10,926)	(22,275)
82,597	At 31 December 2021	247,003	266,149	513,152	12,414	118,689	644,255

See note 44.
(a) See note 32(a) for details on share capital and share premium.
(b) See note 33 for details on reserves.
(c) See note 33(b).

Consolidated Statement of Cash Flows

for the year ended 31 December 2022

2022[#] US$ million		Note	2022 HK$ million	2021 HK$ million
	Operating activities			
9,474	Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	34 (a)	73,897	85,933
(1,160)	Interest expenses and other finance costs paid (net of capitalisation)		(9,051)	(10,577)
(456)	Tax paid		(3,552)	(4,092)
7,858	**Funds from operations (before principal elements of lease payments)**		61,294	71,264
(587)	Changes in working capital	34 (b)	(4,580)	(19,080)
7,271	**Net cash from operating activities**		56,714	52,184
	Investing activities			
(3,062)	Purchase of fixed assets		(23,885)	(27,056)
(21)	Additions to telecommunications licences		(160)	(8,158)
(232)	Additions to brand names and other rights		(1,807)	(4,429)
–	Purchase of subsidiary companies, net of cash acquired	34 (c)	–	(138)
(72)	Additions to unlisted investments		(564)	(142)
48	Repayments of loans from associated companies and joint ventures		374	1,044
(444)	Purchase of and advances to associated companies and joint ventures		(3,464)	(1,753)
43	Proceeds from disposal of fixed assets		335	438
2,192	Proceeds from disposal of subsidiary companies, net of cash disposed	34 (d)	17,096	38,425
670	Proceeds from partial disposal / disposal of associated companies and joint ventures		5,226	928
300	Proceeds from disposal of other unlisted investments		2,336	11
(578)	Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments		(4,513)	(830)
20	Disposal of liquid funds and other listed investments		157	318
–	Additions to liquid funds and other listed investments		–	(38)
(558)	**Cash flows used in investing activities**		(4,356)	(550)
6,713	**Net cash inflow before financing activities**		52,358	51,634
	Financing activities			
4,762	New borrowings	34 (e)	37,147	70,901
(8,726)	Repayment of borrowings	34 (e)	(68,063)	(83,546)
(1,834)	Principal elements of lease payments	34 (e)	(14,307)	(17,407)
271	Net loans from non-controlling shareholders	34 (e)	2,118	47
11	Issue of equity securities by subsidiary companies to non-controlling shareholders		85	95
(116)	Payments to acquire additional interests in subsidiary companies		(904)	(1,955)
–	Proceeds on issue of perpetual capital securities by a subsidiary, net of transaction costs		–	4,648
(1,000)	Redemption of perpetual capital securities by a subsidiary		(7,800)	(9,360)
(25)	Payments for buy-back and cancellation of issued shares		(197)	(1,239)
(1,326)	Dividends paid to ordinary shareholders		(10,353)	(9,627)
(618)	Dividends paid to non-controlling interests		(4,816)	(6,518)
(41)	Distribution paid on perpetual capital securities		(316)	(491)
(8,642)	**Cash flows used in financing activities**		(67,406)	(54,452)
(1,929)	Decrease in cash and cash equivalents		(15,048)	(2,818)
19,632	Cash and cash equivalents at 1 January		153,133	155,951
17,703	**Cash and cash equivalents at 31 December**		138,085	153,133

2022 # US$ million		Note	2022 HK$ million	2021 HK$ million
	Analysis of cash, liquid funds and other listed investments			
17,703	Cash and cash equivalents, as above	23	**138,085**	153,133
2,064	Liquid funds and other listed investments	20	**16,103**	8,227
19,767	**Total cash, liquid funds and other listed investments**		**154,188**	161,360
36,696	Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	26	**286,230**	328,253
329	Interest bearing loans from non-controlling shareholders	29	**2,567**	759
17,258	**Net debt**		**134,609**	167,652
(329)	Interest bearing loans from non-controlling shareholders		**(2,567)**	(759)
16,929	**Net debt (excluding interest bearing loans from non-controlling shareholders)**		**132,042**	166,893

See note 44.

1 General information

CK Hutchison Holdings Limited (the "Company" or "CKHH") is a company incorporated in the Cayman Islands with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") as at and for the year ended 31 December 2022 (the "Annual Financial Statements") were authorised for issue by the Company's board of directors on 16 March 2023.

The Chairman's Statement, the Operations Review, the Group Capital Resources and Liquidity, and the Risk Factors, issued outside the Annual Financial Statements as part of the announcement of the Group's results for the year ended 31 December 2022 and the Group's 2022 Annual Report, include discussions of the performance of the Group's businesses for the current year, the principal risk and uncertainties affecting the Group's businesses, the important corporate transactions concluded since the end of the 2021 financial year, and the Group's liquidity and financial profile.

2 Use of judgements, assumptions and estimates

The preparation of financial statements under Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") requires entities to make judgements, estimates and assumptions about the reported amounts and the accompanying disclosures.

In preparing the Annual Financial Statements, the Group has made accounting related estimates based on judgements and assumptions about current and, for some estimates, future economic and market conditions that the Group considers are relevant and reasonable. It is reasonably possible that actual achievements, results, performances or other future events or conditions could differ from those on which the estimates are based. This could result in materially different estimates, judgements and assumptions from those used for the purposes of the Annual Financial Statements. Hence, our accounting estimates, judgements and assumptions could change over time in response to how these events and conditions develop. Note 46 sets out further information on our significant accounting judgements, estimates and assumptions applied in preparing the Annual Financial Statements.

3 Basis of preparation

The Annual Financial Statements have been prepared in accordance with HKFRS and the applicable disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The Annual Financial Statements are prepared on a going concern basis, as Management is satisfied that the Group has the ability to continue as a going concern. In making this assessment, Management has assessed the potential cash generation of the Group, the liquidity of the Group and existing funding available to the Group. On the basis of these assessments, Management has determined that, at the date on which the Annual Financial Statements were authorised for issue, the use of the going concern basis of accounting to prepare the Annual Financial Statements is appropriate.

The Annual Financial Statements have been prepared on a historical cost basis, except that defined benefit plans plan assets, investment properties, certain financial assets and liabilities (including derivative instruments) are measured at fair values, and non-current assets and disposal group classified as held for sale are generally measured at the lower of carrying amount and fair value less cost to sell. In these financial statements, non-current assets classified as held for sale and assets of a disposal group classified as held for sale are presented separately from other assets in the consolidated statement of financial position. Liabilities directly associated with non-current assets classified as held for sale and liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

There were no new accounting standards or interpretations adopted during the year ended 31 December 2022 that had a significant effect on the Group in 2022. A summary of the Group's significant accounting policies, including changes thereto, are included in note 47.

4 Revenue

(a) An analysis of revenue of the Company and subsidiary companies is as follows:

	2022 HK$ million	2021 HK$ million
Sale of goods	**154,603**	160,701
Revenue from services	**102,726**	116,386
Interest	**5,049**	3,672
Dividend income	**119**	88
	262,497	280,847

4 Revenue (continued)

(b) Further details are set out below in respect of revenue of the Company and subsidiary companies, including the disaggregation of revenue from contracts with customers within the scope of HKFRS 15:

(i) By segments *

	Revenue from contracts with customers				
	recognised at a point in time	recognised over time	Subtotal	Revenue from other sources	2022 Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	–	30,376	30,376	134	30,510
Retail	127,310	72	127,382	–	127,382
Infrastructure	3,964	4	3,968	2,853	6,821
Telecommunications					
CK Hutchison Group Telecom					
3 Group Europe	*12,402*	*65,502*	*77,904*	*10*	*77,914*
Hutchison Telecommunications Hong Kong Holdings	*1,604*	*3,278*	*4,882*	*–*	*4,882*
Corporate and Others	*10*	*107*	*117*	*253*	*370*
	14,016	68,887	82,903	263	83,166
Hutchison Asia Telecommunications	–	1,011	1,011	–	1,011
Finance & Investments and Others	11,425	177	11,602	2,005	13,607
	156,715	100,527	257,242	5,255	262,497

	Revenue from contracts with customers				
	recognised at a point in time	recognised over time	Subtotal	Revenue from other sources	2021 Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	–	28,896	28,896	94	28,990
Retail	130,767	75	130,842	–	130,842
Infrastructure	4,267	–	4,267	2,825	7,092
Telecommunications					
CK Hutchison Group Telecom					
3 Group Europe	*13,914*	*73,040*	*86,954*	*6*	*86,960*
Hutchison Telecommunications Hong Kong Holdings	*2,144*	*3,241*	*5,385*	*–*	*5,385*
Corporate and Others	*3*	*39*	*42*	*62*	*104*
	16,061	76,320	92,381	68	92,449
Hutchison Asia Telecommunications	–	8,786	8,786	–	8,786
Finance & Investments and Others	11,665	169	11,834	854	12,688
	162,760	114,246	277,006	3,841	280,847

* See note 5 for operating segment information.

4 Revenue (continued)

(b) Further details are set out below in respect of revenue of the Company and subsidiary companies, including the disaggregation of revenue from contracts with customers within the scope of HKFRS 15 (continued):

(ii) By geographical locations *

	Revenue from contracts with customers			Revenue from other sources	2022 Total
	recognised at a point in time	recognised over time	Subtotal		
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	**28,831**	**3,760**	**32,591**	**89**	**32,680**
Mainland China	**21,278**	**366**	**21,644**	**32**	**21,676**
The People's Republic of China	**50,109**	**4,126**	**54,235**	**121**	**54,356**
Europe	**65,951**	**77,921**	**143,872**	**1,866**	**145,738**
Canada	**–**	**–**	**–**	**253**	**253**
Asia, Australia and Others	**29,230**	**18,303**	**47,533**	**1,010**	**48,543**
	95,181	**96,224**	**191,405**	**3,129**	**194,534**
	145,290	**100,350**	**245,640**	**3,250**	**248,890**
Finance & Investments and Others	**11,425**	**177**	**11,602**	**2,005**	**13,607**
	156,715	**100,527**	**257,242**	**5,255**	**262,497**

	Revenue from contracts with customers			Revenue from other sources	2021 Total
	recognised at a point in time	recognised over time	Subtotal		
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	29,589	3,357	32,946	31	32,977
Mainland China	27,201	420	27,621	28	27,649
The People's Republic of China	56,790	3,777	60,567	59	60,626
Europe	68,211	85,353	153,564	1,962	155,526
Canada	–	–	–	256	256
Asia, Australia and Others	26,094	24,947	51,041	710	51,751
	94,305	110,300	204,605	2,928	207,533
	151,095	114,077	265,172	2,987	268,159
Finance & Investments and Others	11,665	169	11,834	854	12,688
	162,760	114,246	277,006	3,841	280,847

* See note 5 for operating segment information.

4 Revenue (continued)

(c) Contract balances related to contracts with customers within the scope of HKFRS 15

Under HKFRS 15, a contract asset or a contract liability is generated when either party to the contract performs, depending on the relationship between the entity's performance and the customer's payment. When an entity satisfies a performance obligation by transferring a promised goods or service, the entity has earned a right to consideration from the customer and, therefore, has a contract asset. When the customer performs first, for example, by prepaying its promised consideration, the entity has a contract liability. Generally, contract assets may represent conditional or unconditional rights to consideration. The right would be conditional, for example, when an entity is required first to satisfy another performance obligation in the contract before it is entitled to payment from the customer. If an entity has an unconditional right to receive consideration from the customer, the contract asset is classified as and accounted for as a receivable and presented separately from other contract assets. A right is unconditional if nothing other than the passage of time is required before payment of that consideration is due.

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers within the scope of HKFRS 15.

	2022 HK$ million	2021 HK$ million
Trade receivables, which are included in "Trade receivables and other current assets" (see note 24)	**14,945**	16,697
Trade receivables, which are included in "Assets classified as held for sale" (see note 25)	**21**	–
Contract assets (see notes 21 and 24)	**6,314**	7,599
Contract liabilities (see note 27)	**(6,027)**	(6,933)

Trade receivables are non-interest bearing and are generally on terms of 30 to 45 days. In 2022, HK$998 million (2021: HK$1,757 million) was recognised in the consolidated income statement as provision for expected credit losses on trade receivables.

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. In 2022, HK$921 million (2021: HK$1,056 million) was recognised in the consolidated income statement as provision for expected credit losses on contract assets.

Contract liabilities primarily relate to the Group's unfulfilled performance obligations for which consideration has been received at the reporting date. On fulfilment of its obligations, the contract liability is recognised in revenue in the period when the performance obligations are fulfilled. HK$3,757 million (2021: HK$4,958 million) was recognised as revenue in 2022 that was included in the contract liability balance at the beginning of the year.

(d) Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date. The Group applies the practical expedient in paragraph 121 of HKFRS 15 and does not disclose the amount of the transaction price allocated to the remaining performance obligations for contracts with an original expected duration of one year or less. In addition, contracts that include a promise to perform an undefined quantity of tasks at a fixed contractual rate per unit, with no contractual minimums that would make some or all of the consideration variable, are not included in the following analysis as the possible transaction prices and the ultimate consideration for those contracts will depend on the occurrence or non-occurrence of future customer usage. In light of these basis of preparation, the following does not reflect the expectation of the Group's future performance. The analysis is for compliance with HKFRS 15 disclosure requirement in respect of transaction price allocated to the remaining performance obligations.

	2022 HK$ million	2021 HK$ million
Within one year	**13,230**	14,065
More than one year	**8,555**	7,897
	21,785	21,962

5 Operating segment information

(a) Description of segments and basis of presentation of segment information

As at 31 December 2022, the Group has four core businesses – ports and related services, retail, infrastructure and telecommunications. For management purposes, the Group is organised into divisions, which are organised by a mixture of both business lines and geographical locations. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management and the board of directors for the purposes of making decisions about resources allocation and performance assessment, the Group presents its operating segment information based on these core businesses.

Ports and Related Services:

This division is the world's leading port network, and has interests in 51 ports comprising 295 operational berths in 25 countries as at 31 December 2022. This division operates container terminals in six of the 10 busiest container ports in the world. The division comprises the Group's 80% interest in the Hutchison Ports group of companies and its 30.07% interest in the Hutchison Port Holdings Trust ("HPH Trust"). Results of HPH Trust are included in the segment results (under Ports and Related Services) based on the Group's effective shareholdings (net of non-controlling interests) in HPH Trust.

Retail:

The retail division consists of the A. S. Watson ("ASW") group of companies, the world's largest international health and beauty retailer with a 141 million loyalty member base. ASW operated 12 retail brands with 16,142 stores in 28 markets worldwide as at 31 December 2022.

Infrastructure:

The Infrastructure division comprises the Group's 75.67% interest in CK Infrastructure Holdings Limited ("CKI"), a subsidiary company listed on the Stock Exchange and 10% of the economic benefits deriving from the Group's direct holdings in six infrastructure investments co-owned with CKI, including Northumbrian Water, Park'N Fly, Australian Gas Networks, Dutch Enviro Energy, Wales & West Utilities and UK rails.

Telecommunications:

The Group's telecommunications division consists of CK Hutchison Group Telecom Holdings ("CK Hutchison Group Telecom") which consolidates the **3** Group businesses in Europe ("**3** Group Europe") and a 66.09% interest in Hutchison Telecommunications Hong Kong Holdings, which is listed on the Stock Exchange, as well as Hutchison Asia Telecommunications.

Finance & Investments and Others is presented to reconcile to the totals included in the Group's consolidated income statement and consolidated statement of financial position. Finance & Investments and Others covers the activities of other areas of the Group that are not presented separately and includes a 87.87% interest in the Australian Securities Exchange listed Hutchison Telecommunications (Australia) ("HTAL"), which has a 25.05% attributable interest in a listed associated company TPG Telecom Limited ("TPG"), Hutchison Whampoa (China), Hutchison E-Commerce, the Marionnaud business, listed associated companies Hutchison China MediTech ("HUTCHMED"), TOM Group, CK Life Sciences Int'l., (Holdings) Inc. and Cenovus Energy Inc ("Cenovus Energy"), corporate head office operations and the returns earned on the Group's holdings of cash and liquid investments.

Saved as disclosed in the notes below, the column headed as Company and Subsidiaries refers to the holding company of the Group and subsidiary companies' respective items and the column headed as Associates and JV refers to the Group's share of associated companies and joint ventures' respective items.

5 Operating segment information (continued)

(a) Description of segments and basis of presentation of segment information (continued)

In 2019, the Group has adopted the HKFRS 16 "Leases" accounting standard (which relates to accounting for leases) for its statutory reporting but its management reporting has remained on the precedent lease accounting standard Hong Kong Accounting Standard 17 "Leases" ("HKAS 17"). The Group believes that the HKAS 17 basis metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a HKFRS 16 basis ("Post-HKFRS 16 basis"), better reflect management's view of the Group's underlying operational performances. HKAS 17 basis metrics financial information is regularly reviewed by management and used for resources allocation, performance assessment and internal decision-making. Accordingly, segmental information is presented on a HKAS 17 basis ("Pre-HKFRS 16 basis"), except where indicated otherwise, together with reconciliations to the total under the Post-HKFRS 16 basis. In addition, section (c) of this note sets out reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics for the Group's consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flows for the current and comparative years, and the Group's consolidated statement of financial position as at 31 December 2022 and 31 December 2021.

(b) Segment results, assets and liabilities

(i) An analysis of revenue by segments

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. Revenue from external customers is after elimination of inter-segment revenue. The amounts eliminated are mainly attributable to Retail of HK$48 million (2021: HK$34 million), Hutchison Telecommunications Hong Kong Holdings of HK$18 million (2021: HK$16 million) and Hutchison Asia Telecommunications of HK$1 million (2021: HK$1 million).

	Revenue							
	Company and Subsidiaries	**Associates and JV**	**2022 Total**		Company and Subsidiaries	Associates and JV	2021 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
Ports and Related Services	**30,510**	**13,631**	**44,141**	**10%**	28,990	13,295	42,285	9%
Retail	**127,382**	**42,263**	**169,645**	**37%**	130,842	42,759	173,601	39%
Infrastructure	**6,821**	**47,620**	**54,441**	**12%**	7,092	49,008	56,100	13%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***77,914***	***11***	***77,925***	***17%***	*86,960*	*12*	*86,972*	*20%*
Hutchison Telecommunications Hong Kong Holdings	***4,882***	***–***	***4,882***	***1%***	*5,385*	*–*	*5,385*	*1%*
Corporate and Others	***370***	***112***	***482***	***–***	*104*	*114*	*218*	*–*
	83,166	**123**	**83,289**	**18%**	92,449	126	92,575	21%
Hutchison Asia Telecommunications	**1,011**	**10,617**	**11,628**	**2%**	8,786	–	8,786	2%
Finance & Investments and Others	**13,607**	**80,478**	**94,085**	**21%**	12,688	59,348	72,036	16%
	262,497	**194,732**	**457,229**	**100%**	280,847	164,536	445,383	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**–**	**1,269**	**1,269**		–	1,382	1,382	
Divesture of infrastructure investments	**–**	**884**	**884**		–	938	938	
	262,497	**196,885**	**459,382**		280,847	166,856	447,703	
HKFRS 16 impact	**–**	**–**	**–**		–	–	–	
	262,497	**196,885**	**459,382**		280,847	166,856	447,703	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

The Group uses two measures of segment results, EBITDA (see note 5(b)(xiv)) and EBIT (see note 5(b)(xv)). Analysis of segment results by EBITDA and EBIT are set out in (ii), (iii), (ix), (x) and (xiii) below.

(ii) An analysis of EBITDA by segments

	EBITDA (LBITDA) [xiv]							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2022 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2021 Total HK$ million	%
Ports and Related Services	**9,387**	**6,418**	**15,805**	**13%**	9,021	6,136	15,157	13%
Retail	**10,287**	**4,022**	**14,309**	**12%**	11,633	4,401	16,034	14%
Infrastructure	**3,996**	**24,819**	**28,815**	**24%**	3,345	26,291	29,636	27%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***23,864***	***–***	***23,864***	***20%***	*29,892*	*–*	*29,892*	*27%*
Hutchison Telecommunications Hong Kong Holdings	***998***	***60***	***1,058***	***1%***	*1,036*	*57*	*1,093*	*1%*
Corporate and Others [xvi]	***7,280***	***(10)***	***7,270***	***6%***	*12,067*	*–*	*12,067*	*11%*
	32,142	**50**	**32,192**	**27%**	42,995	57	43,052	39%
Hutchison Asia Telecommunications [xvii]	**5,044**	**4,376**	**9,420**	**8%**	2,036	–	2,036	2%
Finance & Investments and Others [xviii]	**1,942**	**16,527**	**18,469**	**16%**	(3,928)	9,240	5,312	5%
EBITDA	**62,798**	**56,212**	**119,010**	**100%**	65,102	46,125	111,227	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**–**	**856**	**856**		–	984	984	
EBITDA ^	**62,798 ^**	**57,068 ^**	**119,866 ^**		65,102 ^	47,109 ^	112,211 ^	
Depreciation and amortisation	**(25,736)**	**(20,682)**	**(46,418)**		(27,617)	(19,140)	(46,757)	
Interest expenses and other finance costs	**(6,818)**	**(8,042)**	**(14,860)**		(7,075)	(7,584)	(14,659)	
Current tax	**(5,438)**	**(3,983)**	**(9,421)**		(4,031)	(3,600)	(7,631)	
Deferred tax credit (charge)	**(2,721)**	**(3,949)**	**(6,670)**		1,771	(3,718)	(1,947)	
Non-controlling interests	**(7,020)**	**(608)**	**(7,628)**		(7,063)	(654)	(7,717)	
	15,065	**19,804**	**34,869**		21,087	12,413	33,500	
HKFRS 16 impact								
EBITDA ^	**18,731 ^**	**4,391 ^**	**23,122 ^**		21,353 ^	3,073 ^	24,426 ^	
Depreciation and amortisation	**(14,052)**	**(3,673)**	**(17,725)**		(17,639)	(2,713)	(20,352)	
Interest expenses and other finance costs	**(2,234)**	**(1,304)**	**(3,538)**		(3,533)	(649)	(4,182)	
Current tax	**3**	**–**	**3**		2	–	2	
Deferred tax	**(118)**	**26**	**(92)**		28	(13)	15	
Non-controlling interests	**41**	**–**	**41**		75	–	75	
	17,436	**19,244**	**36,680**		21,373	12,111	33,484	
^ Reconciliation to Post-HKFRS 16 basis EBITDA :								
Pre-HKFRS 16 basis EBITDA per above	**62,798**	**57,068**	**119,866**		65,102	47,109	112,211	
HKFRS 16 impact per above	**18,731**	**4,391**	**23,122**		21,353	3,073	24,426	
Post-HKFRS 16 basis EBITDA (see note 34(a)(i))	**81,529**	**61,459**	**142,988**		86,455	50,182	136,637	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iii) An analysis of EBIT by segments

	EBIT (LBIT) [xv]							
	Company and Subsidiaries	**Associates and JV**	**2022 Total**		Company and Subsidiaries	Associates and JV	2021 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
Ports and Related Services	**6,492**	**4,934**	**11,426**	**16%**	6,058	4,679	10,737	17%
Retail	**7,662**	**3,386**	**11,048**	**15%**	8,899	3,561	12,460	19%
Infrastructure	**3,692**	**15,141**	**18,833**	**26%**	3,013	16,082	19,095	30%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe								
EBITDA before the following non-cash items:	**23,864**	**–**	**23,864**		29,892	–	29,892	
Depreciation	**(11,289)**	**–**	**(11,289)**		(10,728)	–	(10,728)	
Amortisation of licence fees, other rights, customer acquisition and retention costs	**(7,011)**	**–**	**(7,011)**		(7,905)	–	(7,905)	
EBIT – **3** Group Europe	**5,564**	**–**	**5,564**	**8%**	11,259	–	11,259	17%
Hutchison Telecommunications Hong Kong Holdings	**(44)**	**14**	**(30)**	**–**	130	12	142	–
Corporate and Others [xvi]	**7,279**	**(10)**	**7,269**	**10%**	12,061	–	12,061	19%
	12,799	**4**	**12,803**	**18%**	23,450	12	23,462	36%
Hutchison Asia Telecommunications [xvii]	**4,662**	**2,083**	**6,745**	**9%**	209	–	209	–
Finance & Investments and Others [xviii]	**1,755**	**10,254**	**12,009**	**16%**	(4,144)	2,925	(1,219)	-2%
EBIT	**37,062**	**35,802**	**72,864**	**100%**	37,485	27,259	64,744	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**–**	**584**	**584**		–	710	710	
EBIT ^	**37,062** ^	**36,386** ^	**73,448** ^		37,485 ^	27,969 ^	65,454 ^	
Interest expenses and other finance costs	**(6,818)**	**(8,042)**	**(14,860)**		(7,075)	(7,584)	(14,659)	
Current tax	**(5,438)**	**(3,983)**	**(9,421)**		(4,031)	(3,600)	(7,631)	
Deferred tax credit (charge)	**(2,721)**	**(3,949)**	**(6,670)**		1,771	(3,718)	(1,947)	
Non-controlling interests	**(7,020)**	**(608)**	**(7,628)**		(7,063)	(654)	(7,717)	
	15,065	**19,804**	**34,869**		21,087	12,413	33,500	
HKFRS 16 impact								
EBIT ^	**4,679** ^	**718** ^	**5,397** ^		3,714 ^	360 ^	4,074 ^	
Interest expenses and other finance costs	**(2,234)**	**(1,304)**	**(3,538)**		(3,533)	(649)	(4,182)	
Current tax	**3**	**–**	**3**		2	–	2	
Deferred tax	**(118)**	**26**	**(92)**		28	(13)	15	
Non-controlling interests	**41**	**–**	**41**		75	–	75	
	17,436	**19,244**	**36,680**		21,373	12,111	33,484	
^ Reconciliation to Post-HKFRS 16 basis EBIT:								
Pre-HKFRS 16 basis EBIT per above	**37,062**	**36,386**	**73,448**		37,485	27,969	65,454	
HKFRS 16 impact per above	**4,679**	**718**	**5,397**		3,714	360	4,074	
Post-HKFRS 16 basis EBIT	**41,741**	**37,104**	**78,845**		41,199	28,329	69,528	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iv) An analysis of depreciation and amortisation expenses by segments

	Depreciation and amortisation					
	Company and Subsidiaries	**Associates and JV**	**2022 Total**	Company and Subsidiaries	Associates and JV	2021 Total
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Ports and Related Services	**2,895**	**1,484**	**4,379**	2,963	1,457	4,420
Retail	**2,625**	**636**	**3,261**	2,734	840	3,574
Infrastructure	**304**	**9,678**	**9,982**	332	10,209	10,541
Telecommunications						
CK Hutchison Group Telecom						
3 Group Europe	***18,300***	**–**	***18,300***	*18,633*	–	*18,633*
Hutchison Telecommunications Hong Kong Holdings	***1,042***	***46***	***1,088***	*906*	*45*	*951*
Corporate and Others	***1***	**–**	***1***	*6*	–	*6*
	19,343	**46**	**19,389**	19,545	45	19,590
Hutchison Asia Telecommunications	**382**	**2,293**	**2,675**	1,827	–	1,827
Finance & Investments and Others	**187**	**6,273**	**6,460**	216	6,315	6,531
	25,736	**20,410**	**46,146**	27,617	18,866	46,483
Portion attributable to:						
Non-controlling interests of HPH Trust	**–**	**272**	**272**	–	274	274
	25,736	**20,682**	**46,418**	27,617	19,140	46,757
Divesture of infrastructure investments	**–**	**143**	**143**	–	174	174
	25,736	**20,825**	**46,561**	27,617	19,314	46,931
HKFRS 16 impact	**14,052**	**3,673**	**17,725**	17,639	2,713	20,352
	39,788	**24,498**	**64,286**	45,256	22,027	67,283

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(v) An analysis of capital expenditure by segments

	Capital expenditure [xxii]							
	Fixed assets HK$ million	**Telecom-munications licences** HK$ million	**Brand names and other rights** HK$ million	**2022 Total** HK$ million	Fixed assets HK$ million	Telecom-munications licences HK$ million	Brand names and other rights HK$ million	2021 Total HK$ million
Ports and Related Services	**3,801**	**–**	**–**	**3,801**	3,263	–	367	3,630
Retail	**2,387**	**–**	**–**	**2,387**	2,525	–	–	2,525
Infrastructure	**473**	**–**	**4**	**477**	363	–	4	367
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***16,653***	**–**	***1,779***	***18,432***	*19,090*	*4,237*	*4,028*	*27,355*
Hutchison Telecommunications Hong Kong Holdings	***496***	***138***	**–**	***634***	*874*	*2,040*	–	*2,914*
Corporate and Others	**–**	**–**	***3***	***3***	*1*	–	*19*	*20*
	17,149	**138**	**1,782**	**19,069**	19,965	6,277	4,047	30,289
Hutchison Asia Telecommunications	**313**	**22**	**14**	**349**	2,229	1,881	–	4,110
Finance & Investments and Others	**129**	**–**	**7**	**136**	144	–	11	155
	24,252	**160**	**1,807**	**26,219**	28,489	8,158	4,429	41,076
HKFRS 16 impact	**(367)**	**–**	**–**	**(367)**	(1,433)	–	–	(1,433)
	23,885	**160**	**1,807**	**25,852**	27,056	8,158	4,429	39,643

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(vi) An analysis of total assets by segments

	Total assets								
	Segment assets [xx]	Deferred tax assets	Assets classified as held for sale [xxiii]	Investments in associated companies and interests in joint ventures	2022 Total assets	Segment assets [xx]	Deferred tax assets	Investments in associated companies and interests in joint ventures	2021 Total assets
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	**72,263**	**352**	**–**	**23,200**	**95,815**	75,389	204	22,668	98,261
Retail	**198,358**	**1,471**	**–**	**15,630**	**215,459**	200,862	1,336	15,743	217,941
Infrastructure	**65,516**	**3**	**–**	**165,138**	**230,657**	55,611	7	172,273	227,891
Telecommunications									
CK Hutchison Group Telecom									
3 Group Europe	***263,859***	***15,067***	***5,178***	***10***	***284,114***	*300,201*	*17,925*	*10*	*318,136*
Hutchison Telecommunications Hong Kong Holdings	***16,148***	***4***	***–***	***157***	***16,309***	*16,615*	*3*	*215*	*16,833*
Corporate and Others	***35,040***	***–***	***–***	***2***	***35,042***	*15,534*	*–*	*50*	*15,584*
	315,047	**15,071**	**5,178**	**169**	**335,465**	332,350	17,928	275	350,553
Hutchison Asia Telecommunications	**2,668**	**–**	**–**	**15,395**	**18,063**	19,505	–	–	19,505
Finance & Investments and Others	**130,789**	**57**	**–**	**71,635**	**202,481**	163,972	45	69,574	233,591
	784,641	**16,954**	**5,178**	**291,167**	**1,097,940**	847,689	19,520	280,533	1,147,742
HKFRS 16 impact	**49,919**	**1,555**	**918**	**(1,895)**	**50,497**	65,524	1,668	(1,408)	65,784
	834,560	**18,509**	**6,096**	**289,272**	**1,148,437**	913,213	21,188	279,125	1,213,526

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(vii) An analysis of total liabilities by segments

	Total liabilities								
	Segment liabilities[xx]	Current & non-current borrowings[xxi] and other non-current liabilities	Liabilities directly associated with assets classified as held for sale[xxiii]	Current & deferred tax liabilities	2022 Total liabilities	Segment liabilities[xx]	Current & non-current borrowings[xxi] and other non-current liabilities	Current & deferred tax liabilities	2021 Total liabilities
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	**10,948**	**14,604**	**–**	**4,696**	**30,248**	10,702	14,734	4,625	30,061
Retail	**24,598**	**10,531**	**–**	**10,619**	**45,748**	25,599	14,333	10,523	50,455
Infrastructure	**7,338**	**28,416**	**–**	**556**	**36,310**	6,260	30,043	617	36,920
Telecommunications									
CK Hutchison Group Telecom									
3 Group Europe	***37,008***	***14,989***	***207***	***3,393***	***55,597***	*39,827*	*17,240*	*399*	*57,466*
Hutchison Telecommunications Hong Kong Holdings	***1,808***	***2,371***	**–**	***50***	***4,229***	*1,840*	*2,358*	–	*4,198*
Corporate and Others	***777***	***50,923***	**–**	***11***	***51,711***	*2,073*	*54,426*	*4*	*56,503*
	39,593	**68,283**	**207**	**3,454**	**111,537**	43,740	74,024	403	118,167
Hutchison Asia Telecommunications	**939**	**533**	**–**	**1**	**1,473**	4,972	6,132	2	11,106
Finance & Investments and Others	**9,721**	**197,490**	**–**	**4,859**	**212,070**	10,199	226,385	4,599	241,183
	93,137	**319,857**	**207**	**24,185**	**437,386**	101,472	365,651	20,769	487,892
HKFRS 16 impact	**64,781**	**(1,065)**	**920**	**(894)**	**63,742**	83,638	(1,275)	(984)	81,379
	157,918	**318,792**	**1,127**	**23,291**	**501,128**	185,110	364,376	19,785	569,271

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(viii) An analysis of revenue by geographical locations

	Revenue [xix]							
	Company and Subsidiaries	**Associates and JV**	**2022 Total**		Company and Subsidiaries	Associates and JV	2021 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
Hong Kong	**32,680**	**4,646**	**37,326**	**8%**	32,977	4,945	37,922	8%
Mainland China	**21,676**	**11,013**	**32,689**	**7%**	27,649	10,462	38,111	9%
The People's Republic of China	**54,356**	**15,659**	**70,015**	**15%**	60,626	15,407	76,033	17%
Europe	**145,738**	**69,150**	**214,888**	**47%**	155,526	71,508	227,034	51%
Canada	**253**	**3,554**	**3,807**	**1%**	256	2,969	3,225	1%
Asia, Australia and Others	**48,543**	**25,891**	**74,434**	**16%**	51,751	15,304	67,055	15%
	194,534	**98,595**	**293,129**	**64%**	207,533	89,781	297,314	67%
	248,890	**114,254**	**363,144**	**79%**	268,159	105,188	373,347	84%
Finance & Investments and Others	**13,607**	**80,478**	**94,085**	**21%**	12,688	59,348	72,036	16%
	262,497	**194,732**	**457,229 ****	**100%**	280,847	164,536	445,383 **	100%

** see note 5(b)(i) for reconciliation of segment revenue to revenue presented in the consolidated income statement.

(ix) An analysis of EBITDA by geographical locations

	EBITDA (LBITDA) [xiv]							
	Company and Subsidiaries	**Associates and JV**	**2022 Total**		Company and Subsidiaries	Associates and JV	2021 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
Hong Kong	**1,414**	**1,943**	**3,357**	**3%**	2,251	2,223	4,474	4%
Mainland China	**1,143**	**4,777**	**5,920**	**5%**	3,124	4,330	7,454	7%
The People's Republic of China	**2,557**	**6,720**	**9,277**	**8%**	5,375	6,553	11,928	11%
Europe	**42,378**	**18,427**	**60,805**	**51%**	51,630	20,309	71,939	65%
Canada	**246**	**1,795**	**2,041**	**1%**	261	1,557	1,818	1%
Asia, Australia and Others	**15,675**	**12,743**	**28,418**	**24%**	11,764	8,466	20,230	18%
	58,299	**32,965**	**91,264**	**76%**	63,655	30,332	93,987	84%
	60,856	**39,685**	**100,541**	**84%**	69,030	36,885	105,915	95%
Finance & Investments and Others	**1,942**	**16,527**	**18,469**	**16%**	(3,928)	9,240	5,312	5%
	62,798	**56,212**	**119,010 ##**	**100%**	65,102	46,125	111,227 ##	100%

see note 5(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(x) An analysis of EBIT by geographical locations

	EBIT (LBIT) [xv]							
	Company and Subsidiaries	**Associates and JV**	**2022 Total**		Company and Subsidiaries	Associates and JV	2021 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
Hong Kong	**(50)**	**982**	**932**	**1%**	984	1,218	2,202	3%
Mainland China	**137**	**3,997**	**4,134**	**6%**	2,093	3,610	5,703	9%
The People's Republic of China	**87**	**4,979**	**5,066**	**7%**	3,077	4,828	7,905	12%
Europe	**22,127**	**12,139**	**34,266**	**47%**	30,909	13,524	44,433	69%
Canada	**246**	**1,129**	**1,375**	**2%**	261	857	1,118	2%
Asia, Australia and Others	**12,847**	**7,301**	**20,148**	**28%**	7,382	5,125	12,507	19%
	35,220	**20,569**	**55,789**	**77%**	38,552	19,506	58,058	90%
	35,307	**25,548**	**60,855**	**84%**	41,629	24,334	65,963	102%
Finance & Investments and Others	**1,755**	**10,254**	**12,009**	**16%**	(4,144)	2,925	(1,219)	-2%
	37,062	**35,802**	**72,864** [@@]	**100%**	37,485	27,259	64,744 [@@]	100%

@@ see note 5(b)(iii) for reconciliation of segment EBIT to EBIT included and presented in the consolidated income statement.

(xi) An analysis of capital expenditure by geographical locations

	Capital expenditure [xxii]							
	Fixed assets	**Telecom-munications licences**	**Brand names and other rights**	**2022 Total**	Fixed assets	Telecom-munications licences	Brand names and other rights	2021 Total
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	**1,332**	**138**	**–**	**1,470**	1,538	2,040	–	3,578
Mainland China	**410**	**–**	**–**	**410**	643	–	–	643
The People's Republic of China	**1,742**	**138**	**–**	**1,880**	2,181	2,040	–	4,221
Europe	**18,358**	**–**	**1,782**	**20,140**	21,126	4,237	4,048	29,411
Asia, Australia and Others	**4,023**	**22**	**18**	**4,063**	5,038	1,881	370	7,289
	22,381	**22**	**1,800**	**24,203**	26,164	6,118	4,418	36,700
	24,123	**160**	**1,800**	**26,083**	28,345	8,158	4,418	40,921
Finance & Investments and Others	**129**	**–**	**7**	**136**	144	–	11	155
	24,252	**160**	**1,807**	**26,219**	28,489	8,158	4,429	41,076
HKFRS 16 impact	**(367)**	**–**	**–**	**(367)**	(1,433)	–	–	(1,433)
	23,885	**160**	**1,807**	**25,852**	27,056	8,158	4,429	39,643

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xii) An analysis of total assets by geographical locations

	Total assets								
	Segment assets[xx]	**Deferred tax assets**	**Assets classified as held for sale[xxiii]**	**Investments in associated companies and interests in joint ventures**	**2022 Total assets**	Segment assets[xx]	Deferred tax assets	Investments in associated companies and interests in joint ventures	2021 Total assets
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	**52,253**	**79**	**–**	**10,708**	**63,040**	51,757	107	10,202	62,066
Mainland China	**37,850**	**765**	**–**	**17,209**	**55,824**	46,039	570	17,206	63,815
The People's Republic of China	**90,103**	**844**	**–**	**27,917**	**118,864**	97,796	677	27,408	125,881
Europe	**420,785**	**15,512**	**5,178**	**106,525**	**548,000**	452,007	18,395	114,633	585,035
Canada	**4,169**	**3**	**–**	**12,238**	**16,410**	4,030	7	12,995	17,032
Asia, Australia and Others	**138,795**	**538**	**–**	**72,852**	**212,185**	129,884	396	55,923	186,203
	563,749	**16,053**	**5,178**	**191,615**	**776,595**	585,921	18,798	183,551	788,270
	653,852	**16,897**	**5,178**	**219,532**	**895,459**	683,717	19,475	210,959	914,151
Finance & Investments and Others	**130,789**	**57**	**–**	**71,635**	**202,481**	163,972	45	69,574	233,591
	784,641	**16,954**	**5,178**	**291,167**	**1,097,940**	847,689	19,520	280,533	1,147,742
HKFRS 16 impact	**49,919**	**1,555**	**918**	**(1,895)**	**50,497**	65,524	1,668	(1,408)	65,784
	834,560	**18,509**	**6,096**	**289,272**	**1,148,437**	913,213	21,188	279,125	1,213,526

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net gains from major transaction activities and other one-off items by segments and geographical locations

The Group's EBITDA and EBIT for the current year included the net gain attributable to shareholders from the disposal of interests in the Group's telecommunications tower assets in the United Kingdom (the "UK") that completed in November 2022 of HK$18,957 million (see note 5(b)(xvi)) and the Group's telecommunications business in Indonesia in January 2022 of HK$6,100 million (see note 5(b)(xvii)). This gain was partly offset by impairment of Wind Tre S.p.A.'s ("Wind Tre") goodwill of HK$11,039 million (see note 5(b)(xvi)), and the impairment charge against the assets of the Group's telecommunications business in Sri Lanka of HK$962 million (see note 5(b)(xvii)) and the Group's share of Cenovus Energy's impairment charges, before tax, of HK$253 million (see note 5(b)(xviii)).

The Group's EBITDA and EBIT for the comparative year ended 31 December 2021 included the net gain attributable to shareholders from the disposal of interests in the Group's European telecommunications tower assets that completed in 2021 of HK$25,259 million (see note 5(b)(xvi)). This gain was partly offset by impairment of Wind Tre's goodwill of HK$15,472 million (see note 5(b)(xvi)), foreign exchange reclassification adjustment charge of HK$3,514 million (see note 5(b)(xviii)) and the Group's share of Cenovus Energy's impairment charges, before tax, of HK$1,494 million (see note 5(b)(xviii)).

An analysis of EBITDA by segments

	EBITDA (LBITDA) [xiv]							
	Company and Subsidiaries	**Associates and JV**	**2022 Total**		Company and Subsidiaries	Associates and JV	2021 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
EBITDA before the following one-off items								
Ports and Related Services	**9,387**	**6,418**	**15,805**	**15%**	9,021	6,136	15,157	14%
Retail	**10,287**	**4,022**	**14,309**	**13%**	11,633	4,401	16,034	15%
Infrastructure	**3,996**	**24,819**	**28,815**	**27%**	3,345	26,291	29,636	28%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***23,864***	**–**	***23,864***	***23%***	*29,892*	–	*29,892*	*28%*
Hutchison Telecommunications Hong Kong Holdings	***998***	***60***	***1,058***	***1%***	*1,036*	*57*	*1,093*	*1%*
Corporate and Others	***(638)***	***(10)***	***(648)***	***-1%***	*2,280*	–	*2,280*	*2%*
	24,224	**50**	**24,274**	**23%**	33,208	57	33,265	31%
Hutchison Asia Telecommunications	**(94)**	**4,376**	**4,282**	**4%**	2,036	–	2,036	2%
Finance & Investments and Others	**1,942**	**16,780**	**18,722**	**18%**	(414)	10,734	10,320	10%
	49,742	**56,465**	**106,207**	**100%**	58,829	47,619	106,448	100%
One-off items								
Gains from disposal of European telecommunications tower assets [xvi]	**18,957**	**–**	**18,957**		25,259	–	25,259	
Gains from disposal of telecommunications business in Indonesia [xvii]	**6,100**	**–**	**6,100**		–	–	–	
Impairment of telecommunications business in Sri Lanka [xvii]	**(962)**	**–**	**(962)**		–	–	–	
Impairment of Wind Tre's goodwill [xvi]	**(11,039)**	**–**	**(11,039)**		(15,472)	–	(15,472)	
Foreign exchange reclassification adjustment [xviii]	**–**	**–**	**–**		(3,514)	–	(3,514)	
Share of Cenovus Energy's impairment charges [xviii]	**–**	**(253)**	**(253)**		–	(1,494)	(1,494)	
	62,798	**56,212**	**119,010** [##]		65,102	46,125	111,227 [##]	

see note 5(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net gains from major transaction activities and other one-off items by segments and geographical locations (continued)

An analysis of EBITDA by geographical locations

	EBITDA (LBITDA) [xiv]							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2022 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2021 Total HK$ million	%
EBITDA before the following one-off items								
Hong Kong	**1,414**	**1,943**	**3,357**	**3%**	2,251	2,223	4,474	4%
Mainland China	**1,143**	**4,777**	**5,920**	**6%**	3,124	4,330	7,454	7%
The People's Republic of China	**2,557**	**6,720**	**9,277**	**9%**	5,375	6,553	11,928	11%
Europe	**34,460**	**18,427**	**52,887**	**49%**	41,843	20,309	62,152	58%
Canada	**246**	**1,795**	**2,041**	**2%**	261	1,557	1,818	2%
Asia, Australia and Others	**10,537**	**12,743**	**23,280**	**22%**	11,764	8,466	20,230	19%
	45,243	**32,965**	**78,208**	**73%**	53,868	30,332	84,200	79%
	47,800	**39,685**	**87,485**	**82%**	59,243	36,885	96,128	90%
Finance & Investments and Others	**1,942**	**16,780**	**18,722**	**18%**	(414)	10,734	10,320	10%
	49,742	**56,465**	**106,207**	**100%**	58,829	47,619	106,448	100%
One-off items								
Gains from disposal of European telecommunications tower assets [xvi]	**18,957**	**–**	**18,957**		25,259	–	25,259	
Gains from disposal of telecommunications business in Indonesia [xvii]	**6,100**	**–**	**6,100**		–	–	–	
Impairment of telecommunications business in Sri Lanka [xvii]	**(962)**	**–**	**(962)**		–	–	–	
Impairment of Wind Tre's goodwill [xvi]	**(11,039)**	**–**	**(11,039)**		(15,472)	–	(15,472)	
Foreign exchange reclassification adjustment [xviii]	**–**	**–**	**–**		(3,514)	–	(3,514)	
Share of Cenovus Energy's impairment charges [xviii]	**–**	**(253)**	**(253)**		–	(1,494)	(1,494)	
	62,798	**56,212**	**119,010 ##**		65,102	46,125	111,227 ##	

see note 5(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net gains from major transaction activities and other one-off items by segments and geographical locations (continued)

An analysis of EBIT by segments

	EBIT (LBIT) [xv]							
	Company and Subsidiaries	**Associates and JV**	**2022 Total**		Company and Subsidiaries	Associates and JV	2021 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
EBIT before the following one-off items								
Ports and Related Services	**6,492**	**4,934**	**11,426**	**19%**	6,058	4,679	10,737	18%
Retail	**7,662**	**3,386**	**11,048**	**18%**	8,899	3,561	12,460	21%
Infrastructure	**3,692**	**15,141**	**18,833**	**32%**	3,013	16,082	19,095	32%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***5,564***	**–**	***5,564***	***9%***	*11,259*	–	*11,259*	*19%*
Hutchison Telecommunications Hong Kong Holdings	***(44)***	***14***	***(30)***	**–**	*130*	*12*	*142*	–
Corporate and Others	***(639)***	***(10)***	***(649)***	***-1%***	*2,274*	–	*2,274*	*4%*
	4,881	**4**	**4,885**	**8%**	13,663	12	13,675	23%
Hutchison Asia Telecommunications	**(476)**	**2,083**	**1,607**	**3%**	209	–	209	–
Finance & Investments and Others	**1,755**	**10,507**	**12,262**	**20%**	(630)	4,419	3,789	6%
	24,006	**36,055**	**60,061**	**100%**	31,212	28,753	59,965	100%
One-off items								
Gains from disposal of European telecommunications tower assets [xvi]	**18,957**	**–**	**18,957**		25,259	–	25,259	
Gains from disposal of telecommunications business in Indonesia [xvii]	**6,100**	**–**	**6,100**		–	–	–	
Impairment of telecommunications business in Sri Lanka [xvii]	**(962)**	**–**	**(962)**		–	–	–	
Impairment of Wind Tre's goodwill [xvi]	**(11,039)**	**–**	**(11,039)**		(15,472)	–	(15,472)	
Foreign exchange reclassification adjustment [xviii]	**–**	**–**	**–**		(3,514)	–	(3,514)	
Share of Cenovus Energy's impairment charges [xviii]	**–**	**(253)**	**(253)**		–	(1,494)	(1,494)	
	37,062	**35,802**	**72,864** [@@]		37,485	27,259	64,744 [@@]	

@@ see note 5(b)(iii) for reconciliation of segment EBIT to EBIT included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net gains from major transaction activities and other one-off items by segments and geographical locations (continued)

An analysis of EBIT by geographical locations

	EBIT (LBIT) [xv]							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2022 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2021 Total HK$ million	%
EBIT before the following one-off items								
Hong Kong	**(50)**	**982**	**932**	**2%**	984	1,218	2,202	4%
Mainland China	**137**	**3,997**	**4,134**	**7%**	2,093	3,610	5,703	9%
The People's Republic of China	**87**	**4,979**	**5,066**	**9%**	3,077	4,828	7,905	13%
Europe	**14,209**	**12,139**	**26,348**	**44%**	21,122	13,524	34,646	58%
Canada	**246**	**1,129**	**1,375**	**2%**	261	857	1,118	2%
Asia, Australia and Others	**7,709**	**7,301**	**15,010**	**25%**	7,382	5,125	12,507	21%
	22,164	**20,569**	**42,733**	**71%**	28,765	19,506	48,271	81%
	22,251	**25,548**	**47,799**	**80%**	31,842	24,334	56,176	94%
Finance & Investments and Others	**1,755**	**10,507**	**12,262**	**20%**	(630)	4,419	3,789	6%
	24,006	**36,055**	**60,061**	**100%**	31,212	28,753	59,965	100%
One-off items								
Gains from disposal of European telecommunications tower assets [xvi]	**18,957**	**–**	**18,957**		25,259	–	25,259	
Gains from disposal of telecommunications business in Indonesia [xvii]	**6,100**	**–**	**6,100**		–	–	–	
Impairment of telecommunications business in Sri Lanka [xvii]	**(962)**	**–**	**(962)**		–	–	–	
Impairment of Wind Tre's goodwill [xvi]	**(11,039)**	**–**	**(11,039)**		(15,472)	–	(15,472)	
Foreign exchange reclassification adjustment [xviii]	**–**	**–**	**–**		(3,514)	–	(3,514)	
Share of Cenovus Energy's impairment charges [xviii]	**–**	**(253)**	**(253)**		–	(1,494)	(1,494)	
	37,062	**35,802**	**72,864** @@		37,485	27,259	64,744 @@	

@@ see note 5(b)(iii) for reconciliation of segment EBIT to EBIT included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiv) EBITDA (LBITDA) represents the EBITDA (LBITDA) of the Company and subsidiary companies as well as the Group's share of the EBITDA (LBITDA) of associated companies and joint ventures except for HPH Trust which is included based on the Group's effective share of EBITDA for this operation and the Group's interests in six infrastructure investments co-owned with CKI that are based on the Group's 10% direct interests in these investments. EBITDA (LBITDA) is defined as earnings (losses) before interest expenses and other finance costs, tax, depreciation and amortisation. Information concerning EBITDA (LBITDA) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of gross cash flow generation. The Group considers EBITDA (LBITDA) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBITDA (LBITDA) is therefore presented as a measure of segment results in accordance with HKFRS 8. EBITDA (LBITDA) is not a measure of cash liquidity or financial performance under HKFRS and the EBITDA (LBITDA) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBITDA (LBITDA) should not necessarily be construed as an alternative to cash flows or results from operations as determined in accordance with HKFRS.

(xv) EBIT (LBIT) represents the EBIT (LBIT) of the Company and subsidiary companies as well as the Group's share of the EBIT (LBIT) of associated companies and joint ventures except for HPH Trust which is included based on the Group's effective share of EBIT for this operation and the Group's interests in six infrastructure investments co-owned with CKI that are based on the Group's 10% direct interests in these investments. EBIT (LBIT) is defined as earnings (losses) before interest expenses and other finance costs and tax. Information concerning EBIT (LBIT) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of results from operations. The Group considers EBIT (LBIT) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBIT (LBIT) is therefore presented as a measure of segment results in accordance with HKFRS 8. EBIT (LBIT) is not a measure of financial performance under HKFRS and the EBIT (LBIT) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBIT (LBIT) should not necessarily be construed as an alternative to results from operations as determined in accordance with HKFRS.

(xvi) Included in the current year balance are a gain of HK$18,957 million (HK$19,060 million at Post-HKFRS 16 basis, see note 7(g)) arising from the disposal of interests in telecommunications tower assets in the UK completed in November 2022 and an impairment charge of HK$11,039 million (HK$11,039 million at Post-HKFRS 16 basis, see note 7(c)) against Wind Tre's goodwill. Both amounts are at EBITDA and EBIT levels and are reported under "Telecommunications: CK Hutchison Group Telecom – Corporate and Others" in the segment results. In the consolidated income statement, both amount are reported under the Post-HKFRS 16 basis, the disposal gain of HK$19,060 million is reported in "Other income and gains" and the impairment charge of HK$11,039 million is reported in "Other expenses and losses".

Included in the comparative year balance are disposal gains of HK$25,259 million (HK$25,316 million at Post-HKFRS 16 basis, see note 7(g)) arising from disposal of interests in telecommunications tower assets in Sweden and Italy completed in January and June 2021 respectively and an impairment charge of HK$15,472 million (HK$15,472 million at Post-HKFRS 16 basis, see note 7(c)) against Wind Tre's goodwill. Both amounts are at EBITDA and EBIT levels and are reported under "Telecommunications: CK Hutchison Group Telecom – Corporate and Others" in the segment results. In the consolidated income statement, both amounts are reported under the Post-HKFRS 16 basis, the disposal gains of HK$25,316 million are reported in "Other income and gains" and the impairment charge of HK$15,472 million is reported in "Other expenses and losses".

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xvii) Hutchison Asia Telecommunications includes the Group's telecommunication businesses in Indonesia, Vietnam and Sri Lanka. In January 2022, the merger transaction between the Group's Indonesia telecommunication business, Hutchison 3 Indonesia ("H3I") and PT Indosat Tbk ("Indosat") was completed. The newly merged company, Indosat Ooredoo Hutchison ("IOH"), remains listed on the Indonesia Stock Exchange and became the second largest telecommunication operator in Indonesia. The merger was accounted for as a disposal of H3I and an acquisition attributable interests in IOH. Included in the current year balance are a disposal gain of HK$6,100 million (HK$7,245 million at Post-HKFRS 16 basis, see note 7(g)) arising from the completion of the merger and an impairment charge of HK$962 million (HK$1,000 million at Post-HKFRS 16 basis, see note 7(c)) against goodwill, telecommunications licences, tangible and other assets of the Group's telecommunications business in Sri Lanka. Both amounts are at EBITDA and EBIT levels and are reported under "Telecommunications: Hutchison Asia Telecommunications" in the segment results. In the consolidated income statement, both amounts are reported under the Post-HKFRS 16 basis, the disposal gain of HK$7,245 million is reported in "Other income and gains" and the impairment charge of HK$1,000 million is reported in "Other expenses and losses".

(xviii) Included in the current year balance is the Group's share of Cenovus Energy's non-cash impairment charges, before tax, of HK$253 million (HK$253 million at Post-HKFRS 16 basis) on certain refinery assets. The Group's share of this charge is HK$253 million (HK$253 million at Post-HKFRS 16 basis) at the EBITDA and EBIT levels, and is reported under "Finance & Investments and Others" in the segment results. In the consolidated income statements, the Group's share of this charge (after tax) is HK$193 million (HK$193 million at Post-HKFRS 16 basis) and is included in "Share of profits less losses of associated companies".

Included in the comparative year balance are a charge of HK$3,514 million (HK$3,514 million at Post- HKFRS 16 basis) arising from (a) the merger of Husky Energy Inc. ("Husky") and Cenovus Energy and (b) the Group's share of Cenovus Energy's non-cash impairment charges, before tax, of HK$1,494 million (HK$1,494 million at Post-HKFRS 16 basis). Item (a) represents reclassification adjustment of foreign exchange losses previously recognised in reserves. This charge is recorded at the EBITDA and EBIT levels and is reported under "Finance & Investments and Others" in the segment results and is included in "Other expenses and losses" in the consolidated income statement. See note 7(d). Item (b) represents the Group's share of impairment on Cenovus Energy's U.S. refinery assets. The Group's share of these impairment charges at the EBITDA and EBIT levels is HK1,494 million (HK$1,494 million at Post-HKFRS 16 basis), and is reported under "Finance & Investments and Others" in the segment results. In the consolidated income statement, the Group's share of this charge (after tax) is HK$1,352 million (HK$1,352 million at Post-HKFRS 16 basis) and is included in "Share of profits less losses of associated companies".

(xix) The geographical location of customers is based on the location at which the services were provided or goods delivered. Hong Kong is the location of principal place of business of the Company.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xx) Segment assets and segment liabilities

Segment assets are assets other than deferred tax assets, assets classified as held for sale, and investments in associated companies and interests in joint ventures.

Segment liabilities are liabilities other than bank and other debts, interest bearing loans from non-controlling shareholders, tax liabilities (including deferred tax liabilities), liabilities directly associated with assets classified as held for sale and other non-current liabilities.

The specified non-current assets are non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts. The geographical location of the specified non-current assets is based on the physical location of the asset (for fixed assets, right-of-use assets and other operating assets), the location of the operation in which they are allocated (for assets classified as held for sale, intangible assets and goodwill), and the location of operations (for associated companies and interests in joint ventures).

See note 5(b)(vi) and 5(b)(vii) for reconciliation of segment assets and segment liabilities from Pre-HKFRS 16 basis to Post-HKFRS 16 basis.

Geographical analysis of the Group's non-current assets (based on Post-HKFRS 16 basis) other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts is as follows:

	2022 **HK$ million**	2021 HK$ million
Hong Kong	**76,195**	74,941
Mainland China	**63,398**	72,148
The People's Republic of China	**139,593**	147,089
Europe	**487,612**	546,439
Canada	**59,262**	56,502
Asia, Australia and Others	**193,888**	192,551
	740,762	795,492
	880,355	942,581

(xxi) Current and non-current borrowings comprise bank and other debts and interest bearing loans from non-controlling shareholders.

(xxii) For the purpose of segmental information analysis, expenditures incurred for leases are not regarded as capital expenditures.

(xxiii) See note 25.

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics

(i) Consolidated Income Statement

	2022			2021		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Revenue	**262,497**	**–**	**262,497**	280,847	–	280,847
Cost of inventories sold	**(101,766)**	**42**	**(101,724)**	(104,300)	34	(104,266)
Staff costs	**(37,170)**	**–**	**(37,170)**	(37,462)	–	(37,462)
Expensed customer acquisition and retention costs	**(14,927)**	**400**	**(14,527)**	(16,878)	467	(16,411)
Depreciation and amortisation	**(25,736)**	**(14,052)**	**(39,788)**	(27,617)	(17,639)	(45,256)
Other expenses and losses	**(72,767)**	**17,040**	**(55,727)**	(84,553)	20,795	(63,758)
Other income and gains	**26,931**	**1,249**	**28,180**	27,448	57	27,505
Share of profits less losses of:						
Associated companies	**12,282**	**(460)**	**11,822**	5,808	(90)	5,718
Joint ventures	**7,522**	**(100)**	**7,422**	6,605	(212)	6,393
	56,866	**4,119**	**60,985**	49,898	3,412	53,310
Interest expenses and other finance costs	**(6,818)**	**(2,234)**	**(9,052)**	(7,075)	(3,533)	(10,608)
Profit before tax	**50,048**	**1,885**	**51,933**	42,823	(121)	42,702
Current tax	**(5,438)**	**3**	**(5,435)**	(4,031)	2	(4,029)
Deferred tax credit (charge)	**(2,721)**	**(118)**	**(2,839)**	1,771	28	1,799
Profit after tax	**41,889**	**1,770**	**43,659**	40,563	(91)	40,472
Profit attributable to non-controlling interests and holders of perpetual capital securities	**(7,020)**	**41**	**(6,979)**	(7,063)	75	(6,988)
Profit attributable to ordinary shareholders	**34,869**	**1,811**	**36,680**	33,500	(16)	33,484
Earnings per share for profit attributable to ordinary shareholders	**HK$ 9.09**	**HK$ 0.48**	**HK$ 9.57**	HK$ 8.71	(HK$ 0.01)	HK$ 8.70

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(ii) Consolidated Statement of Comprehensive Income

	2022			2021		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Profit after tax	**41,889**	**1,770**	**43,659**	40,563	(91)	40,472
Other comprehensive income (losses)						
Items that will not be reclassified to profit or loss						
Equity securities at FVOCI						
Valuation gains (losses) recognised directly in reserves	**(1,493)**	**–**	**(1,493)**	265	–	265
Remeasurement of defined benefit obligations recognised directly in reserves	**701**	**–**	**701**	1,034	–	1,034
Share of other comprehensive income (losses) of associated companies	**(83)**	**–**	**(83)**	766	–	766
Share of other comprehensive income (losses) of joint ventures	**(520)**	**–**	**(520)**	1,684	–	1,684
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	**(255)**	**–**	**(255)**	80	–	80
	(1,650)	**–**	**(1,650)**	3,829	–	3,829
Items that may be reclassified to profit or loss						
Debt securities at FVOCI						
Valuation losses recognised directly in reserves	**(369)**	**–**	**(369)**	(60)	–	(60)
Valuation losses (gains) previously in reserves recognised in income statement	**2**	**–**	**2**	(7)	–	(7)
Gains on cash flow hedges recognised directly in reserves	**2,201**	**–**	**2,201**	1,020	–	1,020
Gains on net investment hedges recognised directly in reserves	**4,433**	**–**	**4,433**	1,767	–	1,767
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	**(16,578)**	**500**	**(16,078)**	(11,453)	886	(10,567)
Losses previously in exchange and other reserves related to subsidiaries, associated companies and joint ventures disposed during the year recognised in income statement	**2,213**	**7**	**2,220**	2,913	–	2,913
Share of other comprehensive income (losses) of associated companies	**(2,526)**	**31**	**(2,495)**	(716)	8	(708)
Share of other comprehensive income (losses) of joint ventures	**(4,103)**	**42**	**(4,061)**	(2,201)	17	(2,184)
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	**(12)**	**–**	**(12)**	(8)	–	(8)
	(14,739)	**580**	**(14,159)**	(8,745)	911	(7,834)
Other comprehensive income (losses), net of tax	**(16,389)**	**580**	**(15,809)**	(4,916)	911	(4,005)
Total comprehensive income	**25,500**	**2,350**	**27,850**	35,647	820	36,467
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	**(5,614)**	**(160)**	**(5,774)**	(6,551)	(202)	(6,753)
Total comprehensive income attributable to ordinary shareholders	**19,886**	**2,190**	**22,076**	29,096	618	29,714

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(iii) Consolidated Statement of Financial Position

	2022			2021		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Non-current assets						
Fixed assets	**114,564**	**(1,914)**	**112,650**	133,174	(2,075)	131,099
Right-of-use assets	**–**	**59,337**	**59,337**	–	76,852	76,852
Leasehold land	**6,129**	**(6,129)**	**–**	6,717	(6,717)	–
Telecommunications licences	**60,689**	**–**	**60,689**	69,985	–	69,985
Brand names and other rights	**83,694**	**–**	**83,694**	89,019	–	89,019
Goodwill	**268,008**	**–**	**268,008**	289,340	–	289,340
Associated companies	**141,475**	**(764)**	**140,711**	138,116	(335)	137,781
Interests in joint ventures	**149,692**	**(1,131)**	**148,561**	142,417	(1,073)	141,344
Deferred tax assets	**16,954**	**1,555**	**18,509**	19,520	1,668	21,188
Liquid funds and other listed investments	**16,103**	**–**	**16,103**	8,227	–	8,227
Other non-current assets	**15,358**	**542**	**15,900**	13,970	232	14,202
	872,666	**51,496**	**924,162**	910,485	68,552	979,037
Current assets						
Cash and cash equivalents	**138,085**	**–**	**138,085**	153,133	–	153,133
Inventories	**23,283**	**–**	**23,283**	23,625	–	23,625
Trade receivables and other current assets	**58,728**	**(1,917)**	**56,811**	60,499	(2,768)	57,731
	220,096	**(1,917)**	**218,179**	237,257	(2,768)	234,489
Assets classified as held for sale	**5,178**	**918**	**6,096**	–	–	–
	225,274	**(999)**	**224,275**	237,257	(2,768)	234,489
Current liabilities						
Bank and other debts	**70,430**	**(300)**	**70,130**	66,564	(203)	66,361
Current tax liabilities	**4,040**	**(39)**	**4,001**	2,419	(17)	2,402
Lease liabilities	**–**	**12,128**	**12,128**	–	16,085	16,085
Trade payables and other current liabilities	**90,407**	**(1,278)**	**89,129**	98,006	(1,441)	96,565
	164,877	**10,511**	**175,388**	166,989	14,424	181,413
Liabilities directly associated with assets classified as held for sale	**207**	**920**	**1,127**	–	–	–
	165,084	**11,431**	**176,515**	166,989	14,424	181,413
Net current assets	**60,190**	**(12,430)**	**47,760**	70,268	(17,192)	53,076
Total assets less current liabilities	**932,856**	**39,066**	**971,922**	980,753	51,360	1,032,113
Non-current liabilities						
Bank and other debts	**214,963**	**(767)**	**214,196**	260,511	(1,073)	259,438
Interest bearing loans from non-controlling shareholders	**2,567**	**–**	**2,567**	759	–	759
Lease liabilities	**–**	**53,931**	**53,931**	–	68,994	68,994
Deferred tax liabilities	**20,145**	**(855)**	**19,290**	18,350	(967)	17,383
Pension obligations	**2,730**	**–**	**2,730**	3,466	–	3,466
Other non-current liabilities	**31,897**	**2**	**31,899**	37,817	1	37,818
	272,302	**52,311**	**324,613**	320,903	66,955	387,858
Net assets	**660,554**	**(13,245)**	**647,309**	659,850	(15,595)	644,255
Capital and reserves						
Share capital	**3,830**	**–**	**3,830**	3,834	–	3,834
Share premium	**242,972**	**–**	**242,972**	243,169	–	243,169
Reserves	**286,167**	**(9,456)**	**276,711**	277,795	(11,646)	266,149
Total ordinary shareholders' funds	**532,969**	**(9,456)**	**523,513**	524,798	(11,646)	513,152
Perpetual capital securities	**4,561**	**–**	**4,561**	12,414	–	12,414
Non-controlling interests	**123,024**	**(3,789)**	**119,235**	122,638	(3,949)	118,689
Total equity	**660,554**	**(13,245)**	**647,309**	659,850	(15,595)	644,255

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows

	2022			2021		
	Pre-HKFRS 16 basis HK$ million	**Effect on adoption of HKFRS 16 HK$ million**	**Post-HKFRS 16 basis HK$ million**	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million
	(A)		**(B)**	(A)		(B)
Operating activities						
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	**57,409**	**16,488**	**73,897**	65,644	20,289	85,933
Interest expenses and other finance costs paid (net of capitalisation)	**(6,817)**	**(2,234)**	**(9,051)**	(7,044)	(3,533)	(10,577)
Tax paid	**(3,552)**	**–**	**(3,552)**	(4,092)	–	(4,092)
Funds from operations (Funds from operations under (B) is before principal elements of lease payments)	**47,040**	**14,254**	**61,294**	54,508	16,756	71,264
Changes in working capital	**(4,454)**	**(126)**	**(4,580)**	(19,423)	343	(19,080)
Net cash from operating activities	**42,586**	**14,128**	**56,714**	35,085	17,099	52,184
Investing activities						
Purchase of fixed assets	**(24,252)**	**367**	**(23,885)**	(28,489)	1,433	(27,056)
Additions to telecommunications licences	**(160)**	**–**	**(160)**	(8,158)	–	(8,158)
Additions to brand names and other rights	**(1,807)**	**–**	**(1,807)**	(4,429)	–	(4,429)
Purchase of subsidiary companies, net of cash acquired	**–**	**–**	**–**	(138)	–	(138)
Additions to unlisted investments	**(564)**	**–**	**(564)**	(142)	–	(142)
Repayments of loans from associated companies and joint ventures	**374**	**–**	**374**	1,044	–	1,044
Purchase of and advances to associated companies and joint ventures	**(3,464)**	**–**	**(3,464)**	(1,753)	–	(1,753)
Proceeds from disposal of fixed assets	**335**	**–**	**335**	438	–	438
Proceeds from disposal of subsidiary companies, net of cash disposed	**17,096**	**–**	**17,096**	38,425	–	38,425
Proceeds from partial disposal / disposal of associated companies and joint ventures	**5,226**	**–**	**5,226**	928	–	928
Proceeds from disposal of other unlisted investments	**2,336**	**–**	**2,336**	11	–	11
Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments	**(4,880)**	**367**	**(4,513)**	(2,263)	1,433	(830)
Disposal of liquid funds and other listed investments	**157**	**–**	**157**	318	–	318
Additions to liquid funds and other listed investments	**–**	**–**	**–**	(38)	–	(38)
Cash flows used in investing activities	**(4,723)**	**367**	**(4,356)**	(1,983)	1,433	(550)
Net cash inflow before financing activities	**37,863**	**14,495**	**52,358**	33,102	18,532	51,634
Financing activities						
New borrowings	**37,514**	**(367)**	**37,147**	72,334	(1,433)	70,901
Repayment of borrowings	**(68,242)**	**179**	**(68,063)**	(83,854)	308	(83,546)
Principal elements of lease payments	**–**	**(14,307)**	**(14,307)**	–	(17,407)	(17,407)
Net loans from non-controlling shareholders	**2,118**	**–**	**2,118**	47	–	47
Issue of equity securities by subsidiary companies to non-controlling shareholders	**85**	**–**	**85**	95	–	95
Payment to acquire additional interests in subsidiary companies	**(904)**	**–**	**(904)**	(1,955)	–	(1,955)
Proceeds on issue of perpetual capital securities by a subsidiary, net of transaction costs	**–**	**–**	**–**	4,648	–	4,648
Redemption of perpetual capital securities by a subsidiary	**(7,800)**	**–**	**(7,800)**	(9,360)	–	(9,360)
Payments for buy-back and cancellation of issued shares	**(197)**	**–**	**(197)**	(1,239)	–	(1,239)
Dividends paid to ordinary shareholders	**(10,353)**	**–**	**(10,353)**	(9,627)	–	(9,627)
Dividends paid to non-controlling interests	**(4,816)**	**–**	**(4,816)**	(6,518)	–	(6,518)
Distribution paid on perpetual capital securities	**(316)**	**–**	**(316)**	(491)	–	(491)
Cash flows used in financing activities	**(52,911)**	**(14,495)**	**(67,406)**	(35,920)	(18,532)	(54,452)
Decrease in cash and cash equivalents	**(15,048)**	**–**	**(15,048)**	(2,818)	–	(2,818)
Cash and cash equivalents at 1 January	**153,133**	**–**	**153,133**	155,951	–	155,951
Cash and cash equivalents at 31 December	**138,085**	**–**	**138,085**	153,133	–	153,133

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows (continued)

	2022			2021		
	Pre-HKFRS 16 basis HK$ million	**Effect on adoption of HKFRS 16 HK$ million**	**Post-HKFRS 16 basis HK$ million**	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million
Analysis of cash, liquid funds and other listed investments						
Cash and cash equivalents, as above	**138,085**	**–**	**138,085**	153,133	–	153,133
Liquid funds and other listed investments	**16,103**	**–**	**16,103**	8,227	–	8,227
Total cash, liquid funds and other listed investments	**154,188**	**–**	**154,188**	161,360	–	161,360
Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	**287,297**	**(1,067)**	**286,230**	329,529	(1,276)	328,253
Interest bearing loans from non-controlling shareholders	**2,567**	**–**	**2,567**	759	–	759
Net debt	**135,676**	**(1,067)**	**134,609**	168,928	(1,276)	167,652
Interest bearing loans from non-controlling shareholders	**(2,567)**	**–**	**(2,567)**	(759)	–	(759)
Net debt (excluding interest bearing loans from non-controlling shareholders)	**133,109**	**(1,067)**	**132,042**	168,169	(1,276)	166,893

6 Directors' emoluments

	2022 HK$ million	2021 HK$ million
Directors' emoluments	537	500

Directors' emoluments comprise payments to directors by the Company and its subsidiaries in connection with the management of the affairs of the Company and its subsidiaries. The emoluments exclude amounts received from the Company's listed subsidiaries and paid to the Company. The amounts disclosed above are the amounts recognised as directors' emolument expenses and are included in "Staff costs" and "Other expenses and losses" in the consolidated income statement.

As at 31 December 2022 and 31 December 2021, the Company and its subsidiary companies do not have share option scheme. None of the directors have received any share-based payments from the Company or any of its subsidiaries during the year (2021: nil).

In 2022, the five individuals whose emoluments were the highest for the year were four (2021: four) directors of the Company and one (2021: one) director of a subsidiary of the Company. The remuneration of the director of the subsidiary company consisted of basic salary, allowances and benefits-in-kind of HK$4.66 million (2021: HK$4.56 million); provident fund contribution of HK$0.37 million (2021: HK$0.36 million) and discretionary bonus of HK$23.85 million (2021: HK$26.68 million).

Further details of the directors' emoluments are set out in table below:

(a) Directors' emolument expenses recognised in the Group's consolidated income statement:

	2022					
Name of directors	Director's fees HK$ million	Basic salaries, allowances and benefits-in-kind HK$ million	Discretionary bonuses HK$ million	Provident fund contributions HK$ million	Inducement or compensation fees HK$ million	Total emoluments HK$ million
Victor T K LI [1] [2]						
Paid by the Company	0.31	5.01	69.84	–	–	75.16
Paid by CKI	0.13	–	30.65	–	–	30.78
	0.44	5.01	100.49	–	–	105.94
FOK Kin Ning, Canning [3]	0.22	11.88	191.03	1.07	–	204.20
Frank John SIXT [3] [4]	0.28	9.03	65.96	0.77	–	76.04
IP Tak Chuen, Edmond						
Paid by the Company	0.22	1.67	9.93	–	–	11.82
Paid by CKI	0.10	1.80	12.45	–	–	14.35
	0.32	3.47	22.38	–	–	26.17
KAM Hing Lam						
Paid by the Company	0.22	2.47	9.24	–	–	11.93
Paid by CKI	0.08	4.20	11.42	–	–	15.70
	0.30	6.67	20.66	–	–	27.63
LAI Kai Ming, Dominic [3]	0.22	6.09	63.58	0.49	–	70.38
Edith SHIH [3] [4]	0.28	4.71	18.03	0.34	–	23.36
CHOW Kun Chee, Roland [5]	0.22	–	–	–	–	0.22
CHOW WOO Mo Fong, Susan [5]	0.22	–	–	–	–	0.22
LEE Yeh Kwong, Charles [5]	0.22	–	–	–	–	0.22
George Colin MAGNUS [5]						
Paid by the Company	0.22	–	–	–	–	0.22
Paid by CKI	0.08	–	–	–	–	0.08
	0.30	–	–	–	–	0.30
CHENG Hoi Chuen, Vincent [6]	0.29	–	–	–	–	0.29
Michael David KADOORIE [7]	0.21	–	–	–	–	0.21
Philip Lawrence KADOORIE [8] [9]	0.01	–	–	–	–	0.01
LEE Wai Mun, Rose [9] [10]	0.26	–	–	–	–	0.26
LEUNG LAU Yau Fun, Sophie [1] [9]	0.23	–	–	–	–	0.23
Paul Joseph TIGHE [9] [10]						
Paid by the Company	0.35	–	–	–	–	0.35
Paid by CKI	0.20	–	–	–	–	0.20
	0.55	–	–	–	–	0.55
WONG Kwai Lam [2] [9] [10]	0.41	–	–	–	–	0.41
WONG Yick-ming, Rosanna [1] [2] [4] [9]	0.37	–	–	–	–	0.37
Total	5.35	46.86	482.13	2.67	–	537.01

6 Directors' emoluments (continued)

(a) Directors' emolument expenses recognised in the Group's consolidated income statement (continued):

	2021					
Name of directors	Director's fees HK$ million	Basic salaries, allowances and benefits-in-kind HK$ million	Discretionary bonuses HK$ million	Provident fund contributions HK$ million	Inducement or compensation fees HK$ million	Total emoluments HK$ million
Victor T K LI [1] [2]						
Paid by the Company	0.31	4.89	63.50	–	–	68.70
Paid by CKI	0.13	–	29.55	–	–	29.68
	0.44	4.89	93.05	–	–	98.38
FOK Kin Ning, Canning [3]	0.22	11.57	178.97	1.04	–	191.80
Frank John SIXT [3] [4]	0.28	8.74	59.95	0.75	–	69.72
IP Tak Chuen, Edmond						
Paid by the Company	0.22	1.62	9.03	–	–	10.87
Paid by CKI	0.10	1.80	11.70	–	–	13.60
	0.32	3.42	20.73	–	–	24.47
KAM Hing Lam						
Paid by the Company	0.22	2.42	8.40	–	–	11.04
Paid by CKI	0.08	4.20	10.73	–	–	15.01
	0.30	6.62	19.13	–	–	26.05
LAI Kai Ming, Dominic [3]	0.22	5.93	57.79	0.48	–	64.42
Edith SHIH [3] [4]	0.28	4.58	16.39	0.33	–	21.58
CHOW Kun Chee, Roland [5]	0.22	–	–	–	–	0.22
CHOW WOO Mo Fong, Susan [5]	0.22	–	–	–	–	0.22
LEE Yeh Kwong, Charles [5]	0.22	–	–	–	–	0.22
LEUNG Siu Hon [11]	0.08	–	–	–	–	0.08
George Colin MAGNUS [5]						
Paid by the Company	0.22	–	–	–	–	0.22
Paid by CKI	0.08	–	–	–	–	0.08
	0.30	–	–	–	–	0.30
KWOK Tun-li, Stanley [12]	0.13	–	–	–	–	0.13
CHENG Hoi Chuen, Vincent [1] [2] [9] [10]	0.44	–	–	–	–	0.44
Michael David KADOORIE [9]	0.22	–	–	–	–	0.22
LEE Wai Mun, Rose [9]	0.22	–	–	–	–	0.22
LEUNG LAU Yau Fun, Sophie [9] [13]	–	–	–	–	–	–
Paul Joseph TIGHE [9] [10]						
Paid by the Company	0.30	–	–	–	–	0.30
Paid by CKI	0.20	–	–	–	–	0.20
	0.50	–	–	–	–	0.50
WONG Kwai Lam [2] [9] [10]	0.41	–	–	–	–	0.41
WONG Yick-ming, Rosanna [1] [2] [4] [9]	0.37	–	–	–	–	0.37
Total	5.39	45.75	446.01	2.60	–	499.75

(1) Member of the Nomination Committee.

(2) Member of the Remuneration Committee.

(3) Directors' fees to these Directors from the Company's listed subsidiaries during the period they served as directors have been paid to the Company and are not included in the amounts above.

(4) Member of the Sustainability Committee.

(5) Non-executive Director.

(6) Former Independent Non-executive Director and member of the Audit Committee, Nomination Committee and Remuneration Committee. Passed away on 28 August 2022.

(7) Former Independent Non-executive Director. Resigned on 16 December 2022.

(8) Appointed on 16 December 2022.

(9) Independent Non-executive Director. The total emoluments of the Independent Non-executive Directors of the Company are HK$2.33 million (2021: HK$2.29 million).

(10) Member of the Audit Committee.

(11) Former Non-executive Director. Resigned on 13 May 2021.

(12) Former Independent Non-executive Director and member of the Audit Committee. Retired on 13 May 2021.

(13) Appointed on 28 December 2021. The amount of director's fee shown above is a result of rounding.

7 Presentation of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains

This note provides additional details in respect of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains.

	2022 HK$ million	2021 HK$ million
Cost of goods sold:		
included in "Cost of inventories sold"	**101,724**	104,266
included in "Expensed customer acquisition and retention costs"	**8,879**	10,487
	110,603	114,753

	2022 HK$ million	2021 HK$ million
Depreciation and amortisation:		
Fixed assets (see note 12)	**17,515**	18,186
Right-of-use assets (see note 13(b))	**14,582**	18,153
Telecommunications licences (see note 14)	**919**	1,514
Brand names and other rights (see note 15)	**3,308**	3,603
Customer acquisition and retention costs (see note 21(a))	**3,464**	3,800
	39,788	45,256

	2022 HK$ million	2021 HK$ million
Other expenses and losses:		
Cost of providing services [(a)]	**(29,678)**	(26,148)
Office and general administrative expenses and others	**(3,762)**	(7,475)
Expenses for short-term, low-value assets leases and payment for variable rent (see note 13(b))	**(3,802)**	(4,103)
Advertising and promotion expenses	**(4,677)**	(5,109)
Legal and professional fees	**(1,404)**	(1,611)
Auditors' remuneration [(b)]	**(328)**	(326)
Impairment loss [(c)]		
Against goodwill on telecommunications business in Italy	**(11,039)**	(15,472)
Against goodwill and other assets on telecommunications business in Sri Lanka	**(1,000)**	–
Foreign exchange reclassification adjustment [(d)]	**–**	(3,514)
Losses on disposal of a subsidiary company [#]		
Other businesses	**(37)**	–
	(55,727)	(63,758)

[#] See note 34(d)

7 Presentation of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains (continued)

	2022 HK$ million	2021 HK$ million
Other income and gains:		
Rent concessions [e]	**188**	497
Employment and other subsidies [f]	**225**	941
Gains on disposals of unlisted investments	**515**	–
Gains on disposals of interests in associated companies and joint ventures	**947**	751
Gains on disposal of subsidiaries [g] #		
European telecommunications tower assets	**19,060**	25,316
Indonesia telecommunications businesses	**7,245**	–
	28,180	27,505

(a) Cost of providing services of HK$29,678 million (2021: HK$26,148 million) includes telecommunication network related costs of HK$17,395 million (2021: HK$14,106 million), repair and maintenance of HK$5,861 million (2021: HK$5,977 million) and others of HK$6,422 million (2021: HK$6,065 million).

(b) Auditors' remuneration of HK$328 million (2021: HK$326 million) are charged for audit and audit related work performed by the Company's auditor, PricewaterhouseCoopers of HK$224 million (2021: HK$241 million) and performed by other auditors of HK$12 million (2021: HK$14 million), and for non-audit work, including tax compliance and other tax related services, and financial due diligence services, performed by the Company's auditor, PricewaterhouseCoopers of HK$56 million (2021: HK$33 million) and performed by other auditors of HK$36 million (2021: HK$38 million).

(c) Impairment loss

(i) For the current year, an impairment loss of HK$11,039 million arose in the telecommunications business in Italy ("Wind Tre"), which is included as part of the Telecommunications segment under CK Hutchison Group Telecom in note 5.

In late Q3 to Q4 2022, Italy has seen a series of downgrades in medium-term growth prospects for its economy from rating agency, the Bank of Italy, Italy's National Institute of Statistics, the Organisation for Economic Cooperation and Development, and the European Commission. Management has taken into consideration the decelerating outlooks of the Italian economy when it conducted the 2022 annual impairment testing. For the 2022 annual impairment testing for Wind Tre, the recoverable amount was determined based on the value-in-use ("VIU") calculations, as it was higher than the fair value less costs of disposal ("FVLCD") calculations. The VIU is measured using a discounted cash flow projection for the period covered by the forecast and a calculated terminal value at the end of the forecast period. The calculations used cash flow projections based on the latest financial budget covering a five-year 2023 – 2027 period and business plan approved by Wind Tre's management in Q4 2022, reflecting a lowered expectation on growth and reported service revenues, and heightened competition in the Italian market. As a result, the forecasted revenue and margin, including the future 5G revenue contribution, was lower as compared to the last financial budget covering the five year 2022 – 2026 period. The key assumptions and estimates used in preparing the discounted cash flow projection for the 2022 annual impairment testing have also been updated with caution to take into account the deteriorating growth prospects in the Italian economy, including a pre-tax discount rate of 8.3% (31 December 2021: 7.7%). Cash flows beyond the five-year period had been extrapolated using a growth rate of 1.3% (31 December 2021: 1%) to estimate the terminal value at the end of the five-year period. The results of the impairment testing showed that the carrying amount exceeded the estimated recoverable amount by HK$11,039 million. As a result, the Group recognised an impairment loss of HK$11,039 million against goodwill. No class of asset other than goodwill was impaired. An adverse change in a key assumption could result in a further impairment loss in the future periods. For illustration purposes, if the pre-tax discount rate applied to the cash flows used in the 2022 VIU calculations had been 10 basis points higher and all other variables remain unchanged, the impairment loss will increase by approximately HK$2,000 million, and if the growth rate used to estimate the terminal value at the end of the five-year period in the 2022 VIU calculations had been 10 basis points lower and all other variables remain unchanged, the impairment loss will increase by approximately HK$1,600 million. The sensitivity analysis is for illustration purposes only and it should be noted that in practice assumptions and estimates used in preparing discounted cash flow projection including those used in the 2022 VIU calculations do not necessarily change in isolation. Actual results in the future may differ materially from the sensitivity analyses.

See note 34(d)

7 Presentation of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains (continued)

(c) Impairment loss (continued)

(ii) For the current year, an impairment loss of HK$1,000 million arose in the telecommunications business in Sri Lanka, which is included as part of the Telecommunications segment under Hutchison Asia Telecommunications in note 5.

During the year, Sri Lanka was in the midst of a deep and unprecedented economic crisis and facing rampant fuel and food shortages. These external events led the Group to carry out an impairment test on this business at 30 June 2022 and as a result the Group recognised an impairment loss of HK$1,000 million in the first half of 2022, of which HK$174 million against goodwill and HK$826 million against telecommunications licences, tangible and other assets. The impairment loss was primarily resulted from the lowered expectation on growth and reported service revenues, and higher cost base attributable to the upward inflation expectation in the Sri Lanka market. An annual impairment testing on the telecommunications business in Sri Lanka was conducted at 31 December 2022. The results of the 2022 annual impairment test indicated that, saved for the impairment loss of HK$1,000 million already recorded in the first half of 2022, there were no impairment at 31 December 2022. The recoverable amount of this business was determined based on the VIU calculations, as it was not practical to arrive at the FVLCD calculations under the current circumstances. The VIU used discounted cash flow projections based on the latest financial budget covering a five-year period and business plan approved by management. Key assumptions and estimates used to prepare the discounted cash flow model include a pre-tax discount rate of 20.6% for 2023 and 2024 to reflect the prevailing high interest rate in Sri Lanka and 12.2% in the outer years to reflect the expected economic recovery (31 December 2021: 8.3%), and a long term growth rate of 1% (31 December 2021: 3%) to estimate the terminal value at the end of the five-year period. An adverse change in a key assumption could result in a further impairment loss in the future periods. For illustration purposes, if the pre-tax discount rate applied to the cash flows used in the 2022 VIU calculations had been 10 basis points higher and all other variables remain unchanged, the impairment loss will increase by approximately HK$2 million, and if the growth rate used to estimate the terminal value at the end of the five-year period in the 2022 VIU calculations had been 10 basis points lower and all other variables remain unchanged, the impairment loss will increase by approximately HK$1 million. The sensitivity analysis is for illustration purposes only. It should be noted that in practice assumptions and estimates used in preparing discounted cash flow projection including those used in the 2022 VIU calculations do not necessarily change in isolation. Actual results in the future may differ materially from the sensitivity analyses.

(iii) For the comparative year, the impairment loss of HK$15,472 million arose in Wind Tre, which is included as part of the Telecommunications segment under CK Hutchison Group Telecom in note 5.

Following the completion of the disposal of telecommunications tower assets supporting the Group's mobile telecommunications businesses in Sweden and Italy in the first half of 2021, the Group reviewed whether there was any indication that its mobile telecommunications businesses may be impaired at 30 June 2021. With the exception of Wind Tre, the review had not identified any indication of possible impairment. Goodwill and intangible assets with indefinite useful life related to Wind Tre were tested for impairment at 30 June 2021, by comparing the carrying amount of this business, including the goodwill, with its recoverable amount. As a result, the Group recognised an impairment loss of HK$15,472 million against goodwill in the first half of 2021, primarily resulted from the lowered expectation on 5G led growth and service revenues and heightened competition in the Italian market. No class of asset other than goodwill was impaired. The recoverable amount of this business was determined based on the VIU calculations, as it was higher than the FVLCD calculations. The calculations used cash flow projections based on the latest financial budget covering a five-year period and business plan approved by management which had been updated to reflect the aforesaid changes in market conditions during the period, and a pre-tax discount rate of 7.7% (31 December 2020: 7.7%) was applied. Cash flows beyond the five-year period had been extrapolated using a growth rate of 1% (31 December 2020: 1%) to estimate the terminal value at the end of the five-year period. All other assumptions remained consistent with those used in the 31 December 2020 annual impairment test on this business. An annual impairment testing on Wind Tre was conducted at 31 December 2021. The results of the 31 December 2021 annual impairment tests indicated that, saved for the HK$15,472 million impairment loss against goodwill already recorded in the first half of 2021, there was no impairment at 31 December 2021.

7 Presentation of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains (continued)

(d) The comparative year balance represents foreign exchange losses previously recognised in reserves reclassified from equity to profit or loss as a reclassification adjustment upon completion of the merger of Husky and Cenovus Energy in the comparative year.

(e) Benefits derived from changes in lease payments arising from COVID-19 related rent concessions.

(f) Benefits received from governments and other authorities under COVID-19 related employment and other support schemes.

(g) Current year balance includes a gain arising from the disposal of telecommunications tower assets in the UK of HK$19,060 million and a gain arising from the merger of the Group's Indonesia telecommunication business, Hutchison 3 Indonesia ("H3I") and PT Indosat Tbk ("Indosat") of HK$7,245 million.

Comparative year balance mainly represented the gains on disposal of telecommunications tower assets in Sweden and Italy of HK$25,316 million.

8 Interest expenses and other finance costs

	2022 HK$ million	2021 HK$ million
Bank loans and overdrafts	**1,834**	1,156
Other loans	**4**	5
Notes and bonds	**4,809**	5,494
Interest bearing loans from non-controlling shareholders	**37**	11
Other finance costs	**149**	363
Amortisation of loan facilities fees and premiums or discounts relating to debts	**243**	329
Other non-cash interest adjustments [(a)]	**(242)**	(298)
	6,834	7,060
Less: interest capitalised	**(52)**	(29)
Interest on lease liabilities (see note 13(b))	**2,270**	3,577
	9,052	10,608

(a) Other non-cash interest adjustments represent amortisation of acquisition-date fair value adjustments relating to debts of HK$420 million (2021: HK$709 million) net with accretion expense associated with an increase in the present value of certain obligations over time.

9 Tax

	2022 HK$ million	2021 HK$ million
Current tax charge		
Hong Kong	**243**	179
Outside Hong Kong	**5,192**	3,850
	5,435	4,029
Deferred tax charge (credit)		
Hong Kong	**75**	34
Outside Hong Kong	**2,764**	(1,833)
	2,839	(1,799)
	8,274	2,230

Hong Kong profits tax has been provided for at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits less estimated available tax losses. Tax outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses.

During the comparative year ended 31 December 2021, the UK government announced that from 1 April 2023 the corporate tax rate would change from 19% to 25% which was substantively enacted for HKFRS purposes on 24 May 2021. Deferred tax credit outside Hong Kong recognised during the comparative year includes the one-off impacts on re-measuring the deferred tax assets balances of subsidiary companies using this new enacted tax rate.

The differences between the Group's expected tax charge (credit), calculated at the domestic rates applicable to the jurisdiction concerned, and the Group's tax charge (credit) for the years were as follows:

	2022 HK$ million	2021 HK$ million
Tax calculated at the domestic rates applicable in the jurisdiction concerned	**4,883**	4,995
Tax effect of:		
Tax losses not recognised	**1,976**	2,855
Income not subject to tax	**(1,080)**	(1,637)
Expenses not deductible for tax purposes	**1,322**	885
Recognition of previously unrecognised tax losses	**(208)**	(69)
Utilisation of previously unrecognised tax losses	**(48)**	(93)
Under (over) provision in prior years	**223**	(176)
Other temporary differences	**1,037**	(2,094)
Effect of change in tax rate	**169**	(2,436)
Total tax for the year	**8,274**	2,230

10 Earnings per share for profit attributable to ordinary shareholders

The calculation of earnings per share is based on profit attributable to ordinary shareholders of the Company of HK$36,680 million (2021: HK$33,484 million) and on weighted average number of 3,834,106,390 shares outstanding during the year of 2022 (2021: weighted average number of 3,847,582,641 shares outstanding).

The Company and its subsidiary companies do not have share option scheme or other dilutive potential ordinary shares as at 31 December 2022 and 31 December 2021. Certain of the Company's associated companies have employee share options outstanding as at 31 December 2022 and 31 December 2021. The employee share options of these associated companies outstanding as at 31 December 2022 and 31 December 2021 did not have a dilutive effect on earnings per share.

11 Distributions and dividends

(a) Distribution paid on perpetual capital securities

	2022 HK$ million	2021 HK$ million
Distribution paid on perpetual capital securities	**316**	491

(b) Dividends

	2022 HK$ million	2021 HK$ million
Interim dividend, paid of HK$0.84 per share (2021: HK$0.80 per share)	**3,221**	3,072
Final dividend, proposed of HK$2.086 per share (2021: HK$1.86 per share)	**7,989**	7,132
	11,210	10,204

The final dividend proposed after the end of the reporting period has not been recognised as a liability at 31 December 2022. The amount of the 2022 proposed final dividend is expected to be paid on 8 June 2023 out of retained profit.

12 Fixed assets

	Land and buildings HK$ million	Telecom-munications network assets HK$ million	Other assets[(a)] HK$ million	Total HK$ million
Cost				
At 1 January 2021	29,239	81,084	83,150	193,473
Additions	1,189	3,866	22,001	27,056
Relating to subsidiaries acquired (see note 34(c))	263	–	526	789
Disposals	(74)	(773)	(1,391)	(2,238)
Relating to subsidiaries disposed (see note 34(d))	(104)	(9,237)	(46)	(9,387)
Transfer between categories	31	10,873	(10,904)	–
Exchange translation differences	(879)	(3,388)	(3,314)	(7,581)
At 31 December 2021 and 1 January 2022	**29,665**	**82,425**	**90,022**	**202,112**
Additions	**702**	**1,479**	**21,704**	**23,885**
Disposals	**(49)**	**(1,423)**	**(3,266)**	**(4,738)**
Relating to subsidiaries disposed (see note 34(d))	**–**	**(14,083)**	**(2,265)**	**(16,348)**
Transfer between categories	**80**	**11,250**	**(11,330)**	**–**
Exchange translation differences	**(1,417)**	**(5,357)**	**(5,830)**	**(12,604)**
Transfer to assets classified as held for sale (see note 25)	**–**	**(3,786)**	**(200)**	**(3,986)**
At 31 December 2022	**28,981**	**70,505**	**88,835**	**188,321**
Accumulated depreciation and impairment				
At 1 January 2021	5,401	26,632	29,339	61,372
Charge for the year	1,095	9,340	7,751	18,186
Disposals	(40)	(537)	(1,170)	(1,747)
Relating to subsidiaries disposed (see note 34(d))	(6)	(4,547)	(2)	(4,555)
Transfer between categories	6	(115)	109	–
Exchange translation differences	(113)	(1,073)	(1,057)	(2,243)
At 31 December 2021 and 1 January 2022	**6,343**	**29,700**	**34,970**	**71,013**
Charge for the year	**1,108**	**8,785**	**7,622**	**17,515**
Impairment recognised	**1**	**318**	**158**	**477**
Disposals	**(38)**	**(1,251)**	**(2,917)**	**(4,206)**
Relating to subsidiaries disposed (see note 34(d))	**–**	**(3,777)**	**(319)**	**(4,096)**
Transfer between categories	**6**	**–**	**(6)**	**–**
Exchange translation differences	**(210)**	**(1,991)**	**(1,990)**	**(4,191)**
Transfer to assets classified as held for sale (see note 25)	**–**	**(841)**	**–**	**(841)**
At 31 December 2022	**7,210**	**30,943**	**37,518**	**75,671**
Net book value				
At 31 December 2022	**21,771**	**39,562**	**51,317**	**112,650**
At 31 December 2021	23,322	52,725	55,052	131,099
At 1 January 2021	23,838	54,452	53,811	132,101

(a) Net book value of other assets of HK$51,317 million (2021: HK$55,052 million) primarily relate to fixed assets used in business of Ports and related services of HK$18,984 million (2021: HK$18,341 million), Telecommunications of HK$23,327 million (2021: HK$26,658 million), and Infrastructure of HK$1,376 million (2021: HK$1,554 million).

As at 31 December 2022, other assets with a net book value of HK$18,753 million (2021: HK$18,865 million) are assets under construction.

12 Fixed assets (continued)

(b) The analysis of the Group's aggregate future minimum lease receivable under non-cancellable operating leases of fixed assets is as follows:

	2022 HK$ million	2021 HK$ million
Within 1 year	**95**	134
Between 1 and 2 years	**31**	65
Between 2 and 3 years	**11**	22
Between 3 and 4 years	**11**	14
Between 4 and 5 years	**3**	11
After 5 years	**6**	10
	157	256

13 Leases

(a) Group as a lessee – amounts recognised in the consolidated statement of financial position

	2022 HK$ million	2021 HK$ million
Right-of-use assets		
Container terminals	**15,225**	17,020
Retail stores	**20,715**	23,399
Telecommunications network infrastructure sites	**13,085**	25,275
Leasehold land	**6,129**	6,717
Other assets	**4,183**	4,441
	59,337	76,852
Lease liabilities		
Current	**12,128**	16,085
Non-current	**53,931**	68,994
	66,059	85,079

On leases that commenced during the year, the Group has recognised HK$6,539 million (2021: HK$11,266 million) of right-of-use assets, and HK$6,528 million (2021: HK$11,223 million) of lease liabilities.

13 Leases (continued)

(b) Group as a lessee – amounts recognised in the consolidated income statement

	2022 HK$ million	2021 HK$ million
Expenses relating to short-term leases (included in "Other expenses and losses")	**714**	659
Expenses relating to leases of low-value assets that are not short-term leases (included in "Other expenses and losses")	**649**	948
Expenses relating to variable lease payments not included in lease liabilities (included in "Other expenses and losses")	**2,439**	2,496
	3,802	4,103
Depreciation charge of right-of-use assets (included in "Depreciation and amortisation")		
Container terminals	**1,179**	1,244
Retail stores	**6,919**	7,807
Telecommunications network infrastructure sites	**4,885**	7,430
Leasehold land	**351**	362
Other assets	**1,248**	1,310
	14,582	18,153
Interest on lease liabilities (included in "Interest expenses and other finance costs")	**2,270**	3,577
Total charges recognised in profit or loss for leases	**20,654**	25,833

(c) Group as a lessee – amounts recognised in the consolidated statement of cash flows

	2022 HK$ million	2021 HK$ million
Within operating cash flows	**5,716**	7,500
Within financing cash flows (see note 34(e))	**14,307**	17,407
Total cash outflows for leases	**20,023**	24,907

(d) Group as lessee – other lease disclosure

Variable lease payments

Some retail store leases contain variable payment terms that are linked to sales generated from a store. There is a wide range of sales percentages applied to such leases. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

A 1% increase in sales across all stores / operations in the companies with leases containing variable lease payment terms that are linked to sales would increase total lease payments (see note (c)) by approximately 0.1% or HK$22 million (2021: approximately 0.1% or HK$28 million).

13 Leases (continued)

(d) Group as lessee – other lease disclosure (continued)

Extension and termination options

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

As at 31 December 2022, in accordance with applicable provision in HKFRS 16, potential future cash outflows of HK$8,385 million (2021: HK$12,290 million) (undiscounted) have not been included in calculating the lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated).

Residual value guarantees

As at 31 December 2022, residual value guarantee of HK$11 million (2021: HK$12 million) is expected to be payable and had been included in calculating the lease liabilities.

Leases not yet commenced to which the lessee is committed

At 31 December 2022, the Group is committed to leases that are not yet commenced, and the lease payments payable under which amounted to HK$87 million (2021: HK$131 million). This amount has not been included in calculating the lease liabilities as at 31 December 2022.

Restriction or covenants imposed by leases

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(e) Group as lessor

	2022 HK$ million	2021 HK$ million
Income from subleasing right-of-use assets (included in "Other expenses and losses")	**159**	139

The analysis of the Group's aggregate future minimum lease receivable under non-cancellable operating leases from subleasing right-of-use assets is as follows:

	2022 HK$ million	2021 HK$ million
Within 1 year	**150**	120
Between 1 and 2 years	**86**	50
Between 2 and 3 years	**60**	36
Between 3 and 4 years	**41**	28
Between 4 and 5 years	**37**	20
After 5 years	**57**	44
	431	298

In addition, the Group has recognised income of HK$208 million (2021: HK$238 million) from leasing of fixed assets for the year ended 31 December 2022.

14 Telecommunications licences

	2022 HK$ million	2021 HK$ million
Net book value		
At 1 January	**69,985**	66,944
Additions	**160**	8,158
Amortisation for the year	**(919)**	(1,514)
Impairment charge for the year	**(152)**	–
Relating to subsidiaries disposed (see note 34(d))	**(3,836)**	–
Exchange translation differences	**(4,549)**	(3,603)
At 31 December	**60,689**	69,985
Cost	**67,054**	77,304
Accumulated amortisation and impairment	**(6,365)**	(7,319)
	60,689	69,985

The Group's telecommunications licences in the UK and Italy are considered to have an indefinite useful life. At 31 December 2022, telecommunications licences with indefinite useful life in the UK and Italy with a carrying value of HK$18,924 million and HK$32,527 million respectively (2021: HK$20,781 million and HK$34,643 million respectively) have been allocated to the Telecommunications segment.

15 Brand names and other rights

	Brand names HK$ million	Other rights HK$ million	Total HK$ million
Net book value			
At 1 January 2021	70,878	20,575	91,453
Additions	–	4,429	4,429
Relating to subsidiaries acquired (see note 34(c))	–	12	12
Amortisation for the year	(12)	(3,591)	(3,603)
Disposal	–	(3)	(3)
Relating to subsidiaries disposed (see note 34(d))	–	(333)	(333)
Exchange translation differences	(1,786)	(1,150)	(2,936)
At 31 December 2021 and 1 January 2022	**69,080**	**19,939**	**89,019**
Additions	**–**	**1,807**	**1,807**
Amortisation for the year	**(12)**	**(3,296)**	**(3,308)**
Impairment charge for the year	**–**	**(11)**	**(11)**
Disposal	**–**	**(2)**	**(2)**
Exchange translation differences	**(2,169)**	**(1,642)**	**(3,811)**
At 31 December 2022	**66,899**	**16,795**	**83,694**
Cost	**66,985**	**31,825**	**98,810**
Accumulated amortisation	**(86)**	**(15,030)**	**(15,116)**
	66,899	**16,795**	**83,694**

Brand names considered to have an indefinite useful life are not subject to amortisation. The carrying value of brand names with indefinite useful life at 31 December 2022 of HK$49,294 million (2021: HK$50,060 million) and HK$17,424 million (2021: HK$18,812 million) has been attributed to Retail segment and the Telecommunications segment respectively.

Other rights, primarily include operating and service content rights, and resource consents and customer lists. These rights are amortised over their finite useful lives. At 31 December 2022, the carrying value of these rights amounted to HK$10,433 million (2021: HK$12,017 million) and HK$6,362 million (2021: HK$7,922 million) respectively.

16 Goodwill

	2022 HK$ million	2021 HK$ million
Net book value		
At 1 January	**289,340**	319,718
Impairment charge for the year	**(11,213)**	(15,472)
Relating to subsidiaries acquired (see note 34(c))	**–**	623
Relating to subsidiaries disposed (see note 34(d))	**(1,119)**	(7,681)
Transfer to asset classified as held for sale (see note 25)	**(2,012)**	–
Exchange translation differences	**(6,988)**	(7,848)
At 31 December	**268,008**	289,340
Cost	**293,070**	304,094
Accumulated impairment	**(25,062)**	(14,754)
	268,008	289,340

Goodwill is monitored by the management at the level of the operating segments identified (see note 5). As at 31 December 2022, the carrying amount of goodwill has been mainly allocated to Telecommunications segment of HK$81,771 million (2021: HK$103,097 million), Retail segment of HK$114,098 million (2021: HK$114,104 million), and Infrastructure segment of HK$39,123 million (2021: HK$39,123 million).

Management tests whether goodwill and intangible assets that have an indefinite useful life (including certain telecommunication licences and brand names as set out in notes 14 and 15) have suffered any impairment on an annual basis and when there is an indication these assets may be impaired. The annual tests of goodwill and intangible assets with indefinite useful life for impairment were conducted at 31 December 2022. Results of the 31 December 2022 annual impairment tests indicated that, saved for HK$11,039 million and HK$174 million impairment charges against goodwill allocated to the telecommunication businesses in Italy and Sri Lanka respectively, with details as set out in note 7(c), there was no impairment loss in respect of these assets at 31 December 2022. In performing the impairment tests for these assets, the management has considered and assessed reasonably possible changes for key assumptions and has not identified any instances, save as disclosed in note 7(c), that could cause the carrying amount of these assets to exceed their recoverable amount. Set out below are additional information about the estimates used to measure recoverable amounts in the 31 December 2022 annual impairment tests for the Telecommunications and Retail operations.

16 Goodwill (continued)

The recoverable amounts of the Group's Telecommunications operations at 31 December 2022 were determined based on VIU calculations. VIU is measured using discounted cash flow projections for the next five years and a calculated terminal value at the end of the five-year period. The cash flows are based on the latest approved financial budgets of the relevant telecommunications business for the next five years. Management prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of assumptions and estimates involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Key assumptions, include revenues, service margin, operating costs, growth rates used for the budget periods, and selection of discount rates and the terminal growth rate used to extrapolate cash flow projections to estimate the terminal value at the end of the five-year period. The VIU amount derived from the cash flow projections is sensitive to the discount rate used for the cash flow projections and the growth rate used for extrapolation purposes as well as the 5G revenue expectation. A discount rate (pre-tax) ranging from 4.8% to 20.6% (2021: 0.7% to 9.3%) has been applied. A growth rate, for the purpose of impairment testing calculation, ranging from 0% to 2% p.a. (2021: 0% to 2% p.a.), which is not expected to exceed the anticipated economic growth for the underlying business units, is used to extrapolate cash flow projections to estimate the terminal value of the underlying business units at the end of the five-year period.

The recoverable amounts of the Group's Retail operations at 31 December 2022 were determined based on FVLCD calculation. Fair value is measured using discounted cash flow projections for the next five years and a calculated terminal value at the end of the five-year period (a Level 3 fair value hierarchy). The cash flows are based on the latest approved financial budgets for the next five years. Management prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of assumptions and estimates involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Key assumptions, include the expected growth in revenues and gross margin, inventory level, volume and operating costs, timing of future capital expenditures, growth rates used for the budget periods, and selection of discount rates and the terminal growth rate used to extrapolate cash flow projections to estimate the terminal value at the end of the five-year period. The FVLCD amount derived from the cash flow projections is sensitive to the discount rate used for the discounted cash flow projections and the growth rate used for extrapolation purposes. A discount rate (post-tax) of 8.4% (2021: 4.9%) has been applied. In estimating the terminal value at the end of the five-year period, a growth rate, for the purpose of impairment testing calculation, of 4.2% p.a. (2021: 2.2% p.a.), which is not expected to exceed the anticipated economic growth for the business, has been used to extrapolate cash flow projections.

Please refer to note 46(b)(i) for significant accounting judgement applied, estimates and assumptions made in assessing whether goodwill has suffered any impairment.

17 Associated companies

	2022 HK$ million	2021 HK$ million
Unlisted shares	**9,071**	9,059
Listed shares, Hong Kong	**62,919**	62,919
Listed shares, outside Hong Kong	**81,012**	81,012
Share of undistributed post acquisition reserves	**(15,264)**	(18,376)
	137,738	134,614
Amounts due from (net with amounts due to) associated companies [(a)]	**2,973**	3,167
	140,711	137,781

The market value of the above listed investments at 31 December 2022 was HK$117,220 million (2021: HK$120,336 million), inclusive of HK$47,735 million (2021: HK$29,965 million) and HK$32,811 million (2021: HK$37,300 million) for associated companies, Cenovus Energy and Power Assets Holdings Limited ("Power Assets") respectively.

There are no material contingent liabilities relating to the Group's interests in associated companies, save for those disclosed in note 37.

(a) Amounts due from (net with amounts due to) associated companies

	2022 HK$ million	2021 HK$ million
Amounts due from associated companies [(i)]		
Interest free	**398**	415
Interest bearing at fixed rates [(ii)]	**2,739**	2,912
Interest bearing at floating rates [(iii)]	**405**	407
	3,542	3,734
Amounts due to associated companies [(iv)]		
Interest free	**569**	567
Amounts due from (net with amounts due to) associated companies	**2,973**	3,167

17 Associated companies (continued)

(a) Amounts due from (net with amounts due to) associated companies (continued)

(i) At 31 December 2022 and 2021, the amounts due from associated companies are unsecured and have no fixed terms of repayment except for HK$4 million (2021: HK$34 million) which are repayable within one year.

Amounts due from associated companies are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of the amounts due from associated companies. The expected credit loss was minimal as the amounts were due from companies which the Group has significant influence, and where applicable, including participation in their financial and operating policies, and which are subject to the Group's financial and investment requirements. These amounts had no recent history of default. The Group is not aware of any unfavourable current conditions and forecast future economic conditions existed at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets.

(ii) At 31 December 2022, HK$2,739 million (2021: HK$2,912 million) bear interests at fixed rates ranging from approximately 4.7% to 11.2% (2021: 4.7% to 11.2%) per annum.

(iii) At 31 December 2022, HK$405 million (2021: HK$407 million) bear interests at floating rates ranging from approximately 3.4% to 4.1% (2021: 1.2% to 1.6%) per annum with reference to Euro Interbank Offered Rate ("EURIBOR") and Hong Kong Interbank Offered Rate, where applicable.

(iv) At 31 December 2022 and 2021, the amounts due to associated companies are unsecured and have no fixed terms of repayment.

(b) Material associated companies

Set out below are additional information in respect of the Group's material associated company:

	2022		2021	
	Cenovus Energy HK$ million	**Power Assets HK$ million**	Cenovus Energy HK$ million	Power Assets HK$ million
Dividends received from associated companies	**866**	**2,164**	171	2,164
Gross amount of the following items of the associated companies [(i)]:				
Total revenue	**403,798**	**1,265**	282,983	1,276
EBITDA	**84,536**	**18,292**	41,584	19,158
EBIT	**57,982**	**12,533**	14,712	13,200
Other comprehensive income (losses)	**(10,721)**	**581**	(1,867)	1,880
Total comprehensive income	**28,252**	**6,230**	1,630	8,019
Current assets	**71,348**	**6,880**	73,127	4,963
Non-current assets	**354,131**	**125,278**	365,429	127,027
Current liabilities	**46,041**	**4,038**	44,561	3,553
Non-current liabilities	**116,287**	**3,632**	141,465	3,983
Net assets (net of preferred shares and non-controlling interests)	**260,097**	**124,488**	249,291	124,454
Reconciliation to the carrying amount of the Group's interests in associated companies:				
Group's interest	**16.6%**	**36.0%**	15.8%	36.0%
Group's share of net assets	**43,176**	**44,832**	39,488	44,754
Carrying amount	**43,176**	**44,832**	39,488	44,754

17 Associated companies (continued)

(b) Material associated companies (continued)

The carrying amount of the Group's interests in all individually immaterial associated companies that are accounted for using the equity method of accounting is HK$52,703 million (2021: HK$53,539 million).

	2022				2021			
	Cenovus Energy	**Power Assets**	**Other associated companies**	**Total**	Cenovus Energy	Power Assets	Other associated companies	Total
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million	HK$ million
Group's share of the following items of the associated companies [(i)]:								
Profits less losses after tax	**6,333**	**2,033**	**3,456**	**11,822**	540	2,208	2,970	5,718
Other comprehensive income (losses)	**(1,778)**	**210**	**(1,010)**	**(2,578)**	(296)	676	(322)	58
Total comprehensive income	**4,555**	**2,243**	**2,446**	**9,244**	244	2,884	2,648	5,776

(i) After translation into Hong Kong dollar and consolidation adjustments.

Particulars regarding the principal associated companies are set forth on pages 263 to 266.

18 Interests in joint ventures

	2022	2021
	HK$ million	HK$ million
Unlisted shares	**118,039**	100,030
Share of undistributed post acquisition reserves	**1,049**	4,079
	119,088	104,109
Amounts due from (net with amounts due to) joint ventures [(a)]	**29,473**	37,235
	148,561	141,344

There are no material contingent liabilities relating to the Group's interests in the joint ventures, save for those disclosed in note 37.

18 Interests in joint ventures (continued)

(a) Amounts due from (net with amounts due to) joint ventures

	2022 HK$ million	2021 HK$ million
Amounts due from joint ventures [(i)]		
Interest free	**2,764**	2,144
Interest bearing at fixed rates [(ii)]	**9,650**	16,607
Interest bearing at floating rates [(iii)]	**17,378**	18,865
	29,792	37,616
Amounts due to joint ventures [(iv)]		
Interest free	**319**	381
Amounts due from (net with amounts due to) joint ventures	**29,473**	37,235

(i) At 31 December 2022 and 2021, the amounts due from joint ventures are unsecured and have no fixed terms of repayment except for HK$1,650 million which are repayable within one to three years (2021: HK$49 million which are repayable within one to four years).

Amounts due from joint ventures are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of the amounts due from joint ventures. The expected credit loss was minimal as the amounts were due from companies which the Group has joint control, and where applicable, including participation in their financial and operating policies, and which are subject to the Group's financial and investment requirements. These amounts had no recent history of default. The Group is not aware of any unfavourable current conditions and forecast future economic conditions existed at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets.

(ii) At 31 December 2022, HK$9,650 million (2021: HK$16,607 million) bear interests at fixed rates ranging from approximately 4.4% to 11.0% (2021: 4.4% to 11.0%) per annum.

(iii) At 31 December 2022, HK$17,378 million (2021: HK$18,865 million) bear interests at floating rates ranging from approximately 4.9% to 14.1% (2021: 1.7% to 14.1%) per annum with reference to Australian Bank Bill Swap Reference Rate, Euro Interbank Offered Rate, Hong Kong Interbank Offered Rate, Hong Kong Prime Rate, London Interbank Offered Rate and Sterling Overnight Index Average rate, where applicable.

(iv) At 31 December 2022 and 2021, the amounts due to joint ventures are unsecured and have no fixed terms of repayment.

(b) Set out below are the aggregate amount of the Group's share of the following items of joint ventures:

	2022 HK$ million	2021 HK$ million
Profits less losses after tax	**7,422**	6,393
Other comprehensive income (losses)	**(4,581)**	(500)
Total comprehensive income	**2,841**	5,893
Capital commitments	**4,811**	4,377

As at 31 December 2022 and 2021, no interests in joint ventures are individually material to the Group. Particulars regarding the principal joint ventures are set forth on pages 263 to 266.

19 Deferred tax

	2022 HK$ million	2021 HK$ million
Deferred tax assets	**18,509**	21,188
Deferred tax liabilities	**19,290**	17,383
Net deferred tax assets (liabilities)	**(781)**	3,805

Movements in net deferred tax assets (liabilities) are summarised as follows:

	2022 HK$ million	2021 HK$ million
At 1 January	**3,805**	2,254
Relating to subsidiaries acquired	**–**	(76)
Relating to subsidiaries disposed	**(33)**	(58)
Transfer to current tax	**(10)**	(22)
Net credit (charge) to other comprehensive income	**(267)**	72
Net credit (charge) to the consolidated income statement		
Tax losses	**337**	2,173
Accelerated depreciation allowances	**(24)**	(233)
Fair value adjustments arising from acquisitions	**(249)**	(211)
Withholding tax on undistributed profits	**(520)**	(50)
Other temporary differences	**(2,383)**	120
Exchange translation differences	**(1,437)**	(164)
At 31 December	**(781)**	3,805

Analysis of net deferred tax assets (liabilities):

	2022 HK$ million	2021 HK$ million
Tax losses	**14,703**	15,695
Accelerated depreciation allowances	**(2,555)**	(2,423)
Fair value adjustments arising from acquisitions	**(11,625)**	(11,536)
Revaluation of investment properties and other investments	**16**	29
Withholding tax on undistributed profits	**(875)**	(371)
Other temporary differences	**(445)**	2,411
	(781)	3,805

19 Deferred tax (continued)

The Group is subject to income taxes in numerous jurisdictions and significant judgement is required in determining the provision for income taxes. To the extent that dividends distributed from investments in subsidiaries, branches and associates, and interests in joint ventures are expected to result in additional taxes, appropriate amounts have been provided for. No deferred tax has been provided for the temporary differences arising from undistributed profits of these companies to the extent that the undistributed profits are considered permanently employed in their businesses and it is probable that such temporary differences will not reverse in the foreseeable future.

The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same fiscal authority.

At 31 December 2022, the Group has recognised accumulated deferred tax assets amounting to HK$18,509 million (2021: HK$21,188 million) of which HK$15,191 million (2021: HK$18,073 million) relates to **3** Group Europe.

Note 46(b)(v) contains information about the estimates, assumptions and judgements relating to the recognition of deferred tax assets for unutilised tax losses carried forward.

The Group has not recognised deferred tax assets of HK$29,082 million at 31 December 2022 (2021: HK$39,282 million) in respect of unutilised tax losses, tax credits and deductible temporary differences totalling HK$131,153 million (2021: HK$176,604 million). These unutilised tax losses, tax credits and deductible temporary differences can be carried forward against future taxable income. Of this amount, HK$91,882 million (2021: HK$112,190 million) can be carried forward indefinitely and the balances expire in the following years:

	2022 **HK$ million**	2021 HK$ million
In the first year	**1,294**	2,503
In the second year	**1,314**	5,896
In the third year	**1,188**	2,847
In the fourth year	**898**	3,911
After the fourth year	**34,577**	49,257
	39,271	64,414

20 Liquid funds and other listed investments

	2022 HK$ million	2021 HK$ million
Financial assets at amortised cost		
Managed funds – cash and cash equivalents, outside Hong Kong [c]	**40**	41
Financial assets at FVOCI [d]		
Listed equity securities, Hong Kong [e]	**608**	701
Listed equity securities, outside Hong Kong [e]	**9,096**	557
Managed funds – listed equity securities, outside Hong Kong [e]	**–**	260
Managed funds – listed debt securities, outside Hong Kong [b] [f]	**6,359**	6,668
	16,103	8,227

(a) At 31 December, liquid funds and other listed investments totalling HK$16,103 million (2021: HK$8,227 million) are denominated in the following currencies:

	2022		2021	
	Financial assets at amortised cost Percentage	Financial assets at FVOCI Percentage	Financial assets at amortised cost Percentage	Financial assets at FVOCI Percentage
HK dollar	**–**	**4%**	–	9%
US dollar	**60%**	**39%**	56%	83%
Other currencies	**40%**	**57%**	44%	8%
	100%	**100%**	100%	100%

See note 41(a) for further analysis.

20 Liquid funds and other listed investments (continued)

(b) At 31 December, listed debt securities totalling HK$6,359 million (2021: HK$6,668 million) presented above are analysed as follows:

	2022	2021
	Financial assets at FVOCI	Financial assets at FVOCI
	Percentage	Percentage
Credit ratings		
Aaa / AAA	**12%**	18%
Aa1 / AA+	**87%**	81%
Other investment grades	**1%**	1%
	100%	100%
Sectorial		
US Treasury notes	**73%**	77%
Government and government guaranteed notes	**23%**	14%
Others	**4%**	9%
	100%	100%
Weighted average maturity	**2.6 years**	1.7 years
Weighted average effective yield	**1.54%**	1.36%

(c) "Managed funds – cash and cash equivalents" are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of the "Managed funds – cash and cash equivalents". These amounts were held with reputable financial institutions. The Group controls the credit risk to non-performance by the counterparties, where applicable, through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed. Accordingly, these assets are considered to be of low credit risk.

(d) The fair values are based on quoted market prices.

(e) These equity securities are not investments held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at fair values through other comprehensive income. As at 31 December 2022, the Group has collar agreements with banks to hedge fair value of certain of these listed equity securities. The balances of the listed equity securities, outside Hong Kong at 31 December 2022 includes HK$216 million fair values of these collar agreements. The Group considered this FVOCI category to be an appropriate classification.

(f) Managed funds – listed debt securities comprised predominately US Treasury notes and government and government guaranteed notes. 99% of the carrying amount of these assets at 31 December 2022 and 31 December 2021 were rated at Aaa / AAA or Aa1 / AA+. These assets are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was required at the reporting date in respect of these assets.

21 Other non-current assets

	2022 HK$ million	2021 HK$ million
Investment properties (see note 22)	**408**	408
Customer acquisition and retention costs [(a)]	**3,660**	3,775
Contract assets (see note 24(b))	**2,095**	2,746
Unlisted investments		
Financial assets at FVOCI – equity securities [(b)]	**2,451**	2,506
Financial assets at fair value through profit or loss – equity securities	**417**	2,648
Financial assets at fair value through profit or loss – debt securities	**555**	165
Pension assets (see note 30)	**1,311**	1,032
Derivative financial instruments		
Cash flow hedges		
Interest rate swaps	**84**	42
Cross currency interest rate swaps	**132**	118
Other contracts	**3,081**	52
Net investment hedges		
Cross currency swaps	**1,164**	441
Other derivative financial instruments	**–**	37
Lease receivables [(c)]	**542**	232
	15,900	14,202

(a) Customer acquisition and retention costs primarily relate to incremental commission costs incurred to obtain telecommunications contracts with customers. The amount of customer acquisition and retention costs shown above is after deducting the amortisation charged to the current year's consolidated income statement of HK$3,464 million (2021: HK$3,800 million). Further, there was no impairment loss in relation to the cost capitalised. The Group applies the practical expedient in paragraph 94 of HKFRS 15, and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the costs that the Group otherwise would have recognised is one year or less.

(b) These equity securities are not investments held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at fair value through other comprehensive income. The Group considered this FVOCI category to be an appropriate classification. Fair value for these investments are determined by using valuation techniques, including discounted cashflow analysis.

(c) Lease receivables are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of lease receivables. The expected credit loss was minimal as lease receivables are from entities which are subject to the Group's lease acceptance requirements. There was no unfavourable current conditions and forecast future economic conditions at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets.

22 Investment properties

Investment properties are included in "Other non-current assets" (see note 21) in the consolidated statement of financial position.

	2022 HK$ million	2021 HK$ million
Valuation		
At 1 January	**408**	396
Increase in fair value of investment properties	**–**	12
At 31 December	**408**	408

At 31 December 2022, investment properties amounting to HK$408 million (2021: HK$408 million) were measured at fair value based on value inputs, other than quoted prices, that were observable either directly or indirectly. The fair values of the investment properties at 31 December 2022 and 2021 were determined based on a valuation carried out by Cushman & Wakefield Limited, professional valuers. The valuation which reflected the highest and best use was arrived at by reference to comparable market transactions and also took reference of capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential of the properties. There were no transfers among Level 1, Level 2 and Level 3 during the year. The Group's policy is to recognise transfers into / out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

At 31 December 2022 and 2021, the Group's aggregate future minimum lease receivable under non-cancellable operating leases is not material.

23 Cash and cash equivalents

	2022 HK$ million	2021 HK$ million
Cash at bank and in hand	**27,769**	35,004
Short term bank deposits	**110,316**	118,129
	138,085	153,133

The carrying amounts of cash and cash equivalents approximate their fair values.

Cash and cash equivalents were held with reputable financial institutions. The Group controls the credit risk to non-performance by the counterparties, where applicable, through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed. Accordingly, cash and cash equivalents are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of these assets.

See note 41(a) for further analysis.

24 Trade receivables and other current assets

	2022 HK$ million	2021 HK$ million
Trade receivables [a]	**18,650**	20,494
Less: loss allowance provision	**(3,705)**	(3,797)
	14,945	16,697
Other current assets		
Derivative financial instruments		
Fair value hedges – Interest rate swaps	**–**	4
Cash flow hedges		
Interest rate swaps	**153**	–
Cross currency interest rate swaps	**622**	57
Forward foreign exchange contracts	**1**	2
Other contracts	**167**	719
Net investment hedges		
Cross currency interest rate swaps	**112**	–
Forward foreign exchange contracts	**44**	555
Cross currency swaps	**9**	213
Contract assets [b]	**4,219**	4,853
Prepayments	**22,978**	19,415
Other receivables [c]	**13,433**	15,123
Current tax receivables	**128**	93
	56,811	57,731

(a) Trade receivables are stated at the expected recoverable amount, net of any provision for estimated impairment losses where it is deemed that a receivable may not be fully recoverable. The carrying amounts of these assets approximate their fair values.

Trade receivables exposures are managed locally in the operating units where they arise and credit limits are set as deemed appropriate for the customer. The Group's operating units have established credit policies for customers. The average credit period granted for trade receivables ranges from 30 to 45 days. Trade receivables which are past due at the end of the reporting period are stated at the expected recoverable amount, after netting of provision for estimated impairment losses. Given the profile of the Group's customers and the Group's different types of businesses, the Group generally does not hold collateral over these balances.

The Group's five largest customers contributed less than 5% of the Group's revenue for the year ended 31 December 2022 (2021: less than 6%).

At 31 December, the ageing analysis of the trade receivables presented based on the invoice date, is as follows:

	2022 HK$ million	2021 HK$ million
Less than 31 days	**10,609**	12,927
Within 31 to 60 days	**1,704**	1,931
Within 61 to 180 days	**1,681**	1,559
Over 180 days	**4,656**	4,077
	18,650	20,494

24 Trade receivables and other current assets (continued)

Movements on the loss allowance provision for trade receivables are as follows:

	2022 HK$ million	2021 HK$ million
At 1 January	**3,797**	2,639
Additions	**998**	1,757
Utilisations	**(763)**	(459)
Write back	**(61)**	(20)
Exchange translation differences	**(266)**	(120)
At 31 December	**3,705**	3,797

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for trade receivables. The expected credit loss provision rates for trade receivables are based on historical payment profiles and historical credit loss experience, adjusted to reflect, where relevant and appropriate, current and information specific to the debtors, future economic and market conditions and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables that the Group considers are reasonable and appropriate. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The gross carrying amount of the trade receivables and the loss allowance provision analysed by ageing bands are set out below.

	2022			2021		
	Gross carrying amount HK$ million	Loss allowance provision HK$ million	Expected loss rate Percentage	Gross carrying amount HK$ million	Loss allowance provision HK$ million	Expected loss rate Percentage
Not past due	**9,169**	**95**	**1%**	11,880	255	2%
Past due less than 31 days	**2,918**	**82**	**3%**	2,768	155	6%
Past due within 31 to 60 days	**782**	**79**	**10%**	816	124	15%
Past due within 61 to 180 days	**1,312**	**384**	**29%**	1,118	462	41%
Past due over 180 days	**4,469**	**3,065**	**69%**	3,912	2,801	72%
	18,650	**3,705**		20,494	3,797	

24 Trade receivables and other current assets (continued)

(b) As at 31 December 2022, contract assets of HK$4,219 million (2021: HK$4,853 million) and HK$2,095 million (2021: HK$2,746 million) are included in "Trade receivables and other current assets" (see above) and "Other non-current assets" (see note 21) respectively. These assets are stated at the expected recoverable amount, after netting of provision for estimated impairment losses of HK$1,525 million (2021: HK$1,390 million). The Group measures the loss allowance for its contract assets at an amount equal to the lifetime expected credit losses. Movement on the provision for estimated impairment losses are as follows:

	2022 HK$ million	2021 HK$ million
At 1 January	**1,390**	1,512
Additions	**921**	1,056
Utilisations	**(643)**	(1,033)
Write back	**(55)**	(87)
Exchange translation differences	**(88)**	(58)
At 31 December	**1,525**	1,390

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The Group's historical credit loss experience does not indicate a substantial different loss pattern for contract assets as compared to trade receivables for similar customer bases. The Group makes reference to the expected credit loss provision rates for trade receivables to measure the contract assets' expected credit losses. The rates are adjusted to reflect information specific to the contract assets that may affect the recovery of the carrying amount of the contract assets.

(c) Other receivables are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of other receivables.

25 Assets and liabilities classified as held for sale

	2022 HK$ million	2021 HK$ million
Assets classified as held for sale		
Disposal group held for sale	**6,096**	–
Liabilities directly associated with assets classified as held for sale	**1,127**	–

Subsequent to the reporting date, Wind Tre, a wholly owned subsidiary, and Iliad Italia S.p.A. ("Iliad") announced in January 2023 the completion of Zefiro Net S.r.l., a 50:50 joint venture whose share capital is equally owned by Wind Tre and Iliad. Both parties will jointly manage their respective mobile phone networks in the less densely populated areas of Italy. Accordingly, the related assets and liabilities to be transferred by Wind Tre into this new joint venture are classified for accounting purposes as held for sale as at 31 December 2022. The major classes of these assets and liabilities and their carrying amounts at 31 December 2022 are as follows:

	2022 HK$ million	2021 HK$ million
Assets		
Fixed assets	**3,145**	–
Right-of-use assets	**918**	–
Goodwill	**2,012**	–
Trade receivables	**21**	–
Assets classified as held for sale	**6,096**	–
Liabilities		
Lease liabilities	**920**	–
Provisions	**205**	–
Other non-current liabilities	**2**	–
Liabilities directly associated with assets classified as held for sale	**1,127**	–
Net assets directly associated with disposal group	**4,969**	–

	2022 HK$ million	2021 HK$ million
Cumulative amounts included in other comprehensive income:		
Exchange reserve deficit	**(324)**	–
Reserves of disposal group classified as held for sale	**(324)**	–

Disposal group held for sale is presented within total assets and total liabilities of "Telecommunications: CK Hutchison Group Telecom – **3** Group Europe" segment in note 5(b)(vi), 5(b)(vii) respectively and total assets of "Europe" in note 5(b)(xii).

26 Bank and other debts

	2022			2021		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Principal amounts						
Bank loans	**40,697**	**53,806**	**94,503**	36,309	63,006	99,315
Other loans	**4**	**225**	**229**	4	247	251
Notes and bonds	**29,505**	**159,370**	**188,875**	30,030	195,485	225,515
	70,206	**213,401**	**283,607**	66,343	258,738	325,081
Unamortised fair value adjustments arising from acquisitions	**–**	**2,623**	**2,623**	180	2,992	3,172
Subtotal before the following items	**70,206**	**216,024**	**286,230**	66,523	261,730	328,253
Unamortised loan facilities fees and premiums or discounts related to debts	**(76)**	**(1,828)**	**(1,904)**	(66)	(2,292)	(2,358)
Adjustments to carrying amounts pursuant to unrealised losses on interest rate swap contracts	**–**	**–**	**–**	(96)	–	(96)
	70,130	**214,196**	**284,326**	66,361	259,438	325,799

26 Bank and other debts (continued)

Details of the bank and other debts by principal amounts are as follows:

	2022			2021		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans	**40,697**	**53,806**	**94,503**	36,309	63,006	99,315
Other loans	**4**	**225**	**229**	4	247	251
Notes and bonds						
HK$2,413 million notes, 3-mth HIBOR^ + 0.32% due 2024	**–**	**2,413**	**2,413**	–	2,413	2,413
HK$260 million notes, 4% due 2027	**–**	**260**	**260**	–	260	260
US$1,500 million notes, 4.625% due 2022	**–**	**–**	**–**	11,700	–	11,700
US$1,000 million notes, 2.875% due 2022	**–**	**–**	**–**	7,800	–	7,800
US$500 million notes, 3.25% due 2022	**–**	**–**	**–**	3,900	–	3,900
US$750 million notes, 2.75% due 2023	**5,850**	**–**	**5,850**	–	5,850	5,850
US$750 million notes, 3.25% due 2024	**–**	**5,850**	**5,850**	–	5,850	5,850
US$1,500 million notes, 3.625% due 2024	**–**	**11,700**	**11,700**	–	11,700	11,700
US$500 million notes, 1.5% due 2026	**–**	**3,900**	**3,900**	–	3,900	3,900
US$500 million notes, 2.75% due 2026	**–**	**3,900**	**3,900**	–	3,900	3,900
US$309 million notes – Series C, 7.5% due 2027	**–**	**2,410**	**2,410**	–	2,410	2,410
US$500 million notes, 3.25% due 2027	**–**	**3,900**	**3,900**	–	3,900	3,900
US$800 million notes, 3.5% due 2027	**–**	**6,240**	**6,240**	–	6,240	6,240
US$500 million notes, 2.75% due 2029	**–**	**3,900**	**3,900**	–	3,900	3,900
US$750 million notes, 3.625% due 2029	**–**	**5,850**	**5,850**	–	5,850	5,850
US$750 million notes, 2.5% due 2030	**–**	**5,850**	**5,850**	–	5,850	5,850
US$850 million notes, 2.5% due 2031	**–**	**6,630**	**6,630**	–	6,630	6,630
US$1,039 million notes, 7.45% due 2033	**–**	**8,107**	**8,107**	–	8,107	8,107
US$25 million notes – Series D, 6.988% due 2037	**–**	**196**	**196**	–	196	196
US$650 million notes, 3.125% due 2041	**–**	**5,070**	**5,070**	–	5,070	5,070
US$750 million notes, 3.375% due 2049	**–**	**5,850**	**5,850**	–	5,850	5,850
US$750 million notes, 3.375% due 2050	**–**	**5,850**	**5,850**	–	5,850	5,850
EUR750 million notes, 3.625% due 2022	**–**	**–**	**–**	6,630	–	6,630
EUR1,350 million notes, 1.25% due 2023	**11,205**	**–**	**11,205**	–	11,934	11,934
EUR1,500 million notes, 0.375% due 2023	**12,450**	**–**	**12,450**	–	13,260	13,260
EUR600 million bonds, 1% due 2024	**–**	**4,980**	**4,980**	–	5,304	5,304
EUR1,000 million notes, 0.875% due 2024	**–**	**8,300**	**8,300**	–	8,840	8,840
EUR750 million notes, 1.25% due 2025	**–**	**6,225**	**6,225**	–	6,630	6,630
EUR1,000 million notes, 0.75% due 2026	**–**	**8,300**	**8,300**	–	8,840	8,840
EUR650 million notes, 2% due 2028	**–**	**5,395**	**5,395**	–	5,746	5,746
EUR1,000 million notes, 1.125% due 2028	**–**	**8,300**	**8,300**	–	8,840	8,840
EUR500 million notes, 0.75% due 2029	**–**	**4,150**	**4,150**	–	4,420	4,420
EUR500 million notes, 2% due 2030	**–**	**4,150**	**4,150**	–	4,420	4,420
EUR750 million notes, 1.5% due 2031	**–**	**6,225**	**6,225**	–	6,630	6,630
EUR500 million notes, 1% due 2033	**–**	**4,150**	**4,150**	–	4,420	4,420
GBP303 million notes, 5.625% due 2026	**–**	**2,866**	**2,866**	–	3,147	3,147
GBP500 million notes, 2% due 2027	**–**	**4,730**	**4,730**	–	5,195	5,195
GBP300 million notes, 2.625% due 2034	**–**	**2,837**	**2,837**	–	3,117	3,117
JPY15,000 million notes, 2.6% due 2027	**–**	**886**	**886**	–	1,016	1,016
	29,505	**159,370**	**188,875**	30,030	195,485	225,515
	70,206	**213,401**	**283,607**	66,343	258,738	325,081

^ HIBOR represents the Hong Kong Interbank Offered Rate

26 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below:

(a) By year of repayment

	2022			2021		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans						
Within a year	**40,697**	**–**	**40,697**	36,309	–	36,309
After 1 year, but within 2 years	**–**	**13,007**	**13,007**	–	41,824	41,824
After 2 years, but within 5 years	**–**	**40,799**	**40,799**	–	21,182	21,182
	40,697	**53,806**	**94,503**	36,309	63,006	99,315
Other loans						
Within a year	**4**	**–**	**4**	4	–	4
After 1 year, but within 2 years	**–**	**156**	**156**	–	4	4
After 2 years, but within 5 years	**–**	**10**	**10**	–	178	178
After 5 years	**–**	**59**	**59**	–	65	65
	4	**225**	**229**	4	247	251
Notes and bonds						
Within a year	**29,505**	**–**	**29,505**	30,030	–	30,030
After 1 year, but within 2 years	**–**	**33,243**	**33,243**	–	31,044	31,044
After 2 years, but within 5 years	**–**	**43,617**	**43,617**	–	60,524	60,524
After 5 years	**–**	**82,510**	**82,510**	–	103,917	103,917
	29,505	**159,370**	**188,875**	30,030	195,485	225,515
	70,206	**213,401**	**283,607**	66,343	258,738	325,081

(b) By secured and unsecured borrowings

	2022			2021		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Secured borrowings	**1**	**1,524**	**1,525**	1,442	3	1,445
Unsecured borrowings	**70,205**	**211,877**	**282,082**	64,901	258,735	323,636
	70,206	**213,401**	**283,607**	66,343	258,738	325,081

26 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below (continued):

(c) By borrowings at fixed and floating interest rate

	2022			2021		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Borrowings at fixed rate	**29,509**	**157,183**	**186,692**	30,043	193,320	223,363
Borrowings at floating rate	**40,697**	**56,218**	**96,915**	36,300	65,418	101,718
	70,206	**213,401**	**283,607**	66,343	258,738	325,081

(d) By borrowings at fixed and floating interest rate (adjusted for the effect of hedging transactions)

	2022			2021		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Borrowings at fixed rate	**47,449**	**160,603**	**208,052**	26,935	214,110	241,045
Borrowings at floating rate	**22,757**	**52,798**	**75,555**	39,408	44,628	84,036
	70,206	**213,401**	**283,607**	66,343	258,738	325,081

Derivative financial instruments are principally utilised by the Group in the management of its foreign currency and interest rate exposures.

The Group has entered into interest rate swap agreements to swap floating interest rate borrowings to fixed interest rate borrowings to mainly mitigate interest rate exposures to certain infrastructure project related borrowings. At 31 December 2022, the notional amount of the outstanding interest rate swap agreements and cross currency interest rate swap agreements amounted to HK$11,220 million and HK$10,140 million respectively (2021: HK$13,002 million and HK$10,140 million respectively) (See note 41(i)(ii)).

At 31 December 2021, the Group had also entered into interest rate swap agreements with banks and other financial institutions to swap fixed interest rate borrowings to floating interest rate borrowings to manage the fixed and floating interest rate mix of the Group's total debt portfolio. The notional amount of the outstanding interest rate swap agreements amounted to HK$5,460 million (See note 41(i)(i)).

26 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below (continued):

(e) By currency

	2022			2021		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	Percentage	**Percentage**	**Percentage**	Percentage	Percentage	Percentage
US dollar	**9%**	**40%**	**49%**	12%	37%	49%
Euro	**12%**	**23%**	**35%**	2%	32%	34%
HK dollar	**1%**	**1%**	**2%**	1%	2%	3%
British Pound	**1%**	**4%**	**5%**	–	5%	5%
Other currencies	**2%**	**7%**	**9%**	5%	4%	9%
	25%	**75%**	**100%**	20%	80%	100%

(f) By currency (adjusted for the effect of hedging transactions)

	2022			2021		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	Percentage	**Percentage**	**Percentage**	Percentage	Percentage	Percentage
US dollar	**4%**	**39%**	**43%**	10%	31%	41%
Euro	**17%**	**25%**	**42%**	5%	37%	42%
HK dollar	**1%**	**1%**	**2%**	1%	2%	3%
British Pound	**1%**	**3%**	**4%**	–	5%	5%
Other currencies	**2%**	**7%**	**9%**	5%	4%	9%
	25%	**75%**	**100%**	21%	79%	100%

As at 31 December 2022, the Group had currency swap agreements with banks to swap US dollar principal amount of borrowings equivalent to HK$15,990 million (2021: HK$23,790 million) and British Pound principal amount of borrowings equivalent to HK$4,730 million (2021: nil) (see note 41(i)(ii)) to Euro principal amount of borrowings to reflect currency exposures of its underlying businesses. For information, the Hong Kong dollar equivalent amount of HK$15,990 million (2021: HK$23,790 million) mentioned in the preceding sentence includes the Hong Kong dollar equivalent amount of HK$10,140 million (2021: HK$10,140 million) disclosed under item (d) above.

27 Trade payables and other current liabilities

	2022 HK$ million	2021 HK$ million
Trade payables [(a)]	**21,356**	23,382
Other current liabilities		
Derivative financial instruments		
Cash flow hedges		
Interest rate swaps	**–**	77
Forward foreign exchange contracts	**2**	–
Other contracts	**151**	–
Net investment hedges		
Forward foreign exchange contracts	**891**	68
Cross currency swaps	**–**	17
Other derivative financial instruments	**795**	14
Interest free loans from non-controlling shareholders	**472**	427
Contract liabilities	**6,027**	6,933
Obligations for telecommunications licences and other rights	**680**	4,526
Provisions (see note 28)	**1,341**	2,710
Expenses and other accruals	**35,995**	40,636
Other payables	**21,419**	17,775
	89,129	96,565

(a) At 31 December, the ageing analysis of the trade payables is as follows:

	2022 HK$ million	2021 HK$ million
Less than 31 days	**13,566**	14,172
Within 31 to 60 days	**2,912**	2,956
Within 61 to 90 days	**1,427**	1,605
Over 90 days	**3,451**	4,649
	21,356	23,382

(b) The Group's five largest suppliers accounted for less than 17% of the Group's cost of purchases for the year ended 31 December 2022 (2021: less than 16%).

28 Provisions

	Provision for commitments, onerous contracts and other guarantees HK$ million	Closure obligation HK$ million	Assets retirement obligation HK$ million	Others HK$ million	Total HK$ million
At 1 January 2021	23,513	92	2,163	1,402	27,170
Additions	–	57	115	273	445
Interest accretion	–	–	65	–	65
Utilisations	(1,339)	(8)	(92)	(210)	(1,649)
Write back	–	(25)	–	(72)	(97)
Relating to subsidiaries disposed (see note 34(d))	–	–	(441)	(19)	(460)
Exchange translation differences	(502)	(6)	(85)	(92)	(685)
At 31 December 2021 and 1 January 2022	**21,672**	**110**	**1,725**	**1,282**	**24,789**
Additions	**–**	**43**	**1**	**305**	**349**
Interest accretion	**–**	**–**	**10**	**–**	**10**
Utilisations	**(656)**	**(10)**	**(90)**	**(162)**	**(918)**
Write back	**–**	**(59)**	**–**	**(78)**	**(137)**
Relating to subsidiaries disposed (see note 34(d))	**(2,175)**	**–**	**(13)**	**–**	**(2,188)**
Transfer to liabilities directly associated with assets classified as held for sale (see note 25)	**–**	**–**	**(205)**	**–**	**(205)**
Exchange translation differences	**(364)**	**(4)**	**(156)**	**(58)**	**(582)**
At 31 December 2022	**18,477**	**80**	**1,272**	**1,289**	**21,118**

Provisions are analysed as:

	2022 HK$ million	2021 HK$ million
Current portion (see note 27)	**1,341**	2,710
Non-current portion (see note 31)	**19,777**	22,079
	21,118	24,789

The provision for commitments, onerous contracts and other guarantees represents the unavoidable costs of meeting these commitments and obligations after deducting the associated, expected future benefits and / or estimated recoverable value. The provision for closure obligations represents the estimated costs to execute integration plans and store closures. The provision for assets retirement obligations represents the present value of the estimated future costs of dismantling and removing fixed assets when they are no longer used and restoring the sites on which they are located.

29 Interest bearing loans from non-controlling shareholders

	2022 HK$ million	2021 HK$ million
Interest bearing loans from non-controlling shareholders	**2,567**	759

At 31 December 2022, these loans bear interest at rates at EURIBOR+2.0% and Stockholm Interbank Offered Rate +0.7% (2021: EURIBOR+2.0%) per annum. The carrying amounts of the borrowings approximate their fair values.

30 Pension plans

	2022 HK$ million	2021 HK$ million
Defined benefit assets (see note 21)	**1,311**	1,032
Defined benefit liabilities	**2,730**	3,466
Net defined benefit liabilities	**1,419**	2,434

The Group operates a number of defined benefit and defined contribution plans, the assets of which are held independently of the Group's assets in trustee administered funds.

(a) Defined benefit plans

The Group's major defined benefit plans are in Hong Kong, the United Kingdom and the Netherlands. The plans are either contributory final salary pension plans or contributory career average pay plans or non-contributory guaranteed return defined contribution plans. No other post-retirement benefits are provided.

The principal actuarial assumptions used for the purpose of the actuarial valuation were as follows:

	2022	2021
Discount rates	**3.2% – 4.8%**	0.2% – 2.0%
Future salary increases	**2.3% – 3.5%**	1.7% – 3.5%
Interest credited on two principal plans in Hong Kong	**5.0% – 6.0%**	5.0% – 6.0%

The amount recognised in the consolidated statement of financial position is determined as follows:

	2022 HK$ million	2021 HK$ million
Present value of defined benefit obligations	**15,163**	23,686
Fair value of plan assets	**13,750**	21,255
	1,413	2,431
Restrictions on assets recognised	**6**	3
Net defined benefit liabilities	**1,419**	2,434

30 Pension plans (continued)

(a) Defined benefit plans (continued)

Movements in net defined benefit liabilities and its components are as follows:

	Present value of defined benefit obligations HK$ million	Fair value of plan assets HK$ million	Asset ceiling HK$ million	Net defined benefit liabilities HK$ million
At 1 January 2022	23,686	(21,255)	3	2,434
Net charge (credit) to the consolidated income statement				
Current service cost	561	18	–	579
Past service cost and gains and losses on settlements	8	–	–	8
Interest cost (income)	358	(326)	–	32
	927	(308)	–	619
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial gain arising from change in financial assumptions	(6,700)	–	–	(6,700)
Actuarial loss arising from experience adjustment	32	–	–	32
Return on plan assets excluding interest income	–	6,047	–	6,047
Change in asset ceiling	–	–	3	3
Exchange translation differences	(1,933)	1,750	–	(183)
	(8,601)	7,797	3	(801)
Contributions paid by the employer	–	(711)	–	(711)
Contributions paid by the employee	103	(103)	–	–
Benefits paid	(783)	783	–	–
Relating to subsidiaries disposed (see note 34(d))	(119)	3	–	(116)
Transfer from (to) other liabilities	(50)	44	–	(6)
At 31 December 2022	15,163	(13,750)	6	1,419

30 Pension plans (continued)

(a) Defined benefit plans (continued)

Movements in net defined benefit liabilities and its components are as follows (continued):

	Present value of defined benefit obligations HK$ million	Fair value of plan assets HK$ million	Asset ceiling HK$ million	Net defined benefit liabilities HK$ million
At 1 January 2021	24,502	(20,859)	3	3,646
Net charge (credit) to the consolidated income statement				
Current service cost	612	17	–	629
Past service cost and gains and losses on settlements	57	–	–	57
Interest cost (income)	241	(194)	–	47
	910	(177)	–	733
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial loss arising from change in demographic assumptions	58	–	–	58
Actuarial gain arising from change in financial assumptions	(124)	–	–	(124)
Actuarial gain arising from experience adjustment	(127)	–	–	(127)
Return on plan assets excluding interest income	–	(814)	–	(814)
Exchange translation differences	(769)	607	–	(162)
	(962)	(207)	–	(1,169)
Contributions paid by the employer	–	(741)	–	(741)
Contributions paid by the employee	108	(108)	–	–
Benefits paid	(859)	859	–	–
Relating to subsidiaries acquired (see note 34(c))	66	(101)	–	(35)
Transfer from (to) other liabilities	(79)	79	–	–
At 31 December 2021	23,686	(21,255)	3	2,434

The net defined benefit liabilities presented above represent the deficit calculated in accordance with Hong Kong Accounting Standard 19 "Employee Benefits" ("HKAS 19") and is the difference between the present value of the defined benefit obligation and the fair value of plan assets. Management appointed actuaries to carry out a valuation of these pension plans to determine the pension obligation and the fair value of the plan assets that are required to be disclosed and accounted for in the financial statements in accordance with HKAS 19 (the "accounting actuarial valuations"). The realisation of the deficit disclosed above is contingent upon the realisation of the actuarial assumptions made which is dependent upon a number of factors including the market performance of plan assets. The accounting actuarial valuations are not used for the purposes of determining the funding contributions to the defined benefit pension plans. Contributions to fund the obligations are based upon the recommendations of independent qualified actuaries for each of the Group's pension plans to fully fund the relevant schemes on an ongoing basis. Funding requirements of the Group's major defined benefit pension plans are detailed below.

30 Pension plans (continued)

(a) Defined benefit plans (continued)

The Group operates two principal pension plans in Hong Kong. One plan, which has been closed to new entrants since 1994, provides pension benefits based on the greater of the aggregate of the employee and employer vested contributions plus a minimum interest thereon of 6% per annum, and pension benefits derived by a formula based on the final salary and years of service. An independent actuarial valuation, undertaken for funding purposes under the provision of Hong Kong's Occupational Retirement Schemes Ordinance ("ORSO"), at 1 January 2022 reported a funding level of 164% of the accrued actuarial liabilities on an ongoing basis. The valuation used the attained age valuation method and the main assumptions in the valuation are an investment return of 4% per annum, salary increases of 3.5% per annum and interest credited to balances of 6% per annum. The valuation was prepared by Tian Keat Aun, a Fellow of The Institute and Faculty of Actuaries, and Stewart Chan, a Fellow of the Society of Actuaries, of Towers Watson Hong Kong Limited. The second plan provides benefits equal to the employer vested contributions plus a minimum interest thereon of 5% per annum. As at 31 December 2022, vested benefits under this plan are fully funded in accordance with the ORSO funding requirements. During the year, forfeited contributions totalling HK$21 million (2021: HK$22 million) were used to reduce the current year's level of contributions and HK$1 million forfeited contribution was available at 31 December 2022 (2021: HK$1 million) to reduce future years' contributions.

The Group operates three contributory defined benefit pension plans for its ports operation in the United Kingdom. The plans are all final salary in nature and they are not open to new entrants. Of the three plans, the Port of Felixstowe Pension Plan ("Felixstowe Scheme") is the principal plan. An independent actuarial valuation, undertaken for funding purposes under the provision of the Pensions Act 2004, at 31 December 2018 reported a funding level of 89% of the accrued actuarial liabilities on an ongoing basis. The sponsoring employers have since made additional contributions of GBP8.5 million in 2020, GBP9.0 million in 2021 and GBP9.5 million in 2022 and will make further aggregate additional contributions of GBP15.2 million until 31 January 2024 to eliminate the shortfall by 31 January 2024. The valuation used the projected unit credit method and the main assumptions in the valuation are a pre-retirement discount rate of 5.3% per annum; post-retirement discount rate of 2.3% per annum; pensionable earnings increases of 2.65% per annum; Retail Price Index ("RPI") inflation of 3.4% per annum; Consumer Price Index ("CPI") inflation of 2.4% per annum; and pension increases of 1.9% to 3.3% per annum. The valuation was prepared by Rhidian Williams FIA, a Fellow of the Institute and Faculty of Actuaries, of Quantum Advisory.

The Group's defined benefit pension plans for its ports and retail operations in the Netherlands are guaranteed contracts undertaken by insurance companies to provide defined benefit payable under the plans in return for actuarially determined contributions based on tariffs and conditions agreed for the term of the contracts. As the risk of providing past pension benefits is underwritten by the insurance companies, the Group does not carry funding risk relating to past service. The annual contribution to provide current year benefits varies in accordance with annual actuarial calculations.

The Group operates a defined benefit pension plan for certain of its retail operation in the United Kingdom. It is not open to new entrants. With effect from 28 February 2010, accrual of future defined benefits for all active members was ceased and the final salary linkage was also severed. The last triennial valuation was undertaken on 31 March 2021. This was an independent actuarial valuation, undertaken for funding purposes under the provision of the Pensions Act 2004, at 31 March 2021 which reported a funding level of 91% of the accrued actuarial liabilities on an ongoing basis. A schedule of contributions was agreed with GBP10 million to pay in 2022 and 2023, and GBP0.3 million in 2024 to eliminate the shortfall by February 2024. The valuation used the projected unit credit method and the main assumptions in the valuation are investment returns of 1.14% to 2.35% per annum and pension increases of 1.74% to 3.64% per annum. The valuation was prepared by Paul Jayson, a Fellow of the Institute and Faculty of Actuaries, of Barnett Waddingham LLP. The sponsoring employers have since made contributions of GBP10.0 million in 2022 (2021: GBP10.4 million).

30 Pension plans (continued)

(a) Defined benefit plans (continued)

(i) Plan assets

Fair value of the plan assets are analysed as follows:

	2022 Percentage	2021 Percentage
Equity instruments		
Consumer markets and manufacturing	**6%**	8%
Energy and utilities	**2%**	2%
Financial institutions and insurance	**4%**	6%
Telecommunications and information technology	**6%**	7%
Units trust and equity instrument funds	**4%**	5%
Others	**8%**	9%
	30%	37%
Debt instruments		
US Treasury notes	**1%**	1%
Government and government guaranteed notes	**19%**	15%
Financial institutions notes	**7%**	5%
Others	**8%**	5%
	35%	26%
Qualifying insurance policies	**26%**	31%
Other assets	**9%**	6%
	100%	100%

The debt instruments are analysed by issuers' credit rating as follows:

	2022 Percentage	2021 Percentage
Aaa / AAA	**7%**	8%
Aa1 / AA+	**20%**	20%
Aa2 / AA	**41%**	36%
Aa3 / AA–	**2%**	1%
A1 / A+	**3%**	3%
A2 / A	**4%**	3%
Other investment grades	**17%**	24%
No investment grades	**6%**	5%
	100%	100%

The fair value of the above equity instruments and debt instruments are determined based on quoted market prices.

30 Pension plans (continued)

(a) Defined benefit plans (continued)

(i) Plan assets (continued)

Fair value of plan assets of HK$13,750 million (2021: HK$21,255 million) includes investments in the Company's shares with a fair value of HK$11 million (2021: HK$16 million).

The long term strategic asset allocations of the plans are set and reviewed from time to time by the plans' trustees taking into account the membership and liability profile, and the liquidity requirements of the plans.

(ii) Defined benefit obligation

The average duration of the defined benefit obligation as at 31 December 2022 is 17 years (2021: 19 years).

The Group expects to make contributions of HK$1,282 million (2021: HK$727 million) to the defined benefit plans next year.

HKAS 19 "Employee Benefits" requires disclosure of a sensitivity analysis for the significant actuarial assumptions, used to determine the present value of the defined benefit obligations, that shows the effects of a hypothetical change in the relevant actuarial assumption at the end of the reporting period on defined benefit obligations.

The effect that is disclosed in the following assumes that (a) a hypothetical change of the relevant actuarial assumption had occurred at the end of the reporting period and had applied to the relevant actuarial assumption in existence on that date; and (b) the sensitivity analysis for each type of actuarial assumption does not reflect inter-dependencies between different assumptions.

The preparation and presentation of the sensitivity analysis for significant actuarial assumptions is solely for compliance with HKAS 19 disclosure requirements in respect of defined benefit obligations. The sensitivity analysis measures changes in the defined benefit obligations from hypothetical instantaneous changes in one actuarial assumption (e.g. discount rate or future salary increase), the amount so generated from the sensitivity analysis are "what-if" forward-looking estimates. The sensitivity analysis are for illustration purposes only and it should be noted that in practice actuarial assumptions rarely change in isolation. Actual results in the future may differ materially from the sensitivity analysis due to developments in the markets which may cause fluctuations in actuarial assumptions (e.g. discount rate or future salary increase) to vary and therefore it is important to note that the hypothetical amounts so generated do not present a projection of likely future events and profits or losses.

If the discount rate is 0.25% higher or lower, the defined benefit obligation would decrease by 2.8% or increase by 3.0% respectively (2021: decrease by 3.2% or increase by 3.5% respectively).

If the future salary increase is 0.25% higher or lower, the defined benefit obligation would increase by 0.8% or decrease by 0.5% respectively (2021: increase by 0.6% or decrease by 0.6% respectively).

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the consolidated statement of financial position.

(b) Defined contribution plans

The Group's cost in respect of defined contribution plans for the year amounted to HK$1,420 million (2021: HK$1,430 million) which has been charged to the profit or loss for the year. Forfeited contributions of HK$15 million (2021: HK$15 million) were used to reduce the current year's level of contributions and no forfeited contribution was available at 31 December 2022 (2021: nil) to reduce future years' contributions.

31 Other non-current liabilities

	2022 HK$ million	2021 HK$ million
Derivative financial instruments		
Cash flow hedges		
Interest rate swaps	–	133
Cross currency interest rate swaps	–	399
Net investment hedges		
Cross currency swaps	**314**	31
Other derivative financial instruments	–	105
Obligations for telecommunications licences and other rights	**3,309**	7,032
Other non-current liabilities	**6,333**	5,873
Liabilities relating to the economic benefits agreements [(a)]	**2,166**	2,166
Provisions (see note 28)	**19,777**	22,079
	31,899	37,818

(a) In October 2018, the Group completed the divesture of an aggregated 90% economic benefits in Australian Gas Networks. As part of the arrangement, upon the occurrence of certain events, the Group is required to return the consideration. The Group recognises liabilities measured by reference to the amount of consideration it received under this arrangement from entities outside the Group.

32 Share capital, share premium, perpetual capital securities and capital management

(a) Share capital and share premium

	Number of shares	Share capital HK$ million	Share premium HK$ million	Total HK$ million
Authorised:				
Ordinary shares of HK$1 each	**8,000,000,000**	**8,000**	**–**	**8,000**
Issued and fully paid:				
Ordinary shares				
At 1 January 2021	3,856,240,500	3,856	244,377	248,233
Cancellation of issued shares [(i)]	(21,606,000)	(22)	(1,208)	(1,230)
At 31 December 2021 and 1 January 2022	**3,834,634,500**	**3,834**	**243,169**	**247,003**
Cancellation of issued shares [(i)]	**(100,000)**	**–**	**(5)**	**(5)**
Cancellation of issued shares [(ii)]	**(4,490,000)**	**(4)**	**(192)**	**(196)**
At 31 December 2022	**3,830,044,500**	**3,830**	**242,972**	**246,802**

(i) During the year ended 31 December 2021, the Company acquired a total of 21,706,000 of its own ordinary shares through purchases on the Stock Exchange. Of these 21,706,000 shares, 21,606,000 shares were cancelled before the reporting date of 31 December 2021 and 100,000 shares were cancelled subsequent to the reporting date on 18 January 2022. The total amount paid to acquire these 21,706,000 shares was approximately HK$1,239 million, of which approximately HK$22 million and HK$1,208 million have been deducted from share capital and share premium respectively, and the remaining balance of HK$9 million has been charged to retained profit. Upon the cancellation of the 100,000 shares on 18 January 2022, HK$5 million have been deducted from share premium with a corresponding credit to retained profit.

(ii) During the year ended 31 December 2022, the Company acquired a total of 4,490,000 of its own ordinary shares through purchases on the Stock Exchange. The purchased shares were cancelled before the reporting date of 31 December 2022. The total amount paid to acquire these shares was approximately HK$197 million, of which approximately HK$4 million and HK$192 million have been deducted from share capital and share premium respectively, and the remaining balance of HK$1 million has been charged to retained profit.

(b) Perpetual capital securities

	2022 HK$ million	2021 HK$ million
US$1,000 million issued in 2017	**–**	7,842
EUR500 million issued in 2018	**4,561**	4,572
	4,561	12,414

In May 2017 and December 2018, wholly owned subsidiary companies of the Group issued perpetual capital securities with nominal amounts of US$1,000 million (approximately HK$7,800 million) and EUR500 million (approximately HK$4,475 million) respectively for cash.

These securities are perpetual, subordinated and the coupon payment is optional in nature. Therefore, perpetual capital securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position.

In May 2022, the Group had redeemed US$1,000 million (approximately HK$7,800 million) nominal amount of the perpetual capital securities that were originally issued in May 2017 for US$1,000 million (approximately HK$7,800 million).

32 Share capital, share premium, perpetual capital securities and capital management (continued)

(c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue to provide returns for shareholders and to support the Group's stability and growth. The Group regularly reviews and manages its capital structure to ensure optimal capital structure to maintain a balance between higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

At 31 December 2022, total equity amounted to HK$647,309 million (2021: HK$644,255 million), and consolidated net debt of the Group, excluding loans from non-controlling shareholders which are viewed as quasi equity, was HK$132,042 million (2021: HK$166,893 million). The Group's net debt to net total capital ratio decreased to 16.9% from 20.5% at the end of last year.

As additional information, the following table shows the net debt to net total capital ratios calculated on the basis of including loans from non-controlling shareholders and also with the Group's investments in its listed subsidiaries and associated companies marked to market value at the end of the reporting period.

Net debt / Net total capital ratios [(i)] at 31 December:

	2022	2021
A1 – excluding interest-bearing loans from non-controlling shareholders from debt	**16.9%**	20.5%
A2 – as in A1 above and investments in listed subsidiaries and associated companies marked to market value	**18.4%**	21.8%
B1 – including interest-bearing loans from non-controlling shareholders as debt	**17.2%**	20.6%
B2 – as in B1 above and investments in listed subsidiaries and associated companies marked to market value	**18.8%**	21.9%

(i) Net debt is defined in the consolidated statement of cash flows. Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions. Net total capital is defined as total bank and other debts plus total equity and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments.

33 Reserves

	2022				
	Attributable to ordinary shareholders				
	Retained profit HK$ million	Exchange reserve HK$ million	Hedging reserve HK$ million	Others [a] HK$ million	Total HK$ million
At 1 January 2022	631,181	(20,925)	(1,378)	(342,729)	266,149
Profit for the year	36,680	–	–	–	36,680
Other comprehensive income (losses) [c]					
Equity securities at FVOCI					
Valuation losses recognised directly in reserves	–	–	–	(1,493)	(1,493)
Debt securities at FVOCI					
Valuation losses recognised directly in reserves	–	–	–	(369)	(369)
Valuation losses previously in reserves recognised in income statement	–	–	–	2	2
Remeasurement of defined benefit obligations recognised directly in reserves	569	–	–	–	569
Gains on cash flow hedges recognised directly in reserves	–	–	2,127	–	2,127
Gains on net investment hedges recognised directly in reserves	–	3,380	–	–	3,380
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	–	(14,538)	–	–	(14,538)
Losses previously in exchange and other reserves related to subsidiaries, associated companies and joint venture disposed during the year recognised in income statement	–	2,035	55	–	2,090
Share of other comprehensive income (losses) of associated companies	(38)	(3,981)	1,539	(96)	(2,576)
Share of other comprehensive income (losses) of joint ventures	(385)	(6,174)	2,998	(17)	(3,578)
Tax relating to components of other comprehensive income (losses)	(209)	–	(9)	–	(218)
Other comprehensive income (losses), net of tax	(63)	(19,278)	6,710	(1,973)	(14,604)
Impact of hyperinflation	(23)	–	–	–	(23)
Transfer of gains on disposal of equity securities at FVOCI to retained profit	17	–	–	(17)	–
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2021	(7,132)	–	–	–	(7,132)
Dividends paid relating to 2022	(3,221)	–	–	–	(3,221)
Buy-back and cancellation of issued shares (see note 32(a)(ii))	4	–	–	–	4
Relating to purchase of non-controlling interests [b]	–	–	–	(1,133)	(1,133)
Relating to partial disposal of subsidiary companies	–	–	–	(9)	(9)
At 31 December 2022	657,443	(40,203)	5,332	(345,861)	276,711

33 Reserves (continued)

	2021				
	Attributable to ordinary shareholders				
	Retained profit HK$ million	Exchange reserve HK$ million	Hedging reserve HK$ million	Others [a] HK$ million	Total HK$ million
At 1 January 2021	604,451	(12,162)	(3,321)	(342,905)	246,063
Profit for the year	33,484	–	–	–	33,484
Other comprehensive income (losses) [c]					
Equity securities at FVOCI					
Valuation gains recognised directly in reserves	–	–	–	266	266
Debt securities at FVOCI					
Valuation losses recognised directly in reserves	–	–	–	(60)	(60)
Valuation gains previously in reserves recognised in income statement	–	–	–	(7)	(7)
Remeasurement of defined benefit obligations recognised directly in reserves	845	–	–	–	845
Gains on cash flow hedges recognised directly in reserves	–	–	954	–	954
Gains on net investment hedges recognised directly in reserves	–	1,337	–	–	1,337
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	–	(9,603)	–	–	(9,603)
Losses (gains) previously in exchange and other reserves related to subsidiaries and associated companies disposed during the year recognised in income statement	–	2,941	(25)	(3)	2,913
Share of other comprehensive income (losses) of associated companies	634	(1,397)	654	24	(85)
Share of other comprehensive income (losses) of joint ventures	1,274	(2,041)	366	21	(380)
Tax relating to components of other comprehensive income (losses)	56	–	(6)	–	50
Other comprehensive income (losses), net of tax	2,809	(8,763)	1,943	241	(3,770)
Impact of hyperinflation	5	–	–	–	5
Transfer of gains on disposal of equity securities at FVOCI to retained profit	65	–	–	(65)	–
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2020	(6,555)	–	–	–	(6,555)
Dividends paid relating to 2021	(3,072)	–	–	–	(3,072)
Transaction costs in relation to equity contribution from non-controlling interests	(24)	–	–	–	(24)
Buy-back and cancellation of issued shares (see note 32(a)(i))	(9)	–	–	–	(9)
Unclaimed dividends write back of a subsidiary	27	–	–	–	27
At 31 December 2021	631,181	(20,925)	(1,378)	(342,729)	266,149

33 Reserves (continued)

(a) Other reserves comprise revaluation reserve and other capital reserves. As at 31 December 2022, revaluation reserve deficit amounted to HK$3,472 million (1 January 2022: HK$1,574 million and 1 January 2021: HK$1,712 million), and other capital reserves deficit amounted to HK$342,389 million (1 January 2022: HK$341,155 million and 1 January 2021: HK$341,193 million). Included in the other capital reserves account is a deficit of HK$341,336 million, relating to the fair value of shares of Cheung Kong (Holdings) Limited, the former holding company of the Group, cancelled as part of the reorganisation completed in 2015. Revaluation surplus (deficit) arising from revaluation to market value of listed debt securities and listed equity securities are included in the revaluation reserve.

(b) During the year, the Group had acquired the remaining 25% interests in an intermediate holding company which holds certain of the Group's attributable interests in the port division from the non-controlling interests shareholder. The acquisition was accounted for as a transaction with equity participant and the economic effect was recorded in equity.

(c) Set out below are the before and after related tax effects of other comprehensive income (losses) for the years:

	2022		
	Before-tax amount HK$ million	**Tax effect HK$ million**	**Net-of-tax amount HK$ million**
Equity securities at FVOCI			
Valuation losses recognised directly in reserves	**(1,493)**	**–**	**(1,493)**
Debt securities at FVOCI			
Valuation losses recognised directly in reserves	**(369)**	**–**	**(369)**
Valuation losses previously in reserves recognised in income statement	**2**	**–**	**2**
Remeasurement of defined benefit obligations recognised directly in reserves	**701**	**(255)**	**446**
Gains on cash flow hedges recognised directly in reserves	**2,201**	**(12)**	**2,189**
Gains on net investment hedges recognised directly in reserves	**4,433**	**–**	**4,433**
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	**(16,078)**	**–**	**(16,078)**
Losses previously in exchange and other reserves related to subsidiaries, associated companies and joint ventures disposed during the year recognised in income statement	**2,220**	**–**	**2,220**
Share of other comprehensive income (losses) of associated companies	**(2,578)**	**–**	**(2,578)**
Share of other comprehensive income (losses) of joint ventures	**(4,581)**	**–**	**(4,581)**
	(15,542)	**(267)**	**(15,809)**

	2021		
	Before-tax amount HK$ million	Tax effect HK$ million	Net-of-tax amount HK$ million
Equity securities at FVOCI			
Valuation gains recognised directly in reserves	265	–	265
Debt securities at FVOCI			
Valuation losses recognised directly in reserves	(60)	–	(60)
Valuation gains previously in reserves recognised in income statement	(7)	–	(7)
Remeasurement of defined benefit obligations recognised directly in reserves	1,034	80	1,114
Gains on cash flow hedges recognised directly in reserves	1,020	(8)	1,012
Gains on net investment hedges recognised directly in reserves	1,767	–	1,767
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	(10,567)	–	(10,567)
Losses previously in exchange and other reserves related to subsidiaries and associated companies disposed during the year recognised in income statement	2,913	–	2,913
Share of other comprehensive income of associated companies	58	–	58
Share of other comprehensive income (losses) of joint ventures	(500)	–	(500)
	(4,077)	72	(4,005)

34 Notes to the consolidated statement of cash flows

(a) Reconciliation of profit after tax to cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital

	2022 HK$ million	2021 HK$ million
Profit after tax	**43,659**	40,472
Less: share of profits less losses of		
Associated companies	**(11,822)**	(5,718)
Joint ventures	**(7,422)**	(6,393)
	24,415	28,361
Adjustments for:		
Current tax charge	**5,435**	4,029
Deferred tax charge (credit)	**2,839**	(1,799)
Interest expenses and other finance costs	**9,052**	10,608
Depreciation and amortisation	**39,788**	45,256
EBITDA of Company and subsidiaries [(i)]	**81,529**	86,455
Dividends received from associated companies and joint ventures	**12,783**	11,102
Impairment loss against goodwill and other assets on telecommunications business in Sri Lanka (see note 7(c))	**1,000**	–
Impairment loss against goodwill on telecommunications business in Italy (see note 7(c))	**11,039**	15,472
Foreign exchange reclassification adjustment (see note 7(d))	**–**	3,514
Loss on disposal of fixed assets	**196**	51
Gains on disposals of unlisted investments (see note 7)	**(515)**	–
Gains on disposals of interests in associated companies and joint ventures (see note 7)	**(947)**	(751)
Losses (gains) on disposal of subsidiaries (see note 7(g))		
European telecommunications tower assets	**(19,060)**	(25,316)
Indonesia telecommunications businesses	**(7,245)**	–
Other businesses	**37**	–
Customer acquisition and retention costs capitalised in the year	**(3,586)**	(3,725)
Other non-cash items	**(1,334)**	(869)
	73,897	85,933

34 Notes to the consolidated statement of cash flows (continued)

(a) Reconciliation of profit after tax to cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital (continued)

(i) Reconciliation of EBITDA:

	2022 HK$ million	2021 HK$ million
EBITDA of Company and subsidiaries	**81,529**	86,455
Share of EBITDA of associated companies and joint ventures		
Share of profits less losses of		
Associated companies	**11,822**	5,718
Joint ventures	**7,422**	6,393
Adjustments for:		
Depreciation and amortisation	**24,355**	21,853
Interest expenses and other finance costs	**9,346**	8,233
Current tax charge	**3,983**	3,600
Deferred tax charge	**3,923**	3,731
Non-controlling interests	**608**	654
	61,459	50,182
EBITDA (see note 5(b)(ii))	**142,988**	136,637

(b) Changes in working capital

	2022 HK$ million	2021 HK$ million
Increase in inventories	**(1,401)**	(46)
Increase in trade receivables and other current assets	**(493)**	(5,736)
Decrease in trade payables and other current liabilities	**(2,581)**	(11,485)
Other non-cash items	**(105)**	(1,813)
	(4,580)	(19,080)

34 Notes to the consolidated statement of cash flows (continued)

(c) Purchase of subsidiary companies

The following table summarises the consideration paid and the amounts of the assets acquired and liabilities assumed recognised for acquisitions completed during the years:

	2022 HK$ million	2021 HK$ million
Purchase consideration transferred:		
Cash and cash equivalents paid	–	461
Non-cash consideration	–	358
	–	819
Fair value		
Fixed assets	–	789
Right-of-use assets	–	494
Brand names and other rights	–	12
Pension assets	–	35
Cash and cash equivalents	–	323
Trade receivables and other current assets	–	474
Inventories	–	27
Trade payables and other current liabilities and current tax liabilities	–	(628)
Bank and other debts	–	(997)
Lease liabilities	–	(252)
Interest bearing loans from non-controlling shareholders	–	(17)
Deferred tax liabilities	–	(76)
Net identifiable assets acquired	–	184
Non-controlling interests	–	12
	–	196
Goodwill	–	623
Total consideration	–	819
Net cash outflow (inflow) arising from acquisition:		
Cash and cash equivalents paid	–	461
Cash and cash equivalents acquired	–	(323)
Total net cash outflow	–	138

The assets acquired and liabilities assumed are recognised at the acquisition date fair value and are recorded at the consolidation level.

For the year ended 31 December 2021, the acquisition related cost and the contribution to the Group's revenue and profit before tax from the subsidiaries acquired during the year since the respective date of acquisition are not material.

34 Notes to the consolidated statement of cash flows (continued)

(d) Disposal of subsidiary companies

	2022 HK$ million	2021 HK$ million
Equity securities received	**24,089**	–
Net cash consideration	**14,077**	38,425
Carrying amount of net assets (excluding cash and cash equivalents) disposed	**(10,015)**	(13,696)
Cumulative exchange gain (loss) in respect of the net assets of subsidiaries reclassified from equity to profit or loss on loss of control of subsidiaries	**(1,883)**	587
Gains on disposal	**26,268**	25,316
Net cash inflow (outflow) on disposal of subsidiaries		
Cash and cash equivalents received as consideration	**18,607**	38,425
Less: Cash and cash equivalents disposed	**(1,511)**	–
Sub-total [(i)]	**17,096**	38,425
Cash and cash equivalents paid [(ii)]	**(3,019)**	–
Net cash consideration	**14,077**	38,425
Analysis of assets and liabilities over which control was lost		
Fixed assets	**12,252**	4,832
Right-of-use assets	**9,564**	4,238
Telecommunications licences	**3,836**	–
Goodwill	**1,119**	7,681
Brand names and other rights	**–**	333
Deferred tax assets	**266**	58
Trade receivables and other current assets	**2,252**	446
Inventories	**78**	–
Assets classified as held for sale	**–**	1,241
Trade payables and other current liabilities and current tax liabilities	**(4,089)**	–
Bank and other debts	**(356)**	–
Lease liabilities	**(10,315)**	(4,389)
Deferred tax liabilities	**(233)**	–
Pension obligations	**(116)**	–
Other non-current liabilities	**(4,243)**	(460)
Liabilities directly associated with assets classified as held for sale	**–**	(284)
Net assets (excluding cash and cash equivalents) disposed	**10,015**	13,696
Cash and cash equivalents disposed	**1,511**	–
Net assets disposed	**11,526**	13,696

Disposal of subsidiary companies for the year ended 31 December 2022 mainly related to the disposal of the Group's former subsidiary H3I and the disposal of interests in tower assets in the UK (see note 5(b)(xvi) and 5(b)(xvii)). For comparative year ended 31 December 2021, amount mainly related to the disposal of interests in tower assets in Sweden and Italy (see note 5(b)(xvi)). The gains on disposals for both years were recognised in the consolidated income statement and were included in the line item titled "Other income and gains". See note 7(g).

Saved as disclosed for the effect arising from the gains on disposal, the effect on the Group's results from the subsidiaries disposed during the year are not material for the years ended 31 December 2022 and 2021.

(i) Presented as "Proceeds from disposal of subsidiary companies, net of cash disposed" in the consolidated statement of cash flows.

(ii) Included in "Purchase of and advances to associated companies and joint ventures" in the consolidated statement of cash flows.

34 Notes to the consolidated statement of cash flows (continued)

(e) Changes in liabilities arising from financing activities

The following table sets out an analysis of the cash flows and non-cash flows changes in liabilities arising from financing activities:

	Bank and other debts	Lease liabilities	Interest bearing loans from non-controlling shareholders	Interest free loans from non-controlling shareholders	Liabilities relating to the economic benefits agreements	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
1 January 2021	349,071	94,265	798	380	2,166	446,680
Financing cash flows						
New borrowings	70,901	–	–	–	–	70,901
Repayment of borrowings	(83,546)	–	–	–	–	(83,546)
Principal elements of lease payments (see note 13(c))	–	(17,407)	–	–	–	(17,407)
Net loans from non-controlling shareholders	–	–	–	47	–	47
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 8)	329	–	–	–	–	329
Gains arising on adjustment for hedged items in a designated fair value hedge (see note 41(h))	(104)	–	–	–	–	(104)
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 8(a))	(709)	–	–	–	–	(709)
Increase in lease liabilities from entering into new leases (see note 13(a))	–	11,223	–	–	–	11,223
Interest on lease liabilities (see note 8)	–	3,577	–	–	–	3,577
Interest element of lease liabilities paid (included in "Net cash from operating activities")	–	(3,536)	–	–	–	(3,536)
Remeasurement / write off of lease liabilities						
Rental concessions (see note 7)	–	(497)	–	–	–	(497)
Others	–	5,808	–	–	–	5,808
Relating to subsidiaries acquired (see note 34(c))	997	252	17	–	–	1,266
Relating to subsidiaries disposed (see note 34(d))	–	(4,389)	–	–	–	(4,389)
Exchange translation differences	(11,140)	(4,217)	(56)	–	–	(15,413)
At 31 December 2021 and 1 January 2022	**325,799**	**85,079**	**759**	**427**	**2,166**	**414,230**
Financing cash flows						
New borrowings	**37,147**	**–**	**–**	**–**	**–**	**37,147**
Repayment of borrowings	**(68,063)**	**–**	**–**	**–**	**–**	**(68,063)**
Principal elements of lease payments (see note 13(c))	**–**	**(14,307)**	**–**	**–**	**–**	**(14,307)**
Net loans from non-controlling shareholders	**–**	**–**	**2,073**	**45**	**–**	**2,118**
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 8)	**243**	**–**	**–**	**–**	**–**	**243**
Gains arising on adjustment for hedged items in a designated fair value hedge (see note 41(h))	**(4)**	**–**	**–**	**–**	**–**	**(4)**
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 8(a))	**(420)**	**–**	**–**	**–**	**–**	**(420)**
Increase in lease liabilities from entering into new leases (see note 13(a))	**–**	**6,528**	**–**	**–**	**–**	**6,528**
Interest on lease liabilities (see note 8)	**–**	**2,270**	**–**	**–**	**–**	**2,270**
Interest element of lease liabilities paid (included in "Net cash from operating activities")	**–**	**(2,071)**	**–**	**–**	**–**	**(2,071)**
Remeasurement / write off of lease liabilities						
Rental concessions (see note 7)	**–**	**(188)**	**–**	**–**	**–**	**(188)**
Others	**–**	**4,182**	**–**	**–**	**–**	**4,182**
Relating to subsidiaries disposed (see note 34(d))	**(356)**	**(10,315)**	**–**	**–**	**–**	**(10,671)**
Transfer to liabilities directly associated with assets classified as held for sale (see note 25)	**–**	**(920)**	**–**	**–**	**–**	**(920)**
Exchange translation differences	**(10,020)**	**(4,199)**	**(265)**	**–**	**–**	**(14,484)**
At 31 December 2022	**284,326**	**66,059**	**2,567**	**472**	**2,166**	**355,590**

35 Share-based payments

The Company and its subsidiary companies do not have share option scheme as at 31 December 2022 and 31 December 2021. Certain of the Company's associated companies have issued equity-settled and cash-settled share-based payments to certain employees. The aggregate amount of the share-based payments recognised by these companies during the current and comparative years are not material to the Group's results.

36 Pledge of assets

At 31 December 2022, assets of the Group totalling HK$1,442 million (2021: HK$1,440 million) were pledged as security for bank and other debts.

37 Contingent liabilities and guarantees

At 31 December 2022, CK Hutchison Holdings Limited, and its subsidiaries provide guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures of HK$4,856 million (2021: HK$5,058 million).

The amount utilised by its associated companies and joint ventures are as follows:

	2022 HK$ million	2021 HK$ million
To associated companies	**3,527**	3,367
To joint ventures	**1,096**	1,235

At 31 December 2022, the Group had provided performance and other guarantees of HK$5,033 million (2021: HK$8,353 million).

38 Commitments

The Group's outstanding commitments contracted for at 31 December 2022, where material, not provided for in the consolidated financial statements at 31 December 2022 are as follows:

Capital commitments

(a) Ports and Related Services: HK$582 million (2021: HK$157 million)
(b) **3** Group Europe: HK$183 million (2021: HK$423 million)
(c) Telecommunications, Hong Kong and Asia: HK$308 million (2021: HK$1,088 million)

39 Related parties transactions

Saved as disclosed elsewhere in these financial statements, transactions between the Group and other related parties during the year are not significant to the Group. The outstanding balances with associated companies and joint ventures are disclosed in notes 17 and 18. Transactions between the Company and its subsidiaries have been eliminated on consolidation.

No transactions have been entered with the directors of the Company (being the key management personnel) during the year other than the emoluments paid to them (being the key management personnel compensation).

40 Legal proceedings

As at 31 December 2022, the Group is not engaged in any material litigation or arbitration proceedings, and no material litigation or claim is known by the Group to be pending or threatened against it.

41 Financial risk management

The Group's major financial assets and financial liabilities include cash and cash equivalents, liquid funds and other listed investments and borrowings. Details of these financial assets and financial liabilities are disclosed in the respective notes. The Group's treasury function sets financial risk management policies in accordance with policies and procedures that are approved by the Executive Directors, and which are also subject to periodic review by the Group's internal audit function. The Group's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates on the Group's overall financial position and to minimise the Group's financial risks. The Group's treasury function operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks, and for providing cost-efficient funding to the Group and its companies. It manages the majority of the Group's funding needs, interest rate, foreign currency and credit risk exposures. It is the Group's policy not to have credit rating triggers that would accelerate the maturity dates of the Group's borrowings. The Group uses interest rate and foreign currency swaps and forward contracts as appropriate for risk management purposes only, for hedging transactions and for managing the Group's exposure to interest rate and foreign exchange rate fluctuations. The Group generally does not enter into foreign currency hedges in respect of its foreign currency earnings and no derivatives instruments to hedge the Group's earnings were entered during the year or remain outstanding at the end of the year. It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, that have significant underlying leverage or derivative exposure.

(a) Cash management and funding

The Group operates a central cash management system for all of its unlisted subsidiaries. Except for listed and certain overseas entities conducting businesses in non-HK or non-US dollar currencies, the Group generally obtains long-term financing at the Group level to on-lend or contribute as equity to its subsidiaries and associated companies to meet their funding requirements and provide more cost-efficient financing. These borrowings include a range of capital market issues and bank borrowings, for which the proportions will change depending upon financial market conditions and projected interest rates. The Group regularly and closely monitors its overall debt position and reviews its funding costs and maturity profile to facilitate refinancing.

The Group continues to maintain a robust financial position. Cash, liquid funds and other listed investments ("Liquid assets") amounted to HK$154,188 million at 31 December 2022 (2021: HK$161,360 million). The decrease was mainly reflecting dividend payments to ordinary and non-controlling shareholders as well as distributions to perpetual capital securities holders, repayment and early repayment of certain borrowings, redemption of perpetual capital securities, capital expenditure and investment spending, partly offset by proceeds received from tower sales, cash arising from positive funds from operations from the Group's businesses and cash from new borrowings. Liquid assets were denominated as to 15% in HK dollar, 55% in US dollar, 3% in Renminbi, 14% in Euro, 7% in British Pound and 6% in other currencies (2021: 18% were denominated in HK dollar, 60% in US dollar, 4% in Renminbi, 9% in Euro, 4% in British Pound and 5% in other currencies).

Cash and cash equivalents represented 90% (2021: 95%) of the liquid assets, US Treasury notes and other listed debt securities 4% (2021: 4%) and listed equity securities 6% (2021: 1%). The US Treasury notes and other listed debt securities, including those held under managed funds, consisted of US Treasury notes of 73% (2021: 77%), government and government guaranteed notes of 23% (2021: 14%), and others of 4% (2021: 9%). Of these US Treasury notes and listed debt securities, 99% (2021: 99%) are rated at Aaa / AAA or Aa1 / AA+ with an average maturity of 2.6 years (2021: 1.7 years) on the overall portfolio. The Group has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.

41 Financial risk management (continued)

(b) Interest rate exposure

The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate, the Group uses derivatives such as interest rate swaps and forward rate agreements to manage its interest rate exposure. The Group's main interest rate exposure relates to US dollar, British Pound, Euro and HK dollar borrowings.

At 31 December 2022, approximately 34% (2021: approximately 31%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 66% (2021: approximately 69%) were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$21,360 million (2021: HK$23,142 million) principal amount of floating interest rate borrowings that were used to finance long term investments to fixed interest rate borrowings. For the year ended December 2021, the Group further swap approximately HK$5,460 million principal amount of fixed interest rate borrowings to effectively become floating interest rate borrowings. After taking into consideration these interest rate swaps, approximately 27% (2021: approximately 26%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 73% (2021: approximately 74%) were at fixed rates at 31 December 2022. All of the aforementioned interest rate derivatives are designated as hedges and these hedges are considered highly effective.

(c) Foreign currency exposure

For subsidiaries, associated companies, joint arrangements, branches and other investments (the activities of which are based or conducted in non-HK dollar or non-US dollar), the Group generally endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. For businesses (the activities of which are based or conducted in non-HK dollar or non-US dollar) that are in the development phase, or where borrowings in local currency are not or are no longer attractive, the Group may not borrow in the local currency or may repay existing borrowings and monitor the development of the businesses' cash flows and the relevant debt markets with a view to refinance these businesses with local currency borrowings in the future when conditions are more appropriate. Exposure to movements in exchange rates for individual transactions (such as major procurement contracts) directly related to its underlying businesses is minimised by using forward foreign exchange contracts and currency swaps where active markets for the relevant currencies exist. The Group generally does not enter into foreign currency hedges in respect of its long-term equity investments in foreign operations, except in relation to certain infrastructure investments. At 31 December 2022, the Group had cross currency interest rate swaps, foreign exchange forward contracts and cross currency swaps with banks to hedge these investments. The total notional amount of the net investment hedges amounted to HK$53,725 million (2021: HK$52,103 million).

The Group has operations in about 50 countries and conducts businesses in around 50 currencies. The Group's functional currency for reporting purposes is Hong Kong dollar and the Group's reported results in Hong Kong dollar are exposed to exchange translation on its foreign currency earnings.

As at 31 December 2022, the Group's total principal amount of bank and other debts are denominated as follows: 49% in US dollar, 35% in Euro, 2% in HK dollar, 5% in British Pound and 9% in other currencies (2021: 49% in US dollar, 34% in Euro, 3% in HK dollar, 5% in British Pound and 9% in other currencies). The Group had currency swap arrangements with banks to swap US dollar principal amount of borrowings equivalent to HK$15,990 million (2021: HK$23,790 million) and British Pound principal amount of borrowings equivalent to HK$4,730 million (2021: nil) to Euro principal amount of borrowings to reflect currency exposures of its underlying businesses. The Group's total principal amount of bank and other debts, after the above swaps, are denominated as follows: 43% in US dollar, 42% in Euro, 2% in HK dollar, 4% in British Pound and 9% in other currencies (2021: 41% in US dollar, 42% in Euro, 3% in HK dollar, 5% in British Pound and 9% in other currencies).

41 Financial risk management (continued)

(d) Credit exposure

The Group's holdings of cash, managed funds and other liquid investments, interest rate and foreign currency swaps and forward currency contracts with financial institutions expose the Group to credit risk of counterparties. The Group controls its credit risk to non-performance by its counterparties through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed.

The Group is also exposed to counterparties credit risk from its operating activities, particularly in its ports businesses. Such risks are continuously monitored by the local operational management.

(e) Market price risk

The Group's main market price risk exposures relate to listed debt and equity securities as described in "liquid assets" above and the interest rate swaps as described in "interest rate exposure" above. The Group's holding of listed debt and equity securities represented approximately 10% (2021: approximately 5%) of the liquid assets. The Group controls this risk through active monitoring of price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

(f) Market risks sensitivity analysis

For the presentation of financial assets and financial liabilities market risks (including interest rate risk, currency risk and other price risk) information, HKFRS 7 "Financial Instruments: Disclosures" requires the disclosure of a sensitivity analysis for each type of financial market risk that shows the effects of a hypothetical change in the relevant market risk variable to which the Group is exposed at the end of the reporting period on profit for the year and on total equity.

The effect that is disclosed in the following sections is before the related tax effect and the related amount attributable to non-controlling interests, and assumes that (a) a hypothetical change of the relevant risk variable had occurred at the end of the reporting period and had been applied to the relevant risk variable in existence on that date; and (b) the sensitivity analysis for each type of financial market risk does not reflect inter-dependencies between risk variables, e.g. the interest rate sensitivity analysis does not take into account of the impact of changes in interest rates that would have on the relative strengthening and weakening of the currency with other currencies.

The preparation and presentation of the sensitivity analysis on financial market risk is solely for compliance with HKFRS 7 disclosure requirements in respect of financial assets and financial liabilities. The sensitivity analysis measures changes in the fair value and / or cash flows of the Group's financial assets and financial liabilities from hypothetical instantaneous changes in one risk variable (e.g. functional currency rate or interest rate), the amount so generated from the sensitivity analysis are "what-if" forward-looking estimates. The sensitivity analysis are for illustration purposes only and it should be noted that, in practice, market rates rarely change in isolation. Actual results in the future may differ materially from the sensitivity analysis due to developments in the global markets which may cause fluctuations in market rates (e.g. exchange or interest rate) to vary and therefore it is important to note that the hypothetical amounts so generated do not represent a projection of likely future events and profits or losses.

41 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

(i) Interest rate sensitivity analysis

Interest rate risk as defined by HKFRS 7 arises on interest-bearing financial assets and financial liabilities.

The interest rate sensitivity analysis is based on the following assumptions:

In the cases of non-derivative financial assets and financial liabilities with fixed interest rates, changes in market interest rates only affect profit for the year or total equity if these financial assets and financial liabilities are measured at fair value. Accordingly, all non-derivative financial assets and financial liabilities with fixed interest rates that are carried at amortised cost are excluded from the interest rate sensitivity analysis as they are not subject to interest rate risk as defined in HKFRS 7.

In the cases of derivative financial assets and financial liabilities designated as hedging instruments for hedging interest rate risks, changes in market interest rates affect their fair values. All interest rate hedges are expected to be highly effective. Changes in the fair value of fair value interest rate hedges and changes in the fair value of the hedged items that are attributable to interest rate movements effectively balance out with each other in the consolidated income statement in the same period. Accordingly, these hedging instruments and hedged items are excluded from the interest rate sensitivity analysis as they are not exposed to interest rate risk as defined in HKFRS 7. Changes in the fair value of cash flow interest rate hedges resulting from market interest rate movements affect total equity and are therefore taken into consideration in the sensitivity analysis.

In the cases of derivative financial assets and financial liabilities that are not part of an interest rate risk hedging relationship, changes in their fair values (arising from gain or loss from remeasurement of these interest rate derivatives to fair value) resulting from market interest rate movements affect profit for the year and total equity, and are therefore taken into consideration in the sensitivity analysis.

Major financial assets and financial liabilities for the purpose of the interest rate sensitivity analysis include:

- cash and cash equivalents (see note 23)
- some of the listed debt securities and managed funds (see note 20) carried at fair value that bear interest at fixed rate
- some of the listed debt securities and managed funds (see note 20) that bear interest at floating rate
- some of the bank and other debts (see note 26) that bear interest at floating rate
- interest bearing loans from non-controlling shareholders (see note 29)

Under these assumptions, the impact of a hypothetical 100 basis points (2021: 100 basis points) increase in market interest rate at 31 December 2022, with all other variables held constant:

– profit for the year would increase by HK$656 million due to the increase in interest income (2021: HK$671 million);
– total equity would increase by HK$656 million due to the increase in interest income (2021: HK$671 million); and
– total equity would increase by HK$85 million due to the change in fair value of derivative financial instruments (2021: HK$596 million).

41 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

(ii) Foreign currency exchange rate sensitivity analysis

Currency risk as defined by HKFRS 7 arises on financial assets and financial liabilities being denominated in a currency that is not the functional currency and being of a monetary nature. Therefore, non-monetary financial assets and financial liabilities, monetary financial assets and financial liabilities denominated in the entity's functional currency and differences resulting from the translation of financial statements of overseas subsidiaries into the Group's presentation currency are not taken into consideration for the purpose of the sensitivity analysis for currency risk.

The foreign currency exchange rate sensitivity analysis is based on the following assumptions:

Major non-derivative monetary financial assets and financial liabilities are either directly denominated in the functional currency or are transferred to the functional currency through the use of foreign currency swaps and forward foreign exchange contracts. Exchange fluctuations of these monetary financial assets and financial liabilities therefore have no material effects on profit for the year and total equity.

In the cases of derivative financial assets and financial liabilities designated as hedging instruments for hedging currency risks, changes in foreign exchange rates affect their fair values. All currency hedges are expected to be highly effective. Changes in the fair value of foreign currency fair value hedges and changes in the fair value of the hedged items effectively balance out with each other in the consolidated income statement in the same period. As a consequence, these hedging instruments and hedged items are excluded from the foreign currency exchange rate sensitivity analysis as they are not exposed to currency risk as defined in HKFRS 7. Changes in the fair value of foreign currency cash flow hedges resulting from market exchange rate movements affect total equity and are therefore taken into consideration in the sensitivity analysis.

Major financial assets and financial liabilities for the purpose of the foreign currency exchange rate sensitivity analysis include:

- some of the cash and cash equivalents (see note 23)
- some of the liquid funds and other listed investments (see note 20)
- some of the bank and other debts (see note 26)

Under these assumptions, the impact of a hypothetical 5% weakening of HK dollar against all exchange rates at the end of the reporting period, with all other variables held constant, on the Group's profit for the year and total equity is set out in the table below:

41 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

(ii) Foreign currency exchange rate sensitivity analysis (continued)

	2022		2021	
	Hypothetical increase (decrease) in profit for the year	**Hypothetical increase (decrease) in total equity**	Hypothetical increase (decrease) in profit for the year	Hypothetical increase (decrease) in total equity
	HK$ million	**HK$ million**	HK$ million	HK$ million
Euro	**60**	**(356)**	39	(421)
British Pound	**356**	**(807)**	105	(1,207)
Australian dollar	**33**	**(371)**	40	(435)
Renminbi	**63**	**63**	75	75
US dollar	**2,921**	**2,921**	2,240	2,251
Japanese Yen	**(89)**	**(89)**	(102)	(102)

(iii) Other price sensitivity analysis

Other price risk as defined by HKFRS 7 arises from changes in market prices (other than those arising from interest rate risk and currency risk as detailed in "interest rate exposure" and "foreign currency exposure" paragraphs above) on financial assets and financial liabilities.

The other price sensitivity analysis is based on the assumption that changes in market prices (other than those arising from interest rate risk and currency risk) of financial assets and financial liabilities only affect profit for the year or total equity if these financial assets and financial liabilities are measured at the fair values. Accordingly, all non-derivative financial assets and financial liabilities carried at amortised cost are excluded from the other price sensitivity analysis as they are not subject to other price risk as defined in HKFRS 7.

Major financial assets and financial liabilities for the purpose of the other price sensitivity analysis include:

- financial assets at FVOCI (see note 20)

Under these assumptions, the impact of a hypothetical 5% increase in the market price of the Group's financial assets at FVOCI at the end of the reporting period, with all other variables held constant:

– no impact to profit for the year (2021: nil), and consequently no impact to total equity for the year (2021: nil); and
– other comprehensive income would increase by HK$803 million (2021: HK$409 million) due to the increase in gains on financial assets at FVOCI, and consequently, total equity would increase by the same amount for both years.

41 Financial risk management (continued)

(g) Contractual maturities of financial liabilities

The following tables detail the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted principal cash flows and the earliest date the Group can be required to pay:

Non-derivative financial liabilities:

	Contractual maturities					
	Within 1 year	After 1 year, but within 5 years	After 5 years	Total undiscounted cash flows	Difference from carrying amounts	Carrying amounts
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 31 December 2022						
Trade payables	21,356	–	–	21,356	–	21,356
Expenses and other accruals	35,995	–	–	35,995	–	35,995
Other payables	21,419	–	–	21,419	–	21,419
Interest free loans from non-controlling shareholders	472	–	–	472	–	472
Lease liabilities	13,063	30,683	39,922	83,668	(17,609)	66,059
Bank loans	40,697	53,806	–	94,503	(235)	94,268
Other loans	4	166	59	229	–	229
Notes and bonds	29,505	76,860	82,510	188,875	954	189,829
Interest bearing loans from non-controlling shareholders	743	1,824	–	2,567	–	2,567
Obligations for telecommunications licences and other rights	682	1,585	2,128	4,395	(406)	3,989
Liabilities relating to the economic benefits agreements	–	2,166	–	2,166	–	2,166
Amounts due to associated companies	569	–	–	569	–	569
Amounts due to joint ventures	319	–	–	319	–	319
	164,824	167,090	124,619	456,533	(17,296)	439,237

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK$7,129 million in "within 1 year" maturity band, HK$16,905 million in "after 1 year, but within 5 years" maturity band, and HK$17,046 million in "after 5 years" maturity band. These estimates are calculated assuming the effect of hedging transactions and interest rates with respect to variable rate financial liabilities remain constant and there is no change in the aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

41 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

Derivative financial liabilities:

	Contractual maturities			
	Within 1 year HK$ million	After 1 year, but within 5 years HK$ million	After 5 years HK$ million	Total undiscounted cash flows HK$ million
At 31 December 2022				
Cash flow hedges				
Forward foreign exchange contracts				
Net outflow	(2)	–	–	(2)
Other contracts				
Outflow	(151)	–	–	(151)
Net investment hedges				
Forward foreign exchange contracts				
Inflow	22,223	–	–	22,223
Outflow	(23,187)	–	–	(23,187)
Cross currency swaps				
Inflow	48	3,494	–	3,542
Outflow	–	(3,735)	–	(3,735)
Other derivative financial instruments				
Net outflow	(821)	–	–	(821)

41 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

Non-derivative financial liabilities:

	Contractual maturities					
	Within 1 year	After 1 year, but within 5 years	After 5 years	Total undiscounted cash flows	Difference from carrying amounts	Carrying amounts
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 31 December 2021						
Trade payables	23,382	–	–	23,382	–	23,382
Expenses and other accruals	40,636	–	–	40,636	–	40,636
Other payables	17,775	–	–	17,775	–	17,775
Interest free loans from non-controlling shareholders	427	–	–	427	–	427
Lease liabilities	17,688	42,075	51,213	110,976	(25,897)	85,079
Bank loans	36,309	63,006	–	99,315	(349)	98,966
Other loans	4	182	65	251	–	251
Notes and bonds	30,030	91,568	103,917	225,515	1,067	226,582
Interest bearing loans from non-controlling shareholders	759	–	–	759	–	759
Obligations for telecommunications licences and other rights	4,587	4,818	3,824	13,229	(1,671)	11,558
Liabilities relating to the economic benefits agreements	–	2,166	–	2,166	–	2,166
Amounts due to associated companies	567	–	–	567	–	567
Amounts due to joint ventures	381	–	–	381	–	381
	172,545	203,815	159,019	535,379	(26,850)	508,529

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK$5,618 million in "within 1 year" maturity band, HK$15,968 million in "after 1 year, but within 5 years" maturity band, and HK$20,428 million in "after 5 years" maturity band. These estimates are calculated assuming the effect of hedging transactions and interest rates with respect to variable rate financial liabilities remain constant and there is no change in the aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

41 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

Derivative financial liabilities:

	Contractual maturities			
	Within 1 year HK$ million	After 1 year, but within 5 years HK$ million	After 5 years HK$ million	Total undiscounted cash flows HK$ million
At 31 December 2021				
Cash flow hedges				
Interest rate swaps				
Net outflow	(97)	(163)	–	(260)
Cross currency interest rate swaps				
Net outflow	–	(418)	–	(418)
Net investment hedges				
Forward foreign exchange contracts				
Inflow	9,222	–	–	9,222
Outflow	(9,369)	–	–	(9,369)
Cross currency swaps				
Inflow	1,522	674	–	2,196
Outflow	(1,526)	(701)	–	(2,227)
Other derivative financial instruments				
Net outflow	(108)	(53)	(3)	(164)

41 Financial risk management (continued)

(h) In accordance with the disclosure requirement of HKFRS 7, the Group's financial instruments resulted in the following income, expenses and gains and losses recognised in the consolidated income statement:

	2022 HK$ million	2021 HK$ million
Dividends from equity securities at FVOCI – related to investments held at the end of the reporting period	**119**	87
Interest from debt securities at FVOCI	**94**	101
Interest from assets held at amortised cost	**2,017**	658
Fair value losses on equity securities at fair value through profit or loss ("FVPL")	**(6)**	(329)
Fair value gains (losses) on debt securities at FVPL	**(15)**	52
Net impairment expense recognised on trade receivables	**(937)**	(1,737)
Losses arising on derivatives in a designated fair value hedge	**(4)**	(104)
Gains arising on adjustment for hedged items in a designated fair value hedge	**4**	104

(i) Hedge accounting

(i) Fair value hedges

	2022			
Hedging instruments	Number of hedged shares in million	Carrying amount of the hedging instrument HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedging instrument is included
Collar agreements	32.4	216	216	Liquid funds and other listed investments

	2022		
Hedged items	Carrying amount of the hedged item HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedged item is included
Listed equity securities, outside Hong Kong	8,317	(1,409)	Liquid funds and other listed investments

41 Financial risk management (continued)

(i) Hedge accounting (continued)

(i) Fair value hedges (continued)

	2021							
					Carrying amount of derivatives included in			
Hedging instruments	Receive average contracted interest rate Percentage	Pay average contracted interest rate Percentage	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Interest rate swap								
– receive fixed and pay floating maturing in								
2022	4.63%	5.28%	US$700	5,460	4	–	–	–
				5,460	4	–	–	–

	2021		
Hedged items	Carrying amount of the hedged item HK$ million	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item HK$ million	Line item in the statement of financial position in which the hedged item is included
USD Fixed rate debts	5,444	4	Bank and other debts

41 Financial risk management (continued)

(i) Hedge accounting (continued)

(ii) Cash flow hedges

	2022							
					Carrying amount of derivatives included in			
Hedging instruments	Receive average contracted interest rate Percentage	Pay average contracted interest rate Percentage	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Interest rate swaps								
– receive floating and pay fixed maturing in								
2023	2.95%	0.94%	US$ 1,000	7,800	153	–	–	–
2025	3.81%	3.58%	AUD 509	2,682	–	64	–	–
2025	5.43%	5.13%	NZD 150	738	–	20	–	–
				11,220	153	84	–	–
Cross currency interest rate swaps								
– receive floating and pay fixed maturing in								
2023	2.37%	0.05%	US$ 1,300	10,140	277	–	–	–
– receive fixed and pay fixed maturing in								
2023	2.75%	0.03%	US$ 750	5,850	345	–	–	–
2027	2.00%	0.05%	GBP 500	4,730	–	132	–	–
				20,720	622	132	–	–

	2022						
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Forward foreign exchange contracts maturing in							
2023	0.94	EUR 85	709	1	–	–	–
2023	1.01	US$ 4	35	–	–	(2)	–
			744	1	–	(2)	–

	2022		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Interest rate risk	(362)	(226)	–
Foreign exchange risk	(1,107)	(886)	–

41 Financial risk management (continued)

(i) Hedge accounting (continued)

(ii) Cash flow hedges (continued)

	2021							
					Carrying amount of derivatives included in			
Hedging instruments	Receive average contracted interest rate Percentage	Pay average contracted interest rate Percentage	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Interest rate swaps								
– receive floating and pay fixed maturing in								
2022	0.67%	2.47%	GBP 150	1,558	–	–	(75)	–
2022	1.68%	1.96%	NZD 150	794	–	–	(2)	–
2023	0.74%	0.94%	US$ 1,000	7,800	–	42	–	–
2025	0.85%	3.58%	AUD 509	2,850	–	–	–	(133)
				13,002	–	42	(77)	(133)
Cross currency interest rate swaps								
– receive floating and pay fixed maturing in								
2023	0.62%	0.05%	US$ 1,300	10,140	–	–	–	(399)
– receive fixed and pay fixed maturing in								
2022 – 2023	2.82%	0.01%	US$ 1,750	13,650	57	118	–	–
				23,790	57	118	–	(399)

	2021						
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Forward foreign exchange contracts maturing in							
2022	0.95	US$13	101	2	–	–	–

	2021		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Interest rate risk	(267)	136	–
Foreign exchange risk	(2,220)	221	–

41 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges

	2022						
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Cross currency interest rate swaps maturing in							
2023	9.57	GBP 583	5,518	112	–	–	–
			5,518	112	–	–	–
Forward foreign exchange contracts maturing in							
2023	5.79	CAD 677	3,884	27	–	(13)	–
2023	4.89	AUD 159	840	–	–	(65)	–
2023	4.64	NZD 280	1,378	–	–	(81)	–
2023	9.13	GBP 2,487	23,531	15	–	(732)	–
2023	8.42	EUR 65	540	2	–	–	–
			30,173	44	–	(891)	–
Cross currency swaps maturing in							
2023 – 2027	6.07	CAD 447	2,568	9	112	–	–
2024 – 2027	8.31	EUR 965	8,010	–	470	–	(314)
2027	5.86	AUD 1,415	7,456	–	582	–	–
			18,034	9	1,164	–	(314)

	2022		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in hedging reserve/ exchange reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve/exchange reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Foreign investments	(4,333)	(8,703)	(716)

41 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges (continued)

			2021				
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Forward foreign exchange contracts maturing in							
2022	6.10	CAD 277	1,688	4	–	(5)	–
2022	5.60	AUD 159	892	20	–	–	–
2022	5.29	NZD 280	1,481	59	–	–	–
2022	10.68	GBP 2,487	25,845	425	–	(63)	–
2022	8.84	EUR 65	574	47	–	–	–
			30,480	555	–	(68)	–
Cross currency swaps maturing in							
2022 – 2027	9.23	EUR 965	8,531	199	266	–	–
2022 – 2025	6.10	CAD 847	5,169	14	22	(17)	(31)
2027	5.86	AUD 1,415	7,923	–	153	–	–
			21,623	213	441	(17)	(31)

	2021		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in hedging reserve/ exchange reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve/exchange reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Foreign investments	(1,750)	(4,370)	(716)

41 Financial risk management (continued)

(j) Carrying amounts and fair values of financial assets and financial liabilities

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows:

			2022		2021	
	Note	Classification under HKFRS 9 *	**Carrying amounts HK$ million**	**Fair values HK$ million**	Carrying amounts HK$ million	Fair values HK$ million
Financial assets						
Liquid funds and other listed investments						
Cash and cash equivalents (included in Managed funds)	20	Amortised cost	**40**	**40**	41	41
Listed equity securities, Hong Kong	20	FVOCI	**608**	**608**	701	701
Listed equity securities, outside Hong Kong	20	FVOCI	**8,880**	**8,880**	557	557
Fair value hedges - Collar agreements	20	Fair value - hedges	**216**	**216**	–	–
Listed equity securities (included in Managed funds)	20	FVOCI	**–**	**–**	260	260
Listed debt securities (included in Managed funds)	20	FVOCI	**6,359**	**6,359**	6,668	6,668
Unlisted investments						
Unlisted equity securities	21	FVOCI	**2,451**	**2,451**	2,506	2,506
Unlisted equity securities	21	FVPL	**417**	**417**	2,648	2,648
Unlisted debt securities	21	FVPL	**555**	**555**	165	165
Derivative financial instruments						
Fair value hedges - Interest rate swaps	24	Fair value - hedges	**–**	**–**	4	4
Cash flow hedges						
Interest rate swaps	21 & 24	Fair value - hedges	**237**	**237**	42	42
Cross currency interest rate swaps	21 & 24	Fair value - hedges	**754**	**754**	175	175
Forward foreign exchange contracts	24	Fair value - hedges	**1**	**1**	2	2
Other contracts	21 & 24	Fair value - hedges	**3,248**	**3,248**	771	771
Net investment hedges						
Cross currency interest rate swaps	24	Fair value - hedges	**112**	**112**	–	–
Forward foreign exchange contracts	24	Fair value - hedges	**44**	**44**	555	555
Cross currency swaps	21 & 24	Fair value - hedges	**1,173**	**1,173**	654	654
Other derivative financial instruments	21	FVPL	**–**	**–**	37	37
Lease receivables	21	Amortised cost	**542**	**542**	232	232
Cash and cash equivalents	23	Amortised cost	**138,085**	**138,085**	153,133	153,133
Trade receivables	24	Amortised cost	**14,945**	**14,945**	16,697	16,697
Other receivables	24	Amortised cost	**13,433**	**13,433**	15,123	15,123
Amounts due from associated companies	17	Amortised cost	**3,542**	**3,542**	3,734	3,734
Amounts due from joint ventures	18	Amortised cost	**29,792**	**29,792**	37,616	37,616
			225,434	**225,434**	242,321	242,321

41 Financial risk management (continued)

(j) Carrying amounts and fair values of financial assets and financial liabilities (continued)

	Note	Classification under HKFRS 9 *	2022 Carrying amounts HK$ million	2022 Fair values HK$ million	2021 Carrying amounts HK$ million	2021 Fair values HK$ million
Financial liabilities						
Bank and other debts (i)	26	Amortised cost	**284,326**	**265,418**	325,799	336,283
Trade payables	27	Amortised cost	**21,356**	**21,356**	23,382	23,382
Derivative financial instruments						
Cash flow hedges						
Interest rate swaps	27 & 31	Fair value - hedges	**–**	**–**	210	210
Cross currency interest rate swaps	31	Fair value - hedges	**–**	**–**	399	399
Forward foreign exchange contracts	27	Fair value - hedges	**2**	**2**	–	–
Other contracts	27	Fair value - hedges	**151**	**151**	–	–
Net investment hedges						
Forward foreign exchange contracts	27	Fair value - hedges	**891**	**891**	68	68
Cross currency swaps	27 & 31	Fair value - hedges	**314**	**314**	48	48
Other derivative financial instruments	27 & 31	FVPL	**795**	**795**	119	119
Interest free loans from non-controlling shareholders	27	Amortised cost	**472**	**472**	427	427
Expenses and other accruals	27	Amortised cost	**35,995**	**35,995**	40,636	40,636
Other payables	27	Amortised cost	**21,419**	**21,419**	17,775	17,775
Lease liabilities	13	Amortised cost	**66,059**	**66,059**	85,079	85,079
Interest bearing loans from non-controlling shareholders	29	Amortised cost	**2,567**	**2,567**	759	759
Obligations for telecommunications licences and other rights	27 & 31	Amortised cost	**3,989**	**3,989**	11,558	11,558
Liabilities relating to the economic benefits agreements	31	Amortised cost	**2,166**	**2,166**	2,166	2,166
Amounts due to associated companies	17	Amortised cost	**569**	**569**	567	567
Amounts due to joint ventures	18	Amortised cost	**319**	**319**	381	381
			441,390	**422,482**	509,373	519,857

* see note 47(n).

(i) The fair values of the bank and other debts are based on market quotes or estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

41 Financial risk management (continued)

(j) Carrying amounts and fair values of financial assets and financial liabilities (continued)

	2022		2021	
	Carrying amounts HK$ million	**Fair values HK$ million**	Carrying amounts HK$ million	Fair values HK$ million
Representing:				
Financial assets measured at				
Amortised cost	**200,379**	**200,379**	226,576	226,576
FVOCI	**18,298**	**18,298**	10,692	10,692
FVPL	**972**	**972**	2,850	2,850
Fair value - hedges	**5,785**	**5,785**	2,203	2,203
	225,434	**225,434**	242,321	242,321
Financial liabilities measured at				
Amortised cost	**439,237**	**420,329**	508,529	519,013
FVPL	**795**	**795**	119	119
Fair value - hedges	**1,358**	**1,358**	725	725
	441,390	**422,482**	509,373	519,857

(k) Fair value measurements

(i) Financial assets and financial liabilities measured at fair value

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

41 Financial risk management (continued)

(k) Fair value measurements (continued)

(i) Financial assets and financial liabilities measured at fair value (continued)

Fair value hierarchy (continued)

		2022				2021			
	Note	Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million	Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million
Financial assets									
Liquid funds and other listed investments									
Listed equity securities, Hong Kong	20	**608**	**–**	**–**	**608**	701	–	–	701
Listed equity securities, outside Hong Kong	20	**8,880**	**–**	**–**	**8,880**	557	–	–	557
Fair value hedges - Collar agreement	20	**–**	**–**	**216**	**216**	–	–	–	–
Listed equity securities (included in Managed funds)	20	**–**	**–**	**–**	**–**	260	–	–	260
Listed debt securities (included in Managed funds)	20	**6,359**	**–**	**–**	**6,359**	6,668	–	–	6,668
Unlisted investments									
Unlisted equity securities - FVOCI	21	**–**	**–**	**2,451**	**2,451**	–	–	2,506	2,506
Unlisted equity securities - FVPL	21	**–**	**46**	**371**	**417**	–	2,262	386	2,648
Unlisted debt securities	21	**–**	**–**	**555**	**555**	–	–	165	165
Derivative financial instruments									
Fair value hedges - Interest rate swaps	24	**–**	**–**	**–**	**–**	–	4	–	4
Cash flow hedges									
Interest rate swaps	21 & 24	**–**	**237**	**–**	**237**	–	42	–	42
Cross currency interest rate swaps	21 & 24	**–**	**754**	**–**	**754**	–	175	–	175
Forward foreign exchange contracts	24	**–**	**1**	**–**	**1**	–	2	–	2
Other contracts	21 & 24	**–**	**3,248**	**–**	**3,248**	–	771	–	771
Net investment hedges									
Cross currency interest rate swaps	24	**–**	**112**	**–**	**112**	–	–	–	-
Forward foreign exchange contracts	24	**–**	**44**	**–**	**44**	–	555	–	555
Cross currency swaps	21 & 24	**–**	**1,173**	**–**	**1,173**	–	654	–	654
Other derivative financial instruments	21	**–**	**–**	**–**	**–**	–	37	–	37
		15,847	**5,615**	**3,593**	**25,055**	8,186	4,502	3,057	15,745
Financial liabilities									
Derivative financial instruments									
Cash flow hedges									
Interest rate swaps	27 & 31	**–**	**–**	**–**	**–**	–	210	–	210
Cross currency interest rate swaps	31	**–**	**–**	**–**	**–**	–	399	–	399
Forward foreign exchange contracts	27	**–**	**2**	**–**	**2**	–	–	–	–
Other contracts	27	**–**	**151**	**–**	**151**	–	–	–	–
Net investment hedges									
Forward foreign exchange contracts	27	**–**	**891**	**–**	**891**	–	68	–	68
Cross currency swaps	27 & 31	**–**	**314**	**–**	**314**	–	48	–	48
Other derivative financial instruments	27 & 31	**–**	**795**	**–**	**795**	–	119	–	119
		–	**2,153**	**–**	**2,153**	–	844	–	844

41 Financial risk management (continued)

(k) Fair value measurements (continued)

(i) Financial assets and financial liabilities measured at fair value (continued)

Fair value hierarchy (continued)

The fair value of financial assets and financial liabilities that are not traded in active market is determined by using valuation techniques. Specific valuation techniques used to value financial assets and financial liabilities include discounted cash flow analysis, are used to determine fair value for the financial assets and financial liabilities.

During the year ended 31 December 2022 and 2021, there were no transfer between the Level 1 and Level 2 fair value measurements, and no transfer into or out of Level 3 from or to Level 1 or Level 2 fair value measurements.

Level 3 fair values

The movements of the balance of financial assets and financial liabilities measured at fair value based on Level 3 are as follows:

	2022 HK$ million	2021 HK$ million
At 1 January	**3,057**	3,003
Total gains (losses) recognised in		
Income statement	**(21)**	(329)
Other comprehensive income	**44**	97
Additions	**561**	325
Disposals	**–**	(14)
Exchange translation differences	**(48)**	(25)
At 31 December	**3,593**	3,057
Total losses recognised in income statement relating to those financial assets and financial liabilities held at the end of the reporting period	**(21)**	(329)

The fair value of financial assets and financial liabilities that are grouped under Level 3 is determined by using valuation techniques including discounted cash flow analysis. In determining fair value, specific valuation techniques are used with reference to inputs such as dividend stream and other specific input relevant to those particular financial assets and financial liabilities.

Changing unobservable inputs used in Level 3 valuation to reasonable alternative assumptions would not have significant impact on the Group's profit or loss.

41 Financial risk management (continued)

(k) Fair value measurements (continued)

(ii) Financial assets and financial liabilities that are not measured at fair value but fair value disclosures are required

Except for bank and other debts as detailed in the table 41(j) above, the carrying amounts of the financial assets and financial liabilities recognised in the consolidated statement of financial position approximate their fair values.

Fair value hierarchy

The table below analyses the fair value measurements disclosures for bank and other debts. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used.

	Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million
At 31 December 2022				
Bank and other debts	**167,251**	**98,167**	**–**	**265,418**
At 31 December 2021				
Bank and other debts	233,152	103,131	–	336,283

The fair value of the bank and other debts included in level 2 category above are estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

41 Financial risk management (continued)

(l) Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

The following tables set out the carrying amounts of recognised financial assets and recognised financial liabilities that:

(1) are offset in the Group's consolidated statement of financial position; or

(2) are subject to an enforceable master netting arrangements or similar agreements that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

	Gross amounts of recognised financial assets (liabilities)	Gross amounts offset in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position		Net amounts
				Financial assets (liabilities)	Cash collateral pledged (received)	
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 31 December 2022						
Financial assets						
Trade receivables	314	(314)	–	–	–	–
Derivative financial instruments						
Net investment hedges						
Forward foreign exchange contracts	42	–	42	(42)	–	–
Cross currency swaps	168	–	168	(168)	–	–
Other receivables and prepayments	11	(11)	–	–	–	–
	535	(325)	210	(210)	–	–
Financial liabilities						
Trade payables	(941)	314	(627)	–	–	(627)
Derivative financial instruments						
Net investment hedges						
Forward foreign exchange contracts	(543)	–	(543)	42	–	(501)
Cross currency swaps	(314)	–	(314)	168	–	(146)
Other payables and accruals	(97)	11	(86)	–	–	(86)
	(1,895)	325	(1,570)	210	–	(1,360)
At 31 December 2021						
Financial assets						
Trade receivables	46	(30)	16	(7)	–	9
Derivative financial instruments						
Net investment hedges						
Forward foreign exchange contracts	422	–	422	(68)	–	354
Cross currency swaps	27	–	27	(31)	–	(4)
Other receivables and prepayments	496	(24)	472	–	–	472
	991	(54)	937	(106)	–	831
Financial liabilities						
Trade payables	(502)	30	(472)	–	–	(472)
Derivative financial instruments						
Net investment hedges						
Forward foreign exchange contracts	(68)	–	(68)	68	–	–
Cross currency swaps	(31)	–	(31)	31	–	–
Other payables and accruals	(31)	24	(7)	7	–	–
	(632)	54	(578)	106	–	(472)

42 Statement of financial position of the Company, as at 31 December 2022

	2022 HK$ million	2021 HK$ million
Non-current assets		
Subsidiary companies - Unlisted shares [a]	**355,164**	355,164
Current assets		
Amounts due from subsidiary companies [b]	**15,575**	13,139
Other receivables	**1**	11
Cash	**8**	2
Current liabilities		
Other payables and accruals	**101**	97
Net current assets	**15,483**	13,055
Net assets	**370,647**	368,219
Capital and reserves		
Share capital (see note 32(a))	**3,830**	3,834
Share premium (see note 32(a))	**242,972**	243,169
Reserves - Retained profit [c]	**123,845**	121,216
Shareholders' funds	**370,647**	368,219

Fok Kin Ning, Canning
Director

Frank John Sixt
Director

42 Statement of financial position of the Company, as at 31 December 2022 (continued)

(a) Particulars regarding the principal subsidiary companies are set forth on pages 263 to 266.

(b) Amounts due from subsidiary companies are interest-free, unsecured and repayable on demand.

(c) Reserves – Retained profit

	HK$ million
At 1 January 2021	117,934
Profit for the year	12,918
Buy-back and cancellation of issued shares (see note 32(a)(i))	(9)
Dividends paid relating to 2020	(6,555)
Dividends paid relating to 2021	(3,072)
At 31 December 2021	**121,216**
Profit for the year	**12,978**
Buy-back and cancellation of issued shares (see note 32(a)(ii))	**4**
Dividends paid relating to 2021	**(7,132)**
Dividends paid relating to 2022	**(3,221)**
At 31 December 2022	**123,845**

(d) The Company does not have an option scheme for the purchase of ordinary shares in the Company.

(e) The net profit of the Company is HK$12,978 million (2021: HK$12,918 million) and is included in determining the profit attributable to ordinary shareholders of the Company in the consolidated income statement.

(f) At 31 December 2022, the Company's share premium and retained profit amounted to HK$242,972 million (2021: HK$243,169 million) and HK$123,845 million (2021: HK$121,216 million) respectively, and subject to a solvency test, they are available for distribution to shareholders.

43 Subsequent events

Saved as disclosed elsewhere in the Annual Financial Statements, no event occurring up to the date of approval of the Annual Financial Statements has been identified that may require material adjustment of, or disclosure in, these financial statements.

44 US dollar equivalents

Amounts in these financial statements are stated in Hong Kong dollars (HK$), the functional currency of the Company. The translation into US dollars (US$) of these financial statements as of, and for the year ended, 31 December 2022, is for convenience only and has been made at the rate of HK$7.8 to US$1. This translation should not be construed as a representation that the Hong Kong dollar amounts actually represented have been, or could be, converted into US dollars at this or any other rate.

45 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million currency units unless otherwise stated.

46 Significant accounting judgements, estimates and assumptions

In applying the Group's accounting policies, which are described in note 47, the directors are required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements and assumptions are based on historical factors that are considered to be relevant and reasonable under the circumstance. Although our current estimates experience and other contemplate current and, as applicable, expected future conditions, it is reasonably possible that actual achievements, results, performance or other future events or conditions could differ from those on which the estimates are based. Uncertainty about these judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected and the amount and timing of results of operations, cash flows and disclosures in future periods.

(a) Significant judgements in applying the Group's accounting policies

The following are the significant judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(i) Basis of consolidation and classification of investee entities

The determination if the Group has control, joint control or significant influence over another entity will require exercise of judgement under certain circumstances. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group also considers, in particular, whether it obtains benefits, including non-financial benefits, from its power to control the entity. As such, the classification of the entity as a subsidiary, a joint venture, a joint operation, an associate or a cost investment might require the application of judgement through the analysis of various indicators, such as the percentage of ownership interest held in the entity, the representation on the entity's board of directors and various other factors including, if relevant, the existence of agreement with other shareholders, applicable statutes and regulations and their requirements, the practical ability to exercise control.

(ii) Allocation of revenue for bundled telecommunications transactions with customers

The Group has bundled transactions under contract with customers including sales of both services and hardware (for example handsets). Revenue is allocated to the respective element in an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services and device. Device revenue is recognised at the inception of the contract upon delivery to the customer and services revenue is recognised throughout the contract period as the services are provided. Significant judgement is required in assessing fair values of both of these elements by considering inter alia, standalone selling price, the consideration to which the Group expects to be entitled in exchange for transferring the services and hardware to the customer, and other relevant observable market data. Changes in the allocation may cause the revenue recognised for sales of services and hardware to change individually but not the total bundled revenue from a specific customer throughout its contract term. The Group periodically re-assesses the allocation of the elements as a result of changes in market conditions.

46 Significant accounting judgements, estimates and assumptions (continued)

(a) Significant judgements in applying the Group's accounting policies (continued)

(iii) Determination of lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(iv) Business combinations

As disclosed in note 47(c), the Group applies the provisions of HKFRS 3 to transactions and other events that meet the definition of a business combination within the scope of HKFRS 3. When the Group completes a business combination, the identifiable assets acquired and the liabilities assumed, including intangible assets, contingent liabilities and commitments, are recognised at their fair value. Judgement is required to determine the fair values of the assets acquired, the liabilities assumed, the date of acquisition, and the purchase consideration, and on the allocation of the purchase consideration to the identifiable assets and liabilities. If the purchase consideration exceeds the fair value of the net assets acquired then the incremental amount paid is recognised as goodwill. If the purchase price consideration is lower than the fair value of the net assets acquired then the difference is recorded as a gain in the consolidated income statement. Allocation of the purchase consideration between finite lived assets and indefinite lived assets such as goodwill affects the subsequent results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its estimates and assumptions on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Revisions to accounting estimates and assumptions are recognised prospectively and could impact fair value and carrying amounts of assets and liabilities, amount and timing of results of operations and cash flows in future periods.

46 Significant accounting judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(i) Impairment of goodwill and long-lived assets

Goodwill and intangible assets that have an indefinite useful life (including telecommunication licences and brand names) are not subject to amortisation and are tested for impairment annually and when there is an indication that the asset may be impaired. Other assets are reviewed for impairment to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In assessing whether these assets have suffered any impairment, the carrying value of the asset or its respective business unit, including the goodwill, is compared with its recoverable amount, which is the higher of the fair value less costs of disposal and value-in-use. Fair value is derived, when available and appropriate, by making reference to performance metrics (such as revenue, EBITDA, earnings) and valuation multiples (such as Enterprise value/EBITDA, Enterprise value/Sales, Price/Earnings) of completed transactions of comparable businesses or comparable public companies, or by making reference to traded prices and with consideration for possible premiums, or is measured using discounted cash flow projections (Level 3 of the HKFRS 13 fair value hierarchy). The selection of comparable companies requires management judgement and is based on a number of factors, including comparable companies' location, sizes, growth rates, industries, and development stages.

In determining the value in use of the investment, discounted cash flow models will be used to estimate the present value of the estimated future cash flows expected to be generated from the operations and from the ultimate disposal of the investment. The cash flows used in the financial projections (discounted cash flow models) are based on the latest approved financial budgets for the next five years. The Group prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of estimates and assumptions involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Significant estimates and assumptions inherent in the discounted cash flow models include the amount and timing of future cash flows attributable to the respective business unit. Other key estimates and assumptions, where applicable, include the respective business unit's projected revenue, costs, gross margin, inventory level, working capital and capital investments, as well as the discount rate and long term growth rate applied, and the estimated terminal value assumptions.

It is reasonably possible that the judgements, estimates and assumptions described above could change in future periods. Further, unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions. Changes to the judgements, estimates and assumptions can significantly affect the carrying amount of the asset in future periods.

46 Significant accounting judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(ii) Impairment assessment on investment accounted for using equity method

Investments accounted for using equity method are subject to impairment testing requirements. The requirements to test for impairment are applied to the net investment in the equity accounted investee. Fair value adjustments and goodwill recognised on acquisitions of equity-accounted investees are not recognised separately. Goodwill recognised on acquisitions of an equity-accounted investee is not subject to annual impairment test. Instead, after applying equity accounting method, the net investment is tested for impairment when there is an indication of possible impairment. The guidance in HKAS 28 "Investments in Associates and Joint Ventures" is used to determine whether it is necessary to perform an impairment test for investments in equity-accounted investees. If there is an indication of impairment, then the impairment test applied follows the principles in HKAS 36 "Impairment of Assets".

In assessing whether these assets have suffered any impairment, the net investment is compared with its recoverable amount, which is the higher of the fair value less costs of disposal and value-in-use. Fair value is derived, when available and appropriate, by making reference to performance metrics (such as revenue, EBITDA, earnings) and valuation multiples (such as Enterprise value/EBITDA, Enterprise value/Sales, Price/Earnings) of completed transactions of comparable businesses or comparable public companies, or by making reference to traded prices and with consideration for possible premiums, or, where financial projections are available, is measured using discounted cash flow projections (Level 3 of the HKFRS 13 fair value hierarchy). The selection of comparable companies requires management judgement and is based on a number of factors, including comparable companies' location, sizes, growth rates, industries, and development stages.

In determining the value-in-use of the investment in an equity-accounted investee, discounted cash flow models will be used to estimate (i) the Group's share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate or joint venture and from the ultimate disposal of the investment; or (ii) the present value of the estimated future cash flows to the Group expected to arise from dividends to be received from the investment and from its ultimate disposal.

Significant estimates and assumptions inherent in the discounted cash flow models include the amount and timing of future cash flows attributable to the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate or joint venture, the present value of the estimated future cash flows to the Group expected to arise from dividends to be received from the investment and the ultimate disposal of the investment. Other key estimates and assumptions, where applicable, include estimates of the investee's projected revenue, costs, gross margin, inventory level, working capital and capital investments, as well as the discount rate and long term growth rate applied, and, where applicable, dividend yield, and the estimated terminal value assumptions.

It is reasonably possible that the judgements, estimates and assumptions described above could change in future periods. Further, unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions. Changes to the judgements, estimates and assumptions can significantly affect the carrying amount of the investment in future periods.

46 Significant accounting judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(iii) Pension costs and estimation of defined benefit pension obligation

The Group operates several defined benefit plans. Pension costs for defined benefit plans are assessed using the projected unit credit method in accordance with HKAS 19, "Employee Benefits". Under this method, the cost of providing pensions is charged to the consolidated income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The liability or asset recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The present value of the defined benefit obligation is measured by discounting the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations. Remeasurements arising from defined benefit plans are recognised in other comprehensive income in the period in which they occur and reflected immediately in retained profit. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Management appoints actuaries to carry out full valuations of these pension plans to determine the pension obligations that are required to be disclosed and accounted for in the financial statements in accordance with the HKFRS requirements.

The actuaries use assumptions and estimates in determining the fair value of the defined benefit plans and evaluate and update these assumptions on an annual basis. Judgement is required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

(iv) Provisions for commitments, onerous contracts and other guarantees

The Group has entered into a number of procurement, supply and other contracts related to specific assets in the ordinary course of its business and provided guarantees in respect of bank and other borrowing facilities to associated companies and joint ventures. Where the unavoidable costs of meeting the obligations under these procurement and supply contracts exceed the associated, expected future net benefits, an onerous contract provision is recognised, or where the borrowing associated companies and joint ventures are assessed to be unable to repay the indebtedness that the Group has guaranteed, a provision is recognised. The calculation of these provisions will involve the use of estimates and assumptions. These onerous provisions are calculated by taking the unavoidable costs that will be incurred under the contract and deducting any estimate revenues or predicted income to be derived from the assets, or by taking the unavoidable costs that will be incurred under the guarantee and deducting any estimated recoverable value from the investment in such associated companies and joint ventures.

46 Significant accounting judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(v) Provision for income tax and recognition of deferred tax asset

The Group is subject to income taxes in numerous jurisdictions. Significant judgement and estimate are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were previously recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilised, based on all available evidence. Recognition primarily involves judgement regarding the future financial performance of the particular legal entity or tax group. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, group relief, tax planning strategies and the periods in which estimated tax losses can be utilised.

The ultimate realisation of deferred tax assets recognised for certain of the Group's businesses depends principally on these businesses maintaining profitability and generating sufficient taxable profits to utilise the underlying unused tax losses. It may be necessary for some or all of the deferred tax assets recognised to be reduced and charged to the consolidated income statement if there is a significant adverse change in the projected performance and resulting projected taxable profits of these businesses. Judgement is required to determine key assumptions adopted in the taxable profit and loss projections and changes to key assumptions used and estimates made can significantly affect these taxable profit and loss projections.

(vi) Estimation of useful life: Fixed assets

Depreciation of operating assets constitutes a substantial operating cost for the Group. The cost of fixed assets is charged as depreciation expense over the estimated useful lives of the respective assets using the straight-line method. The Group periodically reviews changes in technology and industry conditions, asset retirement activity and residual values to determine adjustments to estimated remaining useful lives and depreciation rates. Actual economic lives may differ from estimated useful lives. Periodic reviews could result in a change in depreciable lives and therefore depreciation expense in future periods.

(vii) Estimation of useful life: Telecommunications licences, other licences, brand names, trademarks and other rights

Telecommunications licences, other licences, brand names, trademarks and other rights with a finite useful life are carried at cost less accumulated amortisation and are reviewed for impairment annually. Telecommunications licences, other licences, brand names, trademarks and other rights that are considered to have an indefinite useful life are not amortised and are tested for impairment annually and when there is an indication that they may be impaired. Certain brand names related to Retail and Telecommunications are considered to have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate net cash inflows.

Judgement is required to estimate the useful lives of the telecommunications licences, other licences, brand names, trademarks and other rights. The actual economic lives of these assets may differ from the current contracted or expected usage periods, which could impact the amount of amortisation expense charged to the income statement. In addition, governments from time to time revise the terms of licences to change, amongst other terms, the contracted or expected licence period, which could also impact the amount of amortisation expense charged to the consolidated income statement.

46 Significant accounting judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(viii) Estimation of the amortisation period: Customer acquisition and retention costs

In accordance with HKFRS 15, customer acquisition and retention costs, which comprise the net costs to acquire and retain customers, are expensed and recognised in the consolidated income statement in the period in which they are incurred, where (i) the costs are incurred; (ii) the costs are incremental of obtaining a contract and they are expected to be recovered; and (iii) the costs relate directly to the contract, generate resources used in satisfying the contract and are expected to be recovered, then they are capitalised and amortised over the customer contract period. Appropriate allowances are recognised if the carrying amounts of the capitalised costs exceed the remaining amount that the Group expects to receive less any directly related costs that have not been recognised as expenses.

Judgement is required to determine the amount of the provision and the amortisation period. The actual amount to be received from the customer and customer period may differ from the expected amount and the contract periods, which could impact the amount of expense charged to the consolidated income statement.

47 Significant accounting policies

In the current year, the Group has adopted the below amendments as well as the annual improvements to HKFRS issued by HKICPA.

(i) Reference to the Conceptual Framework – Amendments to HKFRS 3 "Business Combinations"

The amendments replace a reference to a previous version of the Conceptual Framework for Financial Reporting with a reference to the current version issued in June 2018 without significantly changing its requirements. Minor amendments were made to HKFRS 3 to update the references to the Conceptual Framework and to add an exception for the recognition of liabilities and contingent liabilities within the scope of HKAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

(ii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to HKAS 16 "Property, Plant and Equipment"

The amendments to HKAS 16 prohibit entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

(iii) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"

The amendments to HKAS 37 clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

47 Significant accounting policies (continued)

(iv) Annual Improvements to HKFRS Standards 2018–2020

- HKFRS 9 "Financial Instruments" – clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

- HKFRS 16 "Leases" – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

- HKFRS 1 "First-time Adoption of Hong Kong Financial Reporting Standards" – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same HKFRS 1 exemption.

- HKAS 41 "Agriculture" – removes the requirement in paragraph 22 of HKAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of HKAS 41.

The adoption of these amendments as well as annual improvement to HKFRS does not have a material impact on the Group's 2022 financial statements. Other than these changes the accounting policies and methods of computation used in the preparation of the Annual Financial Statements are consistent with those used in the 2021 Annual Financial Statements.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting year and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

These new accounting standards and interpretations are effective for annual periods beginning after 1 January 2022 and include:

- Amendments to HKAS 1 Presentation of Financial Statements clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

- Amendments to HKAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

  – right-of-use assets and lease liabilities, and

  – decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

47 Significant accounting policies (continued)

New standards and interpretations not yet adopted (continued)

- Amendments to HKAS 1 Presentation of Financial Statements and HKFRS Practice Statement 2 Making Materiality Judgements require companies to disclose their material rather than their significant accounting policies. The amendments define what is "material accounting policy information" and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

- Amendments to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

- Amendments to HKFRS 16 Leases (Lease Liability in a Sale and Leaseback) provide a requirement for the seller-lessee to determine "lease payments" or "revised lease payments" in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right-of-use retained by the seller-lessee.

- Amendments to HKAS 1 Presentation of Financial Statements (Non-current Liabilities with Covenants) clarify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date. The amendments also introduce additional disclosure requirements. When an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to the covenants which an entity is required to comply with within twelve months of the reporting date, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period.

The Group is continuing to assess the implications of the adoption of these new standards and amendments to standards. Based on information currently available to the Group, the application of these standards in the future would not be expected to have a material impact on the financial position and / or financial performance of the Group.

Set out below is a summary of the accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes elsewhere in these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Subsidiary companies

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

47 Significant accounting policies (continued)

(b) Associated companies and joint arrangements

Associates are entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

A joint arrangement is an arrangement of which two or more parties have joint control and over which none of the participating parties has unilateral control. Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. The Group recognises its direct right to the assets, liabilities, revenue and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement.

The results and net assets of associated companies and joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under HKFRS 5, Non-current assets held for sale and discontinued operations. The total carrying amount of such investments is reduced to recognise any identified impairment loss in the value of individual investments.

Under the equity method, an investment in an associated company or a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associated company or joint venture. When the Group's share of losses of an associated company or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associated company or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated company or joint venture.

An investment in an associated company or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

(c) Business combinations

The Group applies the provisions of HKFRS 3, Business combinations, to transactions and other events that meet the definition of a business combination within the scope of HKFRS 3. Where the acquisition method of accounting is used to account for business combinations, the consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the Group to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are generally recognised in profit or loss as incurred.

The difference between the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any pre-existing investment in the acquiree over the acquisition-date fair value of assets acquired and the liabilities assumed is recognised as goodwill. If the consideration transferred and the fair value of pre-existing investment in the acquiree is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the Group, the difference is recognised as a gain directly in profit or loss by the Group on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the Group's previously held equity interest in the acquiree.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

47 Significant accounting policies (continued)

(c) Business combinations (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Business combinations are initially accounted for on a provisional basis. The Group retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period (see above), based on new information obtained about the facts and circumstances that existed as of the acquisition date.

(d) Goodwill

Goodwill is initially recognised and measured as set out in note 47(c) Business combinations.

Goodwill is not amortised but is subject to impairment test annually and when there is an indication that the carrying value may not be recoverable. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal (but does not include any attributable goodwill previously eliminated against reserves).

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described in note 47(b) above.

(e) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

47 Significant accounting policies (continued)

(e) Non-current assets (or disposal groups) held for sale and discontinued operations (continued)

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated income statement.

(f) Fixed assets

Fixed assets other than freehold lands, are stated at cost less depreciation and any impairment loss. Freehold lands included in land and buildings are not depreciated. Buildings are depreciated on the basis of an expected life of 50 years, or the remainder thereof, or over the remaining period of the lease of the underlying leasehold land, whichever is less. The period of the lease includes the period for which a right to renewal is attached.

Depreciation of other fixed assets is provided on the straight-line basis to write off their costs over their estimated useful lives. The principal annual rates used for these purposes are as follows:

Motor vehicles	20 - 25%
Plant, machinery and equipment	3 1/3 - 20%
Container terminal equipment	3 - 20%
Telecommunications equipment	2.5 - 20%
Leasehold improvements	Over the unexpired period of the lease or 15%, whichever is greater

The gain or loss on disposal or retirement of a fixed asset is the difference between the net sales proceeds and the carrying amount.

(g) Leases

(i) Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the lease liability and interest on lease liability. The interest on lease liability is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

47 Significant accounting policies (continued)

(g) Leases (continued)

(i) Group as a lessee (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- lease payments made at or before the commencement date less any lease incentives received;
- initial direct costs and restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture and certain IT-equipment.

Some leases contain variable payment terms that are linked to sales generated from a store. For individual retail stores, lease payments are on the basis of variable payment terms and there is a wide range of sales percentages applied. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(ii) Group as a lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. If this is not the case, the lease is classified as an operating lease.

However, when the Group is an intermediate lessor the sublease are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

(h) Investment properties

Investment properties are interests in land and buildings that are held to earn rentals or for capital appreciation or both. Such properties are carried in the consolidated statement of financial position at their fair value. Changes in fair values of investment properties are recorded in the consolidated income statement.

47 Significant accounting policies (continued)

(i) Leasehold land

The acquisition costs and upfront payments made for leasehold land are presented on the face of the consolidated statement of financial position as leasehold land prior to 1 January 2019 and are grouped as part of right-of-use assets with effect from 1 January 2019. Leasehold land are expensed in the consolidated income statement on a straight-line basis over the period of the lease.

(j) Telecommunications licences, other licences, brand names, trademarks and other rights

Separately acquired telecommunications licences, other licences, brand names, trademarks and other rights are carried at historical cost. Telecommunications licences, other licences, brand names, trademarks and other rights with a finite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of these assets over their estimated useful lives:

Telecommunications licences and other licences	2 to 20 years
Brand names, trademarks and other rights	2 to 45 years

Telecommunications licences, other licences, brand names, trademarks and other rights that are considered to have indefinite useful lives to the Group are not amortised and are tested for impairment annually and when there is an indication that they may be impaired.

(k) Customer acquisition and retention costs

Customer acquisition and retention costs ("CACs") comprise the net costs to acquire and retain customers, which are mainly mobile telecommunication 3G and LTE customers. CACs are expensed and recognised in the consolidated income statement in the period in which they are incurred, except (i) the costs are incremental of obtaining a contract and they are expected to be recovered; and (ii) the costs relate directly to the contract, generate resources used in satisfying the contract and are expected to be recovered, then they are capitalised and amortised over the customer contract period. Appropriate allowance are recognised if the carrying amounts of the capitalised costs exceed the remaining amount that the Group expects to receive less any directly related costs that have not been recognised as expenses.

(l) Contractual customer relationships

Separately acquired contractual customer relationships are carried at historical cost. These contractual customer relationships are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method from five to fifteen years over the expected useful life of the customer relationship.

(m) Deferred tax

Deferred tax is recognised, using the liabilities method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilised.

47 Significant accounting policies (continued)

(n) Liquid funds and other listed investments and unlisted investments

"Liquid funds and other listed investments" are investments in listed debt securities, listed equity securities and cash and cash equivalents. "Unlisted investments", disclosed under other non-current assets, are investments in unlisted debt securities, unlisted equity securities and other receivables. These investments are recognised and de-recognised on the date the Group commits to purchase or sell the investments or when they expire.

(i) Measurement

Debt instrument financial assets subsequent to initial recognition are measured as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Financial assets at fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses and reversals, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to, and recognised in, profit or loss.

Financial assets at fair value through profit or loss ("FVPL"): Assets that do not meet the criteria for amortised cost or FVOCI, or designated as FVPL using fair value option, are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in the fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established. Where an election is made to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

(ii) Impairment

Under the expected loss approach, the Group assesses on a forward looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model under HKFRS 9 applies to debt instruments measured at amortised cost and at FVOCI, contract assets under HKFRS 15, lease receivables, loan commitments and certain financial guarantee contracts. The Group applies the simplified approach to recognise lifetime expected losses for trade receivables, due from customers and contract assets. As regards lease receivables, loan commitments, financial guarantee contracts, and certain other financial assets (which are presented under Liquid funds and other listed investments, unlisted investments, and other current assets within Trade receivables and other current assets) the Group considers that they have low credit risk and hence recognises 12-month expected credit losses for such items.

47 Significant accounting policies (continued)

(o) Derivative financial instruments and hedging activities

Derivative financial instruments are utilised by the Group in the management of its foreign currency and interest rate exposures. Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation (net investment hedges).

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 41(i). Movements in the hedging reserve in shareholders' equity are shown in note 33. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expense except when the hedging instrument hedges an equity instrument designated at FVOCI in which case it is recognised in other comprehensive income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item (if applicable) and is also recognised in the statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the effective interest rate ("EIR") method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

47 Significant accounting policies (continued)

(o) Derivative financial instruments and hedging activities (continued)

Cash flow hedges

Where a derivative financial instrument is designated as a hedging instrument in a cash flow hedge, the effective portion of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset such as inventory, the associated gain or loss is reclassified from equity to be included in the initial cost of the non-financial asset. For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified from equity to profit or loss in the same period or periods during which the hedged cash flows affect profit or loss (such as when a forecast sale occurs or interest expense is recognised).

If a hedge no longer meets the criteria for hedge accounting (including when the hedging instrument expires or is sold, terminated or exercised), then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, but the hedged forecast transaction is still expected to occur, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the amount that has been accumulated in the hedging reserve is reclassified from equity to profit or loss immediately.

Hedge of net investments in foreign operations

The effective portion of any foreign exchange gain or loss on the derivative financial instruments is recognised in other comprehensive income and accumulated in equity in the exchange reserve until the disposal of the foreign operation, at which time the cumulative gain or loss is reclassified from equity to profit or loss. The ineffective portion is recognised immediately in profit or loss.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(q) Inventories

Inventories consist mainly of retail goods. The carrying value of retail stock is mainly determined using the weighted average cost method. Inventories are stated at the lower of cost and net realisable value. Cost includes all direct expenditure and other appropriate attributable costs incurred in bringing inventories to their present location and condition.

(r) Trade and other receivables, and contract assets

Trade receivables are recognised when the Group's right to consideration is unconditional that only the passage of time is required before the payment is due.

Contract assets primarily relate to the Group's rights to consideration for delivered goods or services but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Trade receivables and contract assets are initially recognised at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value, and are subsequently measured at amortised cost using the effective interest rate, less allowance for expected credit losses.

Other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowances for expected credit losses.

47 Significant accounting policies (continued)

(s) Borrowings and borrowing costs

Borrowings and debt instruments are initially measured at fair value, net of transaction costs, and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption amount is recognised over the period of the borrowings using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

(t) Trade and other payables, and contract liabilities

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Contract liability is recognised in the amount of the prepayment from customers for the Group's performance obligation to transfer, or to stand ready to transfer, goods or services in future. The contract liabilities primarily relate to the advance consideration received from customers, where the Group has the unconditional right to considerations before the goods or services are delivered. They are released and revenues are recognised when the performance obligations are satisfied upon transferring of goods and services to customers.

(u) Customer loyalty credits

Customer loyalty credits are accounted for as a separate component of the sales transaction in which they are granted.

(v) Share capital

Share capital issued by the Company are recorded in equity at the proceeds received, net of direct issue costs. Where any group company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the ordinary shareholders.

(w) Provisions

Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a present obligation as a result of past events and a reliable estimate can be made of the amount of the obligation.

(x) Asset impairment

Assets that have an indefinite useful life are tested for impairment annually and when there is an indication that they may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. Such impairment loss is recognised in the consolidated income statement except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that asset, in which case it is treated as a revaluation decrease.

47 Significant accounting policies (continued)

(y) Pension plans

Pension plans are classified into defined benefit and defined contribution plans. The pension plans are generally funded by the relevant group companies taking into account the recommendations of independent qualified actuaries and by payments from employees for contributory plans.

The Group's contributions to the defined contribution plans are charged to the consolidated income statement in the year incurred.

Pension costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the consolidated income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The liability or asset recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The present value of the defined benefit obligation is measured by discounting the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations.

Remeasurements arising from defined benefit plans are recognised in other comprehensive income in the period in which they occur and reflected immediately in retained profit. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Pension costs are charged to the consolidated income statement within staff costs.

(z) Share-based payments

The Company and its subsidiary companies do not have share option scheme as at 31 December 2022 and 31 December 2021 but certain of the Company's associated companies have issued equity-settled and cash-settled share-based compensation plans. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the respective group companies' estimate of their shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at the end of the reporting period.

(aa) Foreign exchange

Transactions in foreign currencies are converted at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities are translated at the rates of exchange ruling at the end of the reporting period.

The financial statements of foreign operations are translated into Hong Kong dollar using the year end rates of exchange for the consolidated statement of financial position items and the average rates of exchange for the year for the income statement items. Exchange differences are recognised in other comprehensive income and accumulated under the heading of exchange reserve. Exchange differences arising from foreign currency borrowings and other currency instruments designated as hedges of such overseas investments, are recognised in other comprehensive income and accumulated under the heading of exchange reserve.

47 Significant accounting policies (continued)

(aa) Foreign exchange (continued)

Exchange differences arising from translation of inter-company loan balances between Group entities are recognised in other comprehensive income and accumulated under the heading of exchange reserve when such loans form part of the Group's net investment in a foreign entity. On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange gains or losses accumulated in exchange reserve in respect of that operation attributable to the owners of the Company are transferred out of the exchange reserve and are recognised in the consolidated income statement.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated income statement. For all other partial disposals (i.e. partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is transferred out of the exchange reserve and are recognised in the consolidated income statement.

For accounting purposes, Argentina is considered a hyper-inflationary economy for accounting periods ended after 1 July 2018. HKAS 29 "Financial Reporting in Hyperinflationary Economies" requires financial statements of these subsidiary companies whose functional currency is Argentine peso to be restated into the current purchasing power at the end of the reporting period before being included in the Group's consolidated financial statements. Under this requirement, transactions during the reporting period and non-monetary balances at the end of the reporting period of these subsidiary companies have been restated to reflect a price index that is current at the consolidated statement of financial position date, using consumer price index published by The National Institute of Statistics and Censuses of Argentina of 1,115 in December 2022 (2021: 582) as basis for hyperinflation adjustment calculation. All amounts, including income, expenses, assets, liabilities and equity items are then translated at the closing exchange rate into Hong Kong dollar. The differences from retranslation of opening equity are directly recognised in equity. As required by HKAS 29, comparative amounts of these subsidiary companies included in the comparative consolidated financial statements of the Group are not restated and continue to be those previously presented.

All other exchange differences are recognised in the consolidated income statement.

(ab) Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

Ports and Related Services

Revenue from the provision of ports and related services is recognised over time when the services are rendered and the Group's performance provides the benefits received and consumed simultaneously by the customer.

Retail

Revenue from the sale of retail goods is recognised at point of sale less an estimate for sales return based on past experience where goods are sold with a right to return. Retail sales are usually settled in cash or by credit card and debit card. The recorded revenue is the gross amount of sales, including credit card fees payable for the transaction.

47 Significant accounting policies (continued)

(ab) Revenue recognition (continued)

Infrastructure

Operating lease income from the rental of rolling stock assets is recognised on a straight-line basis over the lease term.

Contributions related to the connection of new properties to the Group's networks, comprising infrastructure charges, new connection charges, requisitioned mains and sewers and adopted assets, are recognised as deferred income and amortised to the consolidated income statement over the expected useful life of the connection, and other contributions to capital investment, most significantly mains and sewer diversions. The contributions are recognised in full in the consolidated income statement upon completion of the investment, which are typically the point at which the associated asset is brought into use.

Revenue from the provision of waste collection, commercial refuse and recycling services together with refuse transfer station operations and landfill operations is recognised when a performance obligation is satisfied, which is recognised at a point of time, based on the timing of control of the services underlying the particular performance obligation being transferred to the customer.

Telecommunications services

Revenue represents amounts earned for services rendered and for the sale of mobile and related devices. The Group recognises revenue for mobile devices when it transfers the control over the device to the customer which is usually the time the customer signs up to a contract. The Group recognises revenue for mobile telecommunication services as the services are rendered. Monthly recurring charges and additional airtime used by contract customers are invoiced and recorded as part of a periodic billing cycle and recognised as revenue over the related access period. Unbilled revenue resulting from services already provided from the billing cycle date to the end of each period is accrued, and unearned monthly access charges relating to periods after each accounting period are deferred. Products and services may be sold separately or in a bundled transaction. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires.

For bundled transactions under contract comprising the provision of telecommunications services and sale of a device (e.g. handsets), the elements are accounted for separately if they are distinct. A product or service is distinct if they are separately identifiable from other items in the bundled package and if the customer can benefit from it. The revenue is allocated to the respective element in an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services and device, where device revenue is recognised at the inception of the contract upon delivery to the customer and services revenue is recognised throughout the contract period as the services are provided.

Other service income is recognised when the service is rendered. Customer service revenue is mobile telecommunications service revenue, and where a customer is invoiced for a bundled transaction under contract, the invoiced amount less amounts related to accrued device revenue and also less other service income. Total revenue arising from telecommunications services comprises of service revenue, sale of device revenue and other service income.

Finance and investments

Dividend income from investments in securities is recognised when the Group's right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2022

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital **/ registered capital		Percentage of equity attributable to the Group	Principal activities
	Ports and related services					
	Abu Qir Container Terminal Company S.A.E.	Egypt	USD	157,000,000	49	Container terminal operating
	Alexandria International Container Terminals Company S.A.E.	Egypt	USD	30,000,000	59	Container terminal operating
	Amsterdam Container Terminals B.V.	Netherlands	EUR	18,400	80	Container terminal operating
	Brisbane Container Terminals Pty Limited	Australia	AUD	34,100,000	80	Container terminal operating
	Buenos Aires Container Terminal Services S.A.	Argentina	ARS	9,156,288,581	80	Container terminal operating
	ECT Delta Terminal B.V.	Netherlands	EUR	18,000	71	Container terminal operating
	Ensenada Cruiseport Village, S.A. de C.V.	Mexico	MXP	145,695,000	80	Cruise terminal operating
	Ensenada International Terminal, S.A. de C.V.	Mexico	MXP	160,195,000	80	Container terminal operating
	Europe Container Terminals B.V.	Netherlands	EUR	45,000,000	75	Holding company
	Euromax Terminal Rotterdam B.V.	Netherlands	EUR	100,000	49	Container terminal operating
	Freeport Container Port Limited	Bahamas	BSD	2,000	41	Container terminal operating
	Gdynia Container Terminal Sp. z o.o.	Poland	PLN	11,379,300	80	Container terminal operating and rental of port real estate
	Harwich International Port Limited	United Kingdom	GBP	16,812,002	80	Container terminal operating
	Hongkong United Dockyards Limited	Hong Kong	HKD	76,000,000	100	Ship repairing, general engineering and tug operations
✡	惠州港業股份有限公司	China	RMB	300,000,000	27	Container terminal operating
	Hutchison Ajman International Terminals Limited – F.Z.E.	United Arab Emirates	AED	60,000,000	80	Container terminal operating
	Hutchison Korea Terminals Limited	South Korea	WON	4,107,500,000	80	Container terminal operating
	Hutchison Laemchabang Terminal Limited	Thailand	THB	1,000,000,000	64	Container terminal operating
	Hutchison Port Holdings Limited	British Virgin Islands/ Hong Kong	USD	26,000,000	80	Operation, management and development of ports and container terminals, and investment holding
✧ ❋ #	Hutchison Port Holdings Trust	Singapore/China	USD	8,797,780,935	30	Container port business trust
	Hutchison Port Investments Limited	Cayman Islands/ Hong Kong	USD	74,870,807	80	Holding company
	Hutchison Port Jazan Limited	Saudi Arabia	SAR	18,750,000	48	Container terminal operating
	Hutchison Ports Investments S.à r.l.	Luxembourg	EUR	12,750	80	Operation, management and development of ports and container terminals, and investment holding
	Hutchison Ports RAK Limited	British Virgin Islands/United Arab Emirates	USD	10,000	48	Container terminal operating
	Hutchison Ports Sweden AB	Sweden	SEK	100,000	80	Container terminal operating
	Hutchison Ports UAQ Limited	British Virgin Islands/United Arab Emirates	USD	36,320	48	Container terminal operating
	Internacional de Contenedores Asociados de Veracruz, S.A. de C.V.	Mexico	MXP	138,623,200	80	Container terminal operating
✡ ⌘	Jiangmen International Container Terminals Limited	China	USD	14,461,665	40	Container terminal operating
	Karachi International Container Terminal Limited	Pakistan	PKR	1,109,384,220	80	Container terminal operating
	Korea International Terminals Limited	South Korea	WON	45,005,000,000	71	Container terminal operating
	L.C. Terminal Portuaria de Contenedores, S.A. de C.V.	Mexico	MXP	995,760,628	80	Container terminal operating
	Maritime Transport Services Limited	United Kingdom	GBP	13,921,323	64	Container terminal operating
✡ ⌘	Nanhai International Container Terminals Limited	China	USD	42,800,000	40	Container terminal operating
	NAWAH for Ports Management LLC	Iraq	IQD	10,000,000	41	Container terminal operating
✡ ⌘	寧波北侖國際集裝箱碼頭有限公司	China	RMB	700,000,000	39	Container terminal operating

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2022

Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital **/ registered capital		Percentage of equity attributable to the Group	Principal activities
Ports and related services (continued)					
Oman International Container Terminal L.L.C.	Oman	OMR	4,000,000	52	Container terminal operating
Panama Ports Company, S.A.	Panama	USD	10,000,000	72	Container terminal operating
Port of Felixstowe Limited	United Kingdom	GBP	100,002	80	Container terminal operating
✡ + PT Jakarta International Container Terminal	Indonesia	IDR	221,450,406,000	39	Container terminal operating
✡ River Trade Terminal Co. Ltd.	British Virgin Islands/ Hong Kong	USD	1	40	River trade terminal operation
Saigon International Terminals Vietnam Limited	Vietnam	USD	80,084,000	56	Container terminal operating
✡ ⌘ 上海明東集裝箱碼頭有限公司	China	RMB	4,000,000,000	24	Container terminal operating
South Asia Pakistan Terminals Limited	Pakistan	PKR	5,763,773,300	72	Container terminal operating
Star Classic Investments Limited	British Virgin Islands/ Hong Kong	USD	22,796	80	Operation, management and development of ports and container terminals, and investment holding
Sydney International Container Terminals Pty Ltd	Australia	AUD	49,000,001	80	Container terminal operating
Talleres Navales del Golfo, S.A. de C.V.	Mexico	MXP	143,700,000	80	Marine construction and ship repair yard
Terminal Catalunya, S.A.	Spain	EUR	2,342,800	80	Container terminal operating
Thai Laemchabang Terminal Co., Ltd.	Thailand	THB	680,000,000	70	Container terminal operating
Thamesport (London) Limited	United Kingdom	GBP	2	64	Container terminal operating
✱ # + Westports Holdings Berhad	Malaysia	MYR	341,000,000	19	Holding company
# ⌘ + Xiamen Haicang International Container Terminals Limited	China	RMB	555,515,000	39	Container terminal operating
# ⌘ + Xiamen International Container Terminals Limited	China	RMB	1,148,700,000	39	Container terminal operating
Retail					
A.S. Watson Holdings Limited	Cayman Islands/ Hong Kong	HKD	1,000,000	75	Holding company
A.S. Watson (Europe) Retail Holdings B.V.	Netherlands	EUR	18,001	75	Investment holding in retail businesses
A. S. Watson Retail (HK) Limited	Hong Kong	HKD	100,000,000	75	Retailing
✡ + Dirk Rossmann GmbH	Germany	EUR	12,000,000	30	Retailing
⌘ 廣州屈臣氏個人用品商店有限公司	China	HKD	71,600,000	71	Retailing
PARKnSHOP (HK) Limited	Hong Kong	HKD	100,000,000	75	Supermarket operating
✱ PT Duta Intidaya Tbk	Indonesia	IDR	242,054,702,500	55	Retailing
✡ Rossmann Supermarkety Drogeryjne Polska sp. z o.o.	Poland	PLN	26,442,892	53	Retailing
Superdrug Stores plc	United Kingdom	GBP	22,000,000	75	Retailing
✦ 武漢屈臣氏個人用品商店有限公司	China	RMB	55,930,000	75	Retailing
Watson's Personal Care Stores Sdn. Bhd.	Malaysia	MYR	6,000,000	75	Retailing
Infrastructure					
✡ Australian Gas Networks Limited	Australia	AUD	879,082,753	62	Gas distribution
✡ + AVR-Afvalverwerking B.V.	Netherlands	EUR	1	38	Producing energy from waste
✱ + CK Infrastructure Holdings Limited	Bermuda/ Hong Kong	HKD	2,519,610,945	76	Holding company
✡ + CK William UK Holdings Limited	United Kingdom	GBP	2,049,000,000	30	Investment holding in electricity distribution and generation, and gas transmissions and distribution
✡ + CKP (Canada) Holdings Limited	Canada	CAD	1,143,862,831	19	Water heater and HVAC (heating, ventilation and air conditioning) rentals, sales and services

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital **/ registered capital		Percentage of equity attributable to the Group	Principal activities
	Infrastructure (continued)					
+	Enviro Waste Services Limited	New Zealand	NZD	84,768,736	76	Waste management services
✡ +	Eversholt UK Rails Limited	United Kingdom	GBP	102	54	Leasing of rolling stock
✡ +	Northern Gas Networks Holdings Limited	United Kingdom	GBP	71,670,980	36	Gas distribution
✡ +	Northumbrian Water Group Limited	United Kingdom	GBP	40	33	Water supply, sewage and waste water businesses
❖ ✱ # +	Power Assets Holdings Limited	Hong Kong	HKD	6,610,008,417	27	Investment in energy and utility-related businesses
✡ +	Trionista SE	Germany	EUR	120,000	26	Sub-metering and related services
✡ +	UK Power Networks Holdings Limited	United Kingdom	GBP	610,000,000	30	Electricity distribution
✡ +	Wales & West Gas Networks (Holdings) Limited	United Kingdom	GBP	29,027	33	Gas distribution
	Telecommunications					
	CK Hutchison Group Telecom Holdings Limited	Cayman Islands/ Hong Kong	EUR	64	100	Holding company
	Hi3G Access AB	Sweden	SEK	10,000,000	60	Mobile telecommunications services
	Hi3G Denmark ApS	Denmark	DKK	64,375,000	60	Mobile telecommunications services
	Hutchison 3G UK Limited	United Kingdom	GBP	201	100	Mobile telecommunications services
	Hutchison Drei Austria GmbH	Austria	EUR	34,882,960	100	Mobile telecommunications services
✱	Hutchison Telecommunications Hong Kong Holdings Limited	Cayman Islands/ Hong Kong	HKD	1,204,774,052	66	Holding company of mobile telecommunications services
	Hutchison Telephone Company Limited	Hong Kong	HKD	2,730,684,340	66	Mobile telecommunications services
✡	Ooredoo Hutchison Asia Pte. Limited	Singapore	SGD	435,492	50	Mobile telecommunications services
	Three Ireland (Hutchison) Limited	Ireland	EUR	2	100	Mobile telecommunications services
	Vietnamobile Telecommunications Joint Stock Company	Vietnam	VND	9,348,000,000,000	49	Mobile telecommunications services
	Wind Tre S.p.A.	Italy	EUR	474,303,795	100	Mobile telecommunications services
	Finance & investments and others					
	Cheung Kong (Holdings) Limited	Hong Kong	HKD	10,488,733,666	100	Holding company
	CK Hutchison Global Investments Limited	British Virgin Islands/ Hong Kong	USD	2	100	Holding company
✱ # +	Cenovus Energy Inc.	Canada	CAD	16,320,000,000	17	Oil and gas business
✱ # +	CK Life Sciences Int'l., (Holdings) Inc.	Cayman Islands/ Hong Kong	HKD	961,107,240	45	Holding company of nutraceuticals, pharmaceuticals and agriculture-related businesses
	Hutchison International Limited	Hong Kong	HKD	727,966,526	100	Holding company & corporate
✱	Hutchison Telecommunications (Australia) Limited	Australia	AUD	4,204,487,847	88	Holding company
	Hutchison Whampoa (China) Limited	Hong Kong	HKD	15,100,000	100	Investment holding & China businesses
	Hutchison Whampoa Limited	Hong Kong	HKD	29,424,795,590	100	Holding company
✱ #	HUTCHMED (China) Limited	Cayman Islands/ Hong Kong	USD	86,477,534	38	Holding company of biopharmaceutical business
	Marionnaud Parfumeries S.A.S.	France	EUR	960,683,969	100	Investment holding in perfume retailing businesses
#	Metro Broadcast Corporation Limited	Hong Kong	HKD	1,000,452	24	Radio broadcasting
✱ #	TOM Group Limited	Cayman Islands/ Hong Kong	HKD	395,851,056	36	Technology and media
✱ #	TPG Telecom Limited	Australia	AUD	18,399,043,754	22	Telecommunications services

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2022

The above table lists the principal subsidiary and associated companies and joint ventures of the Group which, in the opinion of the directors, principally affect the results and net assets of the Group. To give full details of subsidiary and associated companies and joint ventures would, in the opinion of the directors, result in particulars of excessive length.

Unless otherwise stated, the principal place of operation of each company is the same as its place of incorporation.

Except Cheung Kong (Holdings) Limited and CK Hutchison Global Investments Limited which are 100% directly held by the Company, the interests in the remaining subsidiary and associated companies and joint ventures are held indirectly.

❋ Company listed on The Stock Exchange of Hong Kong Limited except Hutchison Port Holdings Trust which is listed on the Singapore Stock Exchange, Westports Holdings Berhad which is listed on the Bursa Malaysia Securities Berhad, PT Duta Intidaya Tbk is listed on the Indonesia Stock Exchange, Cenovus Energy Inc. which is listed on the New York Stock Exchange and Toronto Stock Exchange, Hutchison Telecommunications (Australia) Limited which is listed on the Australian Securities Exchange, TPG Telecom Limited which is listed on the Australian Securities Exchange and HUTCHMED (China) Limited which is listed on The Stock Exchange of Hong Kong Limited, AIM market of the London Stock Exchange and in the form of American Depositary Shares on the NASDAQ Global Select Market.

** For Hong Kong incorporated companies, this represents issued ordinary share capital.

Associated companies

✡ Joint ventures

⌘ Equity joint venture registered under PRC law

✟ Wholly owned foreign enterprise (WOFE) registered under PRC law

✧ The share capital of Hutchison Port Holdings Trust is in a form of trust units.

❖ Power Assets Holdings Limited indirectly holds 33.37% equity interest in HK Electric Investments and HK Electric Investments Limited, which are listed on The Stock Exchange of Hong Kong Limited.

+ The accounts of these subsidiary and associated companies and joint ventures have been audited by firms other than PricewaterhouseCoopers. The aggregate revenue (excluding share of associated companies and joint ventures) attributable to shareholders and net assets (excluding share of net assets of associated companies and joint ventures) of these companies not audited by PricewaterhouseCoopers amounted to approximately 4% and 29% of the Group's respective items.

Report on Review of Interim Financial Statements

TO THE BOARD OF DIRECTORS OF
CK HUTCHISON HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial statements set out on pages 40 to 208, which comprises the condensed consolidated statement of financial position of CK Hutchison Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2025 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial statements to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of these interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the Group are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 14 August 2025

Interim Financial Statements

Condensed Consolidated Income Statement

for the six months ended 30 June 2025

Unaudited 2025 # US$ million		Note	Unaudited 2025 HK$ million	Unaudited 2024 HK$ million	Unaudited 2023 HK$ million
17,837	Revenue	5	**139,130**	136,451	133,377
(6,875)	Cost of inventories sold	7	**(53,622)**	(50,823)	(51,121)
(2,786)	Staff costs		**(21,727)**	(20,539)	(19,445)
(786)	Expensed customer acquisition and retention costs		**(6,128)**	(7,471)	(7,005)
(2,546)	Depreciation and amortisation	7	**(19,862)**	(19,826)	(19,675)
(4,416)	Other expenses and losses	7	**(34,443)**	(24,351)	(24,323)
114	Other income and gains	7	**887**	466	2,134
	Share of profits less losses of:				
606	Associated companies		**4,726**	3,908	4,080
657	Joint ventures		**5,121**	4,633	3,720
1,805			**14,082**	22,448	21,742
(810)	Interest expenses and other finance costs	8	**(6,321)**	(6,630)	(5,687)
995	**Profit before tax**		**7,761**	15,818	16,055
(249)	Current tax charge	9	**(1,944)**	(2,063)	(1,573)
(175)	Deferred tax credit (charge)	9	**(1,362)**	(198)	198
571	**Profit after tax**		**4,455**	13,557	14,680
(462)	**Profit attributable to non-controlling interests and holders of perpetual capital securities**		**(3,603)**	(3,352)	(3,138)
109	**Profit attributable to ordinary shareholders**		**852**	10,205	11,542
US 2.9 cents	**Earnings per share for profit attributable to ordinary shareholders**	10	**HK$ 0.22**	HK$ 2.66	HK$ 3.01

Details of distribution paid to the holders of perpetual capital securities and interim dividend payable to the ordinary shareholders are set out in note 11.

See note 41.

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2025

Unaudited 2025 # US$ million		Unaudited 2025 HK$ million	Unaudited 2024 HK$ million	Unaudited 2023 HK$ million
571	**Profit after tax**	**4,455**	13,557	14,680
	Other comprehensive income (losses)			
	Items that will not be reclassified to profit or loss			
28	Changes in fair value of equity instruments at fair value through other comprehensive income	**219**	(377)	605
(13)	Remeasurement of defined benefit obligations	**(105)**	498	101
4	Share of other comprehensive income (losses) of associated companies	**31**	(116)	(539)
25	Share of other comprehensive income (losses) of joint ventures	**196**	(910)	94
(5)	Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	**(38)**	(112)	(36)
39		**303**	(1,017)	225
	Items that may be reclassified to profit or loss			
14	Changes in fair value of debt instruments at fair value through other comprehensive income	**113**	19	(4)
3,048	Exchange gains (losses) on translation of foreign operations	**23,774**	(4,376)	8,941
(831)	Reserves reclassified to profit or loss	**(6,480)**	–	–
(2)	Losses on cash flow hedges	**(17)**	(27)	(1,145)
(474)	Gains (losses) on net investment hedges	**(3,700)**	635	(1,378)
–	Reclassification adjustments for hedging gains included in profit or loss	**–**	–	(1,735)
596	Share of other comprehensive income (losses) of associated companies	**4,649**	(2,141)	2,587
1,175	Share of other comprehensive income (losses) of joint ventures	**9,159**	(2,336)	4,181
–	Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	**1**	2	(1)
3,526		**27,499**	(8,224)	11,446
3,565	Other comprehensive income (losses), net of tax	**27,802**	(9,241)	11,671
4,136	**Total comprehensive income**	**32,257**	4,316	26,351
(877)	**Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities**	**(6,840)**	(2,112)	(4,324)
3,259	**Total comprehensive income attributable to ordinary shareholders**	**25,417**	2,204	22,027

See note 41.

Condensed Consolidated Statement of Financial Position

at 30 June 2025

Unaudited 30 June 2025 # US$ million		Note	Unaudited 30 June 2025 HK$ million	Unaudited 31 December 2024 HK$ million	Unaudited 31 December 2023 HK$ million	Unaudited 1 January 2023 HK$ million
	Non-current assets					
12,359	Fixed assets	12	**96,399**	111,777	119,826	112,650
7,763	Right-of-use assets	13	**60,547**	57,589	61,198	59,337
6,273	Telecommunications licences	14	**48,930**	63,869	64,264	60,689
9,963	Brand names and other rights	15	**77,712**	79,241	83,396	83,694
35,116	Goodwill	16	**273,906**	267,325	271,136	268,008
23,735	Associated companies	17	**185,129**	139,855	143,638	140,711
21,587	Interests in joint ventures	18	**168,380**	154,208	156,337	148,561
948	Deferred tax assets	19	**7,390**	18,140	21,074	18,509
981	Liquid funds and other listed investments	20	**7,655**	8,142	15,786	16,103
1,641	Other non-current assets	21	**12,803**	20,203	19,862	15,900
120,366			**938,851**	920,349	956,517	924,162
	Current assets					
16,617	Cash and cash equivalents	22	**129,613**	121,303	127,323	138,085
3,491	Inventories		**27,228**	24,923	24,473	23,283
5,371	Trade receivables and other current assets	23	**41,894**	45,967	50,590	56,811
25,479			**198,735**	192,193	202,386	218,179
–	Assets classified as held for sale		**–**	–	–	6,096
25,479			**198,735**	192,193	202,386	224,275
	Current liabilities					
2,444	Bank and other debts	24	**19,061**	30,956	58,324	70,130
–	Interest bearing loan from a non-controlling shareholder	27	**–**	1,874	–	–
209	Current tax liabilities		**1,632**	3,368	4,166	4,001
1,799	Lease liabilities	13	**14,036**	12,142	13,616	12,128
10,624	Trade payables and other current liabilities	25	**82,861**	82,645	86,419	89,129
15,076			**117,590**	130,985	162,525	175,388
–	Liabilities directly associated with assets classified as held for sale		**–**	–	–	1,127
15,076			**117,590**	130,985	162,525	176,515
10,403	Net current assets		**81,145**	61,208	39,861	47,760
130,769	Total assets less current liabilities		**1,019,996**	981,557	996,378	971,922
	Non-current liabilities					
30,243	Bank and other debts	24	**235,894**	225,436	213,598	214,196
504	Interest bearing loans from non-controlling shareholders	27	**3,932**	1,597	3,245	2,567
6,940	Lease liabilities	13	**54,131**	52,377	54,307	53,931
2,217	Deferred tax liabilities	19	**17,293**	17,974	19,572	19,290
421	Pension obligations	28	**3,289**	3,197	3,536	2,730
3,794	Other non-current liabilities	29	**29,592**	28,384	31,571	31,899
44,119			**344,131**	328,965	325,829	324,613
86,650	**Net assets**		**675,865**	652,592	670,549	647,309

Unaudited 30 June 2025 #			**Unaudited 30 June 2025**	Unaudited 31 December 2024	Unaudited 31 December 2023	Unaudited 1 January 2023
US$ million		Note	**HK$ million**	HK$ million	HK$ million	HK$ million
	Capital and reserves					
491	Share capital	30 (a)	**3,830**	3,830	3,830	3,830
31,150	Share premium	30 (a)	**242,972**	242,972	242,972	242,972
39,486	Reserves	31	**307,988**	287,913	297,233	276,711
71,127	Total ordinary shareholders' funds		**554,790**	534,715	544,035	523,513
–	Perpetual capital securities	30 (b)	**–**	–	4,566	4,561
15,523	Non-controlling interests		**121,075**	117,877	121,948	119,235
86,650	**Total equity**		**675,865**	652,592	670,549	647,309

See note 41.

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2025

Unaudited Total equity[#] US$ million		Attributable to Ordinary shareholders: Share capital and share premium* HK$ million	Reserves[@] HK$ million	Total ordinary shareholders' funds HK$ million	Non-controlling interests HK$ million	Unaudited Total equity HK$ million
83,666	At 1 January 2025	246,802	287,913	534,715	117,877	652,592
571	Profit for the period	–	852	852	3,603	4,455
	Other comprehensive income (losses)					
28	Changes in fair value of equity instruments at fair value through other comprehensive income	–	195	195	24	219
14	Changes in fair value of debt instruments at fair value through other comprehensive income	–	113	113	–	113
(13)	Remeasurement of defined benefit obligations	–	(79)	(79)	(26)	(105)
3,048	Exchange gains on translation of foreign operations	–	22,188	22,188	1,586	23,774
(831)	Reserves reclassified to profit or loss	–	(6,480)	(6,480)	–	(6,480)
(2)	Losses on cash flow hedges	–	(6)	(6)	(11)	(17)
(474)	Losses on net investment hedges	–	(2,800)	(2,800)	(900)	(3,700)
600	Share of other comprehensive income of associated companies	–	4,278	4,278	402	4,680
1,200	Share of other comprehensive income of joint ventures	–	7,185	7,185	2,170	9,355
(5)	Tax relating to components of other comprehensive income (losses)	–	(29)	(29)	(8)	(37)
3,565	Other comprehensive income, net of tax	–	24,565	24,565	3,237	27,802
4,136	Total comprehensive income	–	25,417	25,417	6,840	32,257
	Transactions with owners in their capacity as owners:					
(743)	Dividends paid relating to 2024	–	(5,799)	(5,799)	–	(5,799)
(387)	Dividends paid to non-controlling interests	–	–	–	(3,018)	(3,018)
7	Equity contribution from non-controlling interests	–	–	–	56	56
(29)	Relating to purchase of non-controlling interests	–	457	457	(680)	(223)
(1,152)		–	(5,342)	(5,342)	(3,642)	(8,984)
86,650	At 30 June 2025	246,802	307,988	554,790	121,075	675,865

Unaudited Total equity[#] US$ million		Attributable to Ordinary shareholders: Share capital and share premium[*] HK$ million	Reserves[@] HK$ million	Total ordinary shareholders' funds HK$ million	Holders of perpetual capital securities HK$ million	Non-controlling interests HK$ million	Unaudited Total equity HK$ million
85,968	At 1 January 2024	246,802	297,233	544,035	4,566	121,948	670,549
1,738	Profit for the period	–	10,205	10,205	71	3,281	13,557
	Other comprehensive income (losses)						
(48)	Changes in fair value of equity instruments at fair value through other comprehensive income	–	(377)	(377)	–	–	(377)
2	Changes in fair value of debt instruments at fair value through other comprehensive income	–	19	19	–	–	19
64	Remeasurement of defined benefit obligations	–	397	397	–	101	498
(561)	Exchange losses on translation of foreign operations	–	(3,678)	(3,678)	–	(698)	(4,376)
(3)	Losses on cash flow hedges	–	(24)	(24)	–	(3)	(27)
81	Gains on net investment hedges	–	481	481	–	154	635
(290)	Share of other comprehensive income (losses) of associated companies	–	(2,112)	(2,112)	–	(145)	(2,257)
(416)	Share of other comprehensive income (losses) of joint ventures	–	(2,621)	(2,621)	–	(625)	(3,246)
(14)	Tax relating to components of other comprehensive income (losses)	–	(86)	(86)	–	(24)	(110)
(1,185)	Other comprehensive income (losses), net of tax	–	(8,001)	(8,001)	–	(1,240)	(9,241)
553	Total comprehensive income	–	2,204	2,204	71	2,041	4,316
	Transactions with owners in their capacity as owners:						
(871)	Dividends paid relating to 2023	–	(6,798)	(6,798)	–	–	(6,798)
(763)	Dividends paid to non-controlling interests	–	–	–	–	(5,954)	(5,954)
(21)	Distributions paid on perpetual capital securities	–	–	–	(162)	–	(162)
(573)	Redemption of perpetual capital securities	–	–	–	(4,475)	–	(4,475)
3	Equity contribution from non-controlling interests	–	–	–	–	27	27
(70)	Relating to disposal of subsidiary companies	–	–	–	–	(543)	(543)
(2,295)		–	(6,798)	(6,798)	(4,637)	(6,470)	(17,905)
84,226	At 30 June 2024	246,802	292,639	539,441	–	117,519	656,960

See note 41.
* See note 30(a).
@ See note 31.

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2025

Unaudited Total equity[#] US$ million		Attributable to Ordinary shareholders: Share capital and share premium[*] HK$ million	Reserves[@] HK$ million	Total ordinary shareholders' funds HK$ million	Holders of perpetual capital securities HK$ million	Non-controlling interests HK$ million	Unaudited Total equity HK$ million
82,988	At 1 January 2023	246,802	276,711	523,513	4,561	119,235	647,309
1,882	Profit for the period	–	11,542	11,542	89	3,049	14,680
	Other comprehensive income (losses)						
78	Changes in fair value of equity instruments at fair value through other comprehensive income	–	605	605	–	–	605
(1)	Changes in fair value of debt instruments at fair value through other comprehensive income	–	(4)	(4)	–	–	(4)
13	Remeasurement of defined benefit obligations	–	85	85	–	16	101
1,146	Exchange gains on translation of foreign operations	–	8,655	8,655	–	286	8,941
(147)	Losses on cash flow hedges	–	(1,132)	(1,132)	–	(13)	(1,145)
(177)	Losses on net investment hedges	–	(1,095)	(1,095)	–	(283)	(1,378)
(222)	Reclassification adjustments for hedging gains included in profit or loss	–	(1,735)	(1,735)	–	–	(1,735)
263	Share of other comprehensive income of associated companies	–	1,822	1,822	–	226	2,048
548	Share of other comprehensive income of joint ventures	–	3,314	3,314	–	961	4,275
(5)	Tax relating to components of other comprehensive income (losses)	–	(30)	(30)	–	(7)	(37)
1,496	Other comprehensive income, net of tax	–	10,485	10,485	–	1,186	11,671
3,378	Total comprehensive income	–	22,027	22,027	89	4,235	26,351
(4)	Impact of hyperinflation	–	(21)	(21)	–	(5)	(26)
	Transactions with owners in their capacity as owners:						
(1,024)	Dividends paid relating to 2022	–	(7,989)	(7,989)	–	–	(7,989)
(390)	Dividends paid to non-controlling interests	–	–	–	–	(3,052)	(3,052)
(21)	Distributions paid on perpetual capital securities	–	–	–	(167)	–	(167)
(19)	Recognition of put option liabilities arising from business combinations	–	(148)	(148)	–	–	(148)
1	Relating to purchase of a subsidiary company	–	–	–	–	8	8
–	Relating to purchase of non-controlling interests	–	(34)	(34)	–	34	–
(1,457)		–	(8,192)	(8,192)	(167)	(3,015)	(11,374)
84,909	At 30 June 2023	246,802	290,546	537,348	4,483	120,455	662,286

See note 41.
* See note 30(a).
@ See note 31.

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2025

Unaudited 2025 # US$ million		Note	Unaudited 2025 HK$ million	Unaudited 2024 HK$ million	Unaudited 2023 HK$ million
	Operating activities				
4,733	Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	32 (a)	36,918	37,035	35,553
(802)	Interest expenses and other finance costs paid (net of capitalisation)		(6,252)	(6,567)	(5,621)
(358)	Tax paid		(2,792)	(2,274)	(1,760)
3,573	**Funds from operations (before principal elements of lease payments)**		27,874	28,194	28,172
396	Changes in working capital	32 (b)	3,087	(5,229)	(6,981)
3,969	**Net cash from operating activities**		30,961	22,965	21,191
	Investing activities				
(990)	Purchase of fixed assets	12	(7,719)	(8,817)	(9,746)
–	Additions to telecommunications licences	14	–	(60)	(1,009)
(111)	Additions to brand names and other rights	15	(869)	(751)	(649)
–	Purchase of subsidiary companies, net of cash acquired	32 (c)	–	(10)	(79)
(8)	Additions to unlisted investments		(59)	(22)	(39)
41	Repayments of loans from associated companies and joint ventures		317	350	2,241
(63)	Purchase of and advances to associated companies and joint ventures		(492)	(1,604)	(95)
3	Proceeds from disposal of fixed assets		21	115	19
1,910	Proceeds from disposal of subsidiary companies, net of cash disposed	32 (d)	14,902	333	2,563
119	Proceeds from partial disposal / disposal of associated companies and joint ventures		926	179	723
2	Proceeds from disposal of other unlisted investments		14	262	74
903	Cash flows from (used in) investing activities before additions to / disposal of liquid funds and other listed investments		7,041	(10,025)	(5,997)
119	Disposal of liquid funds and other listed investments		926	3,297	15
(12)	Additions to liquid funds and other listed investments		(88)	(75)	(65)
1,010	**Cash flows from (used in) investing activities**		7,879	(6,803)	(6,047)
4,979	**Net cash inflow before financing activities**		38,840	16,162	15,144
	Financing activities				
3,312	New borrowings	32 (e)	25,832	32,341	38,122
(5,066)	Repayment of borrowings	32 (e)	(39,516)	(19,817)	(44,012)
(1,020)	Principal elements of lease payments	32 (e)	(7,956)	(7,370)	(7,500)
(1)	Net loans to non-controlling shareholders	32 (e)	(8)	(21)	(30)
7	Issue of equity securities by subsidiary companies to non-controlling shareholders		56	27	–
(29)	Payments to acquire additional interests in subsidiary companies		(223)	–	–
–	Redemption of perpetual capital securities	30 (b)	–	(4,180)	–
(743)	Dividends paid to ordinary shareholders		(5,799)	(6,798)	(7,989)
(374)	Dividends paid to non-controlling interests		(2,916)	(5,906)	(2,913)
–	Distributions paid on perpetual capital securities		–	(162)	(167)
(3,914)	**Cash flows used in financing activities**		(30,530)	(11,886)	(24,489)
1,065	Increase (decrease) in cash and cash equivalents		8,310	4,276	(9,345)
15,552	Cash and cash equivalents at 1 January		121,303	127,323	138,085
16,617	**Cash and cash equivalents at 30 June**		129,613	131,599	128,740

See note 41.

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2025

Unaudited 2025 # US$ million		Note	Unaudited 2025 HK$ million	Unaudited 2024 HK$ million	Unaudited 2023 HK$ million
	Analysis of cash, liquid funds and other listed investments at 30 June				
16,617	Cash and cash equivalents, as above		**129,613**	131,599	128,740
981	Liquid funds and other listed investments	20	**7,655**	11,477	17,995
17,598	**Total cash, liquid funds and other listed investments**		**137,268**	143,076	146,735
32,883	Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	24	**256,490**	279,743	284,766
504	Interest bearing loans from non-controlling shareholders	27	**3,932**	3,141	2,549
15,789	**Net debt**		**123,154**	139,808	140,580
(504)	Interest bearing loans from non-controlling shareholders		**(3,932)**	(3,141)	(2,549)
15,285	**Net debt (excluding interest bearing loans from non-controlling shareholders)**		**119,222**	136,667	138,031

See note 41.

Notes to the Financial Statements

1 General information

CK Hutchison Holdings Limited (the "Company") is incorporated in the Cayman Islands with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2025 (the "2025 Interim Financial Statements") were approved for issuance by the Company's Board of Directors on 14 August 2025.

These financial statements are accompanied by supplementary disclosures included in the Company's 2025 interim results announcement and 2025 Interim Report. These sections, comprising the Chairman's Statement, Operations Highlights, and Group Capital Resources and Other Information, provide additional discussions on the Group's business performance during the reporting period. They also detail significant corporate developments since 31 December 2024, and provide an overview of the Group's capital resources, liquidity position, and financial profile.

2 Basis of preparation

The 2025 Interim Financial Statements represent the Company's first interim financial statements prepared in accordance with IAS 34 "Interim Financial Reporting", following the adoption of IFRS Accounting Standards ("IFRS") effective 1 January 2025 (as detailed in note 4). Previously, the Company's interim financial statements for periods up to and including the six months ended 30 June 2024 were prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

In preparing the 2025 Interim Financial Statements, the Company has applied the same optional exemptions under IFRS 1 "First-time Adoption of International Financial Reporting Standards" ("IFRS 1"), issued by International Accounting Standards Board (the "IASB"), as will be applied in the consolidated financial statements as at and for the year ending 31 December 2025 (the "2025 Annual Financial Statements"), as detailed in Note 4. The accounting policies adopted are consistent with those expected to be applied in the 2025 Annual Financial Statements. A summary of material accounting policies is provided in note 44.

These interim financial statements have been prepared on a historical cost basis, except for plan assets of defined benefit plans, investment properties, and certain financial assets and liabilities (including derivative instruments), which are measured at fair value.

These interim financial statements have been prepared on a going concern basis. Management has assessed the Group's ability to continue as a going concern by evaluating projected cash flows, liquidity position and available funding sources. Based on this assessment, Management has concluded that the Group has adequate resources to meet its financial obligations and continue operations for the foreseeable future. Accordingly, the use of the going concern basis of accounting is considered appropriate as of the date of authorisation of these interim financial statements.

These interim financial statements are regarded as "Condensed" as per IAS 34 as they do not include all of the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS. They should be read in conjunction with the Company's last annual consolidated financial statements as at and for the year ended 31 December 2024. The accompanying financial statements and notes are unaudited. The results presented in the 2025 Interim Financial Statements should not be regarded as necessarily indicative of results that may be expected for the full financial year.

3 Use of judgements, assumptions and estimates

In preparing the 2025 Interim Financial Statements, the Group has made accounting-related estimates based on judgements and assumptions about current and, where applicable, future economic and market conditions that management considers relevant and reasonable.

It is reasonably possible that actual outcomes could differ from those underlying the estimates, which may result in material changes to the carrying amounts of assets and liabilities in future periods. Accordingly, the Group's accounting estimates, judgements, and assumptions may evolve over time in response to changes in external conditions.

The estimation methodologies applied reflect the conditions and circumstances existing as at the respective reporting dates and for the periods presented.

Further information on significant accounting judgements, estimates, and assumptions is provided in note 43.

4 Adoption of IFRS Accounting Standards

Historically, the Company prepared its consolidated financial statements in accordance with HKFRS Accounting Standards ("HKFRS" or "Previous GAAP") issued by the HKICPA. While HKFRS are fully converged with IFRS issued by IASB, the Company's consolidated financial statements for periods up to and including the year ended 31 December 2024 prepared under HKFRS do not constitute IFRS financial statements.

As the globally accepted accounting standards, IFRS are used in over 140 jurisdictions. The transition to IFRS delivers significant strategic and operational advantages:

1)	Enhanced investor confidence	• Increases credibility with institutional investors. • Enables direct performance comparisons with global peers listed in IFRS-based jurisdictions.
2)	Alignment with future growth strategies	• Supports mergers and acquisitions due diligence and post-transaction integration in IFRS-based jurisdictions. • Ensures readiness for potential mergers and acquisitions activities, listings, partnerships, or acquisitions in market requiring IFRS.
3)	Improved capital markets access	• Aligns with reporting requirements in major financial markets (EU, UK, Australia, Canada). • Eliminates reconciliation requirements for cross-border investors. • Strengthens position for future debt and equity transactions.
4)	Operational efficiency	• Reduces compliance costs by eliminating dual reporting. • Streamlines financial consolidation across multinational operations under a single, unified set of accounting standards.
5)	Global consistency & comparability	• Enhances transparency through alignment with global reporting standards used in over 140 jurisdictions. • Facilitates benchmarking against international peers. • Simplifies financial analysis for global investors.

Effective from 1 January 2025, the Company has adopted IFRS as its financial reporting framework. The standards applied comprise:

- International Financial Reporting Standards;
- International Accounting Standards;
- IFRIC Interpretations; and
- SIC Interpretations.

This transition to IFRS underscores the Company's commitment to global best practices and enhances its position as an internationally integrated organisation.

The 2025 Annual Financial Statements will be prepared in accordance with IFRS, applying the guidance of IFRS 1. These annual consolidated financial statements will be the Company's first IFRS financial statements and will include an explicit and unreserved statement of compliance with IFRS, two years (2023 and 2024) of full comparative information under IFRS, along with an opening consolidated statement of financial position at 1 January 2023. In line with guidance of IFRS 1, the Company's date of transition to IFRS is accordingly 1 January 2023.

The presentation of three consecutive years of financial information under IFRS ensures compliance with IFRS reporting requirements, provides meaningful comparable financial information, while positioning the Company for future debt and equity capital transaction as well as strategic initiatives and opportunities requiring IFRS reporting.

4 Adoption of IFRS Accounting Standards (continued)

The adoption has been applied retrospectively in accordance with IFRS 1, with the Company's date of transition to IFRS being 1 January 2023.

This note and note 45 explain the Company's transition from HKFRS to IFRS, and the principal changes made.

(a) IFRS 1 provides first-time adopters with certain optional exemptions from the retrospective application of IFRS:

(i) Business combinations

In accordance with the exemption guidance under IFRS 1, the business combination requirements of IFRS were not applied retrospectively to transactions that occurred prior to the Company's transition date to IFRS.

As a result, the carrying amounts of assets and liabilities recognised in business combinations under Previous GAAP were treated as their deemed cost at the respective acquisition dates. This approach was also consistently applied to past acquisitions of equity-accounted investments.

In line with IFRS 1 requirements, the carrying amount of goodwill reported under Previous GAAP was adopted in the Company's opening consolidated statement of financial position prepared under IFRS.

There was no impairment recognised on goodwill upon transition to IFRS at the date of transition.

(ii) Share-based payment transactions

In accordance with the exemption guidance under IFRS 1, the requirements of IFRS for share-based payment transactions were not applied retrospectively to:

- Equity instruments granted on or before 7 November 2002; and
- Equity instruments granted after 7 November 2002 that vested before the later of the Company's transition date to IFRS and 1 January 2005.

This approach was also consistently applied to liabilities arising from cash-settled share-based payment transactions that were settled prior to 1 January 2023 which also exempt from retrospective application.

(iii) Foreign currency translation

In accordance with the exemption guidance under IFRS 1, the Company has elected not to recognise cumulative translation differences on foreign operations that existed at the date of transition to IFRS. Under this exemption:

- The cumulative currency translation losses at 1 January 2023 (the date of transition to IFRS) of HK$40,203 million for all foreign operations are deemed to be zero.
- Any gain or loss arising from the subsequent disposal of a foreign operation will exclude translation differences accumulated prior to the transition date and will only include those arising post-transition.

4 Adoption of IFRS Accounting Standards (continued)

(a) IFRS 1 provides first-time adopters with certain optional exemptions from the retrospective application of IFRS (continued):

(iii) Foreign currency translation (continued)

As a result of applying this exemption, cumulative translation losses at 1 January 2023 (the date of transition) of HK$40,203 million were reclassified from the Exchange Reserve to Retained Profit. This reclassification represents a transfer between reserve accounts within "Total Ordinary Shareholders' Funds" and "Total Equity". It does not affect the overall amount of "Total Ordinary Shareholders' Funds" or "Total Equity".

Due to the elimination of the opening balance of cumulative currency translation differences at the transition date:

- 2025 Interim Period Profit and Loss Impact:

  The loss on disposal of **3** UK (see Note 7(d)) is HK$11,340 million lower under IFRS. Consequently, profit for the current period is HK$11,340 million higher and other comprehensive income is HK$11,340 million lower. Under Previous GAAP, HK$11,340 million pre-transition cumulative translation losses (out of HK$40,203 million previously disclosed) would have been recycled from other comprehensive income and charged to the income statement for the current period.

- 2024 Interim Period Profit and Loss Impact:

  No impact on the comparative 2024 interim period as no disposal involving pre-transition cumulative translation differences.

- 2023 Interim Period Profit and Loss Impact:

  Other expenses and losses are HK$250 million lower and other income and gains are HK$87 million higher under IFRS. Consequently, profit for the 2023 interim period is HK$337 million higher and other comprehensive income is HK$337 million lower, while profit attributable to non-controlling interests and holders of perpetual capital securities is HK$3 million higher and profit attributable to ordinary shareholders is HK$334 million higher under IFRS. Under Previous GAAP, HK$334 million of pre-transition cumulative translation losses (out of HK$40,203 million previously disclosed) would have been recycled from other comprehensive income and charged to the income statement for the 2023 comparative period.

These differences reflect the application of the IFRS 1 exemption, which prohibits recycling of pre-transition cumulative translation differences to profit or loss upon disposal of foreign operations.

Save as discussed above, there would have been no material differences had the 2025 Interim Financial Statements been prepared under Previous GAAP.

(b) Estimates

The estimates made by the Group as at the date of transition to IFRS, as well as those made at comparative reporting dates and for the periods presented, are consistent with the estimates previously made under Previous GAAP for the same dates and periods. No retrospective adjustments to estimates were required in accordance with IFRS 1.

(c) Gap year between local and Group transition date

The Group adopted IFRS after several subsidiaries had already applied IFRS. In these cases, the Group measured the assets and liabilities of these subsidiaries at the same carrying amounts as in the subsidiaries' local financial statements, subject to applicable consolidation adjustments.

4 Adoption of IFRS Accounting Standards (continued)

(d) Reconciliations between amounts reported under IFRS and Previous GAAP

Upon transitioning to IFRS, the Group did not recognise any new assets or liabilities that were not previously recorded under Previous GAAP, nor did it exclude any amounts that had been recognised in the consolidated statement of financial position at the transition date or during the periods presented.

Refer to note 45 for reconciliations between amounts reported under IFRS and Previous GAAP:

Total Equity

- Total Equity at 1 January 2023, 30 June 2023, 31 December 2023, 30 June 2024 and 31 December 2024

Opening Consolidated Statement of Financial Position

- Consolidated Statement of Financial Position at 1 January 2023

Year ended 31 December 2024

- Consolidated Income Statement for the year ended 31 December 2024
- Consolidated Statement of Comprehensive Income for the year ended 31 December 2024
- Consolidated Statement of Financial Position at 31 December 2024
- Consolidated Statement of Changes in Equity for the year ended 31 December 2024
- Consolidated Statement of Cash Flows for the year ended 31 December 2024

Year ended 31 December 2023

- Consolidated Income Statement for the year ended 31 December 2023
- Consolidated Statement of Comprehensive Income for the year ended 31 December 2023
- Consolidated Statement of Financial Position at 31 December 2023
- Consolidated Statement of Changes in Equity for the year ended 31 December 2023
- Consolidated Statement of Cash Flows for the year ended 31 December 2023

Six months ended 30 June 2024

- Consolidated Income Statement for the six months ended 30 June 2024
- Consolidated Statement of Comprehensive Income for the six months ended 30 June 2024
- Consolidated Statement of Financial Position at 30 June 2024
- Consolidated Statement of Changes in Equity for the six months ended 30 June 2024
- Consolidated Statement of Cash Flows for the six months ended 30 June 2024

Six months ended 30 June 2023

- Consolidated Income Statement for the six months ended 30 June 2023
- Consolidated Statement of Comprehensive Income for the six months ended 30 June 2023
- Consolidated Statement of Financial Position at 30 June 2023
- Consolidated Statement of Changes in Equity for the six months ended 30 June 2023
- Consolidated Statement of Cash Flows for the six months ended 30 June 2023

Note to Financial Statements – Consolidated Reserves

- Consolidated Reserves at 31 December 2024
- Consolidated Reserves at 31 December 2023
- Consolidated Reserves at 30 June 2024
- Consolidated Reserves at 30 June 2023

5 Revenue

(a) An analysis of revenue of the Company and subsidiary companies is as follows:

	Six months ended 30 June		
	2025	2024	2023
	HK$ million	HK$ million	HK$ million
Sale of goods	**80,827**	78,143	77,828
Revenue from services	**55,166**	54,038	51,389
Interest	**3,039**	4,202	4,089
Dividend income	**98**	68	71
	139,130	136,451	133,377

(b) The following table presents revenue from contracts with customers within the scope of IFRS 15, disaggregated by revenue category for the Company and its subsidiaries:

(i) By segments *

	Six months ended 30 June 2025				
	Revenue from contracts with customers				
	recognised at a point in time	**recognised over time**	**Subtotal**	**Revenue from other sources**	**Total**
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**	**HK$ million**
Ports and Related Services	**–**	**17,814**	**17,814**	**100**	**17,914**
Retail	**70,347**	**15**	**70,362**	**–**	**70,362**
Infrastructure	**1,658**	**–**	**1,658**	**706**	**2,364**
Telecommunications					
CK Hutchison Group Telecom					
3 Group Europe	***4,807***	***33,544***	***38,351***	***6***	***38,357***
Hutchison Telecommunications Hong Kong Holdings	***394***	***1,822***	***2,216***	***–***	***2,216***
Corporate and Others	***–***	***338***	***338***	***436***	***774***
	5,201	**35,704**	**40,905**	**442**	**41,347**
Finance & Investments and Others	**4,669**	**539**	**5,208**	**1,935**	**7,143**
	81,875	**54,072**	**135,947**	**3,183**	**139,130**

	Six months ended 30 June 2024				
	Revenue from contracts with customers				
	recognised at a point in time	recognised over time	Subtotal	Revenue from other sources	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	–	16,572	16,572	84	16,656
Retail	65,667	19	65,686	–	65,686
Infrastructure	1,724	–	1,724	1,055	2,779
Telecommunications					
CK Hutchison Group Telecom					
3 Group Europe	*6,258*	*33,666*	*39,924*	*6*	*39,930*
Hutchison Telecommunications Hong Kong Holdings	*298*	*1,760*	*2,058*	*–*	*2,058*
Corporate and Others	*22*	*304*	*326*	*558*	*884*
	6,578	35,730	42,308	564	42,872
Finance & Investments and Others	5,292	550	5,842	2,616	8,458
	79,261	52,871	132,132	4,319	136,451

* See note 6 for operating segment information.

5 Revenue (continued)

(b) The following table presents revenue from contracts with customers within the scope of IFRS 15, disaggregated by revenue category for the Company and its subsidiaries (continued):

(i) By segments * (continued)

	Six months ended 30 June 2023				
	Revenue from contracts with customers				
	recognised at a point in time	recognised over time	Subtotal	Revenue from other sources	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	–	14,708	14,708	81	14,789
Retail	65,136	29	65,165	–	65,165
Infrastructure	1,966	–	1,966	1,564	3,530
Telecommunications					
CK Hutchison Group Telecom					
3 Group Europe	*5,718*	*33,023*	*38,741*	*6*	*38,747*
Hutchison Telecommunications Hong Kong Holdings	*535*	*1,793*	*2,328*	–	*2,328*
Corporate and Others	*13*	*120*	*133*	*488*	*621*
	6,266	34,936	41,202	494	41,696
Finance & Investments and Others	5,574	555	6,129	2,068	8,197
	78,942	50,228	129,170	4,207	133,377

(ii) By geographical locations *

	Six months ended 30 June 2025				
	Revenue from contracts with customers				
	recognised at a point in time	**recognised over time**	**Subtotal**	**Revenue from other sources**	**Total**
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**	**HK$ million**
Hong Kong	**11,670**	**2,126**	**13,796**	**146**	**13,942**
Mainland China	**8,281**	**113**	**8,394**	**4**	**8,398**
The People's Republic of China	**19,951**	**2,239**	**22,190**	**150**	**22,340**
Europe	**37,540**	**41,034**	**78,574**	**704**	**79,278**
Canada	**–**	**–**	**–**	**42**	**42**
Asia, Australia and Others	**19,715**	**10,260**	**29,975**	**352**	**30,327**
	57,255	**51,294**	**108,549**	**1,098**	**109,647**
	77,206	**53,533**	**130,739**	**1,248**	**131,987**
Finance & Investments and Others	**4,669**	**539**	**5,208**	**1,935**	**7,143**
	81,875	**54,072**	**135,947**	**3,183**	**139,130**

* See note 6 for operating segment information.

5 Revenue (continued)

(b) The following table presents revenue from contracts with customers within the scope of IFRS 15, disaggregated by revenue category for the Company and its subsidiaries (continued):

(ii) By geographical locations * (continued)

	Six months ended 30 June 2024				
	Revenue from contracts with customers				
	recognised at a point in time	recognised over time	Subtotal	Revenue from other sources	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	11,822	2,067	13,889	127	14,016
Mainland China	8,360	113	8,473	9	8,482
The People's Republic of China	20,182	2,180	22,362	136	22,498
Europe	36,367	40,307	76,674	865	77,539
Canada	–	–	–	102	102
Asia, Australia and Others	17,420	9,834	27,254	600	27,854
	53,787	50,141	103,928	1,567	105,495
	73,969	52,321	126,290	1,703	127,993
Finance & Investments and Others	5,292	550	5,842	2,616	8,458
	79,261	52,871	132,132	4,319	136,451

	Six months ended 30 June 2023				
	Revenue from contracts with customers				
	recognised at a point in time	recognised over time	Subtotal	Revenue from other sources	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	12,519	2,110	14,629	139	14,768
Mainland China	10,744	115	10,859	14	10,873
The People's Republic of China	23,263	2,225	25,488	153	25,641
Europe	33,655	39,209	72,864	800	73,664
Canada	–	–	–	119	119
Asia, Australia and Others	16,450	8,239	24,689	1,067	25,756
	50,105	47,448	97,553	1,986	99,539
	73,368	49,673	123,041	2,139	125,180
Finance & Investments and Others	5,574	555	6,129	2,068	8,197
	78,942	50,228	129,170	4,207	133,377

* See note 6 for operating segment information.

5 Revenue (continued)

(c) Contract balances related to contracts with customers within the scope of IFRS 15

Under IFRS 15, a contract asset or a contract liability is generated when either party to the contract performs, depending on the relationship between the entity's performance and the customer's payment. When an entity satisfies a performance obligation by transferring a promised goods or service, the entity has earned a right to consideration from the customer and, therefore, has a contract asset. When the customer performs first, for example, by prepaying its promised consideration, the entity has a contract liability. Generally, contract assets may represent conditional or unconditional rights to consideration. The right would be conditional, for example, when an entity is required first to satisfy another performance obligation in the contract before it is entitled to payment from the customer. If an entity has an unconditional right to receive consideration from the customer, the contract asset is classified as and accounted for as a receivable and presented separately from other contract assets. A right is unconditional if nothing other than the passage of time is required before payment of that consideration is due.

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers within the scope of IFRS 15.

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Trade receivables, which are included in "Trade receivables and other current assets" (see note 23)	**14,993**	15,327	16,297	14,945
Trade receivables, which are included in "Assets classified as held for sale"	**–**	–	–	21
Contract assets (see notes 21 and 23)	**3,638**	7,121	7,580	6,314
Contract liabilities (see note 25)	**(5,203)**	(5,500)	(5,948)	(6,027)

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. For the six months ended 30 June 2025, HK$312 million (30 June 2024: HK$353 million; 30 June 2023: HK$300 million) was recognised in the consolidated income statement as provision for expected credit losses on trade receivables.

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. For the six months ended 30 June 2025, HK$363 million (30 June 2024: HK$553 million; 30 June 2023: HK$387 million) was recognised in the consolidated income statement as provision for expected credit losses on contract assets.

Contract liabilities primarily relate to the Group's unfulfilled performance obligations for which consideration has been received at the reporting date. On fulfilment of its obligations, the contract liability is recognised in revenue in the period when the performance obligations are fulfilled. HK$2,990 million (30 June 2024: HK$4,149 million; 30 June 2023: HK$2,574 million) was recognised as revenue for the six months ended 30 June 2025 that was included in the contract liability balance at the beginning of the year.

6 Operating segment information

(a) Description of segments and basis of presentation of segment information

For management purposes, the Group is organised into four core businesses:

- Ports and Related Services
- Retail
- Infrastructure
- Telecommunications

The Group's most senior executive management (the Chief Operating Decision Maker as defined in IFRS 8) monitors the operating results of the core businesses separately for the purpose of making decisions about resource allocation and performance assessment.

Segment information sets out in this note is organised into these four core businesses, as follows:

Ports and Related Services:

- Comprises: 80% interest in the Hutchison Ports group and its 30.07% interest in Hutchison Port Holdings Trust ("HPH Trust"), a listed associate.
- Includes the Group's effective shares of HPH Trust's results (net of non-controlling interests).

Retail:

- Operates as AS Watson ("ASW"), the world's largest international health and beauty retailer.
- Key metrics (as at 30 June 2025): 175 million loyalty members, 16,935 stores across 31 markets and 12 retail brands.

Infrastructure:

- Includes 75.67% interest in CK Infrastructure Holdings Limited ("CKI"), a listed subsidiary.
- Includes six co-owned infrastructure investments with CKI: Northumbrian Water, Park'N Fly, Australian Gas Networks, Dutch Enviro Energy, Wales & West Utilities and UK Rails.

Telecommunications:

- Comprises: CK Hutchison Group Telecom Holdings (consolidating **3** Group Europe operations) and a 66.09% interest in Hutchison Telecommunications Hong Kong Holdings, a listed subsidiary.

In addition, "Finance & Investments and Others" is presented in the segment information below to reconcile to the totals included in the Group's consolidated income statement and consolidated statement of financial position. This category covers the activities of other areas of the Group that are not presented separately and includes a 97.92% interest in the Australian Securities Exchange listed Hutchison Telecommunications (Australia) Limited ("HTAL"), which has a 25.05% attributable interest in a listed associated company TPG Telecom Limited ("TPG"), Hutchison Asia Telecommunications, Hutchison Whampoa (China), Hutchison E-Commerce, the Marionnaud business, listed associated companies HUTCHMED (China) Limited ("HUTCHMED"), TOM Group, CK Life Sciences Int'l., (Holdings) Inc. and Cenovus Energy Inc. ("Cenovus Energy"), corporate head office operations and the returns earned on the Group's holdings of cash and liquid investments.

Segment presentation basis:

- Financial statements prepared under IFRS 16 ("Post-IFRS 16 basis").
- Management reporting maintained on the precedent lease accounting standard International Accounting Standard 17 "Leases" ("Pre-IFRS 16 basis").
- Segment information presented on Pre-IFRS 16 basis (with reconciliations to Post-IFRS 16 basis).
- Reconciliations provided in section (c) of this note.

Unless otherwise stated:

- "Company and Subsidiaries" column represents holding company and subsidiaries.
- "Associates and JV" column reflects the Group's share of associates and joint ventures.

6 Operating segment information (continued)

(b) Segment results, assets and liabilities

(i) An analysis of revenue by segments

	Revenue			
	Six months ended 30 June 2025			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Ports and Related Services	**17,914**	**5,683**	**23,597**	**10%**
Retail	**70,362**	**28,478**	**98,840**	**41%**
Infrastructure	**2,364**	**26,263**	**28,627**	**12%**
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	***38,357***	***3,601***	***41,958***	***18%***
Hutchison Telecommunications Hong Kong Holdings	***2,216***	***–***	***2,216***	***1%***
Corporate and Others	***774***	***64***	***838***	***–***
	41,347	**3,665**	**45,012**	**19%**
Finance & Investments and Others	**7,143**	**37,444**	**44,587**	**18%**
	139,130	**101,533**	**240,663**	**100%**
Portion attributable to:				
Non-controlling interests of HPH Trust	**–**	**640**	**640**	
Divesture of infrastructure investments	**–**	**413**	**413**	
	139,130	**102,586**	**241,716**	
IFRS 16 impact	**–**	**–**	**–**	
	139,130	**102,586**	**241,716**	

	Revenue			
	Six months ended 30 June 2024			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Ports and Related Services	16,656	4,938	21,594	9%
Retail	65,686	25,783	91,469	39%
Infrastructure	2,779	24,319	27,098	12%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*39,930*	*5*	*39,935*	*18%*
Hutchison Telecommunications Hong Kong Holdings	*2,058*	*–*	*2,058*	*1%*
Corporate and Others	*884*	*57*	*941*	*–*
	42,872	62	42,934	19%
Finance & Investments and Others	8,458	41,091	49,549	21%
	136,451	96,193	232,644	100%
Portion attributable to:				
Non-controlling interests of HPH Trust	–	587	587	
Divesture of infrastructure investments	–	424	424	
	136,451	97,204	233,655	
IFRS 16 impact	–	–	–	
	136,451	97,204	233,655	

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(i) An analysis of revenue by segments (continued)

	Revenue			
	Six months ended 30 June 2023			
	Company and Subsidiaries	Associates and JV	Total	
	HK$ million	HK$ million	HK$ million	%
Ports and Related Services	14,789	5,074	19,863	9%
Retail	65,165	23,454	88,619	40%
Infrastructure	3,530	24,010	27,540	12%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*38,747*	*4*	*38,751*	*17%*
Hutchison Telecommunications Hong Kong Holdings	*2,328*	*–*	*2,328*	*1%*
Corporate and Others	*621*	*61*	*682*	*–*
	41,696	65	41,761	18%
Finance & Investments and Others	8,197	37,887	46,084	21%
	133,377	90,490	223,867	100%
Portion attributable to:				
Non-controlling interests of HPH Trust	–	556	556	
Divesture of infrastructure investments	–	357	357	
	133,377	91,403	224,780	
IFRS 16 impact	–	–	–	
	133,377	91,403	224,780	

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

The Group uses two measures of segment results, EBITDA (see note 6(b)(xiv)) and EBIT (see note 6(b)(xv)). Analyses of segment results by EBITDA and EBIT are set out in (ii), (iii), (ix), (x) and (xiii) below.

(ii) An analysis of EBITDA by segments

	EBITDA (LBITDA) (xiv)			
	Six months ended 30 June 2025			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Ports and Related Services	6,684	2,035	8,719	19%
Retail	5,402	2,572	7,974	18%
Infrastructure	767	14,798	15,565	35%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*10,073*	*969*	*11,042*	*25%*
Hutchison Telecommunications Hong Kong Holdings	*621*	*25*	*646*	*1%*
Corporate and Others	*(9,881)*	*(7)*	*(9,888)*	*-22%*
	813	987	1,800	4%
Finance & Investments and Others	1,384	9,556	10,940	24%
EBITDA	15,050	29,948	44,998	100%
Portion attributable to:				
Non-controlling interests of HPH Trust	–	450	450	
EBITDA ^	15,050 ^	30,398 ^	45,448 ^	
Depreciation and amortisation	(12,734)	(11,909)	(24,643)	
Interest expenses and other finance costs	(4,830)	(4,794)	(9,624)	
Current tax	(1,944)	(2,550)	(4,494)	
Deferred tax	(1,414)	(916)	(2,330)	
Non-controlling interests	(3,640)	(277)	(3,917)	
	(9,512)	9,952	440	
IFRS 16 impact				
EBITDA ^	9,047 ^	2,938 ^	11,985 ^	
Depreciation and amortisation	(7,128)	(2,183)	(9,311)	
Interest expenses and other finance costs	(1,491)	(927)	(2,418)	
Current tax	–	–	–	
Deferred tax	52	67	119	
Non-controlling interests	37	–	37	
	(8,995)	9,847	852	
^ Reconciliation to Post-IFRS 16 basis EBITDA:				
Pre-IFRS 16 basis EBITDA per above	15,050	30,398	45,448	
IFRS 16 impact per above	9,047	2,938	11,985	
Post-IFRS 16 basis EBITDA (see note 32(a)(i))	24,097	33,336	57,433	

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(ii) An analysis of EBITDA by segments (continued)

	EBITDA (LBITDA) [xiv]			
	Six months ended 30 June 2024			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Ports and Related Services	6,183	1,755	7,938	15%
Retail	4,874	2,215	7,089	14%
Infrastructure	1,144	13,535	14,679	28%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*10,828*	*215*	*11,043*	*21%*
Hutchison Telecommunications Hong Kong Holdings	*591*	*28*	*619*	*1%*
Corporate and Others	*83*	*(13)*	*70*	–
	11,502	230	11,732	22%
Finance & Investments and Others	1,512	9,251	10,763	21%
EBITDA	25,215	26,986	52,201	100%
Portion attributable to:				
Non-controlling interests of HPH Trust	–	412	412	
EBITDA ^	25,215 ^	27,398 ^	52,613 ^	
Depreciation and amortisation	(12,772)	(10,721)	(23,493)	
Interest expenses and other finance costs	(5,342)	(4,486)	(9,828)	
Current tax	(2,063)	(2,288)	(4,351)	
Deferred tax	(197)	(963)	(1,160)	
Non-controlling interests	(3,332)	(257)	(3,589)	
	1,509	8,683	10,192	
IFRS 16 impact				
EBITDA ^	8,518 ^	2,703 ^	11,221 ^	
Depreciation and amortisation	(7,054)	(2,055)	(9,109)	
Interest expenses and other finance costs	(1,288)	(817)	(2,105)	
Current tax	–	–	–	
Deferred tax	(1)	27	26	
Non-controlling interests	(20)	–	(20)	
	1,664	8,541	10,205	
^ Reconciliation to Post-IFRS 16 basis EBITDA:				
Pre-IFRS 16 basis EBITDA per above	25,215	27,398	52,613	
IFRS 16 impact per above	8,518	2,703	11,221	
Post-IFRS 16 basis EBITDA (see note 32(a)(i))	33,733	30,101	63,834	

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(ii) An analysis of EBITDA by segments (continued)

	EBITDA (LBITDA) [xiv]			
	Six months ended 30 June 2023			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Ports and Related Services	4,690	1,832	6,522	13%
Retail	5,210	1,846	7,056	14%
Infrastructure	1,738	12,943	14,681	29%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*10,104*	*156*	*10,260*	*21%*
Hutchison Telecommunications Hong Kong Holdings	*583*	*31*	*614*	*1%*
Corporate and Others	*(529)*	*(2)*	*(531)*	*-1%*
	10,158	185	10,343	21%
Finance & Investments and Others	3,372	8,296	11,668	23%
EBITDA	25,168	25,102	50,270	100%
Portion attributable to:				
Non-controlling interests of HPH Trust	–	378	378	
EBITDA ^	25,168 ^	25,480 ^	50,648 ^	
Depreciation and amortisation	(12,650)	(9,952)	(22,602)	
Interest expenses and other finance costs	(4,462)	(5,295)	(9,757)	
Current tax	(1,573)	(1,719)	(3,292)	
Deferred tax	189	(458)	(269)	
Non-controlling interests	(3,151)	(234)	(3,385)	
	3,521	7,822	11,343	
IFRS 16 impact				
EBITDA ^	8,449 ^	2,769 ^	11,218 ^	
Depreciation and amortisation	(7,025)	(2,047)	(9,072)	
Interest expenses and other finance costs	(1,225)	(753)	(1,978)	
Current tax	–	–	–	
Deferred tax	9	9	18	
Non-controlling interests	13	–	13	
	3,742	7,800	11,542	
^ Reconciliation to Post-IFRS 16 basis EBITDA:				
Pre-IFRS 16 basis EBITDA per above	25,168	25,480	50,648	
IFRS 16 impact per above	8,449	2,769	11,218	
Post-IFRS 16 basis EBITDA (see note 32(a)(i))	33,617	28,249	61,866	

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iii) An analysis of EBIT by segments

	EBIT (LBIT) [xv]			
	Six months ended 30 June 2025			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Ports and Related Services	5,217	1,291	6,508	32%
Retail	4,112	2,068	6,180	30%
Infrastructure	628	9,533	10,161	50%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe				
EBITDA before the following non-cash items:	10,073	969	11,042	
Depreciation	(5,464)	(890)	(6,354)	
Amortisation of licence fees, customer acquisition and retention costs and other rights	(3,725)	–	(3,725)	
EBIT – **3** Group Europe	884	79	963	5%
Hutchison Telecommunications Hong Kong Holdings	78	6	84	–
Corporate and Others	(9,882)	(7)	(9,889)	-48%
	(8,920)	78	(8,842)	-43%
Finance & Investments and Others	1,279	5,201	6,480	31%
EBIT	2,316	18,171	20,487	100%
Portion attributable to:				
Non-controlling interests of HPH Trust	–	318	318	
EBIT ^	2,316 ^	18,489 ^	20,805 ^	
Interest expenses and other finance costs	(4,830)	(4,794)	(9,624)	
Current tax	(1,944)	(2,550)	(4,494)	
Deferred tax	(1,414)	(916)	(2,330)	
Non-controlling interests	(3,640)	(277)	(3,917)	
	(9,512)	9,952	440	
IFRS 16 impact				
EBIT ^	1,919 ^	755 ^	2,674 ^	
Interest expenses and other finance costs	(1,491)	(927)	(2,418)	
Current tax	–	–	–	
Deferred tax	52	67	119	
Non-controlling interests	37	–	37	
	(8,995)	9,847	852	
^ Reconciliation to Post-IFRS 16 basis EBIT:				
Pre-IFRS 16 basis EBIT per above	2,316	18,489	20,805	
IFRS 16 impact per above	1,919	755	2,674	
Post-IFRS 16 basis EBIT	4,235	19,244	23,479	

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iii) An analysis of EBIT by segments (continued)

	EBIT (LBIT)[xv]			
	Six months ended 30 June 2024			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Ports and Related Services	4,748	1,037	5,785	20%
Retail	3,640	1,793	5,433	19%
Infrastructure	1,011	8,715	9,726	34%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe				
EBITDA before the following non-cash items:	10,828	215	11,043	
Depreciation	(5,552)	(181)	(5,733)	
Amortisation of licence fees, customer acquisition and retention costs and other rights	(3,617)	–	(3,617)	
EBIT – **3** Group Europe	1,659	34	1,693	6%
Hutchison Telecommunications Hong Kong Holdings	53	7	60	–
Corporate and Others	82	(13)	69	–
	1,794	28	1,822	6%
Finance & Investments and Others	1,250	4,827	6,077	21%
EBIT	12,443	16,400	28,843	100%
Portion attributable to:				
Non-controlling interests of HPH Trust	–	277	277	
EBIT ^	12,443 ^	16,677 ^	29,120 ^	
Interest expenses and other finance costs	(5,342)	(4,486)	(9,828)	
Current tax	(2,063)	(2,288)	(4,351)	
Deferred tax	(197)	(963)	(1,160)	
Non-controlling interests	(3,332)	(257)	(3,589)	
	1,509	8,683	10,192	
IFRS 16 impact				
EBIT ^	1,464 ^	648 ^	2,112 ^	
Interest expenses and other finance costs	(1,288)	(817)	(2,105)	
Current tax	–	–	–	
Deferred tax	(1)	27	26	
Non-controlling interests	(20)	–	(20)	
	1,664	8,541	10,205	
^ Reconciliation to Post-IFRS 16 basis EBIT:				
Pre-IFRS 16 basis EBIT per above	12,443	16,677	29,120	
IFRS 16 impact per above	1,464	648	2,112	
Post-IFRS 16 basis EBIT	13,907	17,325	31,232	

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iii) An analysis of EBIT by segments (continued)

	EBIT (LBIT)[xv]			
	Six months ended 30 June 2023			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Ports and Related Services	3,258	1,092	4,350	16%
Retail	3,928	1,492	5,420	20%
Infrastructure	1,594	8,447	10,041	36%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe				
EBITDA before the following non-cash items:	10,104	156	10,260	
Depreciation	(5,441)	(128)	(5,569)	
Amortisation of licence fees, customer acquisition and retention costs and other rights	(3,548)	–	(3,548)	
EBIT – **3** Group Europe	1,115	28	1,143	4%
Hutchison Telecommunications Hong Kong Holdings	41	8	49	–
Corporate and Others	(531)	(2)	(533)	-2%
	625	34	659	2%
Finance & Investments and Others	3,113	4,221	7,334	26%
EBIT	12,518	15,286	27,804	100%
Portion attributable to:				
Non-controlling interests of HPH Trust	–	242	242	
EBIT ^	12,518 ^	15,528 ^	28,046 ^	
Interest expenses and other finance costs	(4,462)	(5,295)	(9,757)	
Current tax	(1,573)	(1,719)	(3,292)	
Deferred tax	189	(458)	(269)	
Non-controlling interests	(3,151)	(234)	(3,385)	
	3,521	7,822	11,343	
IFRS 16 impact				
EBIT ^	1,424 ^	722 ^	2,146 ^	
Interest expenses and other finance costs	(1,225)	(753)	(1,978)	
Current tax	–	–	–	
Deferred tax	9	9	18	
Non-controlling interests	13	–	13	
	3,742	7,800	11,542	
^ Reconciliation to Post-IFRS 16 basis EBIT:				
Pre-IFRS 16 basis EBIT per above	12,518	15,528	28,046	
IFRS 16 impact per above	1,424	722	2,146	
Post-IFRS 16 basis EBIT	13,942	16,250	30,192	

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iv) An analysis of depreciation and amortisation expenses by segments

	Depreciation and amortisation		
	Six months ended 30 June 2025		
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million
Ports and Related Services	**1,467**	**744**	**2,211**
Retail	**1,290**	**504**	**1,794**
Infrastructure	**139**	**5,265**	**5,404**
Telecommunications			
CK Hutchison Group Telecom			
3 Group Europe	***9,189***	***890***	***10,079***
Hutchison Telecommunications Hong Kong Holdings	***543***	***19***	***562***
Corporate and Others	***1***	***–***	***1***
	9,733	**909**	**10,642**
Finance & Investments and Others	**105**	**4,355**	**4,460**
	12,734	**11,777**	**24,511**
Portion attributable to:			
Non-controlling interests of HPH Trust	**–**	**132**	**132**
	12,734	**11,909**	**24,643**
IFRS 16 impact	**7,128**	**2,183**	**9,311**
	19,862	**14,092**	**33,954**

	Depreciation and amortisation		
	Six months ended 30 June 2024		
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million
Ports and Related Services	1,435	718	2,153
Retail	1,234	422	1,656
Infrastructure	133	4,820	4,953
Telecommunications			
CK Hutchison Group Telecom			
3 Group Europe	*9,169*	*181*	*9,350*
Hutchison Telecommunications Hong Kong Holdings	*538*	*21*	*559*
Corporate and Others	*1*	*–*	*1*
	9,708	202	9,910
Finance & Investments and Others	262	4,424	4,686
	12,772	10,586	23,358
Portion attributable to:			
Non-controlling interests of HPH Trust	–	135	135
	12,772	10,721	23,493
IFRS 16 impact	7,054	2,055	9,109
	19,826	12,776	32,602

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iv) An analysis of depreciation and amortisation expenses by segments (continued)

	Depreciation and amortisation		
	Six months ended 30 June 2023		
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million
Ports and Related Services	1,432	740	2,172
Retail	1,282	354	1,636
Infrastructure	144	4,496	4,640
Telecommunications			
CK Hutchison Group Telecom			
3 Group Europe	*8,989*	*128*	*9,117*
Hutchison Telecommunications Hong Kong Holdings	*542*	*23*	*565*
Corporate and Others	*2*	–	*2*
	9,533	151	9,684
Finance & Investments and Others	259	4,075	4,334
	12,650	9,816	22,466
Portion attributable to:			
Non-controlling interests of HPH Trust	–	136	136
	12,650	9,952	22,602
IFRS 16 impact	7,025	2,047	9,072
	19,675	11,999	31,674

(v) An analysis of capital expenditure by segments

	Capital expenditure [xxi]			
	Six months ended 30 June 2025			
	Fixed assets HK$ million	**Telecom-munications licences HK$ million**	**Brand names and other rights HK$ million**	**Total HK$ million**
Ports and Related Services	**1,116**	**–**	**3**	**1,119**
Retail	**897**	**–**	**–**	**897**
Infrastructure	**130**	**–**	**2**	**132**
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	***5,386***	**–**	***861***	***6,247***
Hutchison Telecommunications Hong Kong Holdings	***173***	**–**	**–**	***173***
Corporate and Others	***1***	**–**	**–**	***1***
	5,560	**–**	**861**	**6,421**
Finance & Investments and Others	**108**	**–**	**3**	**111**
	7,811	**–**	**869**	**8,680**
IFRS 16 impact	**(92)**	**–**	**–**	**(92)**
	7,719	**–**	**869**	**8,588**

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(v) An analysis of capital expenditure by segments (continued)

	Capital expenditure [xxi]			
	Six months ended 30 June 2024			
	Fixed assets HK$ million	Telecom-munications licences HK$ million	Brand names and other rights HK$ million	Total HK$ million
Ports and Related Services	1,108	–	2	1,110
Retail	1,108	–	–	1,108
Infrastructure	247	–	–	247
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*6,186*	*59*	*749*	*6,994*
Hutchison Telecommunications Hong Kong Holdings	*166*	–	–	*166*
Corporate and Others	–	–	–	–
	6,352	59	749	7,160
Finance & Investments and Others	120	1	–	121
	8,935	60	751	9,746
IFRS 16 impact	(118)	–	–	(118)
	8,817	60	751	9,628

	Capital expenditure [xxi]			
	Six months ended 30 June 2023			
	Fixed assets HK$ million	Telecom-munications licences HK$ million	Brand names and other rights HK$ million	Total HK$ million
Ports and Related Services	2,209	–	–	2,209
Retail	863	–	–	863
Infrastructure	160	–	2	162
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*6,388*	*1,005*	*643*	*8,036*
Hutchison Telecommunications Hong Kong Holdings	*163*	–	–	*163*
Corporate and Others	*1*	–	–	*1*
	6,552	1,005	643	8,200
Finance & Investments and Others	134	4	4	142
	9,918	1,009	649	11,576
IFRS 16 impact	(172)	–	–	(172)
	9,746	1,009	649	11,404

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(vi) An analysis of total assets by segments

	Total assets			
	30 June 2025			
	Segment assets[xix] HK$ million	Deferred tax assets HK$ million	Investments in associated companies and interests in joint ventures HK$ million	Total assets HK$ million
Ports and Related Services	**73,963**	**492**	**23,240**	**97,695**
Retail	**205,054**	**1,722**	**19,992**	**226,768**
Infrastructure	**50,833**	**2**	**179,069**	**229,904**
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	***220,993***	***3,282***	***43,555***	***267,830***
Hutchison Telecommunications Hong Kong Holdings	***14,898***	***1***	***98***	***14,997***
Corporate and Others	***40,930***	***–***	***–***	***40,930***
	276,821	**3,283**	**43,653**	**323,757**
Finance & Investments and Others	**117,324**	**66**	**90,003**	**207,393**
	723,995	**5,565**	**355,957**	**1,085,517**
IFRS 16 impact	**52,692**	**1,825**	**(2,448)**	**52,069**
	776,687	**7,390**	**353,509**	**1,137,586**

	Total assets			
	31 December 2024			
	Segment assets[xix] HK$ million	Deferred tax assets HK$ million	Investments in associated companies and interests in joint ventures HK$ million	Total assets HK$ million
Ports and Related Services	70,019	490	22,825	93,334
Retail	201,748	1,701	16,999	220,448
Infrastructure	54,777	1	168,113	222,891
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*263,429*	*14,162*	*2,664*	*280,255*
Hutchison Telecommunications Hong Kong Holdings	*15,208*	*1*	*112*	*15,321*
Corporate and Others	*25,226*	*–*	*3*	*25,229*
	303,863	14,163	2,779	320,805
Finance & Investments and Others	121,400	68	85,603	207,071
	751,807	16,423	296,319	1,064,549
IFRS 16 impact	48,532	1,717	(2,256)	47,993
	800,339	18,140	294,063	1,112,542

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(vi) An analysis of total assets by segments (continued)

	Total assets			
	31 December 2023			
	Segment assets[xix] HK$ million	Deferred tax assets HK$ million	Investments in associated companies and interests in joint ventures HK$ million	Total assets HK$ million
Ports and Related Services	75,587	609	21,519	97,715
Retail	201,155	1,802	17,233	220,190
Infrastructure	59,577	2	171,277	230,856
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*275,196*	*16,858*	*2,628*	*294,682*
Hutchison Telecommunications Hong Kong Holdings	*15,776*	*2*	*109*	*15,887*
Corporate and Others	*26,995*	–	*1*	*26,996*
	317,967	16,860	2,738	337,565
Finance & Investments and Others	131,868	64	89,124	221,056
	786,154	19,337	301,891	1,107,382
IFRS 16 impact	51,700	1,737	(1,916)	51,521
	837,854	21,074	299,975	1,158,903

	Total assets				
	1 January 2023				
	Segment assets[xix] HK$ million	Deferred tax assets HK$ million	Assets classified as held for sale HK$ million	Investments in associated companies and interests in joint ventures HK$ million	Total assets HK$ million
Ports and Related Services	72,263	352	–	23,200	95,815
Retail	198,358	1,471	–	15,630	215,459
Infrastructure	65,516	3	–	165,138	230,657
Telecommunications					
CK Hutchison Group Telecom					
3 Group Europe	*263,859*	*15,067*	*5,178*	*10*	*284,114*
Hutchison Telecommunications Hong Kong Holdings	*16,148*	*4*	–	*157*	*16,309*
Corporate and Others	*35,040*	–	–	*2*	*35,042*
	315,047	15,071	5,178	169	335,465
Finance & Investments and Others	133,457	57	–	87,030	220,544
	784,641	16,954	5,178	291,167	1,097,940
IFRS 16 impact	49,919	1,555	918	(1,895)	50,497
	834,560	18,509	6,096	289,272	1,148,437

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(vii) An analysis of total liabilities by segments

	Total liabilities			
	30 June 2025			
	Segment liabilities [xix] HK$ million	Current & non-current borrowings [xx] and other non-current liabilities HK$ million	Current & deferred tax liabilities HK$ million	Total liabilities HK$ million
Ports and Related Services	**11,170**	**11,143**	**4,379**	**26,692**
Retail	**29,512**	**7,577**	**10,093**	**47,182**
Infrastructure	**7,628**	**21,093**	**561**	**29,282**
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*25,840*	*14,387*	*1,436*	*41,663*
Hutchison Telecommunications Hong Kong Holdings	*1,580*	*2,079*	*238*	*3,897*
Corporate and Others	*1,921*	*45,145*	*205*	*47,271*
	29,341	**61,611**	**1,879**	**92,831**
Finance & Investments and Others	**10,045**	**187,863**	**2,728**	**200,636**
	87,696	**289,287**	**19,640**	**396,623**
IFRS 16 impact	**66,621**	**(808)**	**(715)**	**65,098**
	154,317	**288,479**	**18,925**	**461,721**

	Total liabilities			
	31 December 2024			
	Segment liabilities [xix] HK$ million	Current & non-current borrowings [xx] and other non-current liabilities HK$ million	Current & deferred tax liabilities HK$ million	Total liabilities HK$ million
Ports and Related Services	11,044	10,385	4,531	25,960
Retail	28,340	6,626	10,369	45,335
Infrastructure	6,809	19,131	535	26,475
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*28,865*	*14,883*	*3,622*	*47,370*
Hutchison Telecommunications Hong Kong Holdings	*1,657*	*2,118*	*198*	*3,973*
Corporate and Others	*865*	*44,914*	*46*	*45,825*
	31,387	61,915	3,866	97,168
Finance & Investments and Others	9,714	191,885	2,739	204,338
	87,294	289,942	22,040	399,276
IFRS 16 impact	63,067	(1,695)	(698)	60,674
	150,361	288,247	21,342	459,950

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(vii) An analysis of total liabilities by segments (continued)

	Total liabilities			
	31 December 2023			
	Segment liabilities [xix] HK$ million	Current & non-current borrowings [xx] and other non-current liabilities HK$ million	Current & deferred tax liabilities HK$ million	Total liabilities HK$ million
Ports and Related Services	11,591	14,867	4,535	30,993
Retail	27,748	7,056	10,900	45,704
Infrastructure	7,236	24,551	615	32,402
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*32,856*	*16,319*	*3,935*	*53,110*
Hutchison Telecommunications Hong Kong Holdings	*1,835*	*2,249*	*123*	*4,207*
Corporate and Others	*1,105*	*44,428*	*26*	*45,559*
	35,796	62,996	4,084	102,876
Finance & Investments and Others	8,642	198,493	4,462	211,597
	91,013	307,963	24,596	423,572
IFRS 16 impact	66,865	(1,225)	(858)	64,782
	157,878	306,738	23,738	488,354

	Total liabilities				
	1 January 2023				
	Segment liabilities [xix] HK$ million	Current & non-current borrowings [xx] and other non-current liabilities HK$ million	Liabilities directly associated with assets classified as held for sale HK$ million	Current & deferred tax liabilities HK$ million	Total liabilities HK$ million
Ports and Related Services	10,948	14,604	–	4,696	30,248
Retail	24,598	10,531	–	10,619	45,748
Infrastructure	7,338	28,416	–	556	36,310
Telecommunications					
CK Hutchison Group Telecom					
3 Group Europe	*37,008*	*14,989*	*207*	*3,393*	*55,597*
Hutchison Telecommunications Hong Kong Holdings	*1,808*	*2,371*	–	*50*	*4,229*
Corporate and Others	*777*	*50,923*	–	*11*	*51,711*
	39,593	68,283	207	3,454	111,537
Finance & Investments and Others	10,660	198,023	–	4,860	213,543
	93,137	319,857	207	24,185	437,386
IFRS 16 impact	64,781	(1,065)	920	(894)	63,742
	157,918	318,792	1,127	23,291	501,128

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(viii) An analysis of revenue by geographical locations

	Revenue [xviii]			
	Six months ended 30 June 2025			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Hong Kong	**13,942**	**2,143**	**16,085**	**7%**
Mainland China	**8,398**	**3,800**	**12,198**	**5%**
The People's Republic of China	**22,340**	**5,943**	**28,283**	**12%**
Europe	**79,278**	**48,540**	**127,818**	**53%**
Canada	**42**	**1,606**	**1,648**	**1%**
Asia, Australia and Others	**30,327**	**8,000**	**38,327**	**16%**
	109,647	**58,146**	**167,793**	**70%**
	131,987	**64,089**	**196,076**	**82%**
Finance & Investments and Others	**7,143**	**37,444**	**44,587**	**18%**
	139,130	**101,533**	**240,663****	**100%**

	Revenue [xviii]			
	Six months ended 30 June 2024			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Hong Kong	14,016	2,255	16,271	7%
Mainland China	8,482	3,405	11,887	5%
The People's Republic of China	22,498	5,660	28,158	12%
Europe	77,539	39,767	117,306	50%
Canada	102	1,646	1,748	1%
Asia, Australia and Others	27,854	8,029	35,883	16%
	105,495	49,442	154,937	67%
	127,993	55,102	183,095	79%
Finance & Investments and Others	8,458	41,091	49,549	21%
	136,451	96,193	232,644**	100%

	Revenue [xviii]			
	Six months ended 30 June 2023			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Hong Kong	14,768	2,184	16,952	8%
Mainland China	10,873	3,809	14,682	6%
The People's Republic of China	25,641	5,993	31,634	14%
Europe	73,664	37,232	110,896	50%
Canada	119	1,854	1,973	1%
Asia, Australia and Others	25,756	7,524	33,280	14%
	99,539	46,610	146,149	65%
	125,180	52,603	177,783	79%
Finance & Investments and Others	8,197	37,887	46,084	21%
	133,377	90,490	223,867**	100%

** see note 6(b)(i) for reconciliation of segment revenue to revenue presented in the consolidated income statement.

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(ix) An analysis of EBITDA by geographical locations

	EBITDA (LBITDA) [xiv]			
	Six months ended 30 June 2025			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Hong Kong	**395**	**819**	**1,214**	**3%**
Mainland China	**272**	**1,228**	**1,500**	**3%**
The People's Republic of China	**667**	**2,047**	**2,714**	**6%**
Europe	**5,994**	**13,034**	**19,028**	**43%**
Canada	**61**	**960**	**1,021**	**2%**
Asia, Australia and Others	**6,944**	**4,351**	**11,295**	**25%**
	12,999	**18,345**	**31,344**	**70%**
	13,666	**20,392**	**34,058**	**76%**
Finance & Investments and Others	**1,384**	**9,556**	**10,940**	**24%**
	15,050	**29,948**	**44,998**##	**100%**

	EBITDA (LBITDA) [xiv]			
	Six months ended 30 June 2024			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Hong Kong	445	883	1,328	3%
Mainland China	301	1,077	1,378	3%
The People's Republic of China	746	1,960	2,706	6%
Europe	15,933	10,566	26,499	51%
Canada	99	975	1,074	2%
Asia, Australia and Others	6,925	4,234	11,159	20%
	22,957	15,775	38,732	73%
	23,703	17,735	41,438	79%
Finance & Investments and Others	1,512	9,251	10,763	21%
	25,215	26,986	52,201##	100%

	EBITDA (LBITDA) [xiv]			
	Six months ended 30 June 2023			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Hong Kong	657	823	1,480	3%
Mainland China	1,103	1,237	2,340	5%
The People's Republic of China	1,760	2,060	3,820	8%
Europe	14,036	9,858	23,894	48%
Canada	126	1,102	1,228	2%
Asia, Australia and Others	5,874	3,786	9,660	19%
	20,036	14,746	34,782	69%
	21,796	16,806	38,602	77%
Finance & Investments and Others	3,372	8,296	11,668	23%
	25,168	25,102	50,270##	100%

see note 6(b)(ii) for reconciliation of segment EBITDA to EBITDA included in the consolidated income statement.

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(x) An analysis of EBIT by geographical locations

	EBIT (LBIT) [xv]			
	Six months ended 30 June 2025			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Hong Kong	**(513)**	**349**	**(164)**	**-1%**
Mainland China	**(71)**	**844**	**773**	**4%**
The People's Republic of China	**(584)**	**1,193**	**609**	**3%**
Europe	**(4,226)**	**8,578**	**4,352**	**22%**
Canada	**60**	**623**	**683**	**3%**
Asia, Australia and Others	**5,787**	**2,576**	**8,363**	**41%**
	1,621	**11,777**	**13,398**	**66%**
	1,037	**12,970**	**14,007**	**69%**
Finance & Investments and Others	**1,279**	**5,201**	**6,480**	**31%**
	2,316	**18,171**	**20,487 @@**	**100%**

	EBIT (LBIT) [xv]			
	Six months ended 30 June 2024			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Hong Kong	(275)	425	150	1%
Mainland China	(67)	702	635	2%
The People's Republic of China	(342)	1,127	785	3%
Europe	5,739	7,302	13,041	45%
Canada	99	637	736	3%
Asia, Australia and Others	5,697	2,507	8,204	28%
	11,535	10,446	21,981	76%
	11,193	11,573	22,766	79%
Finance & Investments and Others	1,250	4,827	6,077	21%
	12,443	16,400	28,843 @@	100%

	EBIT (LBIT) [xv]			
	Six months ended 30 June 2023			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Hong Kong	(106)	358	252	1%
Mainland China	648	851	1,499	5%
The People's Republic of China	542	1,209	1,751	6%
Europe	4,069	6,889	10,958	39%
Canada	126	768	894	3%
Asia, Australia and Others	4,668	2,199	6,867	26%
	8,863	9,856	18,719	68%
	9,405	11,065	20,470	74%
Finance & Investments and Others	3,113	4,221	7,334	26%
	12,518	15,286	27,804 @@	100%

@@ see note 6(b)(iii) for reconciliation of segment EBIT to EBIT included in the consolidated income statement.

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xi) An analysis of capital expenditure by geographical locations

	Capital expenditure [xxi]			
	Six months ended 30 June 2025			
	Fixed assets HK$ million	Telecom-munications licences HK$ million	Brand names and other rights HK$ million	Total HK$ million
Hong Kong	**316**	**–**	**–**	**316**
Mainland China	**81**	**–**	**–**	**81**
The People's Republic of China	**397**	**–**	**–**	**397**
Europe	**6,342**	**–**	**861**	**7,203**
Asia, Australia and Others	**964**	**–**	**8**	**972**
	7,306	**–**	**869**	**8,175**
	7,703	**–**	**869**	**8,572**
Finance & Investments and Others	**108**	**–**	**–**	**108**
	7,811	**–**	**869**	**8,680**
IFRS 16 impact	**(92)**	**–**	**–**	**(92)**
	7,719	**–**	**869**	**8,588**

	Capital expenditure [xxi]			
	Six months ended 30 June 2024			
	Fixed assets HK$ million	Telecom-munications licences HK$ million	Brand names and other rights HK$ million	Total HK$ million
Hong Kong	352	–	–	352
Mainland China	191	–	–	191
The People's Republic of China	543	–	–	543
Europe	7,059	59	749	7,867
Asia, Australia and Others	1,213	–	2	1,215
	8,272	59	751	9,082
	8,815	59	751	9,625
Finance & Investments and Others	120	1	–	121
	8,935	60	751	9,746
IFRS 16 impact	(118)	–	–	(118)
	8,817	60	751	9,628

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xi) An analysis of capital expenditure by geographical locations (continued)

	Capital expenditure [xxi]			
	Six months ended 30 June 2023			
	Fixed assets	Telecom-munications licences	Brand names and other rights	Total
	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	471	–	–	471
Mainland China	135	–	–	135
The People's Republic of China	606	–	–	606
Europe	7,146	1,005	643	8,794
Asia, Australia and Others	2,032	–	2	2,034
	9,178	1,005	645	10,828
	9,784	1,005	645	11,434
Finance & Investments and Others	134	4	4	142
	9,918	1,009	649	11,576
IFRS 16 impact	(172)	–	–	(172)
	9,746	1,009	649	11,404

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xii) An analysis of total assets by geographical locations

	Total assets			
	30 June 2025			
	Segment assets [xix]	Deferred tax assets	Investments in associated companies and interests in joint ventures	Total assets
	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	**41,401**	**288**	**8,839**	**50,528**
Mainland China	**27,081**	**477**	**15,123**	**42,681**
The People's Republic of China	**68,482**	**765**	**23,962**	**93,209**
Europe	**416,070**	**3,998**	**173,498**	**593,566**
Canada	**4,788**	**–**	**11,221**	**16,009**
Asia, Australia and Others	**117,331**	**736**	**57,273**	**175,340**
	538,189	**4,734**	**241,992**	**784,915**
	606,671	**5,499**	**265,954**	**878,124**
Finance & Investments and Others	**117,324**	**66**	**90,003**	**207,393**
	723,995	**5,565**	**355,957**	**1,085,517**
IFRS 16 impact	**52,692**	**1,825**	**(2,448)**	**52,069**
	776,687	**7,390**	**353,509**	**1,137,586**

	Total assets			
	31 December 2024			
	Segment assets [xix]	Deferred tax assets	Investments in associated companies and interests in joint ventures	Total assets
	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	47,825	287	10,631	58,743
Mainland China	29,076	570	15,298	44,944
The People's Republic of China	76,901	857	25,929	103,687
Europe	432,453	14,787	119,130	566,370
Canada	4,969	1	10,980	15,950
Asia, Australia and Others	116,084	710	54,677	171,471
	553,506	15,498	184,787	753,791
	630,407	16,355	210,716	857,478
Finance & Investments and Others	121,400	68	85,603	207,071
	751,807	16,423	296,319	1,064,549
IFRS 16 impact	48,532	1,717	(2,256)	47,993
	800,339	18,140	294,063	1,112,542

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xii) An analysis of total assets by geographical locations (continued)

	Total assets			
	31 December 2023			
	Segment assets[xix]	Deferred tax assets	Investments in associated companies and interests in joint ventures	Total assets
	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	48,053	161	10,656	58,870
Mainland China	33,223	688	15,184	49,095
The People's Republic of China	81,276	849	25,840	107,965
Europe	444,041	17,614	117,538	579,193
Canada	4,333	2	12,329	16,664
Asia, Australia and Others	124,636	808	57,060	182,504
	573,010	18,424	186,927	778,361
	654,286	19,273	212,767	886,326
Finance & Investments and Others	131,868	64	89,124	221,056
	786,154	19,337	301,891	1,107,382
IFRS 16 impact	51,700	1,737	(1,916)	51,521
	837,854	21,074	299,975	1,158,903

	Total assets				
	1 January 2023				
	Segment assets[xix]	Deferred tax assets	Assets classified as held for sale	Investments in associated companies and interests in joint ventures	Total assets
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	52,247	79	–	10,708	63,034
Mainland China	37,850	765	–	17,209	55,824
The People's Republic of China	90,097	844	–	27,917	118,858
Europe	420,785	15,512	5,178	106,525	548,000
Canada	4,169	3	–	12,238	16,410
Asia, Australia and Others	136,133	538	–	57,457	194,128
	561,087	16,053	5,178	176,220	758,538
	651,184	16,897	5,178	204,137	877,396
Finance & Investments and Others	133,457	57	–	87,030	220,544
	784,641	16,954	5,178	291,167	1,097,940
IFRS 16 impact	49,919	1,555	918	(1,895)	50,497
	834,560	18,509	6,096	289,272	1,148,437

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before losses from major transaction activities and other one-off items by segments and geographical locations

The Group's EBITDA and EBIT for the six months ended 30 June 2025 included the losses attributable to shareholders from the disposal of interests in the Group's telecommunications business in the United Kingdom (the "UK") that completed in May 2025 of HK$9,915 million and related impact of HK$1,007 million, totalling HK$10,922 million (see note 6(b)(xvi)).

An analysis by segments of EBITDA before losses from major transaction activities and other one-off items:

	EBITDA (LBITDA) (xiv)			
	Six months ended 30 June 2025			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
EBITDA before one-off items				
Ports and Related Services	**6,684**	**2,035**	**8,719**	**16%**
Retail	**5,402**	**2,572**	**7,974**	**14%**
Infrastructure	**767**	**14,798**	**15,565**	**28%**
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	***10,847***	***969***	***11,816***	***21%***
Hutchison Telecommunications Hong Kong Holdings	***621***	***25***	***646***	***1%***
Corporate and Others	***705***	***(7)***	***698***	***1%***
	12,173	**987**	**13,160**	**23%**
Finance & Investments and Others	**946**	**9,556**	**10,502**	**19%**
	25,972	**29,948**	**55,920**	**100%**
One-off items				
Loss from disposal of telecommunications business in UK and related impact (xvi)	**(10,922)**	**–**	**(10,922)**	
	15,050	**29,948**	**44,998**##	

	EBITDA (LBITDA) (xiv)			
	Six months ended 30 June 2024			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
EBITDA before one-off items				
Ports and Related Services	6,183	1,755	7,938	15%
Retail	4,874	2,215	7,089	14%
Infrastructure	1,144	13,535	14,679	28%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*10,828*	*215*	*11,043*	*21%*
Hutchison Telecommunications Hong Kong Holdings	*591*	*28*	*619*	*1%*
Corporate and Others	*83*	*(13)*	*70*	*–*
	11,502	230	11,732	22%
Finance & Investments and Others	1,512	9,251	10,763	21%
	25,215	26,986	52,201	100%
One-off items	–	–	–	
	25,215	26,986	52,201##	

see note 6(b)(ii) for reconciliation of segment EBITDA to EBITDA included in the consolidated income statement.

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before losses from major transaction activities and other one-off items by segments and geographical locations (continued)

An analysis by segments of EBITDA before losses from major transaction activities and other one-off items (continued):

	EBITDA (LBITDA) [xiv]			
	Six months ended 30 June 2023			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
EBITDA before one-off items				
Ports and Related Services	4,690	1,832	6,522	13%
Retail	5,210	1,846	7,056	14%
Infrastructure	1,738	12,943	14,681	29%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*10,104*	*156*	*10,260*	*21%*
Hutchison Telecommunications Hong Kong Holdings	*583*	*31*	*614*	*1%*
Corporate and Others	*(529)*	*(2)*	*(531)*	*-1%*
	10,158	185	10,343	21%
Finance & Investments and Others [xvii]	3,372	8,296	11,668	23%
	25,168	25,102	50,270	100%
One-off items	–	–	–	
	25,168	25,102	50,270 [##]	

An analysis by geographical locations of EBITDA before losses from major transaction activities and other one-off items:

	EBITDA (LBITDA) [xiv]			
	Six months ended 30 June 2025			
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**Total HK$ million**	**%**
EBITDA before one-off items				
Hong Kong	**395**	**819**	**1,214**	**2%**
Mainland China	**272**	**1,228**	**1,500**	**3%**
The People's Republic of China	**667**	**2,047**	**2,714**	**5%**
Europe	**17,354**	**13,034**	**30,388**	**54%**
Canada	**61**	**960**	**1,021**	**2%**
Asia, Australia and Others	**6,944**	**4,351**	**11,295**	**20%**
	24,359	**18,345**	**42,704**	**76%**
	25,026	**20,392**	**45,418**	**81%**
Finance & Investments and Others	**946**	**9,556**	**10,502**	**19%**
	25,972	**29,948**	**55,920**	**100%**
One-off items				
Loss from disposal of telecommunications business in UK and related impact [xvi]	**(10,922)**	**–**	**(10,922)**	
	15,050	**29,948**	**44,998 [##]**	

see note 6(b)(ii) for reconciliation of segment EBITDA to EBITDA included in the consolidated income statement.

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before losses from major transaction activities and other one-off items by segments and geographical locations (continued)

An analysis by geographical locations of EBITDA before losses from major transaction activities and other one-off items (continued):

	EBITDA (LBITDA) [xiv]			
	Six months ended 30 June 2024			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
EBITDA before one-off items				
Hong Kong	445	883	1,328	3%
Mainland China	301	1,077	1,378	3%
The People's Republic of China	746	1,960	2,706	6%
Europe	15,933	10,566	26,499	51%
Canada	99	975	1,074	2%
Asia, Australia and Others	6,925	4,234	11,159	20%
	22,957	15,775	38,732	73%
	23,703	17,735	41,438	79%
Finance & Investments and Others	1,512	9,251	10,763	21%
	25,215	26,986	52,201	100%
One-off items	–	–	–	
	25,215	26,986	52,201 ##	

	EBITDA (LBITDA) [xiv]			
	Six months ended 30 June 2023			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
EBITDA before one-off items				
Hong Kong	657	823	1,480	3%
Mainland China	1,103	1,237	2,340	5%
The People's Republic of China	1,760	2,060	3,820	8%
Europe	14,036	9,858	23,894	48%
Canada	126	1,102	1,228	2%
Asia, Australia and Others	5,874	3,786	9,660	19%
	20,036	14,746	34,782	69%
	21,796	16,806	38,602	77%
Finance & Investments and Others [xvii]	3,372	8,296	11,668	23%
	25,168	25,102	50,270	100%
One-off items	–	–	–	
	25,168	25,102	50,270 ##	

see note 6(b)(ii) for reconciliation of segment EBITDA to EBITDA included in the consolidated income statement.

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before losses from major transaction activities and other one-off items by segments and geographical locations (continued)

An analysis by segments of EBIT before losses from major transaction activities and other one-off items:

	EBIT (LBIT) [xv]			
	Six months ended 30 June 2025			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
EBIT before one-off items				
Ports and Related Services	**5,217**	**1,291**	**6,508**	**21%**
Retail	**4,112**	**2,068**	**6,180**	**20%**
Infrastructure	**628**	**9,533**	**10,161**	**32%**
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	***1,658***	***79***	***1,737***	***6%***
Hutchison Telecommunications Hong Kong Holdings	***78***	***6***	***84***	**–**
Corporate and Others	***704***	***(7)***	***697***	***2%***
	2,440	**78**	**2,518**	**8%**
Finance & Investments and Others	**841**	**5,201**	**6,042**	**19%**
	13,238	**18,171**	**31,409**	**100%**
One-off items				
Loss from disposal of telecommunications business in UK and related impact [xvi]	**(10,922)**	**–**	**(10,922)**	
	2,316	**18,171**	**20,487** [@@]	

	EBIT (LBIT) [xv]			
	Six months ended 30 June 2024			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
EBIT before one-off items				
Ports and Related Services	4,748	1,037	5,785	20%
Retail	3,640	1,793	5,433	19%
Infrastructure	1,011	8,715	9,726	34%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*1,659*	*34*	*1,693*	*6%*
Hutchison Telecommunications Hong Kong Holdings	*53*	*7*	*60*	–
Corporate and Others	*82*	*(13)*	*69*	–
	1,794	28	1,822	6%
Finance & Investments and Others	1,250	4,827	6,077	21%
	12,443	16,400	28,843	100%
One-off items	–	–	–	
	12,443	16,400	28,843 [@@]	

@@ see note 6(b)(iii) for reconciliation of segment EBIT to EBIT included in the consolidated income statement.

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before losses from major transaction activities and other one-off items by segments and geographical locations (continued)

An analysis by segments of EBIT before losses from major transaction activities and other one-off items (continued):

	EBIT (LBIT) [xv]			
	Six months ended 30 June 2023			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
EBIT before one-off items				
Ports and Related Services	3,258	1,092	4,350	16%
Retail	3,928	1,492	5,420	20%
Infrastructure	1,594	8,447	10,041	36%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	*1,115*	*28*	*1,143*	*4%*
Hutchison Telecommunications Hong Kong Holdings	*41*	*8*	*49*	*–*
Corporate and Others	*(531)*	*(2)*	*(533)*	*-2%*
	625	34	659	2%
Finance & Investments and Others [xvii]	3,113	4,221	7,334	26%
	12,518	15,286	27,804	100%
One-off items	–	–	–	
	12,518	15,286	27,804 [@@]	

An analysis by geographical locations of EBIT before losses from major transaction activities and other one-off items:

	EBIT (LBIT) [xv]			
	Six months ended 30 June 2025			
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**Total HK$ million**	**%**
EBIT before one-off items				
Hong Kong	**(513)**	**349**	**(164)**	**-1%**
Mainland China	**(71)**	**844**	**773**	**2%**
The People's Republic of China	**(584)**	**1,193**	**609**	**1%**
Europe	**7,134**	**8,578**	**15,712**	**51%**
Canada	**60**	**623**	**683**	**2%**
Asia, Australia and Others	**5,787**	**2,576**	**8,363**	**27%**
	12,981	**11,777**	**24,758**	**80%**
	12,397	**12,970**	**25,367**	**81%**
Finance & Investments and Others	**841**	**5,201**	**6,042**	**19%**
	13,238	**18,171**	**31,409**	**100%**
One-off items				
Loss from disposal of telecommunications business in UK and related impact [xvi]	**(10,922)**	**–**	**(10,922)**	
	2,316	**18,171**	**20,487 [@@]**	

@@ see note 6(b)(iii) for reconciliation of segment EBIT to EBIT included in the consolidated income statement.

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before losses from major transaction activities and other one-off items by segments and geographical locations (continued)

An analysis by geographical locations of EBIT before losses from major transaction activities and other one-off items (continued):

	EBIT (LBIT) [xv]			
	Six months ended 30 June 2024			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
EBIT before one-off items				
Hong Kong	(275)	425	150	1%
Mainland China	(67)	702	635	2%
The People's Republic of China	(342)	1,127	785	3%
Europe	5,739	7,302	13,041	45%
Canada	99	637	736	3%
Asia, Australia and Others	5,697	2,507	8,204	28%
	11,535	10,446	21,981	76%
	11,193	11,573	22,766	79%
Finance & Investments and Others	1,250	4,827	6,077	21%
	12,443	16,400	28,843	100%
One-off items	–	–	–	
	12,443	16,400	28,843 [@@]	

	EBIT (LBIT) [xv]			
	Six months ended 30 June 2023			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
EBIT before one-off items				
Hong Kong	(106)	358	252	1%
Mainland China	648	851	1,499	5%
The People's Republic of China	542	1,209	1,751	6%
Europe	4,069	6,889	10,958	39%
Canada	126	768	894	3%
Asia, Australia and Others	4,668	2,199	6,867	26%
	8,863	9,856	18,719	68%
	9,405	11,065	20,470	74%
Finance & Investments and Others [xvii]	3,113	4,221	7,334	26%
	12,518	15,286	27,804	100%
One-off items	–	–	–	
	12,518	15,286	27,804 [@@]	

@@ see note 6(b)(iii) for reconciliation of segment EBIT to EBIT included in the consolidated income statement.

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiv) EBITDA (LBITDA) represents the EBITDA (LBITDA) of the Company and subsidiary companies as well as the Group's share of the EBITDA (LBITDA) of associated companies and joint ventures except for HPH Trust which is included based on the Group's effective share of EBITDA for this operation. EBITDA (LBITDA) is defined as earnings (losses) before interest expenses and other finance costs, tax, depreciation and amortisation. Information concerning EBITDA (LBITDA) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of gross cash flow generation. The Group considers EBITDA (LBITDA) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBITDA (LBITDA) is therefore presented as a measure of segment results in accordance with IFRS 8. EBITDA (LBITDA) is not a measure of cash liquidity or financial performance under IFRS and the EBITDA (LBITDA) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBITDA (LBITDA) should not necessarily be construed as an alternative to cash flows or results from operations as determined in accordance with IFRS.

(xv) EBIT (LBIT) represents the EBIT (LBIT) of the Company and subsidiary companies as well as the Group's share of the EBIT (LBIT) of associated companies and joint ventures except for HPH Trust which is included based on the Group's effective share of EBIT for this operation. EBIT (LBIT) is defined as earnings (losses) before interest expenses and other finance costs and tax. Information concerning EBIT (LBIT) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of results from operations. The Group considers EBIT (LBIT) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBIT (LBIT) is therefore presented as a measure of segment results in accordance with IFRS 8. EBIT (LBIT) is not a measure of financial performance under IFRS and the EBIT (LBIT) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBIT (LBIT) should not necessarily be construed as an alternative to results from operations as determined in accordance with IFRS.

(xvi) The merger transaction to combine the Group's and Vodafone Group's respective telecommunications operations in the UK was completed on 31 May 2025. Immediately following completion **3** UK and its subsidiaries have ceased as subsidiaries of the Group and have been de-consolidated from the consolidated financial statements of the Company, and the combined business, named VodafoneThree, is 51% owned by Vodafone and 49% by the Group. This transaction is accounted for in these consolidated financial statements as a disposal of the Group's entire interest in **3** UK and concurrently an acquisition of a 49% interest in the combined business which is accounted for as an associated company (see note 17). Included in the balance of the current period is the profit and loss effects arising from the disposal of **3** UK, including loss on disposal of HK$9,915 million (HK$9,462 million at Post-IFRS 16 basis) and related impacts of HK$1,007 million (HK$1,007 million at Post-IFRS 16 basis) such as legal and professional fees arising from the merger transaction. These amounts are at the EBITDA and EBIT levels. In the consolidated income statement, these amounts are reported under the Post-IFRS 16 basis, the loss on disposal of HK$9,462 million is reported in "Other expenses and losses" (see note 7) and the related impacts of HK$732 million, HK$258 million and HK$17 million are included in legal and professional fees, staff costs and office and general administrative expenses and others (see note 7), respectively.

(xvii) The 30 June 2023 comparative period balance included a gain on disposal of financial instruments of HK$1,829 million. On 14 June 2023, the Group entered into a warrant repurchase agreement with Cenovus Energy, under which the Group sold 26.3 million Cenovus Energy share warrants to Cenovus Energy for a total consideration of approximately C$410 million. Before their disposal, these share warrants, as hedging instrument in a cash flow hedge, were measured at fair value through other comprehensive income and reported under "Finance & Investments and Others" in the segment information note and under other non-current assets in the consolidated statement of financial position. The disposal had resulted in a gain (after reclassification adjustments of hedging gains to profit or loss) of approximately HK$1,829 million (HK$1,829 million at Post-IFRS 16 basis) in the comparative period. In the comparative period, this gain was reported under "Finance & Investments and Others" in the segment results and under "Other income and gains" in the consolidated income statement.

6 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xviii) The geographical location of customers is based on the location at which the services were provided or goods delivered. Hong Kong is the location of principal place of business of the Company.

(xix) Segment assets and segment liabilities

Segment assets are assets other than deferred tax assets and investments in associated companies and interests in joint ventures.

Segment liabilities are liabilities other than bank and other debts, interest bearing loans from non-controlling shareholders, tax liabilities (including deferred tax liabilities) and other non-current liabilities.

See note 6(b)(vi) and 6(b)(vii) for reconciliation of segment assets and segment liabilities from Pre-IFRS 16 basis to Post-IFRS 16 basis.

Geographical analysis of the Group's non-current assets (based on Post-IFRS 16 basis) other than financial instruments, deferred tax assets and post-employment benefit assets is as follows:

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	**66,014**	73,423	72,857	76,195
Mainland China	**53,626**	54,341	57,362	63,398
The People's Republic of China	**119,640**	127,764	130,219	139,593
Europe	**543,672**	513,988	523,476	487,612
Canada	**62,337**	59,958	62,643	59,262
Asia, Australia and Others	**192,077**	185,897	197,955	193,888
	798,086	759,843	784,074	740,762
	917,726	887,607	914,293	880,355

The geographical location of these specified non-current assets is based on the physical location of the asset (for fixed assets, right-of-use assets and other operating assets), the location of the operation in which they are allocated (for intangible assets and goodwill), and the location of operations (for associated companies and interests in joint ventures).

(xx) Current and non-current borrowings comprise bank and other debts and interest bearing loans from non-controlling shareholders.

(xxi) For the purpose of segmental information analysis, expenditures incurred for leases are not regarded as capital expenditures.

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics

(i) Consolidated Income Statement

	Six months ended 30 June 2025		
	Pre-IFRS 16 basis	Effect on adoption of IFRS 16	Post-IFRS 16 basis
	HK$ million	HK$ million	HK$ million
Revenue	139,130	–	139,130
Cost of inventories sold	(53,636)	14	(53,622)
Staff costs	(21,727)	–	(21,727)
Expensed customer acquisition and retention costs	(6,290)	162	(6,128)
Depreciation and amortisation	(12,734)	(7,128)	(19,862)
Other expenses and losses	(42,861)	8,418	(34,443)
Other income and gains	434	453	887
Share of profits less losses of:			
Associated companies	4,741	(15)	4,726
Joint ventures	5,211	(90)	5,121
	12,268	1,814	14,082
Interest expenses and other finance costs	(4,830)	(1,491)	(6,321)
Profit before tax	7,438	323	7,761
Current tax charge	(1,944)	–	(1,944)
Deferred tax charge	(1,414)	52	(1,362)
Profit after tax	4,080	375	4,455
Profit attributable to non-controlling interests	(3,640)	37	(3,603)
Profit attributable to ordinary shareholders	440	412	852
Earnings per share for profit attributable to ordinary shareholders	HK$ 0.11	HK$ 0.11	HK$ 0.22

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(i) Consolidated Income Statement (continued)

	Six months ended 30 June 2024		
	Pre-IFRS 16 basis	Effect on adoption of IFRS 16	Post-IFRS 16 basis
	HK$ million	HK$ million	HK$ million
Revenue	136,451	–	136,451
Cost of inventories sold	(50,837)	14	(50,823)
Staff costs	(20,539)	–	(20,539)
Expensed customer acquisition and retention costs	(7,663)	192	(7,471)
Depreciation and amortisation	(12,772)	(7,054)	(19,826)
Other expenses and losses	(32,613)	8,262	(24,351)
Other income and gains	416	50	466
Share of profits less losses of:			
Associated companies	3,938	(30)	3,908
Joint ventures	4,745	(112)	4,633
	21,126	1,322	22,448
Interest expenses and other finance costs	(5,342)	(1,288)	(6,630)
Profit before tax	15,784	34	15,818
Current tax charge	(2,063)	–	(2,063)
Deferred tax charge	(197)	(1)	(198)
Profit after tax	13,524	33	13,557
Profit attributable to non-controlling interests and holders of perpetual capital securities	(3,332)	(20)	(3,352)
Profit attributable to ordinary shareholders	10,192	13	10,205
Earnings per share for profit attributable to ordinary shareholders	HK$ 2.66	–	HK$ 2.66

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(i) Consolidated Income Statement (continued)

	Six months ended 30 June 2023		
	Pre-IFRS 16 basis	Effect on adoption of IFRS 16	Post-IFRS 16 basis
	HK$ million	HK$ million	HK$ million
Revenue	133,377	–	133,377
Cost of inventories sold	(51,139)	18	(51,121)
Staff costs	(19,445)	–	(19,445)
Expensed customer acquisition and retention costs	(7,199)	194	(7,005)
Depreciation and amortisation	(12,650)	(7,025)	(19,675)
Other expenses and losses	(32,560)	8,237	(24,323)
Other income and gains	2,134	–	2,134
Share of profits less losses of:			
Associated companies	4,100	(20)	4,080
Joint ventures	3,722	(2)	3,720
	20,340	1,402	21,742
Interest expenses and other finance costs	(4,462)	(1,225)	(5,687)
Profit before tax	15,878	177	16,055
Current tax charge	(1,573)	–	(1,573)
Deferred tax credit	189	9	198
Profit after tax	14,494	186	14,680
Profit attributable to non-controlling interests and holders of perpetual capital securities	(3,151)	13	(3,138)
Profit attributable to ordinary shareholders	11,343	199	11,542
Earnings per share for profit attributable to ordinary shareholders	HK$ 2.96	HK$ 0.05	HK$ 3.01

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(ii) Consolidated Statement of Comprehensive Income

	Six months ended 30 June 2025		
	Pre-IFRS 16 basis	Effect on adoption of IFRS 16	Post-IFRS 16 basis
	HK$ million	HK$ million	HK$ million
Profit after tax	4,080	375	4,455
Other comprehensive income (losses)			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments at fair value through other comprehensive income	219	–	219
Remeasurement of defined benefit obligations	(105)	–	(105)
Share of other comprehensive income of associated companies	31	–	31
Share of other comprehensive income of joint ventures	196	–	196
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	(38)	–	(38)
	303	–	303
Items that may be reclassified to profit or loss			
Changes in fair value of debt instruments at fair value through other comprehensive income	113	–	113
Exchange gains on translation of foreign operations	24,428	(654)	23,774
Reserves reclassified to profit or loss	(6,480)	–	(6,480)
Losses on cash flow hedges	(17)	–	(17)
Losses on net investment hedges	(3,700)	–	(3,700)
Share of other comprehensive income of associated companies	4,668	(19)	4,649
Share of other comprehensive income of joint ventures	9,227	(68)	9,159
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	1	–	1
	28,240	(741)	27,499
Other comprehensive income, net of tax	28,543	(741)	27,802
Total comprehensive income	32,623	(366)	32,257
Total comprehensive income attributable to non-controlling interests	(7,133)	293	(6,840)
Total comprehensive income attributable to ordinary shareholders	25,490	(73)	25,417

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(ii) Consolidated Statement of Comprehensive Income (continued)

	Six months ended 30 June 2024		
	Pre-IFRS 16 basis	Effect on adoption of IFRS 16	Post-IFRS 16 basis
	HK$ million	HK$ million	HK$ million
Profit after tax	13,524	33	13,557
Other comprehensive income (losses)			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments at fair value through other comprehensive income	(377)	–	(377)
Remeasurement of defined benefit obligations	498	–	498
Share of other comprehensive income (losses) of associated companies	(116)	–	(116)
Share of other comprehensive income (losses) of joint ventures	(910)	–	(910)
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	(112)	–	(112)
	(1,017)	–	(1,017)
Items that may be reclassified to profit or loss			
Changes in fair value of debt instruments at fair value through other comprehensive income	19	–	19
Exchange losses on translation of foreign operations	(4,843)	467	(4,376)
Losses on cash flow hedges	(27)	–	(27)
Gains on net investment hedges	635	–	635
Share of other comprehensive income (losses) of associated companies	(2,081)	(60)	(2,141)
Share of other comprehensive income (losses) of joint ventures	(2,346)	10	(2,336)
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	2	–	2
	(8,641)	417	(8,224)
Other comprehensive income (losses), net of tax	(9,658)	417	(9,241)
Total comprehensive income	3,866	450	4,316
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	(1,941)	(171)	(2,112)
Total comprehensive income attributable to ordinary shareholders	1,925	279	2,204

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(ii) Consolidated Statement of Comprehensive Income (continued)

	Six months ended 30 June 2023		
	Pre-IFRS 16 basis	Effect on adoption of IFRS 16	Post-IFRS 16 basis
	HK$ million	HK$ million	HK$ million
Profit after tax	14,494	186	14,680
Other comprehensive income (losses)			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments at fair value through other comprehensive income	605	–	605
Remeasurement of defined benefit obligations	101	–	101
Share of other comprehensive income (losses) of associated companies	(539)	–	(539)
Share of other comprehensive income of joint ventures	94	–	94
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	(36)	–	(36)
	225	–	225
Items that may be reclassified to profit or loss			
Changes in fair value of debt instruments at fair value through other comprehensive income	(4)	–	(4)
Exchange gains on translation of foreign operations	9,211	(270)	8,941
Losses on cash flow hedges	(1,145)	–	(1,145)
Losses on net investment hedges	(1,378)	–	(1,378)
Reclassification adjustments for hedging gains included in profit or loss	(1,735)	–	(1,735)
Share of other comprehensive income of associated companies	2,594	(7)	2,587
Share of other comprehensive income of joint ventures	4,203	(22)	4,181
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	(1)	–	(1)
	11,745	(299)	11,446
Other comprehensive income, net of tax	11,970	(299)	11,671
Total comprehensive income	26,464	(113)	26,351
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	(4,410)	86	(4,324)
Total comprehensive income attributable to ordinary shareholders	22,054	(27)	22,027

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(iii) Consolidated Statement of Financial Position

	30 June 2025		
	Pre-IFRS 16 basis HK$ million	Effect on adoption of IFRS 16 HK$ million	Post-IFRS 16 basis HK$ million
Non-current assets			
Fixed assets	97,280	(881)	96,399
Right-of-use assets	–	60,547	60,547
Leasehold land	5,554	(5,554)	–
Telecommunications licences	48,930	–	48,930
Brand names and other rights	77,712	–	77,712
Goodwill	273,906	–	273,906
Associated companies	186,021	(892)	185,129
Interests in joint ventures	169,936	(1,556)	168,380
Deferred tax assets	5,565	1,825	7,390
Liquid funds and other listed investments	7,655	–	7,655
Other non-current assets	12,172	631	12,803
	884,731	54,120	938,851
Current assets			
Cash and cash equivalents	129,613	–	129,613
Inventories	27,228	–	27,228
Trade receivables and other current assets	43,945	(2,051)	41,894
	200,786	(2,051)	198,735
Current liabilities			
Bank and other debts	19,092	(31)	19,061
Current tax liabilities	1,633	(1)	1,632
Lease liabilities	–	14,036	14,036
Trade payables and other current liabilities	84,407	(1,546)	82,861
	105,132	12,458	117,590
Net current assets	95,654	(14,509)	81,145
Total assets less current liabilities	980,385	39,611	1,019,996
Non-current liabilities			
Bank and other debts	235,962	(68)	235,894
Interest bearing loans from non-controlling shareholders	3,932	–	3,932
Lease liabilities	–	54,131	54,131
Deferred tax liabilities	18,007	(714)	17,293
Pension obligations	3,289	–	3,289
Other non-current liabilities	30,301	(709)	29,592
	291,491	52,640	344,131
Net assets	688,894	(13,029)	675,865
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	317,050	(9,062)	307,988
Total ordinary shareholders' funds	563,852	(9,062)	554,790
Non-controlling interests	125,042	(3,967)	121,075
Total equity	688,894	(13,029)	675,865

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(iii) Consolidated Statement of Financial Position (continued)

	31 December 2024		
	Pre-IFRS 16 basis	Effect on adoption of IFRS 16	Post-IFRS 16 basis
	HK$ million	HK$ million	HK$ million
Non-current assets			
Fixed assets	113,994	(2,217)	111,777
Right-of-use assets	–	57,589	57,589
Leasehold land	5,443	(5,443)	–
Telecommunications licences	63,869	–	63,869
Brand names and other rights	79,241	–	79,241
Goodwill	267,325	–	267,325
Associated companies	140,713	(858)	139,855
Interests in joint ventures	155,606	(1,398)	154,208
Deferred tax assets	16,423	1,717	18,140
Liquid funds and other listed investments	8,142	–	8,142
Other non-current assets	19,589	614	20,203
	870,345	50,004	920,349
Current assets			
Cash and cash equivalents	121,303	–	121,303
Inventories	24,923	–	24,923
Trade receivables and other current assets	47,978	(2,011)	45,967
	194,204	(2,011)	192,193
Current liabilities			
Bank and other debts	31,427	(471)	30,956
Interest bearing loan from a non-controlling shareholder	1,874	–	1,874
Current tax liabilities	3,431	(63)	3,368
Lease liabilities	–	12,142	12,142
Trade payables and other current liabilities	84,097	(1,452)	82,645
	120,829	10,156	130,985
Net current assets	73,375	(12,167)	61,208
Total assets less current liabilities	943,720	37,837	981,557
Non-current liabilities			
Bank and other debts	226,021	(585)	225,436
Interest bearing loans from non-controlling shareholders	1,597	–	1,597
Lease liabilities	–	52,377	52,377
Deferred tax liabilities	18,609	(635)	17,974
Pension obligations	3,197	–	3,197
Other non-current liabilities	29,023	(639)	28,384
	278,447	50,518	328,965
Net assets	665,273	(12,681)	652,592
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	296,847	(8,934)	287,913
Total ordinary shareholders' funds	543,649	(8,934)	534,715
Non-controlling interests	121,624	(3,747)	117,877
Total equity	665,273	(12,681)	652,592

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(iii) Consolidated Statement of Financial Position (continued)

	31 December 2023		
	Pre-IFRS 16 basis	Effect on adoption of IFRS 16	Post-IFRS 16 basis
	HK$ million	HK$ million	HK$ million
Non-current assets			
Fixed assets	121,957	(2,131)	119,826
Right-of-use assets	–	61,198	61,198
Leasehold land	5,958	(5,958)	–
Telecommunications licences	64,264	–	64,264
Brand names and other rights	83,396	–	83,396
Goodwill	271,136	–	271,136
Associated companies	144,375	(737)	143,638
Interests in joint ventures	157,516	(1,179)	156,337
Deferred tax assets	19,337	1,737	21,074
Liquid funds and other listed investments	15,786	–	15,786
Other non-current assets	19,356	506	19,862
	903,081	53,436	956,517
Current assets			
Cash and cash equivalents	127,323	–	127,323
Inventories	24,473	–	24,473
Trade receivables and other current assets	52,505	(1,915)	50,590
	204,301	(1,915)	202,386
Current liabilities			
Bank and other debts	58,785	(461)	58,324
Current tax liabilities	4,215	(49)	4,166
Lease liabilities	–	13,616	13,616
Trade payables and other current liabilities	87,477	(1,058)	86,419
	150,477	12,048	162,525
Net current assets	53,824	(13,963)	39,861
Total assets less current liabilities	956,905	39,473	996,378
Non-current liabilities			
Bank and other debts	214,362	(764)	213,598
Interest bearing loans from non-controlling shareholders	3,245	–	3,245
Lease liabilities	–	54,307	54,307
Deferred tax liabilities	20,381	(809)	19,572
Pension obligations	3,536	–	3,536
Other non-current liabilities	31,571	–	31,571
	273,095	52,734	325,829
Net assets	683,810	(13,261)	670,549
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	306,629	(9,396)	297,233
Total ordinary shareholders' funds	553,431	(9,396)	544,035
Perpetual capital securities	4,566	–	4,566
Non-controlling interests	125,813	(3,865)	121,948
Total equity	683,810	(13,261)	670,549

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(iii) Consolidated Statement of Financial Position (continued)

	1 January 2023		
	Pre-IFRS 16 basis	Effect on adoption of IFRS 16	Post-IFRS 16 basis
	HK$ million	HK$ million	HK$ million
Non-current assets			
Fixed assets	114,564	(1,914)	112,650
Right-of-use assets	–	59,337	59,337
Leasehold land	6,129	(6,129)	–
Telecommunications licences	60,689	–	60,689
Brand names and other rights	83,694	–	83,694
Goodwill	268,008	–	268,008
Associated companies	141,475	(764)	140,711
Interests in joint ventures	149,692	(1,131)	148,561
Deferred tax assets	16,954	1,555	18,509
Liquid funds and other listed investments	16,103	–	16,103
Other non-current assets	15,358	542	15,900
	872,666	51,496	924,162
Current assets			
Cash and cash equivalents	138,085	–	138,085
Inventories	23,283	–	23,283
Trade receivables and other current assets	58,728	(1,917)	56,811
	220,096	(1,917)	218,179
Assets classified as held for sale	5,178	918	6,096
	225,274	(999)	224,275
Current liabilities			
Bank and other debts	70,430	(300)	70,130
Current tax liabilities	4,040	(39)	4,001
Lease liabilities	–	12,128	12,128
Trade payables and other current liabilities	90,407	(1,278)	89,129
	164,877	10,511	175,388
Liabilities directly associated with assets classified as held for sale	207	920	1,127
	165,084	11,431	176,515
Net current assets	60,190	(12,430)	47,760
Total assets less current liabilities	932,856	39,066	971,922
Non-current liabilities			
Bank and other debts	214,963	(767)	214,196
Interest bearing loans from non-controlling shareholders	2,567	–	2,567
Lease liabilities	–	53,931	53,931
Deferred tax liabilities	20,145	(855)	19,290
Pension obligations	2,730	–	2,730
Other non-current liabilities	31,897	2	31,899
	272,302	52,311	324,613
Net assets	660,554	(13,245)	647,309
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	286,167	(9,456)	276,711
Total ordinary shareholders' funds	532,969	(9,456)	523,513
Perpetual capital securities	4,561	–	4,561
Non-controlling interests	123,024	(3,789)	119,235
Total equity	660,554	(13,245)	647,309

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows

	Six months ended 30 June 2025		
	Pre-IFRS 16 basis	Effect on adoption of IFRS 16	Post-IFRS 16 basis
	HK$ million	HK$ million	HK$ million
	(A)		(B)
Operating activities			
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	28,350	8,568	36,918
Interest expenses and other finance costs paid (net of capitalisation)	(4,761)	(1,491)	(6,252)
Tax paid	(2,792)	–	(2,792)
Funds from operations (Funds from operations under (B) is before principal elements of lease payments)	20,797	7,077	27,874
Changes in working capital	2,463	624	3,087
Net cash from operating activities	23,260	7,701	30,961
Investing activities			
Purchase of fixed assets	(7,811)	92	(7,719)
Additions to brand names and other rights	(869)	–	(869)
Additions to unlisted investments	(59)	–	(59)
Repayments of loans from associated companies and joint ventures	317	–	317
Purchase of and advances to associated companies and joint ventures	(492)	–	(492)
Proceeds from disposal of fixed assets	21	–	21
Proceeds from disposal of subsidiary companies, net of cash disposed	14,902	–	14,902
Proceeds from partial disposal/disposal of associated companies and joint ventures	926	–	926
Proceeds from disposal of other unlisted investments	14	–	14
Cash flows from investing activities before additions to / disposal of liquid funds and other listed investments	6,949	92	7,041
Disposal of liquid funds and other listed investments	926	–	926
Additions to liquid funds and other listed investments	(88)	–	(88)
Cash flows from investing activities	7,787	92	7,879
Net cash inflow before financing activities	31,047	7,793	38,840
Financing activities			
New borrowings	25,922	(90)	25,832
Repayment of borrowings	(39,769)	253	(39,516)
Principal elements of lease payments	–	(7,956)	(7,956)
Net loans to non-controlling shareholders	(8)	–	(8)
Issue of equity securities by subsidiary companies to non-controlling shareholders	56	–	56
Payments to acquire additional interests in subsidiary companies	(223)	–	(223)
Dividends paid to ordinary shareholders	(5,799)	–	(5,799)
Dividends paid to non-controlling interests	(2,916)	–	(2,916)
Cash flows used in financing activities	(22,737)	(7,793)	(30,530)
Increase in cash and cash equivalents	8,310	–	8,310
Cash and cash equivalents at 1 January	121,303	–	121,303
Cash and cash equivalents at 30 June	129,613	–	129,613

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows (continued)

	Six months ended 30 June 2025		
	Pre-IFRS 16 basis	Effect on adoption of IFRS 16	Post-IFRS 16 basis
	HK$ million	HK$ million	HK$ million
	(A)		(B)
Analysis of cash, liquid funds and other listed investments at 30 June			
Cash and cash equivalents, as above	129,613	–	129,613
Liquid funds and other listed investments	7,655	–	7,655
Total cash, liquid funds and other listed investments	137,268	–	137,268
Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	256,589	(99)	256,490
Interest bearing loans from non-controlling shareholders	3,932	–	3,932
Net debt	123,253	(99)	123,154
Interest bearing loans from non-controlling shareholders	(3,932)	–	(3,932)
Net debt (excluding interest bearing loans from non-controlling shareholders)	119,321	(99)	119,222

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows (continued)

	Six months ended 30 June 2024		
	Pre-IFRS 16 basis	Effect on adoption of IFRS 16	Post-IFRS 16 basis
	HK$ million	HK$ million	HK$ million
	(A)		(B)
Operating activities			
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	28,746	8,289	37,035
Interest expenses and other finance costs paid (net of capitalisation)	(5,279)	(1,288)	(6,567)
Tax paid	(2,274)	–	(2,274)
Funds from operations (Funds from operations under (B) is before principal elements of lease payments)	21,193	7,001	28,194
Changes in working capital	(5,346)	117	(5,229)
Net cash from operating activities	15,847	7,118	22,965
Investing activities			
Purchase of fixed assets	(8,935)	118	(8,817)
Additions to telecommunications licences	(60)	–	(60)
Additions to brand names and other rights	(751)	–	(751)
Purchase of subsidiary companies, net of cash acquired	(10)	–	(10)
Additions to unlisted investments	(22)	–	(22)
Repayments of loans from associated companies and joint ventures	350	–	350
Purchase of and advances to associated companies and joint ventures	(1,604)	–	(1,604)
Proceeds from disposal of fixed assets	115	–	115
Proceeds from disposal of subsidiary companies, net of cash disposed	333	–	333
Proceeds from partial disposal / disposal of associated companies and joint ventures	179	–	179
Proceeds from disposal of other unlisted investments	262	–	262
Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments	(10,143)	118	(10,025)
Disposal of liquid funds and other listed investments	3,297	–	3,297
Additions to liquid funds and other listed investments	(75)	–	(75)
Cash flows used in investing activities	(6,921)	118	(6,803)
Net cash inflow before financing activities	8,926	7,236	16,162
Financing activities			
New borrowings	32,448	(107)	32,341
Repayment of borrowings	(20,058)	241	(19,817)
Principal elements of lease payments	–	(7,370)	(7,370)
Net loans to non-controlling shareholders	(21)	–	(21)
Issue of equity securities by subsidiary companies to non-controlling shareholders	27	–	27
Redemption of perpetual capital securities	(4,180)	–	(4,180)
Dividends paid to ordinary shareholders	(6,798)	–	(6,798)
Dividends paid to non-controlling interests	(5,906)	–	(5,906)
Distributions paid on perpetual capital securities	(162)	–	(162)
Cash flows used in financing activities	(4,650)	(7,236)	(11,886)
Increase in cash and cash equivalents	4,276	–	4,276
Cash and cash equivalents at 1 January	127,323	–	127,323
Cash and cash equivalents at 30 June	131,599	–	131,599

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows (continued)

	Six months ended 30 June 2024		
	Pre-IFRS 16 basis	Effect on adoption of IFRS 16	Post-IFRS 16 basis
	HK$ million	HK$ million	HK$ million
	(A)		(B)
Analysis of cash, liquid funds and other listed investments at 30 June			
Cash and cash equivalents, as above	131,599	–	131,599
Liquid funds and other listed investments	11,477	–	11,477
Total cash, liquid funds and other listed investments	143,076	–	143,076
Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	280,835	(1,092)	279,743
Interest bearing loans from non-controlling shareholders	3,141	–	3,141
Net debt	140,900	(1,092)	139,808
Interest bearing loans from non-controlling shareholders	(3,141)	–	(3,141)
Net debt (excluding interest bearing loans from non-controlling shareholders)	137,759	(1,092)	136,667

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows (continued)

	Six months ended 30 June 2023		
	Pre-IFRS 16 basis	Effect on adoption of IFRS 16	Post-IFRS 16 basis
	HK$ million	HK$ million	HK$ million
	(A)		(B)
Operating activities			
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	27,137	8,416	35,553
Interest expenses and other finance costs paid (net of capitalisation)	(4,396)	(1,225)	(5,621)
Tax paid	(1,760)	–	(1,760)
Funds from operations (Funds from operations under (B) is before principal elements of lease payments)	20,981	7,191	28,172
Changes in working capital	(7,140)	159	(6,981)
Net cash from operating activities	13,841	7,350	21,191
Investing activities			
Purchase of fixed assets	(9,918)	172	(9,746)
Additions to telecommunications licences	(1,009)	–	(1,009)
Additions to brand names and other rights	(649)	–	(649)
Purchase of subsidiary companies, net of cash acquired	(79)	–	(79)
Additions to unlisted investments	(39)	–	(39)
Repayments of loans from associated companies and joint ventures	2,241	–	2,241
Purchase of and advances to associated companies and joint ventures	(95)	–	(95)
Proceeds from disposal of fixed assets	19	–	19
Proceeds from disposal of subsidiary companies, net of cash disposed	2,563	–	2,563
Proceeds from disposal of joint ventures	723	–	723
Proceeds from disposal of other unlisted investments	74	–	74
Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments	(6,169)	172	(5,997)
Disposal of liquid funds and other listed investments	15	–	15
Additions to liquid funds and other listed investments	(65)	–	(65)
Cash flows used in investing activities	(6,219)	172	(6,047)
Net cash inflow before financing activities	7,622	7,522	15,144
Financing activities			
New borrowings	38,294	(172)	38,122
Repayment of borrowings	(44,162)	150	(44,012)
Principal elements of lease payments	–	(7,500)	(7,500)
Net loans to non-controlling shareholders	(30)	–	(30)
Dividends paid to ordinary shareholders	(7,989)	–	(7,989)
Dividends paid to non-controlling interests	(2,913)	–	(2,913)
Distributions paid on perpetual capital securities	(167)	–	(167)
Cash flows used in financing activities	(16,967)	(7,522)	(24,489)
Decrease in cash and cash equivalents	(9,345)	–	(9,345)
Cash and cash equivalents at 1 January	138,085	–	138,085
Cash and cash equivalents at 30 June	128,740	–	128,740

6 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows (continued)

	Six months ended 30 June 2023		
	Pre-IFRS 16 basis	Effect on adoption of IFRS 16	Post-IFRS 16 basis
	HK$ million	HK$ million	HK$ million
	(A)		(B)
Analysis of cash, liquid funds and other listed investments at 30 June			
Cash and cash equivalents, as above	128,740	–	128,740
Liquid funds and other listed investments	17,995	–	17,995
Total cash, liquid funds and other listed investments	146,735	–	146,735
Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	285,928	(1,162)	284,766
Interest bearing loans from non-controlling shareholders	2,549	–	2,549
Net debt	141,742	(1,162)	140,580
Interest bearing loans from non-controlling shareholders	(2,549)	–	(2,549)
Net debt (excluding interest bearing loans from non-controlling shareholders)	139,193	(1,162)	138,031

7 Presentation of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains

This note provides additional details in respect of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains.

	Six months ended 30 June		
	2025	2024	2023
	HK$ million	HK$ million	HK$ million
Cost of goods sold: [a]			
included in "Cost of inventories sold"	**53,622**	50,823	51,121
included in "Expensed customer acquisition and retention costs"	**3,195**	4,413	4,311
	56,817	55,236	55,432
Depreciation and amortisation: [b]			
Fixed assets (see note 12)	**8,403**	8,554	8,489
Right-of-use assets (see note 13(b))	**7,413**	7,330	7,293
Telecommunications licences (see note 14)	**463**	444	477
Brand names and other rights (see note 15)	**1,608**	1,586	1,626
Customer acquisition and retention costs (see note 21(a))	**1,975**	1,912	1,790
	19,862	19,826	19,675
Other expenses and losses:			
Cost of providing services [c]	**14,921**	15,066	14,597
Office and general administrative expenses and others	**4,714**	4,272	4,719
Expenses relating to short-term leases (see note 13(b))	**351**	468	217
Expenses relating to leases of low-value assets that are not short-term leases (see note 13(b))	**179**	262	275
Expenses relating to variable lease payments not included in lease liabilities (see note 13(b))	**1,096**	1,041	1,180
Advertising and promotion expenses	**2,183**	2,292	2,321
Legal and professional fees	**1,510**	937	944
Loss on disposal of fixed assets	**24**	–	70
Loss on disposal of subsidiary companies [d]	**9,462**	–	–
Loss on disposal of associated companies and joint ventures	**3**	13	–
	34,443	24,351	24,323
Other income and gains:			
Gains on disposal of subsidiary companies (see note 32(d))	**–**	364	74
Gains on disposals of associated companies and joint ventures	**–**	–	226
A gain on disposal of financial instruments (see note 6(b)(xvii))	**–**	–	1,829
Gains on note buybacks	**883**	–	–
Others	**4**	102	5
	887	466	2,134

(a) The Group's cost of goods sold for the period amounted to HK$53,622 million (30 June 2024: HK$50,823 million; 30 June 2023: HK$51,121 million), comprising: Retail segment of HK$48,685 million (30 June 2024: HK$45,437 million; 30 June 2023: HK$45,188 million), Infrastructure segment of HK$642 million (30 June 2024: HK$716 million; 30 June 2023: HK$918 million), Telecommunications segment of HK$962 million (30 June 2024: HK$940 million; 30 June 2023: HK$1,054 million) and Finance & Investments and Others segment of HK$3,333 million (30 June 2024: HK$3,730 million; 30 June 2023: HK$3,961 million).

(b) See note 6(b)(iv) for contribution by segments.

7 Presentation of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains (continued)

(c) The Group incurred service provision costs of HK$14,921 million (30 June 2024: HK$15,066 million; 30 June 2023: HK$14,597 million), comprising: (i) telecommunication network related costs of HK$9,533 million (30 June 2024: HK$9,640 million; 30 June 2023: HK$9,510 million), (ii) repair and maintenance of HK$2,116 million (30 June 2024: HK$2,129 million; 30 June 2023: HK$2,051 million) and (iii) other costs of HK$3,272 million (30 June 2024: HK$3,297 million; 30 June 2023: HK$3,036 million). By segment, these costs were allocated as: Ports and Related Services: HK$3,525 million (30 June 2024: HK$3,283 million; 30 June 2023: HK$3,069 million), Retail: HK$147 million (30 June 2024: HK$157 million; 30 June 2023: HK$144 million), Infrastructure: HK$383 million (30 June 2024: HK$566 million; 30 June 2023: HK$587 million), Telecommunications: HK$10,624 million (30 June 2024: HK$10,813 million; 30 June 2023: HK$10,578 million) and Finance & Investments and Others: HK$242 million (30 June 2024: HK$247 million; 30 June 2023: HK$219 million).

(d) The merger transaction to combine the Group's and Vodafone Group's respective telecommunications operations in the UK was completed on 31 May 2025. Immediately following completion, **3** UK and its subsidiaries have ceased as subsidiaries of the Group and have been de-consolidated from the consolidated financial statements of the Company and the combined business, named VodafoneThree, is 51% owned by Vodafone and 49% by the Group.

This transaction is accounted for in these consolidated financial statements as a disposal of the Group's entire interest in **3** UK and concurrently an acquisition of a 49% interest in the combined business. The loss on disposal of subsidiary companies for the current period reported above represents the loss on de-recognition of **3** UK and its subsidiaries from the consolidated financial statements of the Company.

8 Interest expenses and other finance costs

	Six months ended 30 June		
	2025	2024	2023
	HK$ million	HK$ million	HK$ million
Bank loans and overdrafts	**1,818**	2,433	1,937
Other loans	**1**	2	2
Notes and bonds	**2,805**	2,723	2,408
Interest bearing loans from non-controlling shareholders	**74**	83	52
Other finance costs	**55**	26	78
Amortisation of loan facilities fees and premiums or discounts relating to debts	**119**	117	119
Other non-cash interest adjustments [(a)]	**(50)**	(54)	(53)
	4,822	5,330	4,543
Less: interest capitalised	**(13)**	(11)	(100)
Interest on lease liabilities (see note 13(b))	**1,512**	1,311	1,244
	6,321	6,630	5,687

(a) Other non-cash interest adjustments represent amortisation of acquisition-date fair value adjustments relating to debts of HK$161 million (30 June 2024: HK$171 million; 30 June 2023: HK$170 million) net with accretion expense associated with an increase in the present value of certain obligations over time.

9 Tax

	Six months ended 30 June		
	2025	2024	2023
	HK$ million	HK$ million	HK$ million
Current tax charge			
Hong Kong	**70**	18	25
Outside Hong Kong	**1,874**	2,045	1,548
	1,944	2,063	1,573
Deferred tax charge (credit)			
Hong Kong	**(1)**	(6)	7
Outside Hong Kong	**1,363**	204	(205)
	1,362	198	(198)
	3,306	2,261	1,375

The Group's profits are taxed at different rates depending on the country or territory in which the profits arise.

Hong Kong profits tax has been provided for at the rate of 16.5% (30 June 2024: 16.5%; 30 June 2023: 16.5%) on the estimated assessable profits less estimated available tax losses. Tax outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses.

The Group is within the scope of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development. Pillar Two legislation has been enacted and is in effect in certain jurisdictions where the Group operates, as of 30 June 2025. Based on the Group's assessment for the six-month period ended 30 June 2025 and the information currently available, the overall impact of Pillar Two rules on the Group's income tax position – including current tax – is not material. The Group will continue to monitor developments in Pillar Two legislation across relevant jurisdictions and assess the potential future impact on its financial statements.

Furthermore, in accordance with the IAS 12, the Group applies the mandatory exception from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

10 Earnings per share for profit attributable to ordinary shareholders

The calculation of earnings per share is based on profit attributable to ordinary shareholders of the Company of HK$852 million (30 June 2024: HK$10,205 million; 30 June 2023: HK$11,542 million) and 3,830,044,500 shares in issue during the six months ended 30 June 2025 (30 June 2024: 3,830,044,500 shares; 30 June 2023: 3,830,044,500 shares).

The Company and its subsidiary companies do not have a share option scheme or other dilutive potential ordinary shares as at 30 June 2025, 30 June 2024 and 30 June 2023. Certain of the Company's associated companies have employee share options outstanding as at 30 June 2025, 30 June 2024 and 30 June 2023. The employee share options of these associated companies outstanding as at 30 June 2025, 30 June 2024 and 30 June 2023 did not have a dilutive effect on earnings per share.

11 Distributions and dividends

(a) Distribution paid on perpetual capital securities

	Six months ended 30 June		
	2025	2024	2023
	HK$ million	HK$ million	HK$ million
Distribution paid on perpetual capital securities	**–**	162	167

11 Distributions and dividends (continued)

(b) Dividends

	Six months ended 30 June		
	2025	2024	2023
	HK$ million	HK$ million	HK$ million
Interim dividend, declared of HK$0.710 per share (30 June 2024: HK$0.688 per share; 30 June 2023: HK$0.756 per share)	**2,719**	2,635	2,896

In addition, final dividend in respect of the year 2024 of HK$1.514 per share totalling HK$5,799 million (2023: HK$1.775 per share totalling HK$6,798 million; 2022: HK$2.086 per share totalling HK$7,989 million) was approved and paid during the current period.

12 Fixed assets

	Land and buildings	Telecom-munications network assets	Other assets	Total
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**
At 1 January 2023				
Cost	28,981	70,505	88,835	188,321
Accumulated depreciation and impairment	(7,210)	(30,943)	(37,518)	(75,671)
	21,771	39,562	51,317	112,650
At 31 December 2023				
Cost	30,939	82,238	98,779	211,956
Accumulated depreciation and impairment	(8,366)	(39,701)	(44,063)	(92,130)
	22,573	42,537	54,716	119,826
At 31 December 2024				
Cost	31,124	82,209	94,310	207,643
Accumulated depreciation and impairment	(8,927)	(43,028)	(43,911)	(95,866)
	22,197	39,181	50,399	111,777
Six months ended 30 June 2025				
Net book value at 1 January 2025	**22,197**	**39,181**	**50,399**	**111,777**
Additions	**226**	**1,393**	**6,100**	**7,719**
Disposals	**(1)**	**(6)**	**(34)**	**(41)**
Relating to subsidiaries disposed (see note 32(d))	**(205)**	**(4,611)**	**(19,512)**	**(24,328)**
Depreciation charge for the period	**(564)**	**(3,973)**	**(3,866)**	**(8,403)**
Transfer between categories	**(110)**	**2,609**	**(2,499)**	**–**
Exchange translation differences	**1,355**	**4,464**	**3,856**	**9,675**
Net book value at 30 June 2025	**22,898**	**39,057**	**34,444**	**96,399**
At 30 June 2025				
Cost	**32,202**	**78,395**	**75,023**	**185,620**
Accumulated depreciation and impairment	**(9,304)**	**(39,338)**	**(40,579)**	**(89,221)**
	22,898	**39,057**	**34,444**	**96,399**

13 Leases

(a) Group as a lessee – amounts recognised in the consolidated statement of financial position

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Right-of-use assets				
Container terminals	**16,531**	14,818	15,312	15,225
Retail stores	**20,820**	19,924	20,653	20,715
Telecommunications network infrastructure sites	**13,384**	12,956	14,688	13,085
Leasehold land	**5,554**	5,443	5,958	6,129
Other assets	**4,258**	4,448	4,587	4,183
	60,547	57,589	61,198	59,337
Lease liabilities				
Current	**14,036**	12,142	13,616	12,128
Non-current	**54,131**	52,377	54,307	53,931
	68,167	64,519	67,923	66,059

Additions to the right-of-use assets and lease liabilities during the period ended 30 June 2025 were HK$7,574 million (30 June 2024: HK$3,229 million; 30 June 2023: HK$5,858 million) and HK$7,570 million (30 June 2024: HK$3,220 million; 30 June 2023: HK$5,858 million), respectively.

(b) Group as a lessee – additional disclosures

	Six months ended 30 June		
	2025	2024	2023
	HK$ million	HK$ million	HK$ million
Depreciation charge of right-of-use assets (included in "Depreciation and amortisation")	**7,413**	7,330	7,293
Interest on lease liabilities (included in "Interest expenses and other finance costs")	**1,512**	1,311	1,244
Expenses relating to short-term leases (included in "Other expenses and losses")	**351**	468	217
Expenses relating to leases of low-value assets that are not short-term leases (included in "Other expenses and losses")	**179**	262	275
Expenses relating to variable lease payments not included in lease liabilities (included in "Other expenses and losses")	**1,096**	1,041	1,180

14 Telecommunications licences

	HK$ million
At 1 January 2023	
Cost	67,054
Accumulated amortisation and impairment	(6,365)
	60,689
At 31 December 2023	
Cost	71,396
Accumulated amortisation and impairment	(7,132)
	64,264
At 31 December 2024	
Cost	71,600
Accumulated amortisation and impairment	(7,731)
	63,869
Six months ended 30 June 2025	
Net book value at 1 January 2025	**63,869**
Amortisation for the period	**(463)**
Relating to subsidiaries disposed (see note 32(d))	**(21,121)**
Exchange translation differences	**6,645**
Net book value at 30 June 2025	**48,930**
At 30 June 2025	
Cost	**57,779**
Accumulated amortisation and impairment	**(8,849)**
	48,930

The Group's telecommunications licences in Italy with a carrying value of HK$39,236 million (31 December 2024: UK and Italy of HK$19,737 million and HK$31,704 million respectively; 31 December 2023: UK and Italy of HK$19,914 million and HK$33,781 million respectively; 1 January 2023: UK and Italy of HK$18,924 million and HK$32,527 million respectively) are considered to have an indefinite useful life. These telecommunications licences have been allocated to the Telecommunications segment.

15 Brand names and other rights

	Brand names HK$ million	Other rights HK$ million	Total HK$ million
At 1 January 2023			
Cost	66,985	31,825	98,810
Accumulated amortisation and impairment	(86)	(15,030)	(15,116)
	66,899	16,795	83,694
At 31 December 2023			
Cost	68,148	34,120	102,268
Accumulated amortisation and impairment	(94)	(18,778)	(18,872)
	68,054	15,342	83,396
At 31 December 2024			
Cost	66,661	32,660	99,321
Accumulated amortisation and impairment	(102)	(19,978)	(20,080)
	66,559	12,682	79,241
Six months ended 30 June 2025			
Net book value at 1 January 2025	**66,559**	**12,682**	**79,241**
Additions	**–**	**869**	**869**
Amortisation for the period	**(5)**	**(1,603)**	**(1,608)**
Relating to subsidiaries disposed (see note 32(d))	**(5,212)**	**(71)**	**(5,283)**
Exchange translation differences	**3,182**	**1,311**	**4,493**
Net book value at 30 June 2025	**64,524**	**13,188**	**77,712**
At 30 June 2025			
Cost	**64,635**	**37,209**	**101,844**
Accumulated amortisation and impairment	**(111)**	**(24,021)**	**(24,132)**
	64,524	**13,188**	**77,712**

Brand names considered to have an indefinite useful life are not subject to amortisation. The carrying value of brand names with indefinite useful life at 30 June 2025 of HK$50,400 million (31 December 2024: HK$49,181 million; 31 December 2023: HK$49,730 million; 1 January 2023: HK$49,294 million) and HK$13,977 million (31 December 2024: HK$17,235 million; 31 December 2023: HK$18,156 million; 1 January 2023: HK$17,424 million) has been allocated to Retail segment and the Telecommunications segment respectively.

Other rights, primarily include operating and service content rights, and resource consents and customer lists. These rights are amortised over their finite useful lives. At 30 June 2025, the carrying value of these rights amounted to HK$8,954 million (31 December 2024: HK$8,423 million; 31 December 2023: HK$9,773 million; 1 January 2023: HK$10,433 million) and HK$4,234 million (31 December 2024: HK$4,259 million; 31 December 2023: HK$5,569 million; 1 January 2023: HK$6,362 million) respectively.

16 Goodwill

	HK$ million
At 1 January 2023	
Cost	293,070
Accumulated impairment	(25,062)
	268,008
At 31 December 2023	
Cost	297,159
Accumulated impairment	(26,023)
	271,136
At 31 December 2024	
Cost	291,757
Accumulated impairment	(24,432)
	267,325
Six months ended 30 June 2025	
Net book value at 1 January 2025	**267,325**
Relating to subsidiaries disposed (see note 32(d))	**(3,528)**
Exchange translation differences	**10,109**
Net book value at 30 June 2025	**273,906**
At 30 June 2025	
Cost	**301,397**
Accumulated impairment	**(27,491)**
	273,906

As at 30 June 2025, the carrying amount of goodwill has been mainly allocated to Telecommunications segment of HK$87,666 million (31 December 2024: HK$81,085 million; 31 December 2023: HK$84,897 million; 1 January 2023: HK$81,771 million), Retail segment of HK$114,095 million (31 December 2024: HK$114,095 million; 31 December 2023: HK$114,099 million; 1 January 2023: HK$114,098 million), and Infrastructure segment of HK$39,129 million (31 December 2024: HK$39,129 million; 31 December 2023: HK$39,123 million; 1 January 2023: HK$39,123 million).

17 Associated companies

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Unlisted shares	**51,959**	11,193	9,071	9,071
Listed shares, Hong Kong	**62,919**	62,919	62,919	62,919
Listed shares, outside Hong Kong	**79,593**	80,612	80,837	81,012
Share of undistributed post acquisition reserves	**(9,713)**	(16,005)	(12,081)	(15,264)
	184,758	138,719	140,746	137,738
Amounts due from (net with amounts due to) associated companies [(a)]	**371**	1,136	2,892	2,973
	185,129	139,855	143,638	140,711

The current period balance includes an addition of a 49% interest in VodafoneThree which the Group received following the completion of the merger transaction to combine the Group's and Vodafone Group's respective telecommunications operations in the UK on 31 May 2025. The value of the Group's 49% interest in VodafoneThree was determined at HK$40,766 million, based on the average valuation of five independent mid-point valuation analyses (see note 32(d)).

The market value of the above listed investments at 30 June 2025 was HK$110,764 million (31 December 2024: HK$111,361 million; 31 December 2023: HK$112,390 million; 1 January 2023: HK$117,220 million), inclusive of HK$32,705 million (31 December 2024: HK$37,292 million; 31 December 2023: HK$41,370 million; 1 January 2023: HK$47,735 million) and HK$38,682 million (31 December 2024: HK$41,598 million; 31 December 2023: HK$34,614 million; 1 January 2023: HK$32,811 million) for Cenovus Energy and Power Assets Holdings Limited ("Power Assets") respectively.

There are no material contingent liabilities relating to the Group's interests in associated companies, save for those disclosed in note 35.

(a) Amounts due from (net with amounts due to) associated companies

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Amounts due from associated companies [(i)]				
Interest free	**2,143**	428	410	398
Interest bearing at fixed rates [(ii)]	**741**	839	2,618	2,739
Interest bearing at floating rates [(iii)]	**408**	404	407	405
	3,292	1,671	3,435	3,542
Amounts due to associated companies [(iv)]				
Interest free	**2,921**	535	543	569
Amounts due from (net with amounts due to) associated companies	**371**	1,136	2,892	2,973

(i) At 30 June 2025, 31 December 2024, 31 December 2023 and 1 January 2023, the amounts due from associated companies are unsecured and have no fixed terms of repayment.

Amounts due from associated companies are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of the amounts due from associated companies. The expected credit loss was minimal as the amounts were due from companies which the Group has significant influence, and where applicable, including participation in their financial and operating policies, and which are subject to the Group's financial and investment requirements. These amounts had no recent history of default. The Group is not aware of any unfavourable current conditions and forecast future economic conditions existed at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets.

17 Associated companies (continued)

(a) Amounts due from (net with amounts due to) associated companies (continued)

(ii) At 30 June 2025, HK$741 million (31 December 2024: HK$839 million; 31 December 2023: HK$2,618 million; 1 January 2023: HK$2,739 million) bear interests at fixed rates ranging from approximately 4.7% to 11.2% (31 December 2024: 4.7% to 11.2%; 31 December 2023: 4.7% to 11.2%; 1 January 2023: 4.7% to 11.2%) per annum.

(iii) At 30 June 2025, HK$408 million (31 December 2024: HK$404 million; 31 December 2023: HK$407 million; 1 January 2023: HK$405 million) bear interests at floating rates ranging from approximately 4.1% to 5.1% (31 December 2024: 5.0% to 5.8%; 31 December 2023: 6.0% to 6.4%; 1 January 2023: 3.4% to 4.1%) per annum with reference to Euro Interbank Offered Rate ("EURIBOR") and Hong Kong Interbank Offered Rate ("HIBOR"), where applicable.

(iv) At 30 June 2025, 31 December 2024, 31 December 2023 and 1 January 2023, the amounts due to associated companies are unsecured and have no fixed terms of repayment.

18 Interests in joint ventures

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Unlisted shares	**133,682**	133,389	127,116	118,039
Share of undistributed post acquisition reserves	**16,938**	4,136	7,154	1,049
	150,620	137,525	134,270	119,088
Amounts due from (net with amounts due to) joint ventures [(a)]	**17,760**	16,683	22,067	29,473
	168,380	154,208	156,337	148,561

There are no material contingent liabilities relating to the Group's interests in the joint ventures, save for those disclosed in note 35.

(a) Amounts due from (net with amounts due to) joint ventures

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Amounts due from joint ventures [(i)]				
Interest free	**2,412**	2,525	2,239	2,764
Interest bearing at fixed rates [(ii)]	**6,480**	5,972	7,972	9,650
Interest bearing at floating rates [(iii)]	**9,085**	8,456	12,166	17,378
	17,977	16,953	22,377	29,792
Amounts due to joint ventures [(iv)]				
Interest free	**217**	270	310	319
Amounts due from (net with amounts due to) joint ventures	**17,760**	16,683	22,067	29,473

18 Interests in joint ventures (continued)

(a) Amounts due from (net with amounts due to) joint ventures (continued)

(i) At 30 June 2025, 31 December 2024, 31 December 2023 and 1 January 2023, the amounts due from joint ventures are unsecured and have no fixed terms of repayment except for HK$182 million which are repayable within one year (31 December 2024: HK$322 million which are repayable within one year; 31 December 2023: HK$32 million which are repayable within one to two years; 1 January 2023: HK$1,650 million which are repayable within one to three years).

Amounts due from joint ventures are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of the amounts due from joint ventures. The expected credit loss was minimal as the amounts were due from companies which the Group has joint control, and where applicable, including participation in their financial and operating policies, and which are subject to the Group's financial and investment requirements. These amounts had no recent history of default. The Group is not aware of any unfavourable current conditions and forecast future economic conditions existed at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets.

(ii) At 30 June 2025, HK$6,480 million (31 December 2024: HK$5,972 million; 31 December 2023: HK$7,972 million; 1 January 2023: HK$9,650 million) bear interests at fixed rates ranging from approximately 4.2% to 10.0% (31 December 2024: 4.2% to 10.0%; 31 December 2023: 4.4% to 11.0%; 1 January 2023: 4.4% to 11.0%) per annum.

(iii) At 30 June 2025, HK$9,085 million (31 December 2024: HK$8,456 million; 31 December 2023: HK$12,166 million; 1 January 2023: HK$17,378 million) bear interests at floating rates ranging from approximately 3.4% to 7.1% (31 December 2024: 3.7% to 7.7%; 31 December 2023: 4.1% to 8.3%; 1 January 2023: 4.9% to 14.1%) per annum with reference to Australian Bank Bill Swap Reference Rate, EURIBOR, HIBOR and Sterling Overnight Index Average Rate, where applicable.

(iv) At 30 June 2025, 31 December 2024, 31 December 2023 and 1 January 2023, the amounts due to joint ventures are unsecured and have no fixed terms of repayment.

19 Deferred tax

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Deferred tax assets	**7,390**	18,140	21,074	18,509
Deferred tax liabilities	**17,293**	17,974	19,572	19,290
Net deferred tax assets (liabilities)	**(9,903)**	166	1,502	(781)

19 Deferred tax (continued)

Movements in net deferred tax assets (liabilities) are summarised as follows:

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January	**166**	1,502	(781)	3,805
Relating to subsidiaries acquired	**–**	(354)	3	–
Relating to subsidiaries disposed (see note 32(d))	**(9,429)**	35	–	(33)
Transfer to current tax	**40**	(15)	6	(10)
Net credit (charge) to other comprehensive income	**(37)**	(85)	380	(267)
Net credit (charge) to the consolidated income statement				
Tax losses	**(975)**	(1,184)	1,617	337
Accelerated depreciation allowances	**(200)**	(1,005)	(62)	(24)
Fair value adjustments arising from acquisitions	**(228)**	(154)	(551)	(249)
Withholding tax on undistributed profits	**(36)**	49	(48)	(520)
Other temporary differences	**77**	1,766	160	(2,383)
Exchange translation differences	**719**	(389)	778	(1,437)
At period / year end	**(9,903)**	166	1,502	(781)

Analysis of net deferred tax assets (liabilities):

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Tax losses	**4,787**	15,289	16,865	14,703
Accelerated depreciation allowances	**(3,091)**	(3,365)	(2,425)	(2,555)
Fair value adjustments arising from acquisitions	**(13,863)**	(12,492)	(12,268)	(11,625)
Revaluation of investment properties and other investments	**28**	24	20	16
Withholding tax on undistributed profits	**(787)**	(842)	(912)	(875)
Other temporary differences	**3,023**	1,552	222	(445)
	(9,903)	166	1,502	(781)

The Group is subject to income taxes in numerous jurisdictions and significant judgement is required in determining the provision for income taxes. To the extent that dividends distributed from investments in subsidiaries, branches and associated companies, and interests in joint ventures are expected to result in additional taxes, appropriate amounts have been provided for. No deferred tax has been provided for the temporary differences arising from undistributed profits of these companies to the extent that the undistributed profits are considered permanently employed in their businesses and it is probable that such temporary differences will not reverse in the foreseeable future.

The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same fiscal authority.

At 30 June 2025, the Group has recognised accumulated deferred tax assets amounting to HK$7,390 million (31 December 2024: HK$18,140 million; 31 December 2023: HK$21,074 million; 1 January 2023: HK$18,509 million) of which HK$3,336 million (31 December 2024: HK$14,269 million; 31 December 2023: HK$16,973 million; 1 January 2023: HK$15,191 million) relates to **3** Group Europe.

Note 43(b)(v) contains information about the estimates, assumptions and judgements relating to the recognition of deferred tax assets for unutilised tax losses carried forward.

The amounts of unutilised tax losses and deductible temporary differences for which no deferred tax assets is recognised in the consolidated statement of financial position at 30 June 2025 were HK$606,387 million (31 December 2024: HK$502,204 million; 31 December 2023: HK$531,915 million; 1 January 2023: HK$504,116 million) and HK$25,421 million (31 December 2024: HK$25,794 million; 31 December 2023: HK$27,472 million; 1 January 2023: HK$21,289 million), respectively, totalling HK$631,808 million (31 December 2024: HK$527,998 million; 31 December 2023: HK$559,387 million; 1 January 2023: HK$525,405 million). The amounts included balances that are subject to agreement by relevant tax authorities.

20 Liquid funds and other listed investments

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Financial assets at amortised cost				
Managed funds – cash and cash equivalents, outside Hong Kong [(c)]	**47**	34	50	40
Financial assets at fair value through other comprehensive income ("FVOCI") [(d)]				
Listed equity securities, Hong Kong [(e)]	**589**	536	608	608
Listed equity securities, outside Hong Kong [(e)]	**6**	747	8,589	9,096
Managed funds – listed debt securities, outside Hong Kong [(b)(f)]	**7,013**	6,825	6,539	6,359
	7,608	8,108	15,736	16,063
	7,655	8,142	15,786	16,103

(a) At 30 June 2025, liquid funds and other listed investments totalling HK$7,655 million (31 December 2024: HK$8,142 million; 31 December 2023: HK$15,786 million; 1 January 2023: HK$16,103 million) are denominated in the following currencies:

	30 June 2025		31 December 2024	
	Financial assets at amortised cost	**Financial assets at FVOCI**	Financial assets at amortised cost	Financial assets at FVOCI
	Percentage	**Percentage**	Percentage	Percentage
HK dollar	**–**	**8%**	–	7%
US dollar	**100%**	**92%**	100%	84%
Other currencies	**–**	**–**	–	9%
	100%	**100%**	100%	100%

	31 December 2023		1 January 2023	
	Financial assets at amortised cost	Financial assets at FVOCI	Financial assets at amortised cost	Financial assets at FVOCI
	Percentage	Percentage	Percentage	Percentage
HK dollar	–	4%	–	4%
US dollar	100%	42%	60%	39%
Other currencies	–	54%	40%	57%
	100%	100%	100%	100%

20 Liquid funds and other listed investments (continued)

(b) At 30 June 2025, listed debt securities totalling HK$7,013 million (31 December 2024: HK$6,825 million; 31 December 2023: HK$6,539 million; 1 January 2023: HK$6,359 million) presented above are analysed as follows:

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	Financial assets at FVOCI	Financial assets at FVOCI	Financial assets at FVOCI	Financial assets at FVOCI
	Percentage	Percentage	Percentage	Percentage
Credit ratings				
Aaa / AAA	**15%**	15%	14%	12%
Aa1 / AA+	**85%**	85%	86%	87%
Other investment grades	**–**	–	–	1%
	100%	100%	100%	100%
Sectorial				
US Treasury notes	**77%**	74%	72%	73%
Government and government guaranteed notes	**18%**	22%	25%	23%
Others	**5%**	4%	3%	4%
	100%	100%	100%	100%
Weighted average maturity	**2.8 years**	1.1 years	1.8 years	2.6 years
Weighted average effective yield	**3.59%**	2.73%	1.61%	1.54%

(c) "Managed funds – cash and cash equivalents" are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of the "Managed funds – cash and cash equivalents". These amounts were held with reputable financial institutions. The Group controls the credit risk to non-performance by the counterparties, where applicable, through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed. Accordingly, these assets are considered to be of low credit risk.

(d) The fair values are based on quoted market prices.

(e) These equity securities are not investments held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at fair value through other comprehensive income. For the comparative balances as at 31 December 2024, 31 December 2023 and 1 January 2023, the Group had collar agreements with banks to hedge fair values of certain of these listed equity securities (31 December 2024: fair value surplus of HK$14 million was included in current assets; 31 December 2023: fair value deficits of HK$297 million and HK$59 million were included in current and non-current liabilities, respectively; 1 January 2023: fair value surplus of HK$216 million was included in listed equity securities, outside Hong Kong).

(f) "Managed funds – listed debt securities" comprised predominately US Treasury notes and government and government guaranteed notes. All (31 December 2024: All; 31 December 2023: All; 1 January 2023: 99%) of the carrying amount of these assets at 30 June 2025 were rated at Aaa / AAA or Aa1 / AA+. These assets are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was required at the reporting date in respect of these assets.

21 Other non-current assets

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Investment properties	**389**	389	408	408
Customer acquisition and retention costs [(a)]	**3,855**	4,231	4,290	3,660
Contract assets	**1,598**	3,202	3,826	2,095
Unlisted investments				
Financial assets at FVOCI – equity securities [(b)]	**1,944**	1,933	2,189	2,451
Financial assets at fair value through profit or loss – equity securities	**392**	366	369	417
Financial assets at fair value through profit or loss – debt securities	**312**	414	604	555
Pension assets (see note 28)	**2,535**	2,239	1,428	1,311
Derivative financial instruments				
Cash flow hedges				
Interest rate swaps	**–**	–	52	84
Cross currency interest rate swaps	**–**	227	150	132
Other contracts	**–**	–	–	3,081
Net investment hedges – Cross currency swaps	**897**	1,281	572	1,164
Other non-current assets [(c)]	**881**	5,921	5,974	542
	12,803	20,203	19,862	15,900

(a) Customer acquisition and retention costs primarily relate to incremental commission costs incurred to obtain telecommunications contracts with customers. The amount of customer acquisition and retention costs shown above is after deducting the amortisation charged to the current period's consolidated income statement of HK$1,975 million (30 June 2024: HK$1,912 million; 30 June 2023: HK$1,790 million). Further, there was no impairment loss in relation to the cost capitalised. The Group applies the practical expedient in paragraph 94 of IFRS 15, and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the costs that the Group otherwise would have recognised is one year or less.

(b) These equity securities are not investments held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at fair value through other comprehensive income. The Group considered this FVOCI category to be an appropriate classification. Fair value for these investments are determined by using valuation techniques, including discounted cashflow analysis.

(c) Amount mainly represents lease receivables of HK$881 million (31 December 2024: HK$875 million; 31 December 2023: HK$507 million; 1 January 2023: HK$542 million). The remaining balances of comparative years are mainly prepayments of telecommunications annual licences fee of **3** UK.

22 Cash and cash equivalents

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Cash at bank and in hand	**31,883**	26,734	34,000	27,769
Short term bank deposits	**97,730**	94,569	93,323	110,316
	129,613	121,303	127,323	138,085

The carrying amounts of cash and cash equivalents approximate their fair values.

23 Trade receivables and other current assets

	30 June 2025 HK$ million	31 December 2024 HK$ million	31 December 2023 HK$ million	1 January 2023 HK$ million
Trade receivables [a]	**18,375**	18,825	20,264	18,650
Less: loss allowance provision	**(3,382)**	(3,498)	(3,967)	(3,705)
	14,993	15,327	16,297	14,945
Other current assets				
Derivative financial instruments				
Fair value hedges – collar agreements	**–**	14	–	–
Cash flow hedges				
Interest rate swaps	**–**	7	–	153
Cross currency interest rate swaps	**–**	–	–	622
Forward foreign exchange contracts	**–**	5	–	1
Other contracts	**1**	1	26	167
Net investment hedges				
Cross currency interest rate swaps	**–**	–	–	112
Forward foreign exchange contracts	**7**	436	201	44
Cross currency swaps	**–**	79	336	9
Contract assets [b]	**2,040**	3,919	3,754	4,219
Prepayments	**12,662**	13,908	16,361	22,978
Other receivables [c]	**12,093**	12,169	13,491	13,433
Current tax receivables	**98**	102	124	128
	41,894	45,967	50,590	56,811

(a) Trade receivables are stated at the expected recoverable amount, net of any provision for estimated impairment losses where it is deemed that a receivable may not be fully recoverable. The carrying amounts of these assets approximate their fair values.

Trade receivables exposures are managed locally in the operating units where they arise and credit limits are set as deemed appropriate for the customer. The Group's operating units have established credit policies for customers. The average credit period granted for trade receivables ranges from 30 to 60 days. Trade receivables which are past due at the end of the reporting period are stated at the expected recoverable amount, after netting of provision for estimated impairment losses. Given the profile of the Group's customers and the Group's different types of businesses, the Group generally does not hold collateral over these balances.

At the end of the period / year, the ageing analysis of the trade receivables presented based on the invoice date, is as follows:

	30 June 2025 HK$ million	31 December 2024 HK$ million	31 December 2023 HK$ million	1 January 2023 HK$ million
Less than 31 days	**11,362**	11,532	11,996	10,609
Within 31 to 60 days	**1,474**	1,655	1,874	1,704
Within 61 to 180 days	**1,335**	1,504	1,523	1,681
Over 180 days	**4,204**	4,134	4,871	4,656
	18,375	18,825	20,264	18,650

23 Trade receivables and other current assets (continued)

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for trade receivables. The expected credit loss provision rates for trade receivables are based on historical payment profiles and historical credit loss experience, adjusted to reflect, where relevant and appropriate, current and information specific to the debtors, future economic and market conditions and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables that the Group considers are reasonable and appropriate. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The gross carrying amount of the trade receivables and the loss allowance provision analysed by ageing bands are set out below.

	30 June 2025		
	Gross carrying amount	**Loss allowance provision**	**Expected loss rate**
	HK$ million	**HK$ million**	**Percentage**
Not past due	**9,272**	**88**	**1%**
Past due less than 31 days	**3,214**	**46**	**1%**
Past due within 31 to 60 days	**760**	**33**	**4%**
Past due within 61 to 180 days	**1,046**	**95**	**9%**
Past due over 180 days	**4,083**	**3,120**	**76%**
	18,375	**3,382**	

	31 December 2024		
	Gross carrying amount	Loss allowance provision	Expected loss rate
	HK$ million	HK$ million	Percentage
Not past due	9,674	106	1%
Past due less than 31 days	3,114	81	3%
Past due within 31 to 60 days	817	29	4%
Past due within 61 to 180 days	1,215	229	19%
Past due over 180 days	4,005	3,053	76%
	18,825	3,498	

23 Trade receivables and other current assets (continued)

	31 December 2023		
	Gross carrying amount	Loss allowance provision	Expected loss rate
	HK$ million	HK$ million	Percentage
Not past due	9,965	89	1%
Past due less than 31 days	3,501	67	2%
Past due within 31 to 60 days	787	70	9%
Past due within 61 to 180 days	1,291	380	29%
Past due over 180 days	4,720	3,361	71%
	20,264	3,967	

	1 January 2023		
	Gross carrying amount	Loss allowance provision	Expected loss rate
	HK$ million	HK$ million	Percentage
Not past due	9,169	95	1%
Past due less than 31 days	2,918	82	3%
Past due within 31 to 60 days	782	79	10%
Past due within 61 to 180 days	1,312	384	29%
Past due over 180 days	4,469	3,065	69%
	18,650	3,705	

(b) As at 30 June 2025, contract assets of HK$2,040 million (31 December 2024: HK$3,919 million; 31 December 2023: HK$3,754 million; 1 January 2023: HK$4,219 million) and HK$1,598 million (31 December 2024: HK$3,202 million; 31 December 2023: HK$3,826 million; 1 January 2023: HK$2,095 million) are included in "Trade receivables and other current assets" (see above) and "Other non-current assets" (see note 21) respectively. These assets are stated at the expected recoverable amount, after netting of provision for estimated impairment losses of HK$1,370 million (31 December 2024: HK$1,926 million; 31 December 2023: HK$1,637 million; 1 January 2023: HK$1,525 million). The Group measures the loss allowance for its contract assets at an amount equal to the lifetime expected credit losses.

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The Group's historical credit loss experience does not indicate a substantial different loss pattern for contract assets as compared to trade receivables for similar customer bases. The Group makes reference to the expected credit loss provision rates for trade receivables to measure the contract assets' expected credit losses. The rates are adjusted to reflect information specific to the contract assets that may affect the recovery of the carrying amount of the contract assets.

(c) Other receivables are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of other receivables.

24 Bank and other debts

	30 June 2025		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**
Principal amounts			
Bank loans	**6,086**	**87,125**	**93,211**
Other loans	**4**	**70**	**74**
Notes and bonds	**13,010**	**148,393**	**161,403**
	19,100	**235,588**	**254,688**
Unamortised fair value adjustments arising from acquisitions	**–**	**1,802**	**1,802**
Subtotal before the following items	**19,100**	**237,390**	**256,490**
Unamortised loan facilities fees and premiums or discounts related to debts	**(39)**	**(1,496)**	**(1,535)**
	19,061	**235,894**	**254,955**

	31 December 2024		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Principal amounts			
Bank loans	24,896	62,944	87,840
Other loans	4	64	68
Notes and bonds	6,068	162,072	168,140
	30,968	225,080	256,048
Unamortised fair value adjustments arising from acquisitions	–	1,955	1,955
Subtotal before the following items	30,968	227,035	258,003
Unamortised loan facilities fees and premiums or discounts related to debts	(12)	(1,599)	(1,611)
	30,956	225,436	256,392

24 Bank and other debts (continued)

	31 December 2023		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Principal amounts			
Bank loans	24,484	65,036	89,520
Other loans	154	72	226
Notes and bonds	33,755	147,900	181,655
	58,393	213,008	271,401
Unamortised fair value adjustments arising from acquisitions	18	2,275	2,293
Subtotal before the following items	58,411	215,283	273,694
Unamortised loan facilities fees and premiums or discounts related to debts	(87)	(1,685)	(1,772)
	58,324	213,598	271,922

	1 January 2023		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Principal amounts			
Bank loans	40,697	53,806	94,503
Other loans	4	225	229
Notes and bonds	29,505	159,370	188,875
	70,206	213,401	283,607
Unamortised fair value adjustments arising from acquisitions	–	2,623	2,623
Subtotal before the following items	70,206	216,024	286,230
Unamortised loan facilities fees and premiums or discounts related to debts	(76)	(1,828)	(1,904)
	70,130	214,196	284,326

24 Bank and other debts (continued)

Details of the bank and other debts by principal amounts are as follows:

	30 June 2025		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans	6,086	87,125	93,211
Other loans	4	70	74
Notes and bonds			
HK$260 million notes, 4% due 2027	–	260	260
US$500 million notes, 1.5% due 2026	3,900	–	3,900
US$500 million notes, 2.75% due 2026	–	3,900	3,900
US$309 million notes – Series C, 7.5% due 2027	–	2,410	2,410
US$500 million notes, 3.25% due 2027	–	3,900	3,900
US$800 million notes, 3.5% due 2027	–	6,240	6,240
US$1,250 million notes, 4.75% due 2028	–	9,750	9,750
US$491 million notes, 2.75% due 2029	–	3,829	3,829
US$750 million notes, 3.625% due 2029	–	5,850	5,850
US$1,000 million notes, 5.375% due 2029	–	7,800	7,800
US$500 million notes, 4.375% due 2030	–	3,900	3,900
US$705 million notes, 2.5% due 2030	–	5,500	5,500
US$786 million notes, 2.5% due 2031	–	6,127	6,127
US$1,039 million notes, 7.45% due 2033	–	8,107	8,107
US$1,250 million notes, 4.875% due 2033	–	9,750	9,750
US$500 million notes, 4.75% due 2034	–	3,900	3,900
US$1,000 million notes, 5.5% due 2034	–	7,800	7,800
US$25 million notes – Series D, 6.988% due 2037	–	196	196
US$647 million notes, 3.125% due 2041	–	5,044	5,044
US$741 million notes, 3.375% due 2049	–	5,777	5,777
US$694 million notes, 3.375% due 2050	–	5,410	5,410
EUR1,000 million notes, 0.75% due 2026	9,110	–	9,110
EUR650 million notes, 2% due 2028	–	5,922	5,922
EUR1,000 million notes, 1.125% due 2028	–	9,110	9,110
EUR500 million notes, 0.75% due 2029	–	4,555	4,555
EUR500 million notes, 2% due 2030	–	4,555	4,555
EUR750 million notes, 1.5% due 2031	–	6,833	6,833
EUR500 million notes, 1% due 2033	–	4,555	4,555
GBP303 million notes, 5.625% due 2026	–	3,236	3,236
GBP223 million notes, 2% due 2027	–	2,387	2,387
GBP92 million notes, 2.625% due 2034	–	980	980
JPY15,000 million notes, 2.6% due 2027	–	810	810
	13,010	148,393	161,403
	19,100	235,588	254,688

24 Bank and other debts (continued)

Details of the bank and other debts by principal amounts are as follows (continued):

	31 December 2024		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans	24,896	62,944	87,840
Other loans	4	64	68
Notes and bonds			
HK$260 million notes, 4% due 2027	–	260	260
US$500 million notes, 1.5% due 2026	–	3,900	3,900
US$500 million notes, 2.75% due 2026	–	3,900	3,900
US$309 million notes – Series C, 7.5% due 2027	–	2,410	2,410
US$500 million notes, 3.25% due 2027	–	3,900	3,900
US$800 million notes, 3.5% due 2027	–	6,240	6,240
US$1,250 million notes, 4.75% due 2028	–	9,750	9,750
US$500 million notes, 2.75% due 2029	–	3,900	3,900
US$750 million notes, 3.625% due 2029	–	5,850	5,850
US$1,000 million notes, 5.375% due 2029	–	7,800	7,800
US$500 million notes, 4.375% due 2030	–	3,900	3,900
US$750 million notes, 2.5% due 2030	–	5,850	5,850
US$850 million notes, 2.5% due 2031	–	6,630	6,630
US$1,039 million notes, 7.45% due 2033	–	8,107	8,107
US$1,250 million notes, 4.875% due 2033	–	9,750	9,750
US$500 million notes, 4.75% due 2034	–	3,900	3,900
US$1,000 million notes, 5.5% due 2034	–	7,800	7,800
US$25 million notes – Series D, 6.988% due 2037	–	196	196
US$650 million notes, 3.125% due 2041	–	5,070	5,070
US$750 million notes, 3.375% due 2049	–	5,850	5,850
US$750 million notes, 3.375% due 2050	–	5,850	5,850
EUR750 million notes, 1.25% due 2025	6,068	–	6,068
EUR1,000 million notes, 0.75% due 2026	–	8,090	8,090
EUR650 million notes, 2% due 2028	–	5,258	5,258
EUR1,000 million notes, 1.125% due 2028	–	8,090	8,090
EUR500 million notes, 0.75% due 2029	–	4,045	4,045
EUR500 million notes, 2% due 2030	–	4,045	4,045
EUR750 million notes, 1.5% due 2031	–	6,068	6,068
EUR500 million notes, 1% due 2033	–	4,045	4,045
GBP303 million notes, 5.625% due 2026	–	2,981	2,981
GBP500 million notes, 2% due 2027	–	4,920	4,920
GBP300 million notes, 2.625% due 2034	–	2,952	2,952
JPY15,000 million notes, 2.6% due 2027	–	765	765
	6,068	162,072	168,140
	30,968	225,080	256,048

24 Bank and other debts (continued)

Details of the bank and other debts by principal amounts are as follows (continued):

	31 December 2023		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans	24,484	65,036	89,520
Other loans	154	72	226
Notes and bonds			
HK$2,413 million notes, 3-mth HIBOR^ + 0.32% due 2024	2,413	–	2,413
HK$260 million notes, 4% due 2027	–	260	260
US$750 million notes, 3.25% due 2024	5,850	–	5,850
US$1,500 million notes, 3.625% due 2024	11,700	–	11,700
US$500 million notes, 1.5% due 2026	–	3,900	3,900
US$500 million notes, 2.75% due 2026	–	3,900	3,900
US$309 million notes – Series C, 7.5% due 2027	–	2,410	2,410
US$500 million notes, 3.25% due 2027	–	3,900	3,900
US$800 million notes, 3.5% due 2027	–	6,240	6,240
US$1,250 million notes, 4.75% due 2028	–	9,750	9,750
US$500 million notes, 2.75% due 2029	–	3,900	3,900
US$750 million notes, 3.625% due 2029	–	5,850	5,850
US$750 million notes, 2.5% due 2030	–	5,850	5,850
US$850 million notes, 2.5% due 2031	–	6,630	6,630
US$1,039 million notes, 7.45% due 2033	–	8,107	8,107
US$1,250 million notes, 4.875% due 2033	–	9,750	9,750
US$25 million notes – Series D, 6.988% due 2037	–	196	196
US$650 million notes, 3.125% due 2041	–	5,070	5,070
US$750 million notes, 3.375% due 2049	–	5,850	5,850
US$750 million notes, 3.375% due 2050	–	5,850	5,850
EUR600 million bonds, 1% due 2024	5,172	–	5,172
EUR1,000 million notes, 0.875% due 2024	8,620	–	8,620
EUR750 million notes, 1.25% due 2025	–	6,465	6,465
EUR1,000 million notes, 0.75% due 2026	–	8,620	8,620
EUR650 million notes, 2% due 2028	–	5,603	5,603
EUR1,000 million notes, 1.125% due 2028	–	8,620	8,620
EUR500 million notes, 0.75% due 2029	–	4,310	4,310
EUR500 million notes, 2% due 2030	–	4,310	4,310
EUR750 million notes, 1.5% due 2031	–	6,465	6,465
EUR500 million notes, 1% due 2033	–	4,310	4,310
GBP303 million notes, 5.625% due 2026	–	3,010	3,010
GBP500 million notes, 2% due 2027	–	4,970	4,970
GBP300 million notes, 2.625% due 2034	–	2,982	2,982
JPY15,000 million notes, 2.6% due 2027	–	822	822
	33,755	147,900	181,655
	58,393	213,008	271,401

^ HIBOR represents the Hong Kong Interbank Offered Rate

24 Bank and other debts (continued)

Details of the bank and other debts by principal amounts are as follows (continued):

	1 January 2023		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans	40,697	53,806	94,503
Other loans	4	225	229
Notes and bonds			
HK$2,413 million notes, 3-mth HIBOR^ + 0.32% due 2024	–	2,413	2,413
HK$260 million notes, 4% due 2027	–	260	260
US$750 million notes, 2.75% due 2023	5,850	–	5,850
US$750 million notes, 3.25% due 2024	–	5,850	5,850
US$1,500 million notes, 3.625% due 2024	–	11,700	11,700
US$500 million notes, 1.5% due 2026	–	3,900	3,900
US$500 million notes, 2.75% due 2026	–	3,900	3,900
US$309 million notes – Series C, 7.5% due 2027	–	2,410	2,410
US$500 million notes, 3.25% due 2027	–	3,900	3,900
US$800 million notes, 3.5% due 2027	–	6,240	6,240
US$500 million notes, 2.75% due 2029	–	3,900	3,900
US$750 million notes, 3.625% due 2029	–	5,850	5,850
US$750 million notes, 2.5% due 2030	–	5,850	5,850
US$850 million notes, 2.5% due 2031	–	6,630	6,630
US$1,039 million notes, 7.45% due 2033	–	8,107	8,107
US$25 million notes – Series D, 6.988% due 2037	–	196	196
US$650 million notes, 3.125% due 2041	–	5,070	5,070
US$750 million notes, 3.375% due 2049	–	5,850	5,850
US$750 million notes, 3.375% due 2050	–	5,850	5,850
EUR1,350 million notes, 1.25% due 2023	11,205	–	11,205
EUR1,500 million notes, 0.375% due 2023	12,450	–	12,450
EUR600 million bonds, 1% due 2024	–	4,980	4,980
EUR1,000 million notes, 0.875% due 2024	–	8,300	8,300
EUR750 million notes, 1.25% due 2025	–	6,225	6,225
EUR1,000 million notes, 0.75% due 2026	–	8,300	8,300
EUR650 million notes, 2% due 2028	–	5,395	5,395
EUR1,000 million notes, 1.125% due 2028	–	8,300	8,300
EUR500 million notes, 0.75% due 2029	–	4,150	4,150
EUR500 million notes, 2% due 2030	–	4,150	4,150
EUR750 million notes, 1.5% due 2031	–	6,225	6,225
EUR500 million notes, 1% due 2033	–	4,150	4,150
GBP303 million notes, 5.625% due 2026	–	2,866	2,866
GBP500 million notes, 2% due 2027	–	4,730	4,730
GBP300 million notes, 2.625% due 2034	–	2,837	2,837
JPY15,000 million notes, 2.6% due 2027	–	886	886
	29,505	159,370	188,875
	70,206	213,401	283,607

^ HIBOR represents the Hong Kong Interbank Offered Rate

24 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below:

(a) By secured and unsecured borrowings

	30 June 2025		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**
Secured borrowings	**1**	**1,492**	**1,493**
Unsecured borrowings	**19,099**	**234,096**	**253,195**
	19,100	**235,588**	**254,688**

	31 December 2024		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Secured borrowings	1,389	1	1,390
Unsecured borrowings	29,579	225,079	254,658
	30,968	225,080	256,048

	31 December 2023		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Secured borrowings	1	1,558	1,559
Unsecured borrowings	58,392	211,450	269,842
	58,393	213,008	271,401

	1 January 2023		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Secured borrowings	1	1,524	1,525
Unsecured borrowings	70,205	211,877	282,082
	70,206	213,401	283,607

24 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below (continued):

(b) By borrowings at fixed and floating interest rate

	30 June 2025		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**
Borrowings at fixed rate	**13,014**	**148,462**	**161,476**
Borrowings at floating rate	**6,086**	**87,126**	**93,212**
	19,100	**235,588**	**254,688**

	31 December 2024		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Borrowings at fixed rate	6,071	162,136	168,207
Borrowings at floating rate	24,897	62,944	87,841
	30,968	225,080	256,048

	31 December 2023		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Borrowings at fixed rate	31,496	147,972	179,468
Borrowings at floating rate	26,897	65,036	91,933
	58,393	213,008	271,401

	1 January 2023		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Borrowings at fixed rate	29,509	157,183	186,692
Borrowings at floating rate	40,697	56,218	96,915
	70,206	213,401	283,607

24 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below (continued):

(c) By borrowings at fixed and floating interest rate (adjusted for the effect of hedging transactions)

	30 June 2025		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**
Borrowings at fixed rate	**13,014**	**154,756**	**167,770**
Borrowings at floating rate	**6,086**	**80,832**	**86,918**
	19,100	**235,588**	**254,688**

	31 December 2024		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Borrowings at fixed rate	9,200	162,136	171,336
Borrowings at floating rate	21,768	62,944	84,712
	30,968	225,080	256,048

	31 December 2023		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Borrowings at fixed rate	31,496	151,433	182,929
Borrowings at floating rate	26,897	61,575	88,472
	58,393	213,008	271,401

	1 January 2023		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Borrowings at fixed rate	47,449	160,603	208,052
Borrowings at floating rate	22,757	52,798	75,555
	70,206	213,401	283,607

Derivative financial instruments are principally utilised by the Group in the management of its foreign currency and interest rate exposures.

The Group has entered into interest rate swap agreements to swap floating interest rate borrowings to fixed interest rate borrowings to mainly mitigate interest rate exposures to certain infrastructure project related borrowings. At 30 June 2025, the notional amount of the outstanding interest rate swap agreements amounted to HK$6,294 million (31 December 2024: interest rate swap agreements of HK$3,129 million; 31 December 2023: interest rate swap agreements of HK$3,461 million; 1 January 2023: interest rate swap agreements and cross currency interest rate swap agreements of HK$11,220 million and HK$10,140 million respectively).

24 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below (continued):

(d) By currency

	30 June 2025		
	Current portion Percentage	**Non-current portion Percentage**	**Total Percentage**
US dollar	**2%**	**43%**	**45%**
Euro	**5%**	**27%**	**32%**
HK dollar	**–**	**12%**	**12%**
British Pound	**–**	**3%**	**3%**
Other currencies	**–**	**8%**	**8%**
	7%	**93%**	**100%**

	31 December 2024		
	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	7%	44%	51%
Euro	2%	28%	30%
HK dollar	–	6%	6%
British Pound	–	5%	5%
Other currencies	3%	5%	8%
	12%	88%	100%

	31 December 2023		
	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	8%	41%	49%
Euro	11%	22%	33%
HK dollar	1%	4%	5%
British Pound	1%	4%	5%
Other currencies	1%	7%	8%
	22%	78%	100%

	1 January 2023		
	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	9%	40%	49%
Euro	12%	23%	35%
HK dollar	1%	1%	2%
British Pound	1%	4%	5%
Other currencies	2%	7%	9%
	25%	75%	100%

24 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below (continued):

(e) By currency (adjusted for the effect of hedging transactions)

	30 June 2025		
	Current portion Percentage	**Non-current portion Percentage**	**Total Percentage**
US dollar	**2%**	**43%**	**45%**
Euro	**5%**	**27%**	**32%**
HK dollar	**–**	**12%**	**12%**
British Pound	**–**	**3%**	**3%**
Other currencies	**–**	**8%**	**8%**
	7%	**93%**	**100%**

	31 December 2024		
	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	7%	44%	51%
Euro	2%	30%	32%
HK dollar	–	6%	6%
British Pound	–	3%	3%
Other currencies	3%	5%	8%
	12%	88%	100%

	31 December 2023		
	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	8%	41%	49%
Euro	11%	23%	34%
HK dollar	1%	4%	5%
British Pound	1%	3%	4%
Other currencies	1%	7%	8%
	22%	78%	100%

	1 January 2023		
	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	4%	39%	43%
Euro	17%	25%	42%
HK dollar	1%	1%	2%
British Pound	1%	3%	4%
Other currencies	2%	7%	9%
	25%	75%	100%

24 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below (continued):

(e) By currency (adjusted for the effect of hedging transactions) (continued)

For the comparative years, the Group had currency swap agreements with banks to swap US dollar or British Pound principal amount of borrowings (31 December 2024: British Pound principal amount of borrowings equivalent to HK$4,920 million; 31 December 2023: British Pound principal amount of borrowings equivalent to HK$4,970 million; 1 January 2023: US dollar principal amount of borrowings equivalent to HK$15,990 million and British Pound principal amount of borrowings equivalent to HK$4,730 million) to Euro principal amount of borrowings to reflect currency exposures of its underlying businesses. For the comparative amount at 1 January 2023, the Hong Kong dollar equivalent amount of HK$15,990 million mentioned in the preceding sentence includes the Hong Kong dollar equivalent amount of HK$10,140 million disclosed under item (c) above.

25 Trade payables and other current liabilities

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Trade payables [(a)]	**22,602**	21,861	23,017	21,356
Other current liabilities				
Derivative financial instruments				
Fair value hedges – collar agreements	**–**	–	297	–
Cash flow hedges				
Forward foreign exchange contracts	**8**	–	2	2
Other contracts	**2**	5	113	151
Net investment hedges				
Forward foreign exchange contracts	**1,411**	155	1,072	891
Cross currency swaps	**737**	238	–	–
Other derivative financial instruments	**–**	–	–	795
Interest free loans from non-controlling shareholders	**349**	349	438	472
Contract liabilities	**5,203**	5,500	5,948	6,027
Obligations for telecommunications licences and other rights	**970**	861	621	680
Provisions (see note 26)	**1,289**	1,161	1,552	1,341
Expenses and other accruals	**31,508**	33,411	36,471	35,995
Other payables	**18,782**	19,104	16,888	21,419
	82,861	82,645	86,419	89,129

(a) At the end of the period / year, the ageing analysis of the trade payables is as follows:

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Less than 31 days	**14,698**	14,782	15,763	13,566
Within 31 to 60 days	**4,253**	3,825	3,361	2,912
Within 61 to 90 days	**1,805**	1,308	1,333	1,427
Over 90 days	**1,846**	1,946	2,560	3,451
	22,602	21,861	23,017	21,356

26 Provisions

	Provision for commitments, onerous contracts and other guarantees HK$ million	Closure obligations HK$ million	Assets retirement obligations HK$ million	Others HK$ million	Total HK$ million
At 1 January 2023	18,477	80	1,272	1,289	21,118
Additions	–	69	5	444	518
Interest accretion	–	–	54	–	54
Utilisations	(897)	(18)	(63)	(129)	(1,107)
Write back	(41)	(22)	(38)	(115)	(216)
Exchange translation differences	(384)	2	17	49	(316)
At 31 December 2023	17,155	111	1,247	1,538	20,051
Additions	–	45	187	227	459
Interest accretion	–	–	33	–	33
Utilisations	(390)	(11)	(65)	(392)	(858)
Write back	–	(49)	–	(28)	(77)
Exchange translation differences	(1,451)	(2)	(33)	(90)	(1,576)
At 31 December 2024	**15,314**	**94**	**1,369**	**1,255**	**18,032**
Additions	**–**	**49**	**76**	**95**	**220**
Interest accretion	**–**	**–**	**21**	**–**	**21**
Utilisations	**(215)**	**–**	**(31)**	**(95)**	**(341)**
Write back	**–**	**(11)**	**–**	**(26)**	**(37)**
Relating to subsidiaries disposed	**–**	**(7)**	**(440)**	**–**	**(447)**
Exchange translation differences	**1,069**	**8**	**100**	**145**	**1,322**
At 30 June 2025	**16,168**	**133**	**1,095**	**1,374**	**18,770**

Provisions are analysed as:

	30 June 2025 HK$ million	31 December 2024 HK$ million	31 December 2023 HK$ million	1 January 2023 HK$ million
Current portion (see note 25)	**1,289**	1,161	1,552	1,341
Non-current portion (see note 29)	**17,481**	16,871	18,499	19,777
	18,770	18,032	20,051	21,118

The provision for commitments, onerous contracts and other guarantees represents the unavoidable costs of meeting these commitments and obligations after deducting the associated, expected future benefits and / or estimated recoverable value. The provision for closure obligations represents the estimated costs to execute integration plans and store closures. The provision for assets retirement obligations represents the present value of the estimated future costs of dismantling and removing fixed assets when they are no longer used and restoring the sites on which they are located.

27 Interest bearing loans from non-controlling shareholders

At 30 June 2025, 31 December 2024 and 31 December 2023, these loans mainly bear interest at rates at EURIBOR + 2.0%, Stockholm Interbank Offered Rate + 2.0% and Stockholm Interbank Offered Rate + 0.7% per annum. At 1 January 2023, these loans mainly bear interest at rates at EURIBOR + 2.0% and Stockholm Interbank Offered Rate + 0.7% per annum. The carrying amounts of the borrowings approximate their fair values.

28 Pension obligations

The Group operates a number of defined benefit and defined contribution plans, the assets of which are held independently of the Group's assets in trustee administered funds. The Group's major defined benefit plans are in Hong Kong, the United Kingdom and the Netherlands.

The amounts recognised in the consolidated statement of financial position are as follows:

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Defined benefit assets (see note 21)	**2,535**	2,239	1,428	1,311
Defined benefit liabilities	**3,289**	3,197	3,536	2,730
Net defined benefit liabilities	**754**	958	2,108	1,419

The amounts recognised in the consolidated statement of financial position are determined as follows:

Present value of defined benefit obligations	**18,228**	16,585	17,965	15,163
Fair value of plan assets	**17,477**	15,630	15,860	13,750
	751	955	2,105	1,413
Restrictions on assets recognised	**3**	3	3	6
Net defined benefit liabilities	**754**	958	2,108	1,419

29 Other non-current liabilities

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
Derivative financial instruments				
Fair value hedges – collar agreements	**–**	–	59	–
Cash flow hedges				
Interest rate swaps	**40**	–	–	–
Other contracts	**–**	–	1	–
Net investment hedges				
Cross currency swaps	**456**	2	465	314
Other derivative financial instruments	**148**	91	–	–
Obligations for telecommunications licences and other rights	**3,010**	3,122	3,994	3,309
Other non-current liabilities	**6,291**	6,132	6,387	6,333
Liabilities relating to the economic benefits agreements	**2,166**	2,166	2,166	2,166
Provisions (see note 26)	**17,481**	16,871	18,499	19,777
	29,592	28,384	31,571	31,899

30 Share capital, share premium, perpetual capital securities and capital management

(a) Share capital and share premium

	Number of shares	Share capital HK$ million	Share premium HK$ million	Total HK$ million
Authorised:				
Ordinary shares of HK$1 each	**8,000,000,000**	**8,000**	**–**	**8,000**
Issued and fully paid:				
Ordinary shares				
At 1 January 2023, 31 December 2023, 31 December 2024 and 30 June 2025	**3,830,044,500**	**3,830**	**242,972**	**246,802**

(b) Perpetual capital securities

	30 June 2025 HK$ million	31 December 2024 HK$ million	31 December 2023 HK$ million	1 January 2023 HK$ million
EUR500 million issued in 2018	**–**	–	4,566	4,561

In December 2018, a wholly owned subsidiary company of the Group issued perpetual capital securities with nominal amount of EUR500 million for cash. The Group has fully redeemed these perpetual capital securities in June 2024.

(c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue to provide returns for shareholders and to support the Group's stability and growth. The Group regularly reviews and manages its capital structure to ensure optimal capital structure to maintain a balance between higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

At 30 June 2025, total equity amounted to HK$675,865 million (31 December 2024: HK$652,592 million; 31 December 2023: HK$670,549 million; 1 January 2023: HK$647,309 million), and consolidated net debt of the Group, excluding loans from non-controlling shareholders which are viewed as quasi equity, was HK$119,222 million (31 December 2024: HK$128,558 million; 31 December 2023: HK$130,585 million; 1 January 2023: HK$132,042 million). The Group's net debt to net total capital ratio decreased to 14.9% from 16.4% at the end of last year.

30 Share capital, share premium, perpetual capital securities and capital management (continued)

(c) Capital management (continued)

As additional information, the following table shows the net debt to net total capital ratios calculated on the basis of including loans from non-controlling shareholders and also with the Group's investments in its listed subsidiaries and associated companies marked to market value at the end of the reporting period.

Net debt / Net total capital ratios [(i)] at:

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
A1 – excluding interest-bearing loans from non-controlling shareholders from debt	**14.9%**	16.4%	16.2%	16.9%
A2 – as in A1 above and investments in listed subsidiaries and associated companies marked to market value	**16.3%**	17.5%	18.0%	18.4%
B1 – including interest-bearing loans from non-controlling shareholders as debt	**15.4%**	16.8%	16.6%	17.2%
B2 – as in B1 above and investments in listed subsidiaries and associated companies marked to market value	**16.9%**	18.0%	18.4%	18.8%

(i) Net debt is defined in the consolidated statement of cash flows. Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions. Net total capital is defined as total bank and other debts plus total equity and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments.

31 Reserves

	Retained profit HK$ million	**Exchange reserve** HK$ million	**Hedging reserve** HK$ million	**Others** HK$ million	**Total** HK$ million
At 1 January 2023	617,240	–	5,332	(345,861)	276,711
At 31 December 2023	629,309	10,604	2,618	(345,298)	297,233
At 31 December 2024	636,053	(6,019)	2,611	(344,732)	287,913
At 30 June 2025	**630,444**	**18,401**	**2,369**	**(343,226)**	**307,988**

31 Reserves (continued)

	Six months ended 30 June 2025				
	Attributable to ordinary shareholders				
	Retained profit	Exchange reserve	Hedging reserve	Others [a]	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2025	636,053	(6,019)	2,611	(344,732)	287,913
Profit for the period	852	–	–	–	852
Other comprehensive income (losses)					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	195	195
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	113	113
Remeasurement of defined benefit obligations	(79)	–	–	–	(79)
Exchange gains on translation of foreign operations	–	22,188	–	–	22,188
Reserves reclassified to profit or loss	–	(6,520)	40	–	(6,480)
Losses on cash flow hedges	–	–	(6)	–	(6)
Losses on net investment hedges	–	(2,800)	–	–	(2,800)
Share of other comprehensive income (losses) of associated companies	56	4,425	(186)	(17)	4,278
Share of other comprehensive income (losses) of joint ventures	147	7,127	(91)	2	7,185
Tax relating to components of other comprehensive income (losses)	(30)	–	1	–	(29)
Other comprehensive income (losses), net of tax	94	24,420	(242)	293	24,565
Transfer of net losses on disposal of equity securities at FVOCI to retained profit	(756)	–	–	756	–
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2024	(5,799)	–	–	–	(5,799)
Relating to purchase of non-controlling interests	–	–	–	457	457
At 30 June 2025	630,444	18,401	2,369	(343,226)	307,988

31 Reserves (continued)

	Six months ended 30 June 2024				
	Attributable to ordinary shareholders				
	Retained profit	Exchange reserve	Hedging reserve	Others [a]	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2024	629,309	10,604	2,618	(345,298)	297,233
Profit for the period	10,205	–	–	–	10,205
Other comprehensive income (losses)					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	(377)	(377)
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	19	19
Remeasurement of defined benefit obligations	397	–	–	–	397
Exchange losses on translation of foreign operations	–	(3,678)	–	–	(3,678)
Losses on cash flow hedges	–	–	(24)	–	(24)
Gains on net investment hedges	–	481	–	–	481
Losses in other reserves related to subsidiaries disposed during the period transferred directly to retained profit	(24)	–	–	24	–
Share of other comprehensive income (losses) of associated companies	(150)	(2,052)	80	10	(2,112)
Share of other comprehensive income (losses) of joint ventures	(694)	(2,199)	272	–	(2,621)
Tax relating to components of other comprehensive income (losses)	(88)	–	2	–	(86)
Other comprehensive income (losses), net of tax	(559)	(7,448)	330	(324)	(8,001)
Transfer of net losses on disposal of equity securities at FVOCI to retained profit	(80)	–	–	80	–
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2023	(6,798)	–	–	–	(6,798)
At 30 June 2024	632,077	3,156	2,948	(345,542)	292,639

31 Reserves (continued)

	Six months ended 30 June 2023				
	Attributable to ordinary shareholders				
	Retained profit	Exchange reserve	Hedging reserve	Others [a]	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2023	617,240	–	5,332	(345,861)	276,711
Profit for the period	11,542	–	–	–	11,542
Other comprehensive income (losses)					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	605	605
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	(4)	(4)
Remeasurement of defined benefit obligations	85	–	–	–	85
Exchange gains on translation of foreign operations	–	8,655	–	–	8,655
Losses on cash flow hedges	–	–	(1,132)	–	(1,132)
Losses on net investment hedges	–	(1,095)	–	–	(1,095)
Reclassification adjustments for hedging gains included in profit or loss	–	–	(1,735)	–	(1,735)
Share of other comprehensive income (losses) of associated companies	20	2,208	156	(562)	1,822
Share of other comprehensive income of joint ventures	67	2,720	525	2	3,314
Tax relating to components of other comprehensive income (losses)	(29)	–	(1)	–	(30)
Other comprehensive income (losses), net of tax	143	12,488	(2,187)	41	10,485
Impact of hyperinflation	(21)	–	–	–	(21)
Transfer of gain on disposal of equity securities at FVOCI to retained profit	13	–	–	(13)	–
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2022	(7,989)	–	–	–	(7,989)
Recognition of put option liabilities arising from business combinations	–	–	–	(148)	(148)
Relating to purchase of non-controlling interests	–	–	–	(34)	(34)
At 30 June 2023	620,928	12,488	3,145	(346,015)	290,546

(a) Other reserves comprise revaluation reserve and other capital reserves.

Revaluation reserve deficit amounted to HK$1,470 million as at 30 June 2025 (1 January 2025: HK$2,526 million; 30 June 2024: HK$3,025 million; 1 January 2024: HK$2,835 million; 30 June 2023: HK$2,896 million; 1 January 2023: HK$3,472 million). This reserve includes surplus (deficit) arising from market value revaluations of listed debt securities and listed equity securities.

Other capital reserves deficit amounted to HK$341,756 million as at 30 June 2025 (1 January 2025: HK$342,206 million; 30 June 2024: HK$342,517 million; 1 January 2024: HK$342,463 million; 30 June 2023: HK$343,119 million; 1 January 2023: HK$342,389 million). This includes a deficit of HK$341,336 million relating to the fair value of shares of Cheung Kong (Holdings) Limited (the Group's former holding company), which were cancelled as part of the 2015 reorganisation.

31 Reserves (continued)

(b) Set out below are before and after related tax effects of other comprehensive income (losses) for the periods:

	Six months ended 30 June 2025		
	Before-tax amount HK$ million	**Tax effect HK$ million**	**Net-of-tax amount HK$ million**
Changes in fair value of equity instruments at fair value through other comprehensive income	**219**	**–**	**219**
Changes in fair value of debt instruments at fair value through other comprehensive income	**113**	**–**	**113**
Remeasurement of defined benefit obligations	**(105)**	**(38)**	**(143)**
Exchange gains on translation of foreign operations	**23,774**	**–**	**23,774**
Reserves reclassified to profit or loss	**(6,480)**	**–**	**(6,480)**
Losses on cash flow hedges	**(17)**	**1**	**(16)**
Losses on net investment hedges	**(3,700)**	**–**	**(3,700)**
Share of other comprehensive income of associated companies	**4,680**	**–**	**4,680**
Share of other comprehensive income of joint ventures	**9,355**	**–**	**9,355**
	27,839	**(37)**	**27,802**

	Six months ended 30 June 2024		
	Before-tax amount HK$ million	Tax effect HK$ million	Net-of-tax amount HK$ million
Changes in fair value of equity instruments at fair value through other comprehensive income	(377)	–	(377)
Changes in fair value of debt instruments at fair value through other comprehensive income	19	–	19
Remeasurement of defined benefit obligations	498	(112)	386
Exchange losses on translation of foreign operations	(4,376)	–	(4,376)
Losses on cash flow hedges	(27)	2	(25)
Gains on net investment hedges	635	–	635
Share of other comprehensive income (losses) of associated companies	(2,257)	–	(2,257)
Share of other comprehensive income (losses) of joint ventures	(3,246)	–	(3,246)
	(9,131)	(110)	(9,241)

	Six months ended 30 June 2023		
	Before-tax amount HK$ million	Tax effect HK$ million	Net-of-tax amount HK$ million
Changes in fair value of equity instruments at fair value through other comprehensive income	605	–	605
Changes in fair value of debt instruments at fair value through other comprehensive income	(4)	–	(4)
Remeasurement of defined benefit obligations	101	(36)	65
Exchange gains on translation of foreign operations	8,941	–	8,941
Losses on cash flow hedges	(1,145)	(1)	(1,146)
Losses on net investment hedges	(1,378)	–	(1,378)
Reclassification adjustments for hedging gains included in profit or loss	(1,735)	–	(1,735)
Share of other comprehensive income of associated companies	2,048	–	2,048
Share of other comprehensive income of joint ventures	4,275	–	4,275
	11,708	(37)	11,671

32 Notes to condensed consolidated statement of cash flows

(a) Reconciliation of profit after tax to cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital

	Six months ended 30 June		
	2025	2024	2023
	HK$ million	HK$ million	HK$ million
Profit after tax	**4,455**	13,557	14,680
Less: share of profits less losses of			
Associated companies	**(4,726)**	(3,908)	(4,080)
Joint ventures	**(5,121)**	(4,633)	(3,720)
	(5,392)	5,016	6,880
Adjustments for:			
Current tax charge	**1,944**	2,063	1,573
Deferred tax charge (credit)	**1,362**	198	(198)
Interest expenses and other finance costs	**6,321**	6,630	5,687
Depreciation and amortisation	**19,862**	19,826	19,675
EBITDA of Company and subsidiaries [(i)]	**24,097**	33,733	33,617
Dividends received from associated companies and joint ventures	**4,981**	5,707	6,057
Losses (gains) on disposal of fixed assets	**20**	(24)	70
Losses (gains) on disposals of associated companies and joint ventures (see note 7)	**3**	13	(226)
Losses (gains) on disposal of subsidiaries (see note 32(d))			
3 UK	**9,462**	–	–
Italian network business	**–**	–	(74)
Ports business	**–**	(364)	–
A gain on disposal of financial instruments (see note 6(b)(xvii))	**–**	–	(1,829)
Gains on disposal of unlisted investments	**–**	(78)	–
Customer acquisition and retention costs capitalised in the period	**(2,004)**	(1,947)	(2,085)
Other non-cash items	**359**	(5)	23
	36,918	37,035	35,553

(i) Reconciliation of EBITDA:

	Six months ended 30 June		
	2025	2024	2023
	HK$ million	HK$ million	HK$ million
EBITDA of Company and subsidiaries	**24,097**	33,733	33,617
Share of EBITDA of associated companies and joint ventures			
Share of profits less losses of:			
Associated companies	**4,726**	3,908	4,080
Joint ventures	**5,121**	4,633	3,720
Adjustments for:			
Depreciation and amortisation	**14,092**	12,776	11,999
Interest expenses and other finance costs	**5,721**	5,303	6,048
Current tax charge	**2,550**	2,288	1,719
Deferred tax charge	**849**	936	449
Non-controlling interests	**277**	257	234
	33,336	30,101	28,249
EBITDA (see note 6(b)(ii))	**57,433**	63,834	61,866

32 Notes to condensed consolidated statement of cash flows (continued)

(b) Changes in working capital

	Six months ended 30 June		
	2025	2024	2023
	HK$ million	HK$ million	HK$ million
Increase in inventories	**(901)**	(1,400)	(1,079)
Decrease (increase) in trade receivables and other current assets	**1,058**	1,211	(843)
Decrease in trade payables and other current liabilities	**(3,448)**	(4,547)	(7,570)
Other non-cash items	**6,378**	(493)	2,511
	3,087	(5,229)	(6,981)

(c) Purchase of subsidiary companies

The following table summarises the consideration paid and the amounts of the assets acquired and liabilities assumed recognised for acquisitions completed during the periods:

	Six months ended 30 June		
	2025	2024	2023
	HK$ million	HK$ million	HK$ million
Purchase consideration transferred:			
Cash and cash equivalents paid	**–**	10	87
Fair value			
Fixed assets	**–**	4	5
Brand names and other rights	**–**	–	9
Deferred tax assets	**–**	–	3
Cash and cash equivalents	**–**	–	8
Trade receivables and other current assets	**–**	–	29
Trade payables and other current liabilities and current tax liabilities	**–**	–	(31)
Bank and other debts	**–**	–	(2)
Pension obligations	**–**	–	(1)
Net identifiable assets acquired	**–**	4	20
Non-controlling interests	**–**	–	(8)
	–	4	12
Goodwill	**–**	6	75
Total consideration	**–**	10	87
Net cash outflow arising from acquisition:			
Cash and cash equivalents paid	**–**	10	87
Cash and cash equivalents acquired	**–**	–	(8)
Total net cash outflow	**–**	10	79

The assets acquired and liabilities assumed are recognised at the acquisition date fair value and are recorded at the consolidation level.

For the comparative periods ended 30 June 2024 and 2023, the contributions to the Group's revenue and profit before tax from these subsidiaries acquired during the period since the respective date of acquisition were not material. The acquisition related costs were not material.

32 Notes to condensed consolidated statement of cash flows (continued)

(d) Disposal of subsidiary companies

On 31 May 2025, the Group completed the merger of its UK telecommunications operations, **3** UK, with Vodafone Group's corresponding UK operations to form the combined entity, VodafoneThree. As a result of the transaction, **3** UK and its subsidiaries ceased to be subsidiaries of the Group and were de-consolidated from the Group's financial statements. The Group now holds a 49% interest in VodafoneThree, which is accounted for as an associated company under the equity method, while Vodafone has a 51% ownership stake.

This transaction has been accounted for as a disposal of the Group's entire interest in **3** UK, coupled with the concurrent acquisition of a 49% stake in VodafoneThree. The fair value of the Group's 49% interest in VodafoneThree was determined to be HK$40,766 million, derived from the average of five independent mid-point valuation analyses. The fair value assessment incorporated comparable companies analysis (using EBITDA after leases ("EBITDAaL") and adjusted free cash flow) and discounted cash flow ("DCF") analysis, based on the combined business's forward-looking financial plan, including projections for revenue, operating costs, capital expenditures, and terminal value. The five valuations yielded the following estimated fair values for the Group's 49% interest: HK$35.8 billion, HK$38.5 billion, HK$39.4 billion, HK$44.1 billion and HK$46.1 billion, with the final fair value reflecting the average of these outcomes.

Comparative period ended 30 June 2024's disposal of subsidiary company mainly related to the disposal of the Group's former non-wholly owned subsidiary Abu Qir Container Terminal Company S.A.E., which became a 41% owned associated company following the disposal. Comparative period ended 30 June 2023's disposal of subsidiary company mainly related to the disposal of Zefiro Net S.r.l., which became a 50% owned joint venture accordingly.

	Six months ended 30 June		
	2025	2024	2023
	HK$ million	HK$ million	HK$ million
Total considerations	**54,582**	1,200	5,126
Cash and cash equivalents received	**15,142**	464	2,563
Closing cash and working capital adjustments and others	**(1,326)**	–	–
The portion of the consideration consisting of cash and cash equivalents	**13,816**	464	2,563
Cash and cash equivalents received, net with cash and cash equivalents in the subsidiaries over which control was lost	**14,902**	333	2,563
Net assets other than cash or cash equivalents in the subsidiaries over which control was lost	**70,284**	705	5,052
Cash and cash equivalents in the subsidiaries over which control was lost	**240**	131	–
Net assets in the subsidiaries over which control was lost	**70,524**	836	5,052
Disposal gain (loss) before reclassification of exchange differences	**(15,942)**	364	74
Reserves reclassified to profit or loss	**6,480**	–	–
Disposal gain (loss)	**(9,462)**	364	74

32 Notes to condensed consolidated statement of cash flows (continued)

(d) Disposal of subsidiary companies (continued)

	Six months ended 30 June		
	2025	2024	2023
	HK$ million	HK$ million	HK$ million
Analysis of assets and liabilities over which control was lost:			
Fixed assets	**24,328**	4,713	–
Right-of-use assets	**5,394**	730	–
Telecommunications licences	**21,121**	–	–
Goodwill	**3,528**	–	–
Brand names and other rights	**5,283**	–	–
Deferred tax assets	**9,429**	–	–
Other non-current assets	**6,136**	–	–
Trade receivables and other current assets	**7,824**	91	–
Inventories	**384**	43	–
Cash and cash equivalents	**240**	131	–
Assets classified as held for sale	**–**	–	6,202
Trade payables and other current liabilities and current tax liabilities	**(7,233)**	(513)	–
Bank and other debts	**–**	(2,824)	–
Leases liabilities	**(5,133)**	(820)	–
Loans from non-controlling shareholders	**–**	(92)	–
Deferred tax liabilities	**–**	(35)	–
Pension obligations	**–**	(45)	–
Other non-current liabilities	**(777)**	–	–
Liabilities directly associated with assets classified as held for sale	**–**	–	(1,150)
Non-controlling interests	**–**	(543)	–
Net assets disposed	**70,524**	836	5,052

Cash flows of **3** UK disposed of during the current period:

	Six months ended 30 June 2025 HK$ million
Net cash outflow from operating activities	**(7,210)**
Net cash outflow from investing activities	**(1,898)**
Net cash inflow from financing activities	**8,341**

Cash flows of subsidiary companies disposed of during the comparative periods are not material for the comparative periods.

32 Notes to condensed consolidated statement of cash flows (continued)

(e) Changes in liabilities arising from financing activities

The following table sets out an analysis of the cash flows and non-cash flows changes in liabilities arising from financing activities:

	Bank and other debts	Lease liabilities	Interest bearing loans from non-controlling shareholders	Interest free loans from non-controlling shareholders	Liabilities relating to the economic benefits agreements	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2025	**256,392**	**64,519**	**3,471**	**349**	**2,166**	**326,897**
Financing cash flows						
New borrowings	**25,832**	**–**	**–**	**–**	**–**	**25,832**
Repayment of borrowings	**(39,516)**	**–**	**–**	**–**	**–**	**(39,516)**
Principal elements of lease payments	**–**	**(7,956)**	**–**	**–**	**–**	**(7,956)**
Net loans to non-controlling shareholders	**–**	**–**	**(8)**	**–**	**–**	**(8)**
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 8)	**119**	**–**	**–**	**–**	**–**	**119**
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 8(a))	**(161)**	**–**	**–**	**–**	**–**	**(161)**
Increase in lease liabilities from entering into new leases during the period (see note 13(a))	**–**	**7,570**	**–**	**–**	**–**	**7,570**
Interest on lease liabilities (see note 8)	**–**	**1,512**	**–**	**–**	**–**	**1,512**
Interest element of lease liabilities paid (included in "net cash from operating activities")	**–**	**(1,524)**	**–**	**–**	**–**	**(1,524)**
Remeasurement / write off of lease liabilities	**–**	**3,507**	**–**	**–**	**–**	**3,507**
Relating to subsidiaries disposed (see note 32(d))	**–**	**(5,133)**	**–**	**–**	**–**	**(5,133)**
Exchange translation differences	**12,289**	**5,672**	**469**	**–**	**–**	**18,430**
At 30 June 2025	**254,955**	**68,167**	**3,932**	**349**	**2,166**	**329,569**
At 1 January 2024	271,922	67,923	3,245	438	2,166	345,694
Financing cash flows						
New borrowings	32,341	–	–	–	–	32,341
Repayment of borrowings	(19,817)	–	–	–	–	(19,817)
Principal elements of lease payments	–	(7,370)	–	–	–	(7,370)
Net loans to non-controlling shareholders	–	–	(2)	(19)	–	(21)
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 8)	117	–	–	–	–	117
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 8(a))	(171)	–	–	–	–	(171)
Increase in lease liabilities from entering into new leases during the period (see note 13(a))	–	3,220	–	–	–	3,220
Interest on lease liabilities (see note 8)	–	1,311	–	–	–	1,311
Interest element of lease liabilities paid (included in "net cash from operating activities")	–	(1,320)	–	–	–	(1,320)
Remeasurement / write off of lease liabilities	–	3,349	–	–	–	3,349
Relating to subsidiaries disposed (see note 32(d))	(2,824)	(820)	–	(92)	–	(3,736)
Exchange translation differences	(3,551)	(2,187)	(102)	–	–	(5,840)
At 30 June 2024	278,017	64,106	3,141	327	2,166	347,757

32 Notes to condensed consolidated statement of cash flows (continued)

(e) Changes in liabilities arising from financing activities (continued)

The following table sets out an analysis of the cash flows and non-cash flows changes in liabilities arising from financing activities (continued):

	Bank and other debts	Lease liabilities	Interest bearing loans from non-controlling shareholders	Interest free loans from non-controlling shareholders	Liabilities relating to the economic benefits agreements	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2023	284,326	66,059	2,567	472	2,166	355,590
Financing cash flows						
New borrowings	38,122	–	–	–	–	38,122
Repayment of borrowings	(44,012)	–	–	–	–	(44,012)
Principal elements of lease payments	–	(7,500)	–	–	–	(7,500)
Net loans from (to) non-controlling shareholders	–	–	4	(34)	–	(30)
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 8)	119	–	–	–	–	119
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 8(a))	(170)	–	–	–	–	(170)
Increase in lease liabilities from entering into new leases during the period (see note 13(a))	–	5,858	–	–	–	5,858
Interest on lease liabilities (see note 8)	–	1,244	–	–	–	1,244
Interest element of lease liabilities paid (included in "net cash from operating activities")	–	(1,187)	–	–	–	(1,187)
Remeasurement / write off of lease liabilities	–	3,026	–	–	–	3,026
Relating to subsidiaries acquired (see note 32(c))	2	–	–	–	–	2
Exchange translation differences	4,457	1,585	(22)	–	–	6,020
At 30 June 2023	282,844	69,085	2,549	438	2,166	357,082

33 Share-based payments

The Company and its subsidiary companies do not have share option scheme as at 30 June 2025, 31 December 2024, 31 December 2023 and 1 January 2023. Certain of the Company's associated companies have issued equity-settled and cash-settled share-based payments to certain employees. The aggregate amount of the share-based payments recognised by these companies during the current period and comparative years are not material to the Group's results.

34 Pledge of assets

At 30 June 2025, assets of the Group totalling HK$1,603 million (31 December 2024: HK$1,449 million; 31 December 2023: HK$1,533 million; 1 January 2023: HK$1,442 million) were pledged as security for bank and other debts.

35 Contingent liabilities and guarantees

At 30 June 2025, the Company and its subsidiaries provide guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures of HK$10,697 million (31 December 2024: HK$10,753 million; 31 December 2023: HK$4,560 million; 1 January 2023: HK$4,856 million).

The amount utilised by its associated companies and joint ventures are as follows:

	30 June 2025	31 December 2024	31 December 2023	1 January 2023
	HK$ million	HK$ million	HK$ million	HK$ million
To associated companies	**8,083**	8,444	3,661	3,527
To joint ventures	**1,092**	–	–	1,096

At 30 June 2025, the Group had provided performance and other guarantees of HK$5,533 million (31 December 2024: HK$4,860 million; 31 December 2023: HK$4,115 million; 1 January 2023: HK$5,033 million).

36 Commitments

The Group's outstanding commitments contracted for at 30 June 2025, where material, not provided for in the consolidated financial statements at 30 June 2025 are as follows:

Capital commitments

(a) Ports and Related Services: HK$367 million (31 December 2024: HK$235 million; 31 December 2023: HK$462 million; 1 January 2023: HK$582 million)

(b) **3** Group Europe: HK$166 million (31 December 2024: HK$155 million; 31 December 2023: HK$181 million; 1 January 2023: HK$183 million)

(c) Telecommunications, Hong Kong and Asia: HK$803 million (31 December 2024: HK$769 million; 31 December 2023: HK$149 million; 1 January 2023: HK$308 million)

37 Related parties transactions

Saved as disclosed elsewhere in these financial statements, transactions between the Group and other related parties during the period are not significant to the Group. The outstanding balances with associated companies and joint ventures are disclosed in notes 17 and 18. Transactions between the Company and its subsidiaries have been eliminated on consolidation.

No transactions have been entered with the directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being the key management personnel compensation).

38 Legal proceedings

As at 30 June 2025, 31 December 2024, 31 December 2023 and 1 January 2023, the Group is not engaged in any material litigation or arbitration proceedings, and no material litigation or claim is known by the Group to be pending or threatened against it.

39 Fair value measurements

(a) Carrying amounts and fair values of financial assets and financial liabilities

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows:

	Note	Classification under IFRS 9	30 June 2025 Carrying amounts HK$ million	30 June 2025 Fair values HK$ million
Financial assets				
Liquid funds and other listed investments				
Cash and cash equivalents (included in Managed funds)	20	Amortised cost	**47**	**47**
Listed equity securities, Hong Kong	20	FVOCI	**589**	**589**
Listed equity securities, outside Hong Kong	20	FVOCI	**6**	**6**
Listed debt securities (included in Managed funds)	20	FVOCI	**7,013**	**7,013**
Unlisted investments				
Unlisted equity securities	21	FVOCI	**1,944**	**1,944**
Unlisted equity securities	21	Fair value through profit or loss ("FVPL")	**392**	**392**
Unlisted debt securities	21	FVPL	**312**	**312**
Derivative financial instruments				
Cash flow hedges – other contracts	23	Fair value – hedges	**1**	**1**
Net investment hedges				
Forward foreign exchange contracts	23	Fair value – hedges	**7**	**7**
Cross currency swaps	21	Fair value – hedges	**897**	**897**
Lease receivables	21	Amortised cost	**881**	**881**
Cash and cash equivalents	22	Amortised cost	**129,613**	**129,613**
Trade receivables	23	Amortised cost	**14,993**	**14,993**
Other receivables	23	Amortised cost	**12,093**	**12,093**
Amounts due from associated companies	17	Amortised cost	**3,292**	**3,292**
Amounts due from joint ventures	18	Amortised cost	**17,977**	**17,977**
			190,057	**190,057**

39 Fair value measurements (continued)

(a) Carrying amounts and fair values of financial assets and financial liabilities (continued)

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows (continued):

	Note	Classification under IFRS 9	30 June 2025 Carrying amounts HK$ million	30 June 2025 Fair values HK$ million
Financial liabilities				
Bank and other debts [(i)]	24	Amortised cost	**254,955**	**246,040**
Trade payables	25	Amortised cost	**22,602**	**22,602**
Derivative financial instruments				
Cash flow hedges				
Interest rate swaps	29	Fair value – hedges	**40**	**40**
Forward foreign exchange contracts	25	Fair value – hedges	**8**	**8**
Other contracts	25	Fair value – hedges	**2**	**2**
Net investment hedges				
Forward foreign exchange contracts	25	Fair value – hedges	**1,411**	**1,411**
Cross currency swaps	25 & 29	Fair value – hedges	**1,193**	**1,193**
Other derivative financial instruments	29	FVPL	**148**	**148**
Interest free loans from non-controlling shareholders	25	Amortised cost	**349**	**349**
Expenses and other accruals	25	Amortised cost	**31,508**	**31,508**
Other payables	25	Amortised cost	**18,782**	**18,782**
Lease liabilities	13	Amortised cost	**68,167**	**68,167**
Interest bearing loans from non-controlling shareholders		Amortised cost	**3,932**	**3,932**
Obligations for telecommunications licences and other rights	25 & 29	Amortised cost	**3,980**	**3,980**
Liabilities relating to the economic benefits agreements	29	Amortised cost	**2,166**	**2,166**
Amounts due to associated companies	17	Amortised cost	**2,921**	**2,921**
Amounts due to joint ventures	18	Amortised cost	**217**	**217**
			412,381	**403,466**

(i) The fair values of the bank and other debts are based on market quotes or estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

	30 June 2025 Carrying amounts HK$ million	30 June 2025 Fair values HK$ million
Representing:		
Financial assets measured at		
Amortised cost	**178,896**	**178,896**
FVOCI	**9,552**	**9,552**
FVPL	**704**	**704**
Fair value – hedges	**905**	**905**
	190,057	**190,057**
Financial liabilities measured at		
Amortised cost	**409,579**	**400,664**
FVPL	**148**	**148**
Fair value – hedges	**2,654**	**2,654**
	412,381	**403,466**

39 Fair value measurements (continued)

(a) Carrying amounts and fair values of financial assets and financial liabilities (continued)

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows (continued):

	Note	Classification under IFRS 9	31 December 2024 Carrying amounts HK$ million	31 December 2024 Fair values HK$ million
Financial assets				
Liquid funds and other listed investments				
Cash and cash equivalents (included in Managed funds)	20	Amortised cost	34	34
Listed equity securities, Hong Kong	20	FVOCI	536	536
Listed equity securities, outside Hong Kong	20	FVOCI	747	747
Listed debt securities (included in Managed funds)	20	FVOCI	6,825	6,825
Unlisted investments				
Unlisted equity securities	21	FVOCI	1,933	1,933
Unlisted equity securities	21	FVPL	366	366
Unlisted debt securities	21	FVPL	414	414
Derivative financial instruments				
Fair value hedges – collar agreements	23	Fair value – hedges	14	14
Cash flow hedges				
Interest rate swaps	23	Fair value – hedges	7	7
Cross currency interest rate swaps	21	Fair value – hedges	227	227
Forward foreign exchange contracts	23	Fair value – hedges	5	5
Other contracts	23	Fair value – hedges	1	1
Net investment hedges				
Forward foreign exchange contracts	23	Fair value – hedges	436	436
Cross currency swaps	21 & 23	Fair value – hedges	1,360	1,360
Lease receivables	21	Amortised cost	875	875
Cash and cash equivalents	22	Amortised cost	121,303	121,303
Trade receivables	23	Amortised cost	15,327	15,327
Other receivables	23	Amortised cost	12,169	12,169
Amounts due from associated companies	17	Amortised cost	1,671	1,671
Amounts due from joint ventures	18	Amortised cost	16,953	16,953
			181,203	181,203

39 Fair value measurements (continued)

(a) Carrying amounts and fair values of financial assets and financial liabilities (continued)

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows (continued):

	Note	Classification under IFRS 9	31 December 2024 Carrying amounts HK$ million	31 December 2024 Fair values HK$ million
Financial liabilities				
Bank and other debts [(i)]	24	Amortised cost	256,392	239,786
Trade payables	25	Amortised cost	21,861	21,861
Derivative financial instruments				
Cash flow hedges				
Other contracts	25	Fair value – hedges	5	5
Net investment hedges				
Forward foreign exchange contracts	25	Fair value – hedges	155	155
Cross currency swaps	25 & 29	Fair value – hedges	240	240
Other derivative financial instruments	29	FVPL	91	91
Interest free loans from non-controlling shareholders	25	Amortised cost	349	349
Expenses and other accruals	25	Amortised cost	33,411	33,411
Other payables	25	Amortised cost	19,104	19,104
Lease liabilities	13	Amortised cost	64,519	64,519
Interest bearing loans from non-controlling shareholders		Amortised cost	3,471	3,471
Obligations for telecommunications licences and other rights	25 & 29	Amortised cost	3,983	3,983
Liabilities relating to the economic benefits agreements	29	Amortised cost	2,166	2,166
Amounts due to associated companies	17	Amortised cost	535	535
Amounts due to joint ventures	18	Amortised cost	270	270
			406,552	389,946

(i) The fair values of the bank and other debts are based on market quotes or estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

	31 December 2024 Carrying amounts HK$ million	31 December 2024 Fair values HK$ million
Representing:		
Financial assets measured at		
Amortised cost	168,332	168,332
FVOCI	10,041	10,041
FVPL	780	780
Fair value – hedges	2,050	2,050
	181,203	181,203
Financial liabilities measured at		
Amortised cost	406,061	389,455
FVPL	91	91
Fair value – hedges	400	400
	406,552	389,946

39 Fair value measurements (continued)

(a) Carrying amounts and fair values of financial assets and financial liabilities (continued)

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows (continued):

	Note	Classification under IFRS 9	31 December 2023 Carrying amounts HK$ million	31 December 2023 Fair values HK$ million
Financial assets				
Liquid funds and other listed investments				
Cash and cash equivalents (included in Managed funds)	20	Amortised cost	50	50
Listed equity securities, Hong Kong	20	FVOCI	608	608
Listed equity securities, outside Hong Kong	20	FVOCI	8,589	8,589
Listed debt securities (included in Managed funds)	20	FVOCI	6,539	6,539
Unlisted investments				
Unlisted equity securities	21	FVOCI	2,189	2,189
Unlisted equity securities	21	FVPL	369	369
Unlisted debt securities	21	FVPL	604	604
Derivative financial instruments				
Cash flow hedges				
Interest rate swaps	21	Fair value – hedges	52	52
Cross currency interest rate swaps	21	Fair value – hedges	150	150
Other contracts	23	Fair value – hedges	26	26
Net investment hedges				
Forward foreign exchange contracts	23	Fair value – hedges	201	201
Cross currency swaps	21 & 23	Fair value – hedges	908	908
Lease receivables	21	Amortised cost	507	507
Cash and cash equivalents	22	Amortised cost	127,323	127,323
Trade receivables	23	Amortised cost	16,297	16,297
Other receivables	23	Amortised cost	13,491	13,491
Amounts due from associated companies	17	Amortised cost	3,435	3,435
Amounts due from joint ventures	18	Amortised cost	22,377	22,377
			203,715	203,715

39 Fair value measurements (continued)

(a) Carrying amounts and fair values of financial assets and financial liabilities (continued)

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows (continued):

	Note	Classification under IFRS 9	31 December 2023 Carrying amounts HK$ million	31 December 2023 Fair values HK$ million
Financial liabilities				
Bank and other debts [(i)]	24	Amortised cost	271,922	258,853
Trade payables	25	Amortised cost	23,017	23,017
Derivative financial instruments				
Fair value hedges – collar agreements	25 & 29	Fair value – hedges	356	356
Cash flow hedges				
Forward foreign exchange contracts	25	Fair value – hedges	2	2
Other contracts	25 & 29	Fair value – hedges	114	114
Net investment hedges				
Forward foreign exchange contracts	25	Fair value – hedges	1,072	1,072
Cross currency swaps	29	Fair value – hedges	465	465
Interest free loans from non-controlling shareholders	25	Amortised cost	438	438
Expenses and other accruals	25	Amortised cost	36,471	36,471
Other payables	25	Amortised cost	16,888	16,888
Lease liabilities	13	Amortised cost	67,923	67,923
Interest bearing loans from non-controlling shareholders		Amortised cost	3,245	3,245
Obligations for telecommunications licences and other rights	25 & 29	Amortised cost	4,615	4,615
Liabilities relating to the economic benefits agreements	29	Amortised cost	2,166	2,166
Amounts due to associated companies	17	Amortised cost	543	543
Amounts due to joint ventures	18	Amortised cost	310	310
			429,547	416,478

(i) The fair values of the bank and other debts are based on market quotes or estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

	31 December 2023 Carrying amounts HK$ million	31 December 2023 Fair values HK$ million
Representing:		
Financial assets measured at		
Amortised cost	183,480	183,480
FVOCI	17,925	17,925
FVPL	973	973
Fair value – hedges	1,337	1,337
	203,715	203,715
Financial liabilities measured at		
Amortised cost	427,538	414,469
Fair value – hedges	2,009	2,009
	429,547	416,478

39 Fair value measurements (continued)

(a) Carrying amounts and fair values of financial assets and financial liabilities (continued)

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows (continued):

	Note	Classification under IFRS 9	1 January 2023 Carrying amounts HK$ million	1 January 2023 Fair values HK$ million
Financial assets				
Liquid funds and other listed investments				
Cash and cash equivalents (included in Managed funds)	20	Amortised cost	40	40
Listed equity securities, Hong Kong	20	FVOCI	608	608
Listed equity securities, outside Hong Kong	20	FVOCI	8,880	8,880
Fair value hedges – collar agreements	20	Fair value – hedges	216	216
Listed debt securities (included in Managed funds)	20	FVOCI	6,359	6,359
Unlisted investments				
Unlisted equity securities	21	FVOCI	2,451	2,451
Unlisted equity securities	21	FVPL	417	417
Unlisted debt securities	21	FVPL	555	555
Derivative financial instruments				
Cash flow hedges				
Interest rate swaps	21 & 23	Fair value – hedges	237	237
Cross currency interest rate swaps	21 & 23	Fair value – hedges	754	754
Forward foreign exchange contracts	23	Fair value – hedges	1	1
Other contracts	21 & 23	Fair value – hedges	3,248	3,248
Net investment hedges				
Cross currency interest rate swaps	23	Fair value – hedges	112	112
Forward foreign exchange contracts	23	Fair value – hedges	44	44
Cross currency swaps	21 & 23	Fair value – hedges	1,173	1,173
Lease receivables	21	Amortised cost	542	542
Cash and cash equivalents	22	Amortised cost	138,085	138,085
Trade receivables	23	Amortised cost	14,945	14,945
Other receivables	23	Amortised cost	13,433	13,433
Amounts due from associated companies	17	Amortised cost	3,542	3,542
Amounts due from joint ventures	18	Amortised cost	29,792	29,792
			225,434	225,434

39 Fair value measurements (continued)

(a) Carrying amounts and fair values of financial assets and financial liabilities (continued)

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows (continued):

	Note	Classification under IFRS 9	1 January 2023 Carrying amounts HK$ million	1 January 2023 Fair values HK$ million
Financial liabilities				
Bank and other debts [(i)]	24	Amortised cost	284,326	265,418
Trade payables	25	Amortised cost	21,356	21,356
Derivative financial instruments				
Cash flow hedges				
Forward foreign exchange contracts	25	Fair value – hedges	2	2
Other contracts	25	Fair value – hedges	151	151
Net investment hedges				
Forward foreign exchange contracts	25	Fair value – hedges	891	891
Cross currency swaps	29	Fair value – hedges	314	314
Other derivative financial instruments	25	FVPL	795	795
Interest free loans from non-controlling shareholders	25	Amortised cost	472	472
Expenses and other accruals	25	Amortised cost	35,995	35,995
Other payables	25	Amortised cost	21,419	21,419
Lease liabilities	13	Amortised cost	66,059	66,059
Interest bearing loans from non-controlling shareholders		Amortised cost	2,567	2,567
Obligations for telecommunications licences and other rights	25 & 29	Amortised cost	3,989	3,989
Liabilities relating to the economic benefits agreements	29	Amortised cost	2,166	2,166
Amounts due to associated companies	17	Amortised cost	569	569
Amounts due to joint ventures	18	Amortised cost	319	319
			441,390	422,482

(i) The fair values of the bank and other debts are based on market quotes or estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

	1 January 2023 Carrying amounts HK$ million	1 January 2023 Fair values HK$ million
Representing:		
Financial assets measured at		
Amortised cost	200,379	200,379
FVOCI	18,298	18,298
FVPL	972	972
Fair value – hedges	5,785	5,785
	225,434	225,434
Financial liabilities measured at		
Amortised cost	439,237	420,329
FVPL	795	795
Fair value – hedges	1,358	1,358
	441,390	422,482

39 Fair value measurements (continued)

(b) Financial assets and financial liabilities measured at fair value

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

		30 June 2025			
	Note	Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million
Financial assets					
Liquid funds and other listed investments					
Listed equity securities, Hong Kong	20	**589**	**–**	**–**	**589**
Listed equity securities, outside Hong Kong	20	**6**	**–**	**–**	**6**
Listed debt securities (included in Managed funds)	20	**7,013**	**–**	**–**	**7,013**
Unlisted investments					
Unlisted equity securities – FVOCI	21	**–**	**–**	**1,944**	**1,944**
Unlisted equity securities – FVPL	21	**–**	**46**	**346**	**392**
Unlisted debt securities	21	**–**	**–**	**312**	**312**
Derivative financial instruments					
Cash flow hedges – other contracts	23	**–**	**1**	**–**	**1**
Net investment hedges					
Forward foreign exchange contracts	23	**–**	**7**	**–**	**7**
Cross currency swaps	21	**–**	**897**	**–**	**897**
		7,608	**951**	**2,602**	**11,161**
Financial liabilities					
Derivative financial instruments					
Cash flow hedges					
Interest rate swaps	29	**–**	**40**	**–**	**40**
Forward foreign exchange contracts	25	**–**	**8**	**–**	**8**
Other contracts	25	**–**	**2**	**–**	**2**
Net investment hedges					
Forward foreign exchange contracts	25	**–**	**1,411**	**–**	**1,411**
Cross currency swaps	25 & 29	**–**	**1,193**	**–**	**1,193**
Other derivative financial instruments	29	**–**	**148**	**–**	**148**
		–	**2,802**	**–**	**2,802**

39 Fair value measurements (continued)

(b) Financial assets and financial liabilities measured at fair value (continued)

Fair value hierarchy (continued)

		31 December 2024			
	Note	Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million
Financial assets					
Liquid funds and other listed investments					
Listed equity securities, Hong Kong	20	536	–	–	536
Listed equity securities, outside Hong Kong	20	747	–	–	747
Listed debt securities (included in Managed funds)	20	6,825	–	–	6,825
Unlisted investments					
Unlisted equity securities – FVOCI	21	–	–	1,933	1,933
Unlisted equity securities – FVPL	21	–	46	320	366
Unlisted debt securities	21	–	–	414	414
Derivative financial instruments					
Fair value hedges – collar agreements	23	–	–	14	14
Cash flow hedges					
Interest rate swaps	23	–	7	–	7
Cross currency interest rate swaps	21	–	227	–	227
Forward foreign exchange contracts	23	–	5	–	5
Other contracts	23	–	1	–	1
Net investment hedges					
Forward foreign exchange contracts	23	–	436	–	436
Cross currency swaps	21 & 23	–	1,360	–	1,360
		8,108	2,082	2,681	12,871
Financial liabilities					
Derivative financial instruments					
Cash flow hedges – other contracts	25	–	5	–	5
Net investment hedges					
Forward foreign exchange contracts	25	–	155	–	155
Cross currency swaps	25 & 29	–	240	–	240
Other derivative financial instruments	29	–	91	–	91
		–	491	–	491

39 Fair value measurements (continued)

(b) Financial assets and financial liabilities measured at fair value (continued)

Fair value hierarchy (continued)

	Note	31 December 2023 Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million
Financial assets					
Liquid funds and other listed investments					
Listed equity securities, Hong Kong	20	608	–	–	608
Listed equity securities, outside Hong Kong	20	8,589	–	–	8,589
Listed debt securities (included in Managed funds)	20	6,539	–	–	6,539
Unlisted investments					
Unlisted equity securities – FVOCI	21	–	–	2,189	2,189
Unlisted equity securities – FVPL	21	–	46	323	369
Unlisted debt securities	21	–	–	604	604
Derivative financial instruments					
Cash flow hedges					
Interest rate swaps	21	–	52	–	52
Cross currency interest rate swaps	21	–	150	–	150
Other contracts	23	–	26	–	26
Net investment hedges					
Forward foreign exchange contracts	23	–	201	–	201
Cross currency swaps	21 & 23	–	908	–	908
		15,736	1,383	3,116	20,235
Financial liabilities					
Derivative financial instruments					
Fair value hedges – collar agreement	25 & 29	–	–	356	356
Cash flow hedges					
Forward foreign exchange contracts	25	–	2	–	2
Other contracts	25 & 29	–	114	–	114
Net investment hedges					
Forward foreign exchange contracts	25	–	1,072	–	1,072
Cross currency swaps	29	–	465	–	465
		–	1,653	356	2,009

39 Fair value measurements (continued)

(b) Financial assets and financial liabilities measured at fair value (continued)

Fair value hierarchy (continued)

		1 January 2023			
	Note	Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million
Financial assets					
Liquid funds and other listed investments					
Listed equity securities, Hong Kong	20	608	–	–	608
Listed equity securities, outside Hong Kong	20	8,880	–	–	8,880
Fair value hedges – collar agreement	20	–	–	216	216
Listed debt securities (included in Managed funds)	20	6,359	–	–	6,359
Unlisted investments					
Unlisted equity securities – FVOCI	21	–	–	2,451	2,451
Unlisted equity securities – FVPL	21	–	46	371	417
Unlisted debt securities	21	–	–	555	555
Derivative financial instruments					
Cash flow hedges					
Interest rate swaps	21 & 23	–	237	–	237
Cross currency interest rate swaps	21 & 23	–	754	–	754
Forward foreign exchange contracts	23	–	1	–	1
Other contracts	21 & 23	–	3,248	–	3,248
Net investment hedges					
Cross currency interest rate swaps	23	–	112	–	112
Forward foreign exchange contracts	23	–	44	–	44
Cross currency swaps	21 & 23	–	1,173	–	1,173
		15,847	5,615	3,593	25,055
Financial liabilities					
Derivative financial instruments					
Cash flow hedges					
Forward foreign exchange contracts	25	–	2	–	2
Other contracts	25	–	151	–	151
Net investment hedges					
Forward foreign exchange contracts	25	–	891	–	891
Cross currency swaps	29	–	314	–	314
Other derivative financial instruments	25	–	795	–	795
		–	2,153	–	2,153

The fair value of financial assets and financial liabilities that are not traded in active market is determined by using valuation techniques. Specific valuation techniques used to value financial assets and financial liabilities include discounted cash flow analysis, are used to determine fair value for the financial assets and financial liabilities.

During the period / year ended 30 June 2025, 31 December 2024 and 2023, there were no transfer between the Level 1 and Level 2 fair value measurements, and no transfer into or out of Level 3 from or to Level 1 or Level 2 fair value measurements.

39 Fair value measurements (continued)

(b) Financial assets and financial liabilities measured at fair value (continued)

Level 3 fair values

The movements of the balance of financial assets and financial liabilities measured at fair value based on Level 3 are as follows:

	Six months ended 30 June		
	2025	2024	2023
	HK$ million	HK$ million	HK$ million
At 1 January	**2,681**	2,760	3,593
Total gains (losses) recognised in			
Income statement	**(143)**	6	(5)
Other comprehensive income	**(4)**	527	(1,141)
Additions	**60**	21	39
Disposals	**(27)**	(183)	(74)
Exchange translation differences	**35**	(10)	20
At 30 June	**2,602**	3,121	2,432
Total gains (losses) recognised in income statement relating to those financial assets and financial liabilities held at the end of the reporting period	**(143)**	6	(5)

The fair value of financial assets and financial liabilities that are grouped under Level 3 is determined by using valuation techniques including discounted cash flow analysis. In determining fair value, specific valuation techniques are used with reference to inputs such as dividend stream and other specific input relevant to those particular financial assets and financial liabilities.

Changing unobservable inputs used in Level 3 valuation to reasonable alternative assumptions would not have significant impact on the Group's profit or loss.

40 Subsequent events

Saved as disclosed, no event occurring up to the date of approval of the 2025 Interim Financial Statements has been identified that may require material adjustment of, or disclosure in, these financial statements.

41 US dollar equivalents

Amounts in these financial statements are stated in Hong Kong dollar (HK$), the functional currency of the Company. The translation into US dollar (US$) of these financial statements as of, and for the six months ended 30 June 2025, is for convenience only and has been made at the rate of HK$7.8 to US$1. This translation should not be construed as a representation that the Hong Kong dollar amounts actually represented have been, or could be, converted into US dollar at this or any other rate.

42 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million currency units unless otherwise stated.

43 Significant judgements, estimates and assumptions

In applying the Group's accounting policies which are disclosed on note 44, the directors are required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements and assumptions are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstance. Although our current estimates contemplate current and, as applicable, expected future conditions, it is reasonably possible that actual achievements, results, performance or other future events or conditions could differ from those on which the estimates are based. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Significant judgements in applying the Group's accounting policies

The following are the significant judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(i) Basis of consolidation and classification of investee entities

The determination if the Group has control, joint control or significant influence over another entity will require exercise of judgement under certain circumstances. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group also considers, in particular, whether it obtains benefits, including non-financial benefits, from its power to control the entity. As such, the classification of the entity as a subsidiary, a joint venture, a joint operation, an associated company or a cost investment might require the application of judgement through the analysis of various indicators, such as the practical ability to direct the relevant activities of the investee, the participation in policy-making processes of the investee, the representation on the board of directors or equivalent governing body of the investee, the percentage of ownership interest held in the investee, and various other factors including, if relevant, the existence of agreement with other shareholders, applicable statutes and regulations and their requirements.

(ii) Allocation of revenue for bundled telecommunications transactions with customers

The Group has bundled transactions under contract with customers including sales of both services and hardware (for example handsets). Revenue is allocated to the respective element in an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services and device. Device revenue is recognised at the inception of the contract upon delivery to the customer and services revenue is recognised throughout the contract period as the services are provided. Significant judgement is required in assessing fair values of both of these elements by considering inter alia, standalone selling price, the consideration to which the Group expects to be entitled in exchange for transferring the services and hardware to the customer, and other relevant observable market data. Changes in the allocation may cause the revenue recognised for sales of services and hardware to change individually but not the total bundled revenue from a specific customer throughout its contract term. The Group periodically re-assesses the allocation of the elements as a result of changes in market conditions.

(iii) Determination of lease term

Lease term is the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant:

43 Significant judgements, estimates and assumptions (continued)

(a) Significant judgements in applying the Group's accounting policies (continued)

(iii) Determination of lease term (continued)

- If there are significant penalties to terminate (or not to extend), the Group is typically reasonably certain to extend (or not to terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not to terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(iv) Business combinations

As disclosed in note 44(a)(iv), the Group applies the provisions of IFRS 3 to transactions and other events that meet the definition of a business combination within the scope of IFRS 3. When the Group completes a business combination, the identifiable assets acquired and the liabilities assumed, including intangible assets, contingent liabilities and commitments, are recognised at their fair value. Judgement is required to determine the fair values of the assets acquired, the liabilities assumed, the date of acquisition, and the purchase consideration, and on the allocation of the purchase consideration to the identifiable assets and liabilities. If the purchase consideration exceeds the fair value of the net assets acquired then the incremental amount paid is recognised as goodwill. If the purchase price consideration is lower than the fair value of the net assets acquired then the difference is recorded as a gain in the consolidated income statement. Allocation of the purchase consideration between finite lived assets and indefinite lived assets such as goodwill affects the subsequent results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its estimates and assumptions on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Revisions to accounting estimates and assumptions are recognised prospectively and could impact fair value and carrying amounts of assets and liabilities, amount and timing of results of operations and cash flows in future periods.

(i) Impairment of goodwill and long-lived assets

Goodwill and intangible assets that have an indefinite useful life (including telecommunication licences and brand names) are not subject to amortisation and are tested for impairment annually and when there is an indication that the asset may be impaired. Other assets are reviewed for impairment to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

43 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(i) Impairment of goodwill and long-lived assets (continued)

In assessing whether these assets have suffered any impairment, the carrying value of the asset or its respective business unit, including the goodwill, is compared with its recoverable amount, which is the higher of the fair value less costs of disposal and value-in-use. Fair value is derived, when available and appropriate, by making reference to performance metrics (such as revenue, EBITDA, earnings) and valuation multiples (such as Enterprise value / EBITDA, Enterprise value / Sales, Price / Earnings) of completed transactions of comparable businesses or comparable public companies, or by making reference to traded prices and with consideration for possible premiums, or is measured using discounted cash flow projections (Level 3 of the IFRS 13 fair value hierarchy). The selection of comparable companies requires management judgement and is based on a number of factors, including comparable companies' location, sizes, growth rates, industries, and development stages.

In determining the value-in-use of the investment, discounted cash flow models will be used to estimate the present value of the estimated future cash flows expected to be generated from the operations and from the ultimate disposal of the investment. The cash flows used in the financial projections (discounted cash flow models) are based on the latest approved financial budgets for the next five years. The Group prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of estimates and assumptions involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Significant estimates and assumptions inherent in the discounted cash flow models include the amount and timing of future cash flows attributable to the respective business unit. Other key estimates and assumptions, where applicable, include the respective business unit's projected revenue, costs, gross margin, inventory level, working capital and capital investments, as well as the discount rate and long term growth rate applied, and the estimated terminal value assumptions.

It is reasonably possible that the judgements, estimates and assumptions described above could change in future periods. Further, unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions. Changes to the judgements, estimates and assumptions can significantly affect the carrying amount of the asset in future periods.

(ii) Impairment assessment on investment accounted for using equity method

Investments accounted for using equity method are subject to impairment testing requirements. The requirements to test for impairment are applied to the net investment in the equity accounted investee. Fair value adjustments and goodwill recognised on acquisitions of equity-accounted investees are not recognised separately. Goodwill recognised on acquisitions of an equity- accounted investee is not subject to annual impairment test. Instead, after applying equity accounting method, the net investment is tested for impairment when there is an indication of possible impairment. The guidance in IAS 28 "Investments in Associates and Joint Ventures" is used to determine whether it is necessary to perform an impairment test for investments in equity-accounted investees. If there is an indication of impairment, then the impairment test applied follows the principles in IAS 36 "Impairment of Assets".

In assessing whether these assets have suffered any impairment, the net investment is compared with its recoverable amount, which is the higher of the fair value less costs of disposal and value-in-use. Fair value is derived, when available and appropriate, by making reference to performance metrics (such as revenue, EBITDA, earnings) and valuation multiples (such as Enterprise value / EBITDA, Enterprise value / Sales, Price / Earnings) of completed transactions of comparable businesses or comparable public companies, or by making reference to traded prices and with consideration for possible premiums, or, where financial projections are available, is measured using discounted cash flow projections (Level 3 of the IFRS 13 fair value hierarchy). The selection of comparable companies requires management judgement and is based on a number of factors, including comparable companies' location, sizes, growth rates, industries, and development stages.

43 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(ii) Impairment assessment on investment accounted for using equity method (continued)

In determining the value-in-use of the investment in an equity-accounted investee, discounted cash flow models will be used to estimate (i) the Group's share of the present value of the estimated future cash flows expected to be generated by the associated company or joint venture, including the cash flows from the operations of the associated company or joint venture and from the ultimate disposal of the investment; or (ii) the present value of the estimated future cash flows to the Group expected to arise from dividends to be received from the investment and from its ultimate disposal.

Significant estimates and assumptions inherent in the discounted cash flow models include the amount and timing of future cash flows attributable to the estimated future cash flows expected to be generated by the associated company or joint venture, including the cash flows from the operations of the associated company or joint venture, the present value of the estimated future cash flows to the Group expected to arise from dividends to be received from the investment and the ultimate disposal of the investment. Other key estimates and assumptions, where applicable, include estimates of the investee's projected revenue, costs, gross margin, inventory level, working capital and capital investments, as well as the discount rate and long term growth rate applied, and, where applicable, dividend yield, and the estimated terminal value assumptions.

It is reasonably possible that the judgements, estimates and assumptions described above could change in future periods. Further, unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions. Changes to the judgements, estimates and assumptions can significantly affect the carrying amount of the investment in future periods.

(iii) Pension costs and estimation of defined benefit pension obligation

The Group operates several defined benefit plans. Pension costs for defined benefit plans are assessed using the projected unit credit method in accordance with IAS 19, "Employee Benefits". Under this method, the cost of providing pensions is charged to the consolidated income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The liability or asset recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The present value of the defined benefit obligation is measured by discounting the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations. Remeasurements arising from defined benefit plans are recognised in other comprehensive income in the period in which they occur and reflected immediately in retained profit. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Management appoints actuaries to carry out full valuations of these pension plans to determine the pension obligations that are required to be disclosed and accounted for in the financial statements in accordance with the IFRS requirements.

The actuaries use assumptions and estimates in determining the fair value of the defined benefit plans and evaluate and update these assumptions on an annual basis. Judgement is required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

43 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(iv) Provisions for commitments, onerous contracts and other guarantees

The Group has entered into a number of procurement, supply and other contracts related to specific assets in the ordinary course of its business and provided guarantees in respect of bank and other borrowing facilities to associated companies and joint ventures. Where the unavoidable costs of meeting the obligations under these procurement and supply contracts exceed the associated, expected future net benefits, an onerous contract provision is recognised, or where the borrowing of associated companies and joint ventures are assessed to be unable to repay the indebtedness that the Group has guaranteed, a provision is recognised. The calculation of these provisions will involve the use of estimates and assumptions. These onerous provisions are calculated by taking the unavoidable costs that will be incurred under the contract and deducting any estimate revenues or predicted income to be derived from the assets, or by taking the unavoidable costs that will be incurred under the guarantee and deducting any estimated recoverable value from the investment in such associated companies and joint ventures.

(v) Provision for income tax and recognition of deferred tax asset

The Group is subject to income taxes in numerous jurisdictions. Significant judgement and estimate are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were previously recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilised, based on all available evidence. Recognition primarily involves judgement regarding the future financial performance of the particular legal entity or tax group. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, group relief, tax planning strategies and the periods in which estimated tax losses can be utilised.

The ultimate realisation of deferred tax assets recognised for certain of the Group's businesses depends principally on these businesses maintaining profitability and generating sufficient taxable profits to utilise the underlying unused tax losses. It may be necessary for some or all of the deferred tax assets recognised to be reduced and charged to the consolidated income statement if there is a significant adverse change in the projected performance and resulting projected taxable profits of these businesses. Judgement is required to determine key assumptions adopted in the taxable profit and loss projections and changes to key assumptions used and estimates made can significantly affect these taxable profit and loss projections.

(vi) Estimation of useful life: Fixed assets

Depreciation of operating assets constitutes a substantial operating cost for the Group. The cost of fixed assets is charged as depreciation expense over the estimated useful lives of the respective assets using the straight-line method. The Group periodically reviews changes in technology and industry conditions, asset retirement activity and residual values to determine adjustments to estimated remaining useful lives and depreciation rates. Actual economic lives may differ from estimated useful lives. Periodic reviews could result in a change in depreciable lives and therefore depreciation expense in future periods.

43 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(vii) Estimation of useful life: Telecommunications licences, other licences, brand names, trademarks and other rights

Telecommunications licences, other licences, brand names, trademarks and other rights with a finite useful life are carried at cost less accumulated amortisation and are reviewed for impairment annually. Telecommunications licences, other licences, brand names, trademarks and other rights that are considered to have an indefinite useful life are not amortised and are tested for impairment annually and when there is an indication that they may be impaired. Certain brand names related to Retail and Telecommunications are considered to have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate net cash inflows.

Judgement is required to estimate the useful lives of the telecommunications licences, other licences, brand names, trademarks and other rights. The actual economic lives of these assets may differ from the current contracted or expected usage periods, which could impact the amount of amortisation expense charged to the income statement. In addition, governments from time to time revise the terms of licences to change, amongst other terms, the contracted or expected licence period, which could also impact the amount of amortisation expense charged to the consolidated income statement.

(viii) Estimation of the amortisation period: Customer acquisition and retention costs

In accordance with IFRS 15, customer acquisition and retention costs, which comprise the net costs to acquire and retain customers, are expensed and recognised in the consolidated income statement in the period in which they are incurred, where (i) the costs are incurred; (ii) the costs are incremental of obtaining a contract and they are expected to be recovered; and (iii) the costs relate directly to the contract, generate resources used in satisfying the contract and are expected to be recovered, then they are capitalised and amortised over the customer contract period. Appropriate allowances are recognised if the carrying amounts of the capitalised costs exceed the remaining amount that the Group expects to receive less any directly related costs that have not been recognised as expenses.

Judgement is required to determine the amount of the provision and the amortisation period. The actual amount to be received from the customer and customer period may differ from the expected amount and the contract periods, which could impact the amount of expense charged to the consolidated income statement.

(ix) Estimation of fair value of the Group's 49% interest in VodafoneThree at the time of its constitution

On 31 May 2025, the Group completed the merger of its UK telecommunications operations, **3** UK, with Vodafone Group's corresponding UK operations to form the combined entity, VodafoneThree. As a result of the transaction, **3** UK and its subsidiaries ceased to be subsidiaries of the Group and were de-consolidated from the Group's financial statements. The Group now holds a 49% interest in VodafoneThree, which is accounted for as an associated company under the equity method, while Vodafone has a 51% ownership stake.

This transaction has been accounted for as a disposal of the Group's entire interest in **3** UK, coupled with the concurrent acquisition of a 49% stake in VodafoneThree. The fair value of the Group's 49% interest in VodafoneThree was determined to be HK$40,766 million, derived from the average of five independent mid-point valuation analyses. The fair value assessment incorporated comparable companies analysis (using EBITDAaL and adjusted free cash flow) and DCF analysis, based on the combined business's forward-looking financial plan, including projections for revenue, operating costs, capital expenditures, and terminal value. The five valuations yielded the following estimated fair values for the Group's 49% interest: HK$35.8 billion, HK$38.5 billion, HK$39.4 billion, HK$44.1 billion and HK$46.1 billion, with the final fair value reflecting the average of these outcomes.

The valuation process required significant judgement, particularly in selecting appropriate peer companies for benchmarking, considering factors such as market position, growth profile, and geographic focus, and determining key assumptions in the DCF model, including discount rates, long-term growth rates, and cash flow projections.

Given the inherent uncertainties in these estimates, alternative judgements or assumptions could result in a materially different fair value, which would impact the gain or loss recognised on the disposal of **3** UK.

43 Significant judgements, estimates and assumptions (continued)

(c) Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

44 Summary of material accounting policies

(a) Summary of material accounting policies

Set out below is a summary of the Company's material accounting policies applicable in the preparation of financial statements to the extent they have not already been disclosed in the other notes elsewhere in these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(i) Subsidiary companies

Subsidiaries are entities over which the Group has control. Where an entity is governed by voting rights, the Group consolidates when it holds, directly or indirectly, the necessary voting rights to pass resolutions by the governing body. In other cases, the assessment of control is more complex and requires judgement of other factors, including having exposure to variability of returns, power to direct relevant activities, and whether power is held as agent or principal. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Impairment testing is performed where there is an indication of impairment, by comparing the recoverable amount of the relevant investment to its carrying amount. Indicators of impairment include both external and internal sources of information. Similarly, assessments are made as to whether an impairment loss recognised in prior periods may no longer exist or may have decreased. Where this is the case, such an impairment loss is reversed if there has been a change in the estimate used to determine the relevant recoverable amount since the last impairment loss was recognised, and to the extent that it does not increase the carrying amount above that had no impairment loss been previously recognised.

(ii) Associated companies and joint arrangements

The Group classifies investments in entities over which it has significant influence, and which are neither subsidiaries nor joint arrangements, as associated companies. This is generally the case where the Group holds between 20% and 50% of the voting rights.

Joint arrangements are investments in which the Group, together with one or more parties, has joint control and over which none of the participating parties has unilateral control. Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. Joint ventures arise where the investors have rights to the net assets of the arrangement.

The Group recognises its share of the assets, liabilities and results in a joint operation. Investments in associated companies and interests in joint ventures are recognised using the equity method. The attributable share of the results and reserves of joint ventures and associated companies is included in the consolidated financial statements based on either financial statements made up to 31 December or pro-rated amounts adjusted for any material transactions or events occurring between the date the financial statements are available and 31 December.

Investments in associated companies and joint ventures are assessed at each reporting date and tested for impairment when there is an indication that the investment may be impaired, by comparing the recoverable amount of the relevant investment to its carrying amount. Goodwill on acquisitions of interests in joint ventures and associated companies is not tested separately for impairment, but is assessed as part of the carrying amount of the investment. Previously recognised impairments are assessed for reversal when there are indicators that they may no longer exist or have decreased. Any reversal, which may arise from changes in estimates used to determine the prior impairment loss, is recognised to the extent that it does not increase the carrying amount above that had no impairment loss been previously recognised.

44 Summary of material accounting policies (continued)

(a) Summary of material accounting policies (continued)

(iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the ordinary shareholders of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified / permitted by applicable IFRS.

If the ownership interest in a joint venture or an associated company is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(iv) Business combinations

The Group applies the provisions of IFRS 3, Business combinations, to transactions and other events that meet the definition of a business combination within the scope of IFRS 3. Where the acquisition method of accounting is used to account for business combinations, the consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the Group to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. This election is made for each business combination. Acquisition-related costs are generally recognised in profit or loss as incurred.

The difference between the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any pre-existing investment in the acquiree over the acquisition-date fair value of assets acquired and the liabilities assumed is recognised as goodwill. If the consideration transferred and the fair value of pre-existing investment in the acquiree is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the Group, the difference is recognised as a gain directly in profit or loss by the Group on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the Group's previously held equity interest in the acquiree.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

44 Summary of material accounting policies (continued)

(a) Summary of material accounting policies (continued)

(iv) Business combinations (continued)

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Business combinations are initially accounted for on a provisional basis. The Group retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period (see above), based on new information obtained about the facts and circumstances that existed as of the acquisition date.

(v) Goodwill

Goodwill is initially recognised and measured as set out in note 44(a)(iv) Business combinations.

Goodwill is not amortised but is subject to impairment test annually and when there is an indication that the carrying value may not be recoverable. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal (but does not include any attributable goodwill previously eliminated against reserves).

The Group's policy for goodwill arising on the acquisition of an associated company and a joint venture is described in note 44(a)(ii) above.

(vi) Fixed assets

Fixed assets other than freehold lands, are stated at cost less depreciation and any impairment loss. Freehold lands included in land and buildings are not depreciated. Buildings are depreciated on the basis of an expected life of 50 years, or the remainder thereof, or over the remaining period of the lease of the underlying leasehold land, whichever is less. The period of the lease includes the period for which a right to renewal is attached.

Depreciation of other fixed assets is provided on the straight-line basis to write off their costs over their estimated useful lives. The principal annual rates used for these purposes are as follows:

Motor vehicles	20 – 25%
Plant, machinery and equipment	3 1/3 – 20%
Container terminal equipment	3 – 20%
Telecommunications equipment	2.5 – 20%
Leasehold improvements	Over the unexpired period of the lease or 15%, whichever is greater

The gain or loss on disposal or retirement of a fixed asset is the difference between the net sales proceeds and the carrying amount.

44 Summary of material accounting policies (continued)

(a) Summary of material accounting policies (continued)

(vii) Leases

(I) Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the lease liability and interest on lease liability. The interest on lease liability is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- lease payments made at or before the commencement date less any lease incentives received;
- initial direct costs and restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture and certain IT-equipment.

Some leases contain variable payment terms that are linked to sales generated from a store. For individual retail stores, lease payments are on the basis of variable payment terms and there is a wide range of sales percentages applied. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

44 Summary of material accounting policies (continued)

(a) Summary of material accounting policies (continued)

(vii) Leases (continued)

(II) Group as a lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. If this is not the case, the lease is classified as an operating lease.

However, when the Group is an intermediate lessor the sublease are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

(viii) Telecommunications licences, other licences, brand names, trademarks and other rights

Separately acquired telecommunications licences, other licences, brand names, trademarks and other rights are carried at historical cost. Telecommunications licences, other licences, brand names, trademarks and other rights that are considered to have indefinite useful lives to the Group are not amortised and are tested for impairment annually and when there is an indication that they may be impaired. Telecommunications licences, other licences, brand names, trademarks and other rights with a finite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of these assets over their estimated useful lives:

Telecommunications licences and other licences	2 to 20 years
Brand names, trademarks and other rights	2 to 45 years

(ix) Customer acquisition and retention costs

Customer acquisition and retention costs ("CACs") comprise the net costs to acquire and retain customers, which are mainly mobile telecommunication customers. CACs are expensed and recognised in the consolidated income statement in the period in which they are incurred, except (i) the costs are incremental of obtaining a contract and they are expected to be recovered; and (ii) the costs relate directly to the contract, generate resources used in satisfying the contract and are expected to be recovered, then they are capitalised and amortised over the customer contract period. Appropriate allowance are recognised if the carrying amounts of the capitalised costs exceed the remaining amount that the Group expects to receive less any directly related costs that have not been recognised as expenses.

(x) Liquid funds and other listed investments and unlisted investments

"Liquid funds and other listed investments" are investments in listed debt securities, listed equity securities and cash and cash equivalents. "Unlisted investments", disclosed under other non-current assets, are investments in unlisted debt securities and unlisted equity securities. These investments are recognised and de-recognised on the date the Group commits to purchase or sell the investments or when they expire.

44 Summary of material accounting policies (continued)

(a) Summary of material accounting policies (continued)

(x) Liquid funds and other listed investments and unlisted investments (continued)

(I) Measurement

Debt instrument financial assets subsequent to initial recognition are measured as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Financial assets at fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses and reversals, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to, and recognised in, profit or loss.

Financial assets at fair value through profit or loss ("FVPL"): Assets that do not meet the criteria for amortised cost or FVOCI, or designated as FVPL using fair value option, are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in the fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established. Where an election is made to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

(II) Impairment

Under the expected loss approach, the Group assesses on a forward looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model under IFRS 9 applies to debt instruments measured at amortised cost and at FVOCI, contract assets under IFRS 15, lease receivables, loan commitments and certain financial guarantee contracts. The Group applies the simplified approach to recognise lifetime expected losses for trade receivables due from customers and contract assets. As regards lease receivables, loan commitments, financial guarantee contracts, and certain other financial assets (which are presented under Liquid funds and other listed investments, unlisted investments, and other current assets within Trade receivables and other current assets) the Group considers that they have low credit risk and hence recognises 12-month expected credit losses for such items.

(xi) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

44 Summary of material accounting policies (continued)

(a) Summary of material accounting policies (continued)

(xii) Trade and other receivables, and contract assets

Trade receivables are recognised when the Group's right to consideration is unconditional that only the passage of time is required before the payment is due.

Contract assets primarily relate to the Group's rights to consideration for delivered goods or services but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Trade receivables and contract assets are initially recognised at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value, and are subsequently measured at amortised cost using the effective interest rate, less allowance for expected credit losses.

Other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowances for expected credit losses.

(xiii) Borrowings and borrowing costs

Borrowings and debt instruments are initially measured at fair value, net of transaction costs, and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption amount is recognised over the period of the borrowings using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

(xiv) Trade and other payables, and contract liabilities

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Contract liability is recognised in the amount of the prepayment from customers for the Group's performance obligation to transfer, or to stand ready to transfer, goods or services in future. The contract liabilities primarily relate to the advance consideration received from customers, where the Group has the unconditional right to considerations before the goods or services are delivered. They are released and revenues are recognised when the performance obligations are satisfied upon transferring of goods and services to customers.

(xv) Asset impairment

Assets that have an indefinite useful life are tested for impairment annually and when there is an indication that they may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. Such impairment loss is recognised in the consolidated income statement except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that in which case it is treated as a revaluation decrease.

44 Summary of material accounting policies (continued)

(a) Summary of material accounting policies (continued)

(xvi) Foreign exchange

Transactions in foreign currencies are converted at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities are translated at the rates of exchange ruling at the end of the reporting period.

The financial statements of foreign operations are translated into Hong Kong dollar using the period / year end rates of exchange for the consolidated statement of financial position items and the average rates of exchange for the period / year for the income statement items. Exchange differences are recognised in other comprehensive income and accumulated under the heading of exchange reserve. Exchange differences arising from foreign currency borrowings and other currency instruments designated as hedges of such overseas investments, are recognised in other comprehensive income and accumulated under the heading of exchange reserve.

Exchange differences arising from translation of inter-company loan balances between Group entities are recognised in other comprehensive income and accumulated under the heading of exchange reserve when such loans form part of the Group's net investment in a foreign entity. On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associated company that includes a foreign operation), all of the exchange gains or losses accumulated in exchange reserve in respect of that operation attributable to the owners of the Company are transferred out of the exchange reserve and are recognised in the consolidated income statement.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated income statement. For all other partial disposals (i.e. partial disposals of associated companies or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is transferred out of the exchange reserve and are recognised in the consolidated income statement.

All other exchange differences are recognised in the consolidated income statement.

In line with IFRS 1 exemption guidance, the cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition to IFRS.

(xvii) Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

Ports and Related Services

Revenue from the provision of ports and related services is recognised over time when the services are rendered and the Group's performance provides the benefits received and consumed simultaneously by the customer.

Retail

Revenue from the sale of retail goods is recognised at point of sale less an estimate for sales return based on past experience where goods are sold with a right to return. Retail sales are usually settled in cash or by credit card and debit card. The recorded revenue is the gross amount of sales, including credit card fees payable for the transaction.

44 Summary of material accounting policies (continued)

(a) Summary of material accounting policies (continued)

(xvii) Revenue recognition (continued)

Infrastructure

Revenue from sales of infrastructure materials is recognised when a performance obligation is satisfied, which is recognised at a point in time, based on the timing of control of the goods underlying the particular performance obligation being transferred to the customer.

Revenue from the provision of waste collection, commercial refuse and recycling services together with refuse transfer station operations and landfill operations is recognised when a performance obligation is satisfied, which is recognised at a point of time, based on the timing of control of the services underlying the particular performance obligation being transferred to the customer.

Telecommunications services

Revenue represents amounts earned for services rendered and for the sale of mobile and related devices. The Group recognises revenue for mobile devices when it transfers the control over the device to the customer which is usually the time the customer signs up to a contract. The Group recognises revenue for mobile telecommunication services as the services are rendered. Monthly recurring charges and additional airtime used by contract customers are invoiced and recorded as part of a periodic billing cycle and recognised as revenue over the related access period. Unbilled revenue resulting from services already provided from the billing cycle date to the end of each period is accrued, and unearned monthly access charges relating to periods after each accounting period are deferred. Products and services may be sold separately or in a bundled transaction. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires.

For bundled transactions under contract comprising the provision of telecommunications services and sale of a device (e.g. handsets), the elements are accounted for separately if they are distinct. A product or service is distinct if they are separately identifiable from other items in the bundled package and if the customer can benefit from it. The revenue is allocated to the respective element in an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services and device, where device revenue is recognised at the inception of the contract upon delivery to the customer and services revenue is recognised throughout the contract period as the services are provided.

Other service income is recognised when the service is rendered. Customer service revenue is mobile telecommunications service revenue, and where a customer is invoiced for a bundled transaction under contract, the invoiced amount less amounts related to accrued device revenue and also less other service income. Total revenue arising from telecommunications services comprises of service revenue, sale of device revenue and other service income.

Finance and investments

Dividend income from investments in securities is recognised when the Group's right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

44 Summary of material accounting policies (continued)

(b) Summary of other potentially material accounting policies

Set out below is a summary of other potentially material accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes elsewhere in these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(i) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated income statement.

(ii) Investment properties

Investment properties are interests in land and buildings that are held to earn rentals or for capital appreciation or both. Such properties are carried in the consolidated statement of financial position at their fair value. Changes in fair values of investment properties are recorded in the consolidated income statement.

(iii) Leasehold land

The acquisition costs and upfront payments made for leasehold land are presented on the face of the consolidated statement of financial position as leasehold land prior to 1 January 2019 and are grouped as part of right-of-use assets with effect from 1 January 2019. Leasehold land are expensed in the consolidated income statement on a straight-line basis over the period of the lease.

(iv) Contractual customer relationships

Separately acquired contractual customer relationships are carried at historical cost. These contractual customer relationships are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method from five to fifteen years over the expected useful life of the customer relationship.

(v) Deferred tax

Deferred tax is recognised, using the liabilities method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilised.

44 Summary of material accounting policies (continued)

(b) Summary of other potentially material accounting policies (continued)

(vi) Derivative financial instruments and hedging activities

Derivative financial instruments are utilised by the Group in the management of its foreign currency and interest rate exposures. Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation (net investment hedges).

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss as other expense except when the hedging instrument hedges an equity instrument designated at FVOCI in which case it is recognised in other comprehensive income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item (if applicable) and is also recognised in profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the effective interest rate ("EIR") method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

44 Summary of material accounting policies (continued)

(b) Summary of other potentially material accounting policies (continued)

(vi) Derivative financial instruments and hedging activities (continued)

Cash flow hedges

Where a derivative financial instrument is designated as a hedging instrument in a cash flow hedge, the effective portion of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset such as inventory, the associated gain or loss is reclassified from equity to be included in the initial cost of the non-financial asset. For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified from equity to profit or loss in the same period or periods during which the hedged cash flows affect profit or loss (such as when a forecast sale occurs or interest expense is recognised).

If a hedge no longer meets the criteria for hedge accounting (including when the hedging instrument expires or is sold, terminated or exercised), then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, but the hedged forecast transaction is still expected to occur, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the amount that has been accumulated in the hedging reserve is reclassified from equity to profit or loss immediately.

Hedge of net investments in foreign operations

The effective portion of any foreign exchange gain or loss on the derivative financial instruments is recognised in other comprehensive income and accumulated in equity in the exchange reserve until the disposal of the foreign operation, at which time the cumulative gain or loss is reclassified from equity to profit or loss. The ineffective portion is recognised immediately in profit or loss.

(vii) Inventories

Inventories consist mainly of retail goods. The carrying value of retail stock is mainly determined using the weighted average cost method. Inventories are stated at the lower of cost and net realisable value. Cost includes all direct expenditure and other appropriate attributable costs incurred in bringing inventories to their present location and condition.

(viii) Customer loyalty credits

Customer loyalty credits are accounted for as a separate component of the sales transaction in which they are granted.

(ix) Share capital

Share capital issued by the Company are recorded in equity at the proceeds received, net of direct issue costs. Where any group company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the ordinary shareholders.

(x) Provisions

Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a present obligation as a result of past events and a reliable estimate can be made of the amount of the obligation.

44 Summary of material accounting policies (continued)

(b) Summary of other potentially material accounting policies (continued)

(xi) Pension plans

Pension plans are classified into defined benefit and defined contribution plans. The pension plans are generally funded by the relevant group companies taking into account the recommendations of independent qualified actuaries and by payments from employees for contributory plans.

The Group's contributions to the defined contribution plans are charged to the consolidated income statement in the year incurred.

Pension costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the consolidated income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The liability or asset recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The present value of the defined benefit obligation is measured by discounting the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations.

Remeasurements arising from defined benefit plans are recognised in other comprehensive income in the period in which they occur and reflected immediately in retained profit. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Pension costs are charged to the consolidated income statement within staff costs.

(xii) Share-based payments

The Company and its subsidiary companies do not have share option scheme as at 30 June 2025, 31 December 2024, 31 December 2023 and 1 January 2023 but certain of the Company's associated companies have issued equity-settled and cash-settled share-based compensation plans. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the respective group companies' estimate of their shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at the end of the reporting period.

(c) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting year and have not been early adopted by the Group.

(i) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income.

The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026. The Group does not expect these amendments to have a material impact on its operations or financial statements.

44 Summary of material accounting policies (continued)

(c) New standards and interpretations not yet adopted (continued)

(ii) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments clarify the application of the own-use exception requirements for in-scope contracts, amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts and add new disclosure requirements on the effect of these contracts on a company's financial performance and cash flows. As a result of the amendments, entities will be able to apply the own-use exception to certain contracts referencing nature-dependent electricity ("CRNE") which are contracts to purchase electricity from nature-dependent sources such as wind energy or solar energy; and designate a variable nominal volume of electricity as a hedged item, facilitating application of hedge accounting to CRNEs.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. The Group does not expect these amendments to have a material impact on its operations or financial statements.

(iii) Annual Improvements to IFRS Accounting Standards – Volume 11

The IASB issued narrow-scope amendments to IFRS that include clarifications, simplifications, corrections, and changes intended to improve consistency in:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

These amendments will be effective for annual periods beginning on or after 1 January 2026. The Group does not expect these amendments to have a material impact on its operations or financial statements.

(iv) Presentation and Disclosure in Financial Statements – IFRS 18

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

45 Reconciliations between IFRS and Previous GAAP (see note 4)

Reconciliations between amounts reported under IFRS and Previous GAAP as presented below.

(a) Total Equity

	31 December 2024 HK$ million	30 June 2024 HK$ million	31 December 2023 HK$ million	30 June 2023 HK$ million	I January 2023 HK$ million
Total equity under Previous GAAP	652,592	656,960	670,549	662,286	647,309
Transition to IFRS:					
Effect on exchange reserve at date of transition	+ 40,203	+ 40,203	+ 40,203	+ 40,203	+ 40,203
Effect on exchange reserve – 1H 2023	- 334	- 334	- 334	- 334	–
Effect on exchange reserve – 2H 2023	- 5	- 5	- 5	–	–
	+ 39,864	+ 39,864	+ 39,864	+ 39,869	+ 40,203
Effect on retained profit at date of transition	- 40,203	- 40,203	- 40,203	- 40,203	- 40,203
Effect on retained profit – 1H 2023	+ 334	+ 334	+ 334	+ 334	–
Effect on retained profit – 2H 2023	+ 5	+ 5	+ 5	–	–
	- 39,864	- 39,864	- 39,864	- 39,869	- 40,203
Total equity under IFRS	652,592	656,960	670,549	662,286	647,309

45 Reconciliations between IFRS and Previous GAAP (continued)

(b) Consolidated Statement of Financial Position at 1 January 2023

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Non-current assets			
Fixed assets	112,650	–	112,650
Right-of-use assets	59,337	–	59,337
Telecommunications licences	60,689	–	60,689
Brand names and other rights	83,694	–	83,694
Goodwill	268,008	–	268,008
Associated companies	140,711	–	140,711
Interests in joint ventures	148,561	–	148,561
Deferred tax assets	18,509	–	18,509
Liquid funds and other listed investments	16,103	–	16,103
Other non-current assets	15,900	–	15,900
	924,162	–	924,162
Current assets			
Cash and cash equivalents	138,085	–	138,085
Inventories	23,283	–	23,283
Trade receivables and other current assets	56,811	–	56,811
	218,179	–	218,179
Assets classified as held for sale	6,096	–	6,096
	224,275	–	224,275
Current liabilities			
Bank and other debts	70,130	–	70,130
Current tax liabilities	4,001	–	4,001
Lease liabilities	12,128	–	12,128
Trade payables and other current liabilities	89,129	–	89,129
	175,388	–	175,388
Liabilities directly associated with assets classified as held for sale	1,127	–	1,127
	176,515	–	176,515
Net current assets	47,760	–	47,760
Total assets less current liabilities	971,922	–	971,922
Non-current liabilities			
Bank and other debts	214,196	–	214,196
Interest bearing loans from non-controlling shareholders	2,567	–	2,567
Lease liabilities	53,931	–	53,931
Deferred tax liabilities	19,290	–	19,290
Pension obligations	2,730	–	2,730
Other non-current liabilities	31,899	–	31,899
	324,613	–	324,613
Net assets	647,309	–	647,309
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	276,711	–	276,711
Total ordinary shareholders' funds	523,513	–	523,513
Perpetual capital securities	4,561	–	4,561
Non-controlling interests	119,235	–	119,235
Total equity	647,309	–	647,309

45 Reconciliations between IFRS and Previous GAAP (continued)

(c) Consolidated Income Statement for the year ended 31 December 2024

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Revenue	281,351	–	281,351
Cost of inventories sold	(106,194)	–	(106,194)
Staff costs	(41,591)	–	(41,591)
Expensed customer acquisition and retention costs	(15,433)	–	(15,433)
Depreciation and amortisation	(40,460)	–	(40,460)
Other expenses and losses	(52,895)	–	(52,895)
Other income and gains	524	–	524
Share of profits less losses of:			
Associated companies	6,903	–	6,903
Joint ventures	9,757	–	9,757
	41,962	–	41,962
Interest expenses and other finance costs	(13,392)	–	(13,392)
Profit before tax	28,570	–	28,570
Current tax charge	(4,189)	–	(4,189)
Deferred tax charge	(528)	–	(528)
Profit after tax	23,853	–	23,853
Profit attributable to non-controlling interests and holders of perpetual capital securities	(6,765)	–	(6,765)
Profit attributable to ordinary shareholders	17,088	–	17,088

45 Reconciliations between IFRS and Previous GAAP (continued)

(d) Consolidated Statement of Comprehensive Income for the year ended 31 December 2024

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Profit after tax	23,853	–	23,853
Other comprehensive income (losses)			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments at fair value through other comprehensive income	(528)	–	(528)
Remeasurement of defined benefit obligations	810	–	810
Share of other comprehensive income (losses) of associated companies	(83)	–	(83)
Share of other comprehensive income (losses) of joint ventures	(945)	–	(945)
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	(90)	–	(90)
	(836)	–	(836)
Items that may be reclassified to profit or loss			
Changes in fair value of debt instruments at fair value through other comprehensive income	126	–	126
Exchange losses on translation of foreign operations	(9,543)	–	(9,543)
Losses on cash flow hedges	(132)	–	(132)
Gains on net investment hedges	1,484	–	1,484
Share of other comprehensive income (losses) of associated companies	(5,670)	–	(5,670)
Share of other comprehensive income (losses) of joint ventures	(5,311)	–	(5,311)
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	5	–	5
	(19,041)	–	(19,041)
Other comprehensive income (losses), net of tax	(19,877)	–	(19,877)
Total comprehensive income	3,976	–	3,976
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	(4,155)	–	(4,155)
Total comprehensive income (losses) attributable to ordinary shareholders	(179)	–	(179)

45 Reconciliations between IFRS and Previous GAAP (continued)

(e) Consolidated Statement of Financial Position at 31 December 2024

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Non-current assets			
Fixed assets	111,777	–	111,777
Right-of-use assets	57,589	–	57,589
Telecommunications licences	63,869	–	63,869
Brand names and other rights	79,241	–	79,241
Goodwill	267,325	–	267,325
Associated companies	139,855	–	139,855
Interests in joint ventures	154,208	–	154,208
Deferred tax assets	18,140	–	18,140
Liquid funds and other listed investments	8,142	–	8,142
Other non-current assets	20,203	–	20,203
	920,349	–	920,349
Current assets			
Cash and cash equivalents	121,303	–	121,303
Inventories	24,923	–	24,923
Trade receivables and other current assets	45,967	–	45,967
	192,193	–	192,193
Current liabilities			
Bank and other debts	30,956	–	30,956
Interest bearing loan from a non-controlling shareholder	1,874	–	1,874
Current tax liabilities	3,368	–	3,368
Lease liabilities	12,142	–	12,142
Trade payables and other current liabilities	82,645	–	82,645
	130,985	–	130,985
Net current assets	61,208	–	61,208
Total assets less current liabilities	981,557	–	981,557
Non-current liabilities			
Bank and other debts	225,436	–	225,436
Interest bearing loans from non-controlling shareholders	1,597	–	1,597
Lease liabilities	52,377	–	52,377
Deferred tax liabilities	17,974	–	17,974
Pension obligations	3,197	–	3,197
Other non-current liabilities	28,384	–	28,384
	328,965	–	328,965
Net assets	652,592	–	652,592
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	287,913	–	287,913
Total ordinary shareholders' funds	534,715	–	534,715
Non-controlling interests	117,877	–	117,877
Total equity	652,592	–	652,592

45 Reconciliations between IFRS and Previous GAAP (continued)

(f) Consolidated Statement of Changes in Equity for the year ended 31 December 2024

	Attributable to					
	Ordinary shareholders			Holders of perpetual capital securities	Non-controlling interests	Total equity
	Share capital and share premium	Reserves	Total ordinary shareholders' funds			
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2024 under Previous GAAP	246,802	297,233	544,035	4,566	121,948	670,549
Effect on adoption of IFRS	–	–	–	–	–	–
At 1 January 2024 under IFRS	246,802	297,233	544,035	4,566	121,948	670,549
Profit for the year under Previous GAAP	–	17,088	17,088	71	6,694	23,853
Effect on adoption of IFRS	–	–	–	–	–	–
Profit for the year under IFRS	–	17,088	17,088	71	6,694	23,853
Other comprehensive income (losses) under Previous GAAP						
Changes in fair value of equity instruments at fair value through other comprehensive income	–	(528)	(528)	–	–	(528)
Changes in fair value of debt instruments at fair value through other comprehensive income	–	126	126	–	–	126
Remeasurement of defined benefit obligations	–	646	646	–	164	810
Exchange losses on translation of foreign operations	–	(8,156)	(8,156)	–	(1,387)	(9,543)
Losses on cash flow hedges	–	(122)	(122)	–	(10)	(132)
Gains on net investment hedges	–	1,123	1,123	–	361	1,484
Share of other comprehensive income (losses) of associated companies	–	(5,320)	(5,320)	–	(433)	(5,753)
Share of other comprehensive income (losses) of joint ventures	–	(4,969)	(4,969)	–	(1,287)	(6,256)
Tax relating to components of other comprehensive income (losses)	–	(67)	(67)	–	(18)	(85)
Other comprehensive income (losses), net of tax, under Previous GAAP	–	(17,267)	(17,267)	–	(2,610)	(19,877)
Effect on adoption of IFRS	–	–	–	–	–	–
Other comprehensive income (losses), net of tax, under IFRS	–	(17,267)	(17,267)	–	(2,610)	(19,877)
Total comprehensive income (losses) under IFRS	–	(179)	(179)	71	4,084	3,976
Transactions with owners in their capacity as owners under Previous GAAP / IFRS:						
Dividends paid relating to 2023	–	(6,798)	(6,798)	–	–	(6,798)
Dividends paid relating to 2024	–	(2,635)	(2,635)	–	–	(2,635)
Dividends paid to non-controlling interests	–	–	–	–	(7,932)	(7,932)
Distributions paid on perpetual capital securities	–	–	–	(162)	–	(162)
Redemption of perpetual capital securities	–	–	–	(4,475)	–	(4,475)
Equity contribution from non-controlling interests	–	–	–	–	624	624
Unclaimed dividends write back	–	9	9	–	–	9
Relating to purchase of non-controlling interests	–	(37)	(37)	–	16	(21)
Relating to partial disposal / disposal of subsidiary companies	–	320	320	–	(863)	(543)
	–	(9,141)	(9,141)	(4,637)	(8,155)	(21,933)
At 31 December 2024 under IFRS	246,802	287,913	534,715	–	117,877	652,592

45 Reconciliations between IFRS and Previous GAAP (continued)

(g) Consolidated Statement of Cash Flows for the year ended 31 December 2024

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Operating activities			
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	75,130	–	75,130
Interest expenses and other finance costs paid (net of capitalisation)	(13,267)	–	(13,267)
Tax paid	(4,652)	–	(4,652)
Funds from operations (before principal elements of lease payments)	57,211	–	57,211
Changes in working capital	(2,983)	–	(2,983)
Net cash from operating activities	54,228	–	54,228
Investing activities			
Purchase of fixed assets	(20,365)	–	(20,365)
Additions to telecommunications licences	(72)	–	(72)
Additions to brand names and other rights	(1,913)	–	(1,913)
Purchase of subsidiary companies, net of cash acquired	(4,114)	–	(4,114)
Additions to unlisted investments	(44)	–	(44)
Repayments of loans from associated companies and joint ventures	1,242	–	1,242
Purchase of and advances to associated companies and joint ventures	(2,470)	–	(2,470)
Proceeds from disposal of fixed assets	146	–	146
Proceeds from disposal of subsidiary companies, net of cash disposed	333	–	333
Proceeds from partial disposal / disposal of associated companies and joint ventures	179	–	179
Proceeds from disposal of other unlisted investments	266	–	266
Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments	(26,812)	–	(26,812)
Disposal of liquid funds and other listed investments	7,172	–	7,172
Additions to liquid funds and other listed investments	(262)	–	(262)
Cash flows used in investing activities	(19,902)	–	(19,902)
Net cash inflow before financing activities	34,326	–	34,326
Financing activities			
New borrowings	54,594	–	54,594
Repayment of borrowings	(60,201)	–	(60,201)
Principal elements of lease payments	(14,103)	–	(14,103)
Net loans from non-controlling shareholders	466	–	466
Issue of equity securities by subsidiary companies to non-controlling shareholders	624	–	624
Redemption of perpetual capital securities	(4,180)	–	(4,180)
Dividends paid to ordinary shareholders	(9,433)	–	(9,433)
Dividends paid to non-controlling interests	(7,951)	–	(7,951)
Distributions paid on perpetual capital securities	(162)	–	(162)
Cash flows used in financing activities	(40,346)	–	(40,346)
Decrease in cash and cash equivalents	(6,020)	–	(6,020)
Cash and cash equivalents at 1 January 2024	127,323	–	127,323
Cash and cash equivalents at 31 December 2024	121,303	–	121,303

45 Reconciliations between IFRS and Previous GAAP (continued)

(h) Consolidated Income Statement for the year ended 31 December 2023

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Revenue	275,575	–	275,575
Cost of inventories sold	(105,739)	–	(105,739)
Staff costs	(39,226)	–	(39,226)
Expensed customer acquisition and retention costs	(15,188)	–	(15,188)
Depreciation and amortisation	(40,083)	–	(40,083)
Other expenses and losses	(48,095)	250	(47,845)
Other income and gains	2,067	92	2,159
Share of profits less losses of:			
Associated companies	8,138	–	8,138
Joint ventures	7,990	–	7,990
	45,439	342	45,781
Interest expenses and other finance costs	(12,227)	–	(12,227)
Profit before tax	33,212	342	33,554
Current tax charge	(4,119)	–	(4,119)
Deferred tax credit	1,116	–	1,116
Profit after tax	30,209	342	30,551
Profit attributable to non-controlling interests and holders of perpetual capital securities	(6,709)	(3)	(6,712)
Profit attributable to ordinary shareholders	23,500	339	23,839

45 Reconciliations between IFRS and Previous GAAP (continued)

(i) Consolidated Statement of Comprehensive Income for the year ended 31 December 2023

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Profit after tax	30,209	342	30,551
Other comprehensive income (losses)			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments at fair value through other comprehensive income	718	–	718
Remeasurement of defined benefit obligations	(1,470)	–	(1,470)
Share of other comprehensive income (losses) of associated companies	(560)	–	(560)
Share of other comprehensive income of joint ventures	269	–	269
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	376	–	376
	(667)	–	(667)
Items that may be reclassified to profit or loss			
Changes in fair value of debt instruments at fair value through other comprehensive income	120	–	120
Exchange gains on translation of foreign operations	7,771	–	7,771
Exchange losses reclassified to profit or loss	342	(342)	–
Losses on cash flow hedges	(1,059)	–	(1,059)
Losses on net investment hedges	(1,641)	–	(1,641)
Reclassification adjustments for hedging gains included in profit or loss	(1,735)	–	(1,735)
Share of other comprehensive income of associated companies	1,889	–	1,889
Share of other comprehensive income of joint ventures	3,728	–	3,728
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	4	–	4
	9,419	(342)	9,077
Other comprehensive income, net of tax	8,752	(342)	8,410
Total comprehensive income	38,961	–	38,961
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	(7,476)	–	(7,476)
Total comprehensive income attributable to ordinary shareholders	31,485	–	31,485

45 Reconciliations between IFRS and Previous GAAP (continued)

(j) Consolidated Statement of Financial Position at 31 December 2023

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Non-current assets			
Fixed assets	119,826	–	119,826
Right-of-use assets	61,198	–	61,198
Telecommunications licences	64,264	–	64,264
Brand names and other rights	83,396	–	83,396
Goodwill	271,136	–	271,136
Associated companies	143,638	–	143,638
Interests in joint ventures	156,337	–	156,337
Deferred tax assets	21,074	–	21,074
Liquid funds and other listed investments	15,786	–	15,786
Other non-current assets	19,862	–	19,862
	956,517	–	956,517
Current assets			
Cash and cash equivalents	127,323	–	127,323
Inventories	24,473	–	24,473
Trade receivables and other current assets	50,590	–	50,590
	202,386	–	202,386
Current liabilities			
Bank and other debts	58,324	–	58,324
Current tax liabilities	4,166	–	4,166
Lease liabilities	13,616	–	13,616
Trade payables and other current liabilities	86,419	–	86,419
	162,525	–	162,525
Net current assets	39,861	–	39,861
Total assets less current liabilities	996,378	–	996,378
Non-current liabilities			
Bank and other debts	213,598	–	213,598
Interest bearing loans from non-controlling shareholders	3,245	–	3,245
Lease liabilities	54,307	–	54,307
Deferred tax liabilities	19,572	–	19,572
Pension obligations	3,536	–	3,536
Other non-current liabilities	31,571	–	31,571
	325,829	–	325,829
Net assets	670,549	–	670,549
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	297,233	–	297,233
Total ordinary shareholders' funds	544,035	–	544,035
Perpetual capital securities	4,566	–	4,566
Non-controlling interests	121,948	–	121,948
Total equity	670,549	–	670,549

45 Reconciliations between IFRS and Previous GAAP (continued)

(k) Consolidated Statement of Changes in Equity for the year ended 31 December 2023

	Attributable to					
	Ordinary shareholders					
	Share capital and share premium	Reserves	Total ordinary shareholders' funds	Holders of perpetual capital securities	Non-controlling interests	Total equity
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2023 under Previous GAAP	246,802	276,711	523,513	4,561	119,235	647,309
Effect on adoption of IFRS	–	–	–	–	–	–
At 1 January 2023 under IFRS	246,802	276,711	523,513	4,561	119,235	647,309
Profit for the year under Previous GAAP	–	23,500	23,500	172	6,537	30,209
Effect on adoption of IFRS	–	339	339	–	3	342
Profit for the year under IFRS	–	23,839	23,839	172	6,540	30,551
Other comprehensive income (losses) under Previous GAAP						
Changes in fair value of equity instruments at fair value through other comprehensive income	–	718	718	–	–	718
Changes in fair value of debt instruments at fair value through other comprehensive income	–	120	120	–	–	120
Remeasurement of defined benefit obligations	–	(1,108)	(1,108)	–	(362)	(1,470)
Exchange gains on translation of foreign operations	–	7,457	7,457	–	314	7,771
Exchange losses reclassified to profit or loss	–	339	339	–	3	342
Losses on cash flow hedges	–	(1,033)	(1,033)	–	(26)	(1,059)
Losses on net investment hedges	–	(1,308)	(1,308)	–	(333)	(1,641)
Reclassification adjustments for hedging gains included in profit or loss	–	(1,735)	(1,735)	–	–	(1,735)
Share of other comprehensive income of associated companies	–	1,183	1,183	–	146	1,329
Share of other comprehensive income of joint ventures	–	3,065	3,065	–	932	3,997
Tax relating to components of other comprehensive income (losses)	–	287	287	–	93	380
Other comprehensive income, net of tax, under Previous GAAP	–	7,985	7,985	–	767	8,752
Effect on adoption of IFRS:						
Exchange losses reclassified to profit or loss	–	(339)	(339)	–	(3)	(342)
Other comprehensive income, net of tax, under IFRS	–	7,646	7,646	–	764	8,410
Total comprehensive income under IFRS	–	31,485	31,485	172	7,304	38,961
Impact of hyperinflation under Previous GAAP / IFRS	–	82	82	–	21	103
Transactions with owners in their capacity as owners under Previous GAAP / IFRS:						
Dividends paid relating to 2022	–	(7,989)	(7,989)	–	–	(7,989)
Dividends paid relating to 2023	–	(2,896)	(2,896)	–	–	(2,896)
Dividends paid to non-controlling interests	–	–	–	–	(4,744)	(4,744)
Distributions paid on perpetual capital securities	–	–	–	(167)	–	(167)
Recognition of put option liabilities arising from business combinations	–	(148)	(148)	–	–	(148)
Unclaimed dividends write back	–	15	15	–	–	15
Relating to purchase of a subsidiary company	–	–	–	–	8	8
Relating to purchase of non-controlling interests	–	(34)	(34)	–	70	36
Relating to partial disposal of subsidiary companies	–	7	7	–	54	61
	–	(10,963)	(10,963)	(167)	(4,591)	(15,721)
At 31 December 2023 under IFRS	246,802	297,233	544,035	4,566	121,948	670,549

45 Reconciliations between IFRS and Previous GAAP (continued)

(I) Consolidated Statement of Cash Flows for the year ended 31 December 2023

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Operating activities			
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	75,416	–	75,416
Interest expenses and other finance costs paid (net of capitalisation)	(12,083)	–	(12,083)
Tax paid	(3,931)	–	(3,931)
Funds from operations (before principal elements of lease payments)	59,402	–	59,402
Changes in working capital	(7,965)	–	(7,965)
Net cash from operating activities	51,437	–	51,437
Investing activities			
Purchase of fixed assets	(21,670)	–	(21,670)
Additions to telecommunications licences	(1,956)	–	(1,956)
Additions to brand names and other rights	(1,675)	–	(1,675)
Purchase of subsidiary companies, net of cash acquired	(55)	–	(55)
Additions to unlisted investments	(74)	–	(74)
Repayments of loans from associated companies and joint ventures	2,829	–	2,829
Purchase of and advances to associated companies and joint ventures	(819)	–	(819)
Proceeds from disposal of fixed assets	168	–	168
Proceeds from disposal of subsidiary companies, net of cash disposed	2,563	–	2,563
Proceeds from disposal of financial instruments	2,451	–	2,451
Proceeds from partial disposal / disposal of associated companies and joint ventures	734	–	734
Proceeds from disposal of other unlisted investments	74	–	74
Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments	(17,430)	–	(17,430)
Disposal of liquid funds and other listed investments	2,088	–	2,088
Additions to liquid funds and other listed investments	(73)	–	(73)
Cash flows used in investing activities	(15,415)	–	(15,415)
Net cash inflow before financing activities	36,022	–	36,022
Financing activities			
New borrowings	58,211	–	58,211
Repayment of borrowings	(75,361)	–	(75,361)
Principal elements of lease payments	(14,476)	–	(14,476)
Net loans from non-controlling shareholders	527	–	527
Proceeds from partial disposal of subsidiary companies	61	–	61
Dividends paid to ordinary shareholders	(10,885)	–	(10,885)
Dividends paid to non-controlling interests	(4,694)	–	(4,694)
Distributions paid on perpetual capital securities	(167)	–	(167)
Cash flows used in financing activities	(46,784)	–	(46,784)
Decrease in cash and cash equivalents	(10,762)	–	(10,762)
Cash and cash equivalents at 1 January 2023	138,085	–	138,085
Cash and cash equivalents at 31 December 2023	127,323	–	127,323

45 Reconciliations between IFRS and Previous GAAP (continued)

(m) Consolidated Income Statement for the six months ended 30 June 2024

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Revenue	136,451	–	136,451
Cost of inventories sold	(50,823)	–	(50,823)
Staff costs	(20,539)	–	(20,539)
Expensed customer acquisition and retention costs	(7,471)	–	(7,471)
Depreciation and amortisation	(19,826)	–	(19,826)
Other expenses and losses	(24,351)	–	(24,351)
Other income and gains	466	–	466
Share of profits less losses of:			
Associated companies	3,908	–	3,908
Joint ventures	4,633	–	4,633
	22,448	–	22,448
Interest expenses and other finance costs	(6,630)	–	(6,630)
Profit before tax	15,818	–	15,818
Current tax charge	(2,063)	–	(2,063)
Deferred tax charge	(198)	–	(198)
Profit after tax	13,557	–	13,557
Profit attributable to non-controlling interests and holders of perpetual capital securities	(3,352)	–	(3,352)
Profit attributable to ordinary shareholders	10,205	–	10,205

45 Reconciliations between IFRS and Previous GAAP (continued)

(n) Consolidated Statement of Comprehensive Income for the six months ended 30 June 2024

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Profit after tax	13,557	–	13,557
Other comprehensive income (losses)			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments at fair value through other comprehensive income	(377)	–	(377)
Remeasurement of defined benefit obligations	498	–	498
Share of other comprehensive income (losses) of associated companies	(116)	–	(116)
Share of other comprehensive income (losses) of joint ventures	(910)	–	(910)
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	(112)	–	(112)
	(1,017)	–	(1,017)
Items that may be reclassified to profit or loss			
Changes in fair value of debt instruments at fair value through other comprehensive income	19	–	19
Exchange losses on translation of foreign operations	(4,376)	–	(4,376)
Losses on cash flow hedges	(27)	–	(27)
Gains on net investment hedges	635	–	635
Share of other comprehensive income (losses) of associated companies	(2,141)	–	(2,141)
Share of other comprehensive income (losses) of joint ventures	(2,336)	–	(2,336)
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	2	–	2
	(8,224)	–	(8,224)
Other comprehensive income (losses), net of tax	(9,241)	–	(9,241)
Total comprehensive income	4,316	–	4,316
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	(2,112)	–	(2,112)
Total comprehensive income attributable to ordinary shareholders	2,204	–	2,204

45 Reconciliations between IFRS and Previous GAAP (continued)

(o) Consolidated Statement of Financial Position at 30 June 2024

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Non-current assets			
Fixed assets	112,848	–	112,848
Right-of-use assets	58,342	–	58,342
Telecommunications licences	62,630	–	62,630
Brand names and other rights	81,105	–	81,105
Goodwill	268,714	–	268,714
Associated companies	142,625	–	142,625
Interests in joint ventures	156,318	–	156,318
Deferred tax assets	20,520	–	20,520
Liquid funds and other listed investments	11,477	–	11,477
Other non-current assets	20,269	–	20,269
	934,848	–	934,848
Current assets			
Cash and cash equivalents	131,599	–	131,599
Inventories	25,162	–	25,162
Trade receivables and other current assets	46,878	–	46,878
	203,639	–	203,639
Current liabilities			
Bank and other debts	69,327	–	69,327
Interest bearing loan from a non-controlling shareholder	2,007	–	2,007
Current tax liabilities	3,703	–	3,703
Lease liabilities	12,415	–	12,415
Trade payables and other current liabilities	79,345	–	79,345
	166,797	–	166,797
Net current assets	36,842	–	36,842
Total assets less current liabilities	971,690	–	971,690
Non-current liabilities			
Bank and other debts	208,690	–	208,690
Interest bearing loans from non-controlling shareholders	1,134	–	1,134
Lease liabilities	51,691	–	51,691
Deferred tax liabilities	19,578	–	19,578
Pension obligations	3,088	–	3,088
Other non-current liabilities	30,549	–	30,549
	314,730	–	314,730
Net assets	656,960	–	656,960
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	292,639	–	292,639
Total ordinary shareholders' funds	539,441	–	539,441
Non-controlling interests	117,519	–	117,519
Total equity	656,960	–	656,960

45 Reconciliations between IFRS and Previous GAAP (continued)

(p) Consolidated Statement of Changes in Equity for the six months ended 30 June 2024

	Attributable to					
	Ordinary shareholders			Holders of perpetual capital securities	Non-controlling interests	Total equity
	Share capital and share premium	Reserves	Total ordinary shareholders' funds			
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2024 under Previous GAAP	246,802	297,233	544,035	4,566	121,948	670,549
Effect on adoption of IFRS	–	–	–	–	–	–
At 1 January 2024 under IFRS	246,802	297,233	544,035	4,566	121,948	670,549
Profit for the period under Previous GAAP	–	10,205	10,205	71	3,281	13,557
Effect on adoption of IFRS	–	–	–	–	–	–
Profit for the period under IFRS	–	10,205	10,205	71	3,281	13,557
Other comprehensive income (losses) under Previous GAAP						
Changes in fair value of equity instruments at fair value through other comprehensive income	–	(377)	(377)	–	–	(377)
Changes in fair value of debt instruments at fair value through other comprehensive income	–	19	19	–	–	19
Remeasurement of defined benefit obligations	–	397	397	–	101	498
Exchange losses on translation of foreign operations	–	(3,678)	(3,678)	–	(698)	(4,376)
Losses on cash flow hedges	–	(24)	(24)	–	(3)	(27)
Gains on net investment hedges	–	481	481	–	154	635
Share of other comprehensive income (losses) of associated companies	–	(2,112)	(2,112)	–	(145)	(2,257)
Share of other comprehensive income (losses) of joint ventures	–	(2,621)	(2,621)	–	(625)	(3,246)
Tax relating to components of other comprehensive income (losses)	–	(86)	(86)	–	(24)	(110)
Other comprehensive income (losses), net of tax, under Previous GAAP	–	(8,001)	(8,001)	–	(1,240)	(9,241)
Effect on adoption of IFRS	–	–	–	–	–	–
Other comprehensive income (losses), net of tax, under IFRS	–	(8,001)	(8,001)	–	(1,240)	(9,241)
Total comprehensive income under IFRS	–	2,204	2,204	71	2,041	4,316
Transactions with owners in their capacity as owners under Previous GAAP / IFRS:						
Dividends paid relating to 2023	–	(6,798)	(6,798)	–	–	(6,798)
Dividends paid to non-controlling interests	–	–	–	–	(5,954)	(5,954)
Distributions paid on perpetual capital securities	–	–	–	(162)	–	(162)
Redemption of perpetual capital securities	–	–	–	(4,475)	–	(4,475)
Equity contribution from non-controlling interests	–	–	–	–	27	27
Relating to disposal of subsidiary companies	–	–	–	–	(543)	(543)
	–	(6,798)	(6,798)	(4,637)	(6,470)	(17,905)
At 30 June 2024 under IFRS	246,802	292,639	539,441	–	117,519	656,960

45 Reconciliations between IFRS and Previous GAAP (continued)

(q) Consolidated Statement of Cash Flows for the six months ended 30 June 2024

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Operating activities			
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	37,035	–	37,035
Interest expenses and other finance costs paid (net of capitalisation)	(6,567)	–	(6,567)
Tax paid	(2,274)	–	(2,274)
Funds from operations (before principal elements of lease payments)	28,194	–	28,194
Changes in working capital	(5,229)	–	(5,229)
Net cash from operating activities	22,965	–	22,965
Investing activities			
Purchase of fixed assets	(8,817)	–	(8,817)
Additions to telecommunications licences	(60)	–	(60)
Additions to brand names and other rights	(751)	–	(751)
Purchase of subsidiary companies, net of cash acquired	(10)	–	(10)
Additions to unlisted investments	(22)	–	(22)
Repayments of loans from associated companies and joint ventures	350	–	350
Purchase of and advances to associated companies and joint ventures	(1,604)	–	(1,604)
Proceeds from disposal of fixed assets	115	–	115
Proceeds from disposal of subsidiary companies, net of cash disposed	333	–	333
Proceeds from partial disposal / disposal of associated companies and joint ventures	179	–	179
Proceeds from disposal of other unlisted investments	262	–	262
Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments	(10,025)	–	(10,025)
Disposal of liquid funds and other listed investments	3,297	–	3,297
Additions to liquid funds and other listed investments	(75)	–	(75)
Cash flows used in investing activities	(6,803)	–	(6,803)
Net cash inflow before financing activities	16,162	–	16,162
Financing activities			
New borrowings	32,341	–	32,341
Repayment of borrowings	(19,817)	–	(19,817)
Principal elements of lease payments	(7,370)	–	(7,370)
Net loans to non-controlling shareholders	(21)	–	(21)
Issue of equity securities by subsidiary companies to non-controlling shareholders	27	–	27
Redemption of perpetual capital securities	(4,180)	–	(4,180)
Dividends paid to ordinary shareholders	(6,798)	–	(6,798)
Dividends paid to non-controlling interests	(5,906)	–	(5,906)
Distributions paid on perpetual capital securities	(162)	–	(162)
Cash flows used in financing activities	(11,886)	–	(11,886)
Increase in cash and cash equivalents	4,276	–	4,276
Cash and cash equivalents at 1 January 2024	127,323	–	127,323
Cash and cash equivalents at 30 June 2024	131,599	–	131,599

45 Reconciliations between IFRS and Previous GAAP (continued)

(r) Consolidated Income Statement for the six months ended 30 June 2023

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Revenue	133,377	–	133,377
Cost of inventories sold	(51,121)	–	(51,121)
Staff costs	(19,445)	–	(19,445)
Expensed customer acquisition and retention costs	(7,005)	–	(7,005)
Depreciation and amortisation	(19,675)	–	(19,675)
Other expenses and losses	(24,573)	250	(24,323)
Other income and gains	2,047	87	2,134
Share of profits less losses of:			
Associated companies	4,080	–	4,080
Joint ventures	3,720	–	3,720
	21,405	337	21,742
Interest expenses and other finance costs	(5,687)	–	(5,687)
Profit before tax	15,718	337	16,055
Current tax charge	(1,573)	–	(1,573)
Deferred tax credit	198	–	198
Profit after tax	14,343	337	14,680
Profit attributable to non-controlling interests and holders of perpetual capital securities	(3,135)	(3)	(3,138)
Profit attributable to ordinary shareholders	11,208	334	11,542

45 Reconciliations between IFRS and Previous GAAP (continued)

(s) Consolidated Statement of Comprehensive Income for the six months ended 30 June 2023

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Profit after tax	14,343	337	14,680
Other comprehensive income (losses)			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments at fair value through other comprehensive income	605	–	605
Remeasurement of defined benefit obligations	101	–	101
Share of other comprehensive income (losses) of associated companies	(539)	–	(539)
Share of other comprehensive income of joint ventures	94	–	94
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	(36)	–	(36)
	225	–	225
Items that may be reclassified to profit or loss			
Changes in fair value of debt instruments at fair value through other comprehensive income	(4)	–	(4)
Exchange gains on translation of foreign operations	8,941	–	8,941
Exchange losses reclassified to profit or loss	337	(337)	–
Losses on cash flow hedges	(1,145)	–	(1,145)
Losses on net investment hedges	(1,378)	–	(1,378)
Reclassification adjustments for hedging gains included in profit or loss	(1,735)	–	(1,735)
Share of other comprehensive income of associated companies	2,587	–	2,587
Share of other comprehensive income of joint ventures	4,181	–	4,181
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	(1)	–	(1)
	11,783	(337)	11,446
Other comprehensive income, net of tax	12,008	(337)	11,671
Total comprehensive income	26,351	–	26,351
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	(4,324)	–	(4,324)
Total comprehensive income attributable to ordinary shareholders	22,027	–	22,027

45 Reconciliations between IFRS and Previous GAAP (continued)

(t) Consolidated Statement of Financial Position at 30 June 2023

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Non-current assets			
Fixed assets	116,991	–	116,991
Right-of-use assets	62,655	–	62,655
Telecommunications licences	63,739	–	63,739
Brand names and other rights	84,122	–	84,122
Goodwill	270,548	–	270,548
Associated companies	142,603	–	142,603
Interests in joint ventures	155,144	–	155,144
Deferred tax assets	19,651	–	19,651
Liquid funds and other listed investments	17,995	–	17,995
Other non-current assets	13,622	–	13,622
	947,070	–	947,070
Current assets			
Cash and cash equivalents	128,740	–	128,740
Inventories	24,742	–	24,742
Trade receivables and other current assets	58,282	–	58,282
	211,764	–	211,764
Current liabilities			
Bank and other debts	43,104	–	43,104
Current tax liabilities	3,623	–	3,623
Lease liabilities	13,445	–	13,445
Trade payables and other current liabilities	84,285	–	84,285
	144,457	–	144,457
Net current assets	67,307	–	67,307
Total assets less current liabilities	1,014,377	–	1,014,377
Non-current liabilities			
Bank and other debts	239,740	–	239,740
Interest bearing loans from non-controlling shareholders	2,549	–	2,549
Lease liabilities	55,640	–	55,640
Deferred tax liabilities	19,525	–	19,525
Pension obligations	2,208	–	2,208
Other non-current liabilities	32,429	–	32,429
	352,091	–	352,091
Net assets	662,286	–	662,286
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	290,546	–	290,546
Total ordinary shareholders' funds	537,348	–	537,348
Perpetual capital securities	4,483	–	4,483
Non-controlling interests	120,455	–	120,455
Total equity	662,286	–	662,286

45 Reconciliations between IFRS and Previous GAAP (continued)

(u) Consolidated Statement of Changes in Equity for the six months ended 30 June 2023

	Attributable to					
	Ordinary shareholders					
	Share capital and share premium	Reserves	Total ordinary shareholders' funds	Holders of perpetual capital securities	Non-controlling interests	Total equity
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2023 under Previous GAAP	246,802	276,711	523,513	4,561	119,235	647,309
Effect on adoption of IFRS	–	–	–	–	–	–
At 1 January 2023 under IFRS	246,802	276,711	523,513	4,561	119,235	647,309
Profit for the period under Previous GAAP	–	11,208	11,208	89	3,046	14,343
Effect on adoption of IFRS	–	334	334	–	3	337
Profit for the period under IFRS	–	11,542	11,542	89	3,049	14,680
Other comprehensive income (losses) under Previous GAAP						
Changes in fair value of equity instruments at fair value through other comprehensive income	–	605	605	–	–	605
Changes in fair value of debt instruments at fair value through other comprehensive income	–	(4)	(4)	–	–	(4)
Remeasurement of defined benefit obligations	–	85	85	–	16	101
Exchange gains on translation of foreign operations	–	8,655	8,655	–	286	8,941
Exchange losses reclassified to profit or loss	–	334	334	–	3	337
Losses on cash flow hedges	–	(1,132)	(1,132)	–	(13)	(1,145)
Losses on net investment hedges	–	(1,095)	(1,095)	–	(283)	(1,378)
Reclassification adjustments for hedging gains included in profit or loss	–	(1,735)	(1,735)	–	–	(1,735)
Share of other comprehensive income of associated companies	–	1,822	1,822	–	226	2,048
Share of other comprehensive income of joint ventures	–	3,314	3,314	–	961	4,275
Tax relating to components of other comprehensive income (losses)	–	(30)	(30)	–	(7)	(37)
Other comprehensive income, net of tax, under Previous GAAP	–	10,819	10,819	–	1,189	12,008
Effect on adoption of IFRS:						
Exchange losses reclassified to profit or loss	–	(334)	(334)	–	(3)	(337)
Other comprehensive income, net of tax, under IFRS	–	10,485	10,485	–	1,186	11,671
Total comprehensive income under IFRS	–	22,027	22,027	89	4,235	26,351
Impact of hyperinflation under Previous GAAP / IFRS	–	(21)	(21)	–	(5)	(26)
Transactions with owners in their capacity as owners under Previous GAAP / IFRS:						
Dividends paid relating to 2022	–	(7,989)	(7,989)	–	–	(7,989)
Dividends paid to non-controlling interests	–	–	–	–	(3,052)	(3,052)
Distributions paid on perpetual capital securities	–	–	–	(167)	–	(167)
Recognition of put option liabilities arising from business combinations	–	(148)	(148)	–	–	(148)
Relating to purchase of a subsidiary company	–	–	–	–	8	8
Relating to purchase of non-controlling interests	–	(34)	(34)	–	34	–
	–	(8,192)	(8,192)	(167)	(3,015)	(11,374)
At 30 June 2023 under IFRS	246,802	290,546	537,348	4,483	120,455	662,286

45 Reconciliations between IFRS and Previous GAAP (continued)

(v) Consolidated Statement of Cash Flows for the six months ended 30 June 2023

	Under Previous GAAP HK$ million	Remeasurements and reclassifications HK$ million	Under IFRS HK$ million
Operating activities			
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	35,553	–	35,553
Interest expenses and other finance costs paid (net of capitalisation)	(5,621)	–	(5,621)
Tax paid	(1,760)	–	(1,760)
Funds from operations (before principal elements of lease payments)	28,172	–	28,172
Changes in working capital	(6,981)	–	(6,981)
Net cash from operating activities	21,191	–	21,191
Investing activities			
Purchase of fixed assets	(9,746)	–	(9,746)
Additions to telecommunications licences	(1,009)	–	(1,009)
Additions to brand names and other rights	(649)	–	(649)
Purchase of subsidiary companies, net of cash acquired	(79)	–	(79)
Additions to unlisted investments	(39)	–	(39)
Repayments of loans from associated companies and joint ventures	2,241	–	2,241
Purchase of and advances to associated companies and joint ventures	(95)	–	(95)
Proceeds from disposal of fixed assets	19	–	19
Proceeds from disposal of subsidiary companies, net of cash disposed	2,563	–	2,563
Proceeds from disposal of joint ventures	723	–	723
Proceeds from disposal of other unlisted investments	74	–	74
Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments	(5,997)	–	(5,997)
Disposal of liquid funds and other listed investments	15	–	15
Additions to liquid funds and other listed investments	(65)	–	(65)
Cash flows used in investing activities	(6,047)	–	(6,047)
Net cash inflow before financing activities	15,144	–	15,144
Financing activities			
New borrowings	38,122	–	38,122
Repayment of borrowings	(44,012)	–	(44,012)
Principal elements of lease payments	(7,500)	–	(7,500)
Net loans to non-controlling shareholders	(30)	–	(30)
Dividends paid to ordinary shareholders	(7,989)	–	(7,989)
Dividends paid to non-controlling interests	(2,913)	–	(2,913)
Distributions paid on perpetual capital securities	(167)	–	(167)
Cash flows used in financing activities	(24,489)	–	(24,489)
Decrease in cash and cash equivalents	(9,345)	–	(9,345)
Cash and cash equivalents at 1 January 2023	138,085	–	138,085
Cash and cash equivalents at 30 June 2023	128,740	–	128,740

45 Reconciliations between IFRS and Previous GAAP (continued)

(w) Consolidated reserves at 31 December 2024

	Attributable to ordinary shareholders				
	Retained profit HK$ million	Exchange reserve HK$ million	Hedging reserve HK$ million	Others HK$ million	Total HK$ million
At 1 January 2024 under Previous GAAP	669,173	(29,260)	2,618	(345,298)	297,233
Effect on adoption of IFRS	(39,864)	39,864	–	–	–
At 1 January 2024 under IFRS	629,309	10,604	2,618	(345,298)	297,233
Profit for the year under Previous GAAP	17,088	–	–	–	17,088
Effect on adoption of IFRS	–	–	–	–	–
Profit for the year under IFRS	17,088	–	–	–	17,088
Other comprehensive income (losses) under Previous GAAP					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	(528)	(528)
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	126	126
Remeasurement of defined benefit obligations	646	–	–	–	646
Exchange losses on translation of foreign operations	–	(8,156)	–	–	(8,156)
Losses on cash flow hedges	–	–	(122)	–	(122)
Gains on net investment hedges	–	1,123	–	–	1,123
Losses in other reserves related to subsidiaries disposed during the year transferred directly to retained profit	(24)	–	–	24	–
Share of other comprehensive income (losses) of associated companies	(68)	(5,101)	(130)	(21)	(5,320)
Share of other comprehensive income (losses) of joint ventures	(721)	(4,489)	241	–	(4,969)
Tax relating to components of other comprehensive income (losses)	(71)	–	4	–	(67)
Other comprehensive income (losses), net of tax, under Previous GAAP	(238)	(16,623)	(7)	(399)	(17,267)
Effect on adoption of IFRS	–	–	–	–	–
Other comprehensive income (losses), net of tax, under IFRS	(238)	(16,623)	(7)	(399)	(17,267)
Transfer of losses on disposal of equity securities at FVOCI to retained profit under Previous GAAP / IFRS	(682)	–	–	682	–
Transactions with owners in their capacity as owners under Previous GAAP / IFRS:					
Dividends paid relating to 2023	(6,798)	–	–	–	(6,798)
Dividends paid relating to 2024	(2,635)	–	–	–	(2,635)
Unclaimed dividends write back	9	–	–	–	9
Relating to purchase of non-controlling interests	–	–	–	(37)	(37)
Relating to partial disposal of subsidiary companies	–	–	–	320	320
At 31 December 2024 under IFRS	636,053	(6,019)	2,611	(344,732)	287,913

45 Reconciliations between IFRS and Previous GAAP (continued)

(x) Consolidated reserves at 31 December 2023

	Attributable to ordinary shareholders				
	Retained profit HK$ million	Exchange reserve HK$ million	Hedging reserve HK$ million	Others HK$ million	Total HK$ million
At 1 January 2023 under Previous GAAP	657,443	(40,203)	5,332	(345,861)	276,711
Effect on adoption of IFRS	(40,203)	40,203	–	–	–
At 1 January 2023 under IFRS	617,240	–	5,332	(345,861)	276,711
Profit for the year under Previous GAAP	23,500	–	–	–	23,500
Effect on adoption of IFRS	339	–	–	–	339
Profit for the year under IFRS	23,839	–	–	–	23,839
Other comprehensive income (losses) under Previous GAAP					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	718	718
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	120	120
Remeasurement of defined benefit obligations	(1,108)	–	–	–	(1,108)
Exchange gains on translation of foreign operations	–	7,457	–	–	7,457
Exchange losses reclassified to profit or loss	–	339	–	–	339
Losses on cash flow hedges	–	–	(1,033)	–	(1,033)
Losses on net investment hedges	–	(1,308)	–	–	(1,308)
Reclassification adjustments for hedging gains included in profit or loss	–	–	(1,735)	–	(1,735)
Share of other comprehensive income (losses) of associated companies	(578)	1,785	(132)	108	1,183
Share of other comprehensive income of joint ventures	194	2,670	183	18	3,065
Tax relating to components of other comprehensive income (losses)	284	–	3	–	287
Other comprehensive income (losses), net of tax, under Previous GAAP	(1,208)	10,943	(2,714)	964	7,985
Effect on adoption of IFRS:					
Exchange losses reclassified to profit or loss	–	(339)	–	–	(339)
Other comprehensive income (losses), net of tax, under IFRS	(1,208)	10,604	(2,714)	964	7,646
Impact of hyperinflation under Previous GAAP / IFRS	82	–	–	–	82
Transfer of gains on disposal of equity securities at FVOCI to retained profit under Previous GAAP / IFRS	226	–	–	(226)	–
Transactions with owners in their capacity as owners under Previous GAAP / IFRS:					
Dividends paid relating to 2022	(7,989)	–	–	–	(7,989)
Dividends paid relating to 2023	(2,896)	–	–	–	(2,896)
Recognition of put option liabilities arising from business combinations	–	–	–	(148)	(148)
Unclaimed dividends write back	15	–	–	–	15
Relating to purchase of non-controlling interests	–	–	–	(34)	(34)
Relating to partial disposal of subsidiary companies	–	–	–	7	7
At 31 December 2023 under IFRS	629,309	10,604	2,618	(345,298)	297,233

45 Reconciliations between IFRS and Previous GAAP (continued)

(y) Consolidated reserves at 30 June 2024

	Attributable to ordinary shareholders				
	Retained profit HK$ million	Exchange reserve HK$ million	Hedging reserve HK$ million	Others HK$ million	Total HK$ million
At 1 January 2024 under Previous GAAP	669,173	(29,260)	2,618	(345,298)	297,233
Effect on adoption of IFRS	(39,864)	39,864	–	–	–
At 1 January 2024 under IFRS	629,309	10,604	2,618	(345,298)	297,233
Profit for the period under Previous GAAP	10,205	–	–	–	10,205
Effect on adoption of IFRS	–	–	–	–	–
Profit for the period under IFRS	10,205	–	–	–	10,205
Other comprehensive income (losses) under Previous GAAP					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	(377)	(377)
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	19	19
Remeasurement of defined benefit obligations	397	–	–	–	397
Exchange losses on translation of foreign operations	–	(3,678)	–	–	(3,678)
Losses on cash flow hedges	–	–	(24)	–	(24)
Gains on net investment hedges	–	481	–	–	481
Losses in other reserves related to subsidiaries disposed during the period transferred directly to retained profit	(24)	–	–	24	–
Share of other comprehensive income (losses) of associated companies	(150)	(2,052)	80	10	(2,112)
Share of other comprehensive income (losses) of joint ventures joint ventures	(694)	(2,199)	272	–	(2,621)
Tax relating to components of other comprehensive income (losses)	(88)	–	2	–	(86)
Other comprehensive income (losses), net of tax, under Previous GAAP	(559)	(7,448)	330	(324)	(8,001)
Effect on adoption of IFRS	–	–	–	–	–
Other comprehensive income (losses), net of tax, under IFRS	(559)	(7,448)	330	(324)	(8,001)
Transfer of net losses on disposal of equity securities at FVOCI to retained profit under Previous GAAP / IFRS	(80)	–	–	80	–
Transactions with owners in their capacity as owners under Previous GAAP / IFRS:					
Dividends paid relating to 2023	(6,798)	–	–	–	(6,798)
At 30 June 2024 under IFRS	632,077	3,156	2,948	(345,542)	292,639

45 Reconciliations between IFRS and Previous GAAP (continued)

(z) Consolidated reserves at 30 June 2023

	Attributable to ordinary shareholders				
	Retained profit HK$ million	Exchange reserve HK$ million	Hedging reserve HK$ million	Others HK$ million	Total HK$ million
At 1 January 2023 under Previous GAAP	657,443	(40,203)	5,332	(345,861)	276,711
Effect on adoption of IFRS	(40,203)	40,203	–	–	–
At 1 January 2023 under IFRS	617,240	–	5,332	(345,861)	276,711
Profit for the period under Previous GAAP	11,208	–	–	–	11,208
Effect on adoption of IFRS	334	–	–	–	334
Profit for the period under IFRS	11,542	–	–	–	11,542
Other comprehensive income (losses) under Previous GAAP					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	605	605
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	(4)	(4)
Remeasurement of defined benefit obligations	85	–	–	–	85
Exchange gains on translation of foreign operations	–	8,655	–	–	8,655
Exchange losses reclassified to profit or loss	–	334	–	–	334
Losses on cash flow hedges	–	–	(1,132)	–	(1,132)
Losses on net investment hedges	–	(1,095)	–	–	(1,095)
Reclassification adjustments for hedging gains included in profit or loss	–	–	(1,735)	–	(1,735)
Share of other comprehensive income (losses) of associated companies	20	2,208	156	(562)	1,822
Share of other comprehensive income of joint ventures	67	2,720	525	2	3,314
Tax relating to components of other comprehensive income (losses)	(29)	–	(1)	–	(30)
Other comprehensive income (losses), net of tax, under Previous GAAP	143	12,822	(2,187)	41	10,819
Effect on adoption of IFRS:					
Exchange losses reclassified to profit or loss	–	(334)	–	–	(334)
Other comprehensive income (losses), net of tax, under IFRS	143	12,488	(2,187)	41	10,485
Impact of hyperinflation under Previous GAAP / IFRS	(21)	–	–	–	(21)
Transfer of gain on disposal of equity securities at FVOCI to retained profit under Previous GAAP / IFRS	13	–	–	(13)	–
Transactions with owners in their capacity as owners under Previous GAAP / IFRS:					
Dividends paid relating to 2022	(7,989)	–	–	–	(7,989)
Recognition of put option liabilities arising from business combinations	–	–	–	(148)	(148)
Relating to purchase of non-controlling interests	–	–	–	(34)	(34)
At 30 June 2023 under IFRS	620,928	12,488	3,145	(346,015)	290,546

Report on Review of Interim Financial Statements

TO THE BOARD OF DIRECTORS OF
CK HUTCHISON HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial statements set out on pages 39 to 96, which comprises the condensed consolidated statement of financial position of CK Hutchison Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2024 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these interim financial statements in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on these interim financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the Group are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 15 August 2024

Interim Financial Statements

Condensed Consolidated Income Statement

for the six months ended 30 June 2024

Unaudited 2024# US$ million		Note	Unaudited 2024 HK$ million	2023 HK$ million
17,494	Revenue	4	136,451	133,377
(6,516)	Cost of inventories sold	6	(50,823)	(51,121)
(2,633)	Staff costs		(20,539)	(19,445)
(958)	Expensed customer acquisition and retention costs		(7,471)	(7,005)
(2,542)	Depreciation and amortisation	6	(19,826)	(19,675)
(3,122)	Other expenses and losses	6	(24,351)	(24,573)
60	Other income and gains	6	466	2,047
	Share of profits less losses of:			
501	Associated companies		3,908	4,080
594	Joint ventures		4,633	3,720
2,878			22,448	21,405
(850)	Interest expenses and other finance costs	7	(6,630)	(5,687)
2,028	**Profit before tax**		15,818	15,718
(265)	Current tax charge	8	(2,063)	(1,573)
(25)	Deferred tax credit (charge)	8	(198)	198
1,738	**Profit after tax**		13,557	14,343
(430)	**Profit attributable to non-controlling interests and holders of perpetual capital securities**		(3,352)	(3,135)
1,308	**Profit attributable to ordinary shareholders**		10,205	11,208
US 34.1 cents	**Earnings per share for profit attributable to ordinary shareholders**	9	HK$2.66	HK$2.93

Details of distribution paid to the holders of perpetual capital securities and interim dividend payable to the ordinary shareholders are set out in note 10.

See note 37.

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2024

Unaudited 2024[#] US$ million		Unaudited 2024 HK$ million	2023 HK$ million
1,738	**Profit after tax**	**13,557**	14,343
	Other comprehensive income (losses)		
	Items that will not be reclassified to profit or loss		
(48)	Changes in fair value of equity instruments at fair value through other comprehensive income	**(377)**	605
64	Remeasurement of defined benefit obligations	**498**	101
(15)	Share of other comprehensive income (losses) of associated companies	**(116)**	(539)
(117)	Share of other comprehensive income (losses) of joint ventures	**(910)**	94
(14)	Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	**(112)**	(36)
(130)		**(1,017)**	225
	Items that may be reclassified to profit or loss		
2	Changes in fair value of debt instruments at fair value through other comprehensive income	**19**	(4)
(561)	Exchange gains (losses) on translation of foreign operations	**(4,376)**	8,941
–	Exchange losses reclassified to profit or loss	**–**	337
(3)	Losses on cash flow hedges	**(27)**	(1,145)
81	Gains (losses) on net investment hedges	**635**	(1,378)
–	Reclassification adjustments for hedging gains included in profit or loss	**–**	(1,735)
(275)	Share of other comprehensive income (losses) of associated companies	**(2,141)**	2,587
(299)	Share of other comprehensive income (losses) of joint ventures	**(2,336)**	4,181
–	Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	**2**	(1)
(1,055)		**(8,224)**	11,783
(1,185)	Other comprehensive income (losses), net of tax	**(9,241)**	12,008
553	**Total comprehensive income**	**4,316**	26,351
(271)	**Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities**	**(2,112)**	(4,324)
282	**Total comprehensive income attributable to ordinary shareholders**	**2,204**	22,027

See note 37.

Condensed Consolidated Statement of Financial Position

at 30 June 2024

Unaudited 30 June 2024 # US$ million		Note	Unaudited 30 June 2024 HK$ million	Audited 31 December 2023 HK$ million
	Non-current assets			
14,468	Fixed assets	11	**112,848**	119,826
7,480	Right-of-use assets	12	**58,342**	61,198
8,029	Telecommunications licences	13	**62,630**	64,264
10,398	Brand names and other rights	14	**81,105**	83,396
34,450	Goodwill	15	**268,714**	271,136
18,285	Associated companies	16	**142,625**	143,638
20,041	Interests in joint ventures	17	**156,318**	156,337
2,631	Deferred tax assets	18	**20,520**	21,074
1,471	Liquid funds and other listed investments	19	**11,477**	15,786
2,599	Other non-current assets	20	**20,269**	19,862
119,852			**934,848**	956,517
	Current assets			
16,872	Cash and cash equivalents	21	**131,599**	127,323
3,226	Inventories		**25,162**	24,473
6,010	Trade receivables and other current assets	22	**46,878**	50,590
26,108			**203,639**	202,386
	Current liabilities			
8,888	Bank and other debts	23	**69,327**	58,324
257	Interest bearing loan from a non-controlling shareholder	26	**2,007**	–
475	Current tax liabilities		**3,703**	4,166
1,592	Lease liabilities	12	**12,415**	13,616
10,172	Trade payables and other current liabilities	24	**79,345**	86,419
21,384			**166,797**	162,525
4,724	Net current assets		**36,842**	39,861
124,576	Total assets less current liabilities		**971,690**	996,378
	Non-current liabilities			
26,755	Bank and other debts	23	**208,690**	213,598
145	Interest bearing loans from non-controlling shareholders	26	**1,134**	3,245
6,627	Lease liabilities	12	**51,691**	54,307
2,510	Deferred tax liabilities	18	**19,578**	19,572
396	Pension obligations	27	**3,088**	3,536
3,917	Other non-current liabilities	28	**30,549**	31,571
40,350			**314,730**	325,829
84,226	**Net assets**		**656,960**	670,549
	Capital and reserves			
491	Share capital	29 (a)	**3,830**	3,830
31,150	Share premium	29 (a)	**242,972**	242,972
37,518	Reserves	30	**292,639**	297,233
69,159	Total ordinary shareholders' funds		**539,441**	544,035
–	Perpetual capital securities	29 (b)	**–**	4,566
15,067	Non-controlling interests		**117,519**	121,948
84,226	**Total equity**		**656,960**	670,549

See note 37.

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2024

Unaudited Total equity[#] US$ million		Attributable to Ordinary shareholders: Share capital and share premium* HK$ million	Reserves[@] HK$ million	Total ordinary shareholders' funds HK$ million	Holders of perpetual capital securities HK$ million	Non-controlling interests HK$ million	Unaudited Total equity HK$ million
85,968	At 1 January 2024	246,802	297,233	544,035	4,566	121,948	670,549
1,738	Profit for the period	–	10,205	10,205	71	3,281	13,557
	Other comprehensive income (losses)						
(48)	Changes in fair value of equity instruments at fair value through other comprehensive income	–	(377)	(377)	–	–	(377)
2	Changes in fair value of debt instruments at fair value through other comprehensive income	–	19	19	–	–	19
64	Remeasurement of defined benefit obligations	–	397	397	–	101	498
(561)	Exchange losses on translation of foreign operations	–	(3,678)	(3,678)	–	(698)	(4,376)
(3)	Losses on cash flow hedges	–	(24)	(24)	–	(3)	(27)
81	Gains on net investment hedges	–	481	481	–	154	635
(290)	Share of other comprehensive income (losses) of associated companies	–	(2,112)	(2,112)	–	(145)	(2,257)
(416)	Share of other comprehensive income (losses) of joint ventures	–	(2,621)	(2,621)	–	(625)	(3,246)
(14)	Tax relating to components of other comprehensive income (losses)	–	(86)	(86)	–	(24)	(110)
(1,185)	Other comprehensive income (losses), net of tax	–	(8,001)	(8,001)	–	(1,240)	(9,241)
553	Total comprehensive income	–	2,204	2,204	71	2,041	4,316
	Transactions with owners in their capacity as owners:						
(871)	Dividends paid relating to 2023	–	(6,798)	(6,798)	–	–	(6,798)
(763)	Dividends paid to non-controlling interests	–	–	–	–	(5,954)	(5,954)
(21)	Distribution paid on perpetual capital securities	–	–	–	(162)	–	(162)
(573)	Redemption of perpetual capital securities	–	–	–	(4,475)	–	(4,475)
3	Equity contribution from non-controlling interests	–	–	–	–	27	27
(70)	Relating to disposal of subsidiary companies	–	–	–	–	(543)	(543)
(2,295)		–	(6,798)	(6,798)	(4,637)	(6,470)	(17,905)
84,226	At 30 June 2024	246,802	292,639	539,441	–	117,519	656,960

Unaudited Total equity[#] US$ million		Attributable to Ordinary shareholders: Share capital and share premium[*] HK$ million	Reserves[@] HK$ million	Total ordinary shareholders' funds HK$ million	Holders of perpetual capital securities HK$ million	Non-controlling interests HK$ million	Unaudited Total equity HK$ million
82,988	At 1 January 2023	246,802	276,711	523,513	4,561	119,235	647,309
1,839	Profit for the period	–	11,208	11,208	89	3,046	14,343
	Other comprehensive income (losses)						
78	Changes in fair value of equity instruments at fair value through other comprehensive income	–	605	605	–	–	605
(1)	Changes in fair value of debt instruments at fair value through other comprehensive income	–	(4)	(4)	–	–	(4)
13	Remeasurement of defined benefit obligations	–	85	85	–	16	101
1,146	Exchange gains on translation of foreign operations	–	8,655	8,655	–	286	8,941
43	Exchange losses reclassified to profit or loss	–	334	334	–	3	337
(147)	Losses on cash flow hedges	–	(1,132)	(1,132)	–	(13)	(1,145)
(177)	Losses on net investment hedges	–	(1,095)	(1,095)	–	(283)	(1,378)
(222)	Reclassification adjustments for hedging gains included in profit or loss	–	(1,735)	(1,735)	–	–	(1,735)
263	Share of other comprehensive income of associated companies	–	1,822	1,822	–	226	2,048
548	Share of other comprehensive income of joint ventures	–	3,314	3,314	–	961	4,275
(5)	Tax relating to components of other comprehensive income (losses)	–	(30)	(30)	–	(7)	(37)
1,539	Other comprehensive income, net of tax	–	10,819	10,819	–	1,189	12,008
3,378	Total comprehensive income	–	22,027	22,027	89	4,235	26,351
(4)	Impact of hyperinflation	–	(21)	(21)	–	(5)	(26)
	Transactions with owners in their capacity as owners:						
(1,024)	Dividends paid relating to 2022	–	(7,989)	(7,989)	–	–	(7,989)
(390)	Dividends paid to non-controlling interests	–	–	–	–	(3,052)	(3,052)
(21)	Distribution paid on perpetual capital securities	–	–	–	(167)	–	(167)
(19)	Recognition of put option liabilities arising from business combinations	–	(148)	(148)	–	–	(148)
1	Relating to purchase of a subsidiary company	–	–	–	–	8	8
–	Relating to purchase of non-controlling interests	–	(34)	(34)	–	34	–
(1,457)		–	(8,192)	(8,192)	(167)	(3,015)	(11,374)
84,909	At 30 June 2023	246,802	290,546	537,348	4,483	120,455	662,286

See note 37.
* See note 29(a).
@ See note 30.

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2024

Unaudited 2024# US$ million		Note	Unaudited 2024 HK$ million	2023 HK$ million
	Operating activities			
4,748	Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	31 (a)	**37,035**	35,553
(842)	Interest expenses and other finance costs paid (net of capitalisation)		**(6,567)**	(5,621)
(292)	Tax paid		**(2,274)**	(1,760)
3,614	**Funds from operations (before principal elements of lease payments)**		**28,194**	28,172
(670)	Changes in working capital	31 (b)	**(5,229)**	(6,981)
2,944	**Net cash from operating activities**		**22,965**	21,191
	Investing activities			
(1,130)	Purchase of fixed assets	11	**(8,817)**	(9,746)
(8)	Additions to telecommunications licences	13	**(60)**	(1,009)
(96)	Additions to brand names and other rights	14	**(751)**	(649)
(1)	Purchase of subsidiary companies, net of cash acquired	31 (c)	**(10)**	(79)
(3)	Additions to unlisted investments		**(22)**	(39)
45	Repayments of loans from associated companies and joint ventures		**350**	2,241
(206)	Purchase of and advances to associated companies and joint ventures		**(1,604)**	(95)
15	Proceeds from disposal of fixed assets		**115**	19
43	Proceeds from disposal of subsidiary companies, net of cash disposed	31 (d)	**333**	2,563
23	Proceeds from partial disposal / disposal of associated companies and joint ventures		**179**	723
33	Proceeds from disposal of other unlisted investments		**262**	74
(1,285)	Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments		**(10,025)**	(5,997)
423	Disposal of liquid funds and other listed investments		**3,297**	15
(10)	Additions to liquid funds and other listed investments		**(75)**	(65)
(872)	**Cash flows used in investing activities**		**(6,803)**	(6,047)
2,072	**Net cash inflow before financing activities**		**16,162**	15,144
	Financing activities			
4,146	New borrowings	31 (e)	**32,341**	38,122
(2,540)	Repayment of borrowings	31 (e)	**(19,817)**	(44,012)
(944)	Principal elements of lease payments	31 (e)	**(7,370)**	(7,500)
(3)	Net loans to non-controlling shareholders	31 (e)	**(21)**	(30)
3	Issue of equity securities by subsidiary companies to non-controlling shareholders		**27**	–
(536)	Redemption of perpetual capital securities	29 (b)	**(4,180)**	–
(871)	Dividends paid to ordinary shareholders		**(6,798)**	(7,989)
(757)	Dividends paid to non-controlling interests		**(5,906)**	(2,913)
(21)	Distributions paid on perpetual capital securities		**(162)**	(167)
(1,523)	**Cash flows used in financing activities**		**(11,886)**	(24,489)
549	Increase (decrease) in cash and cash equivalents		**4,276**	(9,345)
16,323	Cash and cash equivalents at 1 January		**127,323**	138,085
16,872	**Cash and cash equivalents at 30 June**		**131,599**	128,740

Unaudited 2024[#] US$ million		Note	Unaudited 2024 HK$ million	2023 HK$ million
	Analysis of cash, liquid funds and other listed investments at 30 June			
16,872	Cash and cash equivalents, as above		**131,599**	128,740
1,471	Liquid funds and other listed investments	19	**11,477**	17,995
18,343	**Total cash, liquid funds and other listed investments**		**143,076**	146,735
35,864	Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	23	**279,743**	284,766
402	Interest bearing loans from non-controlling shareholders	26	**3,141**	2,549
17,923	**Net debt**		**139,808**	140,580
(402)	Interest bearing loans from non-controlling shareholders		**(3,141)**	(2,549)
17,521	**Net debt (excluding interest bearing loans from non-controlling shareholders)**		**136,667**	138,031

See note 37.

Notes to the Financial Statements

1 General information

CK Hutchison Holdings Limited (the "Company" or "CKHH") is a company incorporated in the Cayman Islands with limited liability and the shares of the Company are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The interim condensed consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") as at and for the six months ended 30 June 2024 (the "Interim Financial Statements") were authorised for issue by the Company's board of directors on 15 August 2024.

The Chairman's Statement and Operations Highlights, issued as part of CKHH 2024 Interim Results announcement and CKHH 2024 Interim Report, include discussions on the performance of the Group's businesses for the current period and other important events that occurred since the end of the 2023 financial year.

The Group Capital Resources and Other Information, issued as part of CKHH 2024 Interim Results announcement and CKHH 2024 Interim Report, includes discussions on the Group's liquidity and financial profile.

2 Use of judgements, assumptions and estimates

In preparing the Interim Financial Statements, the Group has made accounting related estimates based on judgements and assumptions about current and, for some estimates, future economic and market conditions that the Group considers are relevant and reasonable. It is reasonably possible that actual achievements, results, performances or other future events or conditions could differ from those on which the estimates are based. This could result in materially different estimates, judgements and assumptions from those used for the purposes of the Interim Financial Statements. Hence, our accounting estimates, judgements and assumptions could change over time in response to how these events and conditions develop.

The significant judgements, assumptions and estimates made in preparing the Interim Financial Statements were the same as those described in the Group's annual consolidated financial statements as at and for the year ended 31 December 2023 (the "2023 Annual Financial Statements").

3 Basis of preparation

The Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34"), issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). They are regarded as "Condensed" as per HKAS 34 as they do not include all of the information and disclosures required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). They should be read in conjunction with the 2023 Annual Financial Statements.

The Interim Financial Statements have been prepared on a historical cost basis, except that defined benefit plans plan assets, investment properties, and certain financial assets and liabilities (including derivative instruments) are measured at fair value. The Interim Financial Statements are prepared on a going concern basis, as Management is satisfied that the Group has the ability to continue as a going concern. In making this assessment, Management has assessed the potential cash generation, the liquidity of the Group and existing funding available to the Group. On the basis of these assessments, Management has determined that, at the date on which the Interim Financial Statements were authorised for issue, the use of the going concern basis of accounting to prepare the Interim Financial Statements is appropriate.

The accompanying financial statements and notes are unaudited. The results reported in the Interim Financial Statements should not be regarded as necessarily indicative of results that may be expected for the entire year.

4 Revenue

(a) An analysis of revenue of the Company and subsidiary companies is as follows:

	Six months ended 30 June	
	2024	2023
	HK$ million	HK$ million
Sale of goods	**78,143**	77,828
Revenue from services	**54,038**	51,389
Interest	**4,202**	4,089
Dividend income	**68**	71
	136,451	133,377

4 Revenue (continued)

(b) Further details are set out below in respect of revenue of the Company and subsidiary companies, including the disaggregation of revenue from contracts with customers within the scope of HKFRS 15:

(i) By segments *

	Six months ended 30 June 2024				
	Revenue from contracts with customers				
	recognised at a point in time	recognised over time	Subtotal	Revenue from other sources	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	–	16,572	16,572	84	16,656
Retail	65,667	19	65,686	–	65,686
Infrastructure	1,724	–	1,724	1,055	2,779
Telecommunications **					
CK Hutchison Group Telecom					
3 Group Europe	*6,258*	*33,666*	*39,924*	*6*	*39,930*
Hutchison Telecommunications Hong Kong Holdings	*298*	*1,760*	*2,058*	*–*	*2,058*
Corporate and Others	*22*	*304*	*326*	*558*	*884*
	6,578	35,730	42,308	564	42,872
Finance & Investments and Others **	5,292	550	5,842	2,616	8,458
	79,261	52,871	132,132	4,319	136,451

	Six months ended 30 June 2023				
	Revenue from contracts with customers				
	recognised at a point in time	recognised over time	Subtotal	Revenue from other sources	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	–	14,708	14,708	81	14,789
Retail	65,136	29	65,165	–	65,165
Infrastructure	1,966	–	1,966	1,564	3,530
Telecommunications **					
CK Hutchison Group Telecom					
3 Group Europe	*5,718*	*33,023*	*38,741*	*6*	*38,747*
Hutchison Telecommunications Hong Kong Holdings	*535*	*1,793*	*2,328*	*–*	*2,328*
Corporate and Others	*13*	*120*	*133*	*488*	*621*
	6,266	34,936	41,202	494	41,696
Finance & Investments and Others **	5,574	555	6,129	2,068	8,197
	78,942	50,228	129,170	4,207	133,377

* See note 5 for operating segment information.

** Hutchison Asia Telecommunications, reported previously in this note under "Telecommunications", is grouped within and reported as a part of "Finance & Investments and Others" with effect from 1 January 2024. Comparative information has been reclassified to conform to this presentation. See note 5(a) under "Telecommunications" for further details.

4 Revenue (continued)

(b) Further details are set out below in respect of revenue of the Company and subsidiary companies, including the disaggregation of revenue from contracts with customers within the scope of HKFRS 15 (continued):

(ii) By geographical locations *

	Six months ended 30 June 2024				
	Revenue from contracts with customers				
	recognised at a point in time HK$ million	recognised over time HK$ million	Subtotal HK$ million	Revenue from other sources HK$ million	Total HK$ million
Hong Kong	**11,822**	**2,067**	**13,889**	**127**	**14,016**
Mainland China	**8,360**	**113**	**8,473**	**9**	**8,482**
The People's Republic of China	**20,182**	**2,180**	**22,362**	**136**	**22,498**
Europe	**36,367**	**40,307**	**76,674**	**865**	**77,539**
Canada	**–**	**–**	**–**	**102**	**102**
Asia, Australia and Others	**17,420**	**9,834**	**27,254**	**600**	**27,854**
	53,787	**50,141**	**103,928**	**1,567**	**105,495**
	73,969	**52,321**	**126,290**	**1,703**	**127,993**
Finance & Investments and Others	**5,292**	**550**	**5,842**	**2,616**	**8,458**
	79,261	**52,871**	**132,132**	**4,319**	**136,451**

	Six months ended 30 June 2023				
	Revenue from contracts with customers				
	recognised at a point in time HK$ million	recognised over time HK$ million	Subtotal HK$ million	Revenue from other sources HK$ million	Total HK$ million
Hong Kong	12,519	2,110	14,629	139	14,768
Mainland China	10,744	115	10,859	14	10,873
The People's Republic of China	23,263	2,225	25,488	153	25,641
Europe	33,655	39,209	72,864	800	73,664
Canada	–	–	–	119	119
Asia, Australia and Others	16,450	8,239	24,689	1,067	25,756
	50,105	47,448	97,553	1,986	99,539
	73,368	49,673	123,041	2,139	125,180
Finance & Investments and Others	5,574	555	6,129	2,068	8,197
	78,942	50,228	129,170	4,207	133,377

* See note 5 for operating segment information.

4 Revenue (continued)

(c) Contract balances related to contracts with customers within the scope of HKFRS 15

Under HKFRS 15, a contract asset or a contract liability is generated when either party to the contract performs, depending on the relationship between the entity's performance and the customer's payment. When an entity satisfies a performance obligation by transferring a promised goods or service, the entity has earned a right to consideration from the customer and, therefore, has a contract asset. When the customer performs first, for example, by prepaying its promised consideration, the entity has a contract liability. Generally, contract assets may represent conditional or unconditional rights to consideration. The right would be conditional, for example, when an entity is required first to satisfy another performance obligation in the contract before it is entitled to payment from the customer. If an entity has an unconditional right to receive consideration from the customer, the contract asset is classified as and accounted for as a receivable and presented separately from other contract assets. A right is unconditional if nothing other than the passage of time is required before payment of that consideration is due.

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers within the scope of HKFRS 15.

	30 June 2024	31 December 2023
	HK$ million	HK$ million
Trade receivables, which are included in "Trade receivables and other current assets" (see note 22)	**15,412**	16,297
Contract assets (see notes 20 and 22)	**6,910**	7,580
Contract liabilities (see note 24)	**(5,347)**	(5,948)

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. For the six months ended 30 June 2024, HK$353 million (30 June 2023: HK$300 million) was recognised in the consolidated income statement as provision for expected credit losses on trade receivables.

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. For the six months ended 30 June 2024, HK$553 million (30 June 2023: HK$387 million) was recognised in the consolidated income statement as provision for expected credit losses on contract assets.

Contract liabilities primarily relate to the Group's unfulfilled performance obligations for which consideration has been received at the reporting date. On fulfilment of its obligations, the contract liability is recognised in revenue in the period when the performance obligations are fulfilled. HK$4,149 million (30 June 2023: HK$2,574 million) was recognised as revenue for the six months ended 30 June 2024 that was included in the contract liability balance at the beginning of the year.

5 Operating segment information

(a) Description of segments and basis of presentation of segment information

For management purposes, the Group is organised into four core businesses – ports and related services, retail, infrastructure and telecommunications. The Group's most senior executive management (the Chief Operating Decision Maker as defined in HKFRS 8) monitors the operating results of the core businesses separately for the purpose of making decisions about resource allocation and performance assessment.

Segment information sets out in this note is organised into these four core businesses, as follows:

Ports and Related Services:

This division comprises the Group's 80% interest in the Hutchison Ports group of companies and its 30.07% interest in a listed associated company Hutchison Port Holdings Trust ("HPH Trust"). Results of HPH Trust are included in the segment results (under Ports and Related Services) based on the Group's effective shareholdings (net of non-controlling interests) in HPH Trust.

Retail:

The retail division consists of the A. S. Watson ("ASW") group of companies, the world's largest international health and beauty retailer with a 164 million loyalty member base. ASW operated 12 retail brands with 16,548 stores in 28 markets worldwide as at 30 June 2024.

Infrastructure:

The Infrastructure division comprises the Group's 75.67% interest in CK Infrastructure Holdings Limited ("CKI"), a subsidiary company listed on the Stock Exchange and interests in six co-owned infrastructure investments with CKI, including Northumbrian Water, Park'N Fly, Australian Gas Networks, Dutch Enviro Energy, Wales & West Utilities and UK Rails.

Telecommunications:

The Group's telecommunications division consists of CK Hutchison Group Telecom Holdings ("CK Hutchison Group Telecom") which consolidates the **3** Group businesses in Europe ("**3** Group Europe") and a 66.09% interest in Hutchison Telecommunications Hong Kong Holdings, which is listed on the Stock Exchange.

Hutchison Asia Telecommunications, previously presented under "Telecommunications" in this operating segment note, is grouped within and presented as a part of "Finance & Investments and Others" with effect from 1 January 2024. This is to conform to a change in the composition of internal management reporting to the Group's most senior executive management. Comparative operating segment information in this note has been reclassified to conform to this new presentation.

In addition, "Finance & Investments and Others" is presented in the segment information below to reconcile to the totals included in the Group's consolidated income statement and consolidated statement of financial position. "Finance & Investments and Others" covers the activities of other areas of the Group that are not presented separately and includes a 87.87% interest in the Australian Securities Exchange listed Hutchison Telecommunications (Australia) Limited ("HTAL"), which has a 25.05% attributable interest in a listed associated company TPG Telecom Limited ("TPG"), Hutchison Asia Telecommunications, Hutchison Whampoa (China), Hutchison E-Commerce, the Marionnaud business, listed associated companies Hutchison China MediTech ("HUTCHMED"), TOM Group, CK Life Sciences Int'l., (Holdings) Inc. and Cenovus Energy Inc. ("Cenovus Energy"), corporate head office operations and the returns earned on the Group's holdings of cash and liquid investments.

The Group has adopted HKFRS 16 "Leases" accounting standard (which relates to accounting for leases) for its statutory reporting but its management reporting has remained on the precedent lease accounting standard Hong Kong Accounting Standard 17 "Leases" ("HKAS 17"). The Group believes that the HKAS 17 basis metrics ("Pre-HKFRS 16 basis"), which are not intended to be a substitute for, or superior to, the reported metrics on a HKFRS 16 basis ("Post-HKFRS 16 basis"), better reflect management's view of the Group's underlying operational performances. Pre-HKFRS 16 basis metrics financial information is regularly reviewed by the Group's most senior executive management.

5 Operating segment information (continued)

(a) Description of segments and basis of presentation of segment information (continued)

Segment information sets out below is presented, except where indicated otherwise, on a Pre-HKFRS 16 basis together with reconciliations to the total under the Post-HKFRS 16 basis. Section (c) of this note includes reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics for the Group's consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flows for the current and comparative periods, and the Group's consolidated statement of financial position as at 30 June 2024 and 31 December 2023.

Saved as disclosed in the notes below, the column headed as Company and Subsidiaries refers to the holding company of the Group and subsidiary companies' respective items and the column headed as Associates and JV refers to the Group's share of associated companies and joint ventures' respective items.

(b) Segment results, assets and liabilities

(i) An analysis of revenue by segments

	Revenue							
	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Ports and Related Services	**16,656**	**4,938**	**21,594**	**9%**	14,789	5,074	19,863	9%
Retail	**65,686**	**25,783**	**91,469**	**39%**	65,165	23,454	88,619	40%
Infrastructure	**2,779**	**24,319**	**27,098**	**12%**	3,530	24,010	27,540	12%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***39,930***	***5***	***39,935***	***18%***	*38,747*	*4*	*38,751*	*17%*
Hutchison Telecommunications Hong Kong Holdings	***2,058***	**–**	***2,058***	***1%***	*2,328*	–	*2,328*	*1%*
Corporate and Others	***884***	***57***	***941***	**–**	*621*	*61*	*682*	–
	42,872	**62**	**42,934**	**19%**	41,696	65	41,761	18%
Finance & Investments and Others	**8,458**	**41,091**	**49,549**	**21%**	8,197	37,887	46,084	21%
	136,451	**96,193**	**232,644**	**100%**	133,377	90,490	223,867	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**–**	**587**	**587**		**–**	556	556	
Divesture of infrastructure investments	**–**	**424**	**424**		**–**	357	357	
	136,451	**97,204**	**233,655**		133,377	91,403	224,780	
HKFRS 16 impact	**–**	**–**	**–**		–	–	–	
	136,451	**97,204**	**233,655**		133,377	91,403	224,780	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

The Group uses two measures of segment results, EBITDA (see note 5(b)(xiii)) and EBIT (see note 5(b)(xiv)). Analyses of segment results by EBITDA and EBIT are set out in (ii), (iii), (ix) and (x) below.

(ii) An analysis of EBITDA by segments

	EBITDA (LBITDA) [xiii]							
	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Ports and Related Services	**6,183**	**1,755**	**7,938**	**15%**	4,677	1,832	6,509	13%
Retail	**4,874**	**2,215**	**7,089**	**14%**	5,210	1,846	7,056	14%
Infrastructure	**1,144**	**13,535**	**14,679**	**28%**	1,738	12,943	14,681	29%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	*10,828*	*215*	*11,043*	*21%*	*10,104*	*156*	*10,260*	*21%*
Hutchison Telecommunications Hong Kong Holdings	*591*	*28*	*619*	*1%*	*583*	*31*	*614*	*1%*
Corporate and Others	*83*	*(13)*	*70*	*–*	*(853)*	*(2)*	*(855)*	*-2%*
	11,502	**230**	**11,732**	**22%**	9,834	185	10,019	20%
Finance & Investments and Others [xv]	**1,512**	**9,251**	**10,763**	**21%**	3,372	8,296	11,668	24%
EBITDA	**25,215**	**26,986**	**52,201**	**100%**	24,831	25,102	49,933	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**–**	**412**	**412**		–	378	378	
EBITDA ^	**25,215^**	**27,398^**	**52,613^**		24,831^	25,480^	50,311^	
Depreciation and amortisation	**(12,772)**	**(10,721)**	**(23,493)**		(12,650)	(9,952)	(22,602)	
Interest expenses and other finance costs	**(5,342)**	**(4,486)**	**(9,828)**		(4,462)	(5,295)	(9,757)	
Current tax	**(2,063)**	**(2,288)**	**(4,351)**		(1,573)	(1,719)	(3,292)	
Deferred tax	**(197)**	**(963)**	**(1,160)**		189	(458)	(269)	
Non-controlling interests	**(3,332)**	**(257)**	**(3,589)**		(3,148)	(234)	(3,382)	
	1,509	**8,683**	**10,192**		3,187	7,822	11,009	
HKFRS 16 impact								
EBITDA ^	**8,518^**	**2,703^**	**11,221^**		8,449^	2,769^	11,218^	
Depreciation and amortisation	**(7,054)**	**(2,055)**	**(9,109)**		(7,025)	(2,047)	(9,072)	
Interest expenses and other finance costs	**(1,288)**	**(817)**	**(2,105)**		(1,225)	(753)	(1,978)	
Current tax	**–**	**–**	**–**		–	–	–	
Deferred tax	**(1)**	**27**	**26**		9	9	18	
Non-controlling interests	**(20)**	**–**	**(20)**		13	–	13	
	1,664	**8,541**	**10,205**		3,408	7,800	11,208	
^ Reconciliation to Post-HKFRS 16 basis EBITDA:								
Pre-HKFRS 16 basis EBITDA per above	**25,215**	**27,398**	**52,613**		24,831	25,480	50,311	
HKFRS 16 impact per above	**8,518**	**2,703**	**11,221**		8,449	2,769	11,218	
Post-HKFRS 16 basis EBITDA (see note 31(a)(i))	**33,733**	**30,101**	**63,834**		33,280	28,249	61,529	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iii) An analysis of EBIT by segments

	EBIT (LBIT) [xiv]							
	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Company and Subsidiaries	Associates and JV	Total		Company and Subsidiaries	Associates and JV	Total	
	HK$ million	HK$ million	HK$ million	%	HK$ million	HK$ million	HK$ million	%
Ports and Related Services	**4,748**	**1,037**	**5,785**	**20%**	3,245	1,092	4,337	16%
Retail	**3,640**	**1,793**	**5,433**	**19%**	3,928	1,492	5,420	20%
Infrastructure	**1,011**	**8,715**	**9,726**	**34%**	1,594	8,447	10,041	37%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe								
EBITDA before the following non-cash items:	**10,828**	**215**	**11,043**		10,104	156	10,260	
Depreciation	**(5,552)**	**(181)**	**(5,733)**		(5,441)	(128)	(5,569)	
Amortisation of licence fees, customer acquisition and retention costs and other rights	**(3,617)**	**–**	**(3,617)**		(3,548)	–	(3,548)	
EBIT – **3** Group Europe	**1,659**	**34**	**1,693**	**6%**	1,115	28	1,143	4%
Hutchison Telecommunications Hong Kong Holdings	**53**	**7**	**60**	**–**	41	8	49	–
Corporate and Others	**82**	**(13)**	**69**	**–**	(855)	(2)	(857)	-3%
	1,794	**28**	**1,822**	**6%**	301	34	335	1%
Finance & Investments and Others [xv]	**1,250**	**4,827**	**6,077**	**21%**	3,113	4,221	7,334	26%
EBIT	**12,443**	**16,400**	**28,843**	**100%**	12,181	15,286	27,467	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**–**	**277**	**277**		–	242	242	
EBIT ^	**12,443^**	**16,677^**	**29,120^**		12,181^	15,528^	27,709^	
Interest expenses and other finance costs	**(5,342)**	**(4,486)**	**(9,828)**		(4,462)	(5,295)	(9,757)	
Current tax	**(2,063)**	**(2,288)**	**(4,351)**		(1,573)	(1,719)	(3,292)	
Deferred tax	**(197)**	**(963)**	**(1,160)**		189	(458)	(269)	
Non-controlling interests	**(3,332)**	**(257)**	**(3,589)**		(3,148)	(234)	(3,382)	
	1,509	**8,683**	**10,192**		3,187	7,822	11,009	
HKFRS 16 impact								
EBIT ^	**1,464^**	**648^**	**2,112^**		1,424^	722^	2,146^	
Interest expenses and other finance costs	**(1,288)**	**(817)**	**(2,105)**		(1,225)	(753)	(1,978)	
Current tax	**–**	**–**	**–**		–	–	–	
Deferred tax	**(1)**	**27**	**26**		9	9	18	
Non-controlling interests	**(20)**	**–**	**(20)**		13	–	13	
	1,664	**8,541**	**10,205**		3,408	7,800	11,208	
^ Reconciliation to Post-HKFRS 16 basis EBIT:								
Pre-HKFRS 16 basis EBIT per above	**12,443**	**16,677**	**29,120**		12,181	15,528	27,709	
HKFRS 16 impact per above	**1,464**	**648**	**2,112**		1,424	722	2,146	
Post-HKFRS 16 basis EBIT	**13,907**	**17,325**	**31,232**		13,605	16,250	29,855	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iv) An analysis of depreciation and amortisation expenses by segments

	Depreciation and amortisation					
	Six months ended 30 June 2024			Six months ended 30 June 2023		
	Company and Subsidiaries	**Associates and JV**	**Total**	Company and Subsidiaries	Associates and JV	Total
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Ports and Related Services	**1,435**	**718**	**2,153**	1,432	740	2,172
Retail	**1,234**	**422**	**1,656**	1,282	354	1,636
Infrastructure	**133**	**4,820**	**4,953**	144	4,496	4,640
Telecommunications						
CK Hutchison Group Telecom						
3 Group Europe	***9,169***	***181***	***9,350***	*8,989*	*128*	*9,117*
Hutchison Telecommunications Hong Kong Holdings	***538***	***21***	***559***	*542*	*23*	*565*
Corporate and Others	***1***	**–**	***1***	*2*	*–*	*2*
	9,708	**202**	**9,910**	9,533	151	9,684
Finance & Investments and Others	**262**	**4,424**	**4,686**	259	4,075	4,334
	12,772	**10,586**	**23,358**	12,650	9,816	22,466
Portion attributable to:						
Non-controlling interests of HPH Trust	**–**	**135**	**135**	–	136	136
	12,772	**10,721**	**23,493**	12,650	9,952	22,602
HKFRS 16 impact	**7,054**	**2,055**	**9,109**	7,025	2,047	9,072
	19,826	**12,776**	**32,602**	19,675	11,999	31,674

(v) An analysis of capital expenditure by segments

	Capital expenditure [xix]							
	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Fixed assets	**Telecom-munications licences**	**Brand names and other rights**	**Total**	Fixed assets	Telecom-munications licences	Brand names and other rights	Total
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million	HK$ million
Ports and Related Services	**1,108**	**–**	**2**	**1,110**	2,209	–	–	2,209
Retail	**1,108**	**–**	**–**	**1,108**	863	–	–	863
Infrastructure	**247**	**–**	**–**	**247**	160	–	2	162
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***6,186***	***59***	***749***	***6,994***	*6,388*	*1,005*	*643*	*8,036*
Hutchison Telecommunications Hong Kong Holdings	***166***	**–**	**–**	***166***	*163*	–	–	*163*
Corporate and Others	**–**	**–**	**–**	**–**	*1*	–	–	*1*
	6,352	**59**	**749**	**7,160**	6,552	1,005	643	8,200
Finance & Investments and Others	**120**	**1**	**–**	**121**	134	4	4	142
	8,935	**60**	**751**	**9,746**	9,918	1,009	649	11,576
HKFRS 16 impact	**(118)**	**–**	**–**	**(118)**	(172)	–	–	(172)
	8,817	**60**	**751**	**9,628**	9,746	1,009	649	11,404

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(vi) An analysis of total assets by segments

	Total assets							
	30 June 2024				31 December 2023			
	Segment assets[xvii] HK$ million	Deferred tax assets HK$ million	Investments in associated companies and interests in joint ventures HK$ million	Total assets HK$ million	Segment assets[xvii] HK$ million	Deferred tax assets HK$ million	Investments in associated companies and interests in joint ventures HK$ million	Total assets HK$ million
Ports and Related Services	**70,083**	**438**	**22,315**	**92,836**	75,587	609	21,519	97,715
Retail	**199,867**	**1,873**	**17,023**	**218,763**	201,155	1,802	17,233	220,190
Infrastructure	**55,991**	**–**	**171,023**	**227,014**	59,577	2	171,277	230,856
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***266,169***	***16,457***	***2,585***	***285,211***	*275,196*	*16,858*	*2,628*	*294,682*
Hutchison Telecommunications Hong Kong Holdings	***15,430***	***2***	***102***	***15,534***	*15,776*	*2*	*109*	*15,887*
Corporate and Others	***30,878***	***–***	***2***	***30,880***	*26,995*	*–*	*1*	*26,996*
	312,477	**16,459**	**2,689**	**331,625**	317,967	16,860	2,738	337,565
Finance & Investments and Others	**131,406**	**62**	**88,001**	**219,469**	131,868	64	89,124	221,056
	769,824	**18,832**	**301,051**	**1,089,707**	786,154	19,337	301,891	1,107,382
HKFRS 16 impact	**49,200**	**1,688**	**(2,108)**	**48,780**	51,700	1,737	(1,916)	51,521
	819,024	**20,520**	**298,943**	**1,138,487**	837,854	21,074	299,975	1,158,903

(vii) An analysis of total liabilities by segments

	Total liabilities							
	30 June 2024				31 December 2023			
	Segment liabilities[xvii] HK$ million	Current & non-current borrowings[xviii] and other non-current liabilities HK$ million	Current & deferred tax liabilities HK$ million	Total liabilities HK$ million	Segment liabilities[xvii] HK$ million	Current & non-current borrowings[xviii] and other non-current liabilities HK$ million	Current & deferred tax liabilities HK$ million	Total liabilities HK$ million
Ports and Related Services	**10,107**	**11,429**	**4,436**	**25,972**	11,591	14,867	4,535	30,993
Retail	**26,068**	**6,789**	**10,444**	**43,301**	27,748	7,056	10,900	45,704
Infrastructure	**6,247**	**23,644**	**555**	**30,446**	7,236	24,551	615	32,402
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***29,975***	***15,474***	***3,975***	***49,424***	*32,856*	*16,319*	*3,935*	*53,110*
Hutchison Telecommunications Hong Kong Holdings	***1,756***	***2,213***	***155***	***4,124***	*1,835*	*2,249*	*123*	*4,207*
Corporate and Others	***826***	***47,452***	***32***	***48,310***	*1,105*	*44,428*	*26*	*45,559*
	32,557	**65,139**	**4,162**	**101,858**	35,796	62,996	4,084	102,876
Finance & Investments and Others	**8,148**	**205,798**	**4,453**	**218,399**	8,642	198,493	4,462	211,597
	83,127	**312,799**	**24,050**	**419,976**	91,013	307,963	24,596	423,572
HKFRS 16 impact	**63,412**	**(1,092)**	**(769)**	**61,551**	66,865	(1,225)	(858)	64,782
	146,539	**311,707**	**23,281**	**481,527**	157,878	306,738	23,738	488,354

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(viii) An analysis of revenue by geographical locations

	Revenue							
	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Hong Kong	14,016	2,255	16,271	7%	14,768	2,184	16,952	8%
Mainland China	8,482	3,405	11,887	5%	10,873	3,809	14,682	6%
The People's Republic of China	22,498	5,660	28,158	12%	25,641	5,993	31,634	14%
Europe	77,539	39,767	117,306	50%	73,664	37,232	110,896	50%
Canada	102	1,646	1,748	1%	119	1,854	1,973	1%
Asia, Australia and Others	27,854	8,029	35,883	16%	25,756	7,524	33,280	14%
	105,495	49,442	154,937	67%	99,539	46,610	146,149	65%
	127,993	55,102	183,095	79%	125,180	52,603	177,783	79%
Finance & Investments and Others	8,458	41,091	49,549	21%	8,197	37,887	46,084	21%
	136,451	96,193	232,644 **	100%	133,377	90,490	223,867 **	100%

** see note 5(b)(i) for reconciliation of segment revenue to revenue presented in the consolidated income statement.

(ix) An analysis of EBITDA by geographical locations

	EBITDA (LBITDA) (xiii)							
	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%	Company and Subsidiaries HK$ million	Associates and JV HK$ million	Total HK$ million	%
Hong Kong	445	883	1,328	3%	657	823	1,480	3%
Mainland China	301	1,077	1,378	3%	1,090	1,237	2,327	5%
The People's Republic of China	746	1,960	2,706	6%	1,747	2,060	3,807	8%
Europe	15,933	10,566	26,499	51%	13,712	9,858	23,570	47%
Canada	99	975	1,074	2%	126	1,102	1,228	2%
Asia, Australia and Others	6,925	4,234	11,159	20%	5,874	3,786	9,660	19%
	22,957	15,775	38,732	73%	19,712	14,746	34,458	68%
	23,703	17,735	41,438	79%	21,459	16,806	38,265	76%
Finance & Investments and Others	1,512	9,251	10,763	21%	3,372	8,296	11,668	24%
	25,215	26,986	52,201 ##	100%	24,831	25,102	49,933 ##	100%

see note 5(b)(ii) for reconciliation of segment EBITDA to EBITDA included in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(x) An analysis of EBIT by geographical locations

	EBIT (LBIT) [xiv]							
	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Company and Subsidiaries	Associates and JV	Total		Company and Subsidiaries	Associates and JV	Total	
	HK$ million	HK$ million	HK$ million	%	HK$ million	HK$ million	HK$ million	%
Hong Kong	(275)	425	150	1%	(106)	358	252	1%
Mainland China	(67)	702	635	2%	635	851	1,486	5%
The People's Republic of China	(342)	1,127	785	3%	529	1,209	1,738	6%
Europe	5,739	7,302	13,041	45%	3,745	6,889	10,634	39%
Canada	99	637	736	3%	126	768	894	3%
Asia, Australia and Others	5,697	2,507	8,204	28%	4,668	2,199	6,867	26%
	11,535	10,446	21,981	76%	8,539	9,856	18,395	68%
	11,193	11,573	22,766	79%	9,068	11,065	20,133	74%
Finance & Investments and Others	1,250	4,827	6,077	21%	3,113	4,221	7,334	26%
	12,443	16,400	28,843 @@	100%	12,181	15,286	27,467 @@	100%

@@ see note 5(b)(iii) for reconciliation of segment EBIT to EBIT included in the consolidated income statement.

(xi) An analysis of capital expenditure by geographical locations

	Capital expenditure [xix]							
	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Fixed assets	Telecom-munications licences	Brand names and other rights	Total	Fixed assets	Telecom-munications licences	Brand names and other rights	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	352	–	–	352	471	–	–	471
Mainland China	191	–	–	191	135	–	–	135
The People's Republic of China	543	–	–	543	606	–	–	606
Europe	7,059	59	749	7,867	7,146	1,005	643	8,794
Asia, Australia and Others	1,213	–	2	1,215	2,032	–	2	2,034
	8,272	59	751	9,082	9,178	1,005	645	10,828
	8,815	59	751	9,625	9,784	1,005	645	11,434
Finance & Investments and Others	120	1	–	121	134	4	4	142
	8,935	60	751	9,746	9,918	1,009	649	11,576
HKFRS 16 impact	(118)	–	–	(118)	(172)	–	–	(172)
	8,817	60	751	9,628	9,746	1,009	649	11,404

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xii) An analysis of total assets by geographical locations

	Total assets							
	30 June 2024				31 December 2023			
	Segment assets[xvii]	Deferred tax assets	Investments in associated companies and interests in joint ventures	Total assets	Segment assets[xvii]	Deferred tax assets	Investments in associated companies and interests in joint ventures	Total assets
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	**48,607**	**204**	**10,837**	**59,648**	48,053	161	10,656	58,870
Mainland China	**31,459**	**709**	**14,744**	**46,912**	33,223	688	15,184	49,095
The People's Republic of China	**80,066**	**913**	**25,581**	**106,560**	81,276	849	25,840	107,965
Europe	**439,302**	**17,187**	**119,071**	**575,560**	444,041	17,614	117,538	579,193
Canada	**4,923**	**–**	**11,802**	**16,725**	4,333	2	12,329	16,664
Asia, Australia and Others	**114,127**	**670**	**56,596**	**171,393**	124,636	808	57,060	182,504
	558,352	**17,857**	**187,469**	**763,678**	573,010	18,424	186,927	778,361
	638,418	**18,770**	**213,050**	**870,238**	654,286	19,273	212,767	886,326
Finance & Investments and Others	**131,406**	**62**	**88,001**	**219,469**	131,868	64	89,124	221,056
	769,824	**18,832**	**301,051**	**1,089,707**	786,154	19,337	301,891	1,107,382
HKFRS 16 impact	**49,200**	**1,688**	**(2,108)**	**48,780**	51,700	1,737	(1,916)	51,521
	819,024	**20,520**	**298,943**	**1,138,487**	837,854	21,074	299,975	1,158,903

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) EBITDA (LBITDA) represents the EBITDA (LBITDA) of the Company and subsidiary companies as well as the Group's share of the EBITDA (LBITDA) of associated companies and joint ventures except for HPH Trust which is included based on the Group's effective share of EBITDA for this operation. EBITDA (LBITDA) is defined as earnings (losses) before interest expenses and other finance costs, tax, depreciation and amortisation. Information concerning EBITDA (LBITDA) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of gross cash flow generation. The Group considers EBITDA (LBITDA) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBITDA (LBITDA) is therefore presented as a measure of segment results in accordance with HKFRS 8. EBITDA (LBITDA) is not a measure of cash liquidity or financial performance under HKFRS and the EBITDA (LBITDA) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBITDA (LBITDA) should not necessarily be construed as an alternative to cash flows or results from operations as determined in accordance with HKFRS.

(xiv) EBIT (LBIT) represents the EBIT (LBIT) of the Company and subsidiary companies as well as the Group's share of the EBIT (LBIT) of associated companies and joint ventures except for HPH Trust which is included based on the Group's effective share of EBIT for this operation. EBIT (LBIT) is defined as earnings (losses) before interest expenses and other finance costs and tax. Information concerning EBIT (LBIT) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of results from operations. The Group considers EBIT (LBIT) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBIT (LBIT) is therefore presented as a measure of segment results in accordance with HKFRS 8. EBIT (LBIT) is not a measure of financial performance under HKFRS and the EBIT (LBIT) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBIT (LBIT) should not necessarily be construed as an alternative to results from operations as determined in accordance with HKFRS.

(xv) The comparative period balance included a gain on disposal of financial instruments of HK$1,829 million. On 14 June 2023, the Group entered into a warrant repurchase agreement with Cenovus Energy, under which the Group sold 26.3 million Cenovus Energy share warrants to Cenovus Energy for a total consideration of approximately C$410 million. Before their disposal, these share warrants, as hedging instrument in a cash flow hedge, were measured at fair value through other comprehensive income and reported under "Finance & Investments and Others" in the segment information note and under other non-current assets in the consolidated statement of financial position. The disposal had resulted in a gain (after reclassification adjustments of hedging gains to profit or loss) of approximately HK$1,829 million (HK$1,829 million at Post-HKFRS 16 basis) in the comparative period. In the comparative period, this gain was reported under "Finance & Investment and Others" in the segment results and under "Other income and gains" in the consolidated income statement.

(xvi) The geographical location of customers is based on the location at which the services were provided or goods delivered. Hong Kong is the location of principal place of business of the Company.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xvii) Segment assets and segment liabilities

Segment assets are assets other than deferred tax assets and investments in associated companies and interests in joint ventures.

Segment liabilities are liabilities other than bank and other debts, interest bearing loans from non-controlling shareholders, tax liabilities (including deferred tax liabilities) and other non-current liabilities.

See note 5(b)(vi) and 5(b)(vii) for reconciliation of segment assets and segment liabilities from Pre-HKFRS 16 basis to Post-HKFRS 16 basis.

Geographical analysis of the Group's non-current assets (based on Post-HKFRS 16 basis) other than financial instruments, deferred tax assets and post-employment benefit assets is as follows:

	30 June 2024	31 December 2023
	HK$ million	HK$ million
Hong Kong	**73,827**	72,857
Mainland China	**55,347**	57,362
The People's Republic of China	**129,174**	130,219
Europe	**516,964**	523,476
Canada	**62,318**	62,643
Asia, Australia and Others	**188,444**	197,955
	767,726	784,074
	896,900	914,293

The geographical location of these specified non-current assets is based on the physical location of the asset (for fixed assets, right-of-use assets and other operating assets), the location of the operation in which they are allocated (for intangible assets and goodwill), and the location of operations (for associated companies and interests in joint ventures).

(xviii) Current and non-current borrowings comprise bank and other debts and interest bearing loans from non-controlling shareholders.

(xix) For the purpose of segmental information analysis, expenditures incurred for leases are not regarded as capital expenditures.

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics

(i) Consolidated Income Statement

	Six months ended 30 June 2024			Six months ended 30 June 2023		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Revenue	**136,451**	**–**	**136,451**	133,377	–	133,377
Cost of inventories sold	**(50,837)**	**14**	**(50,823)**	(51,139)	18	(51,121)
Staff costs	**(20,539)**	**–**	**(20,539)**	(19,445)	–	(19,445)
Expensed customer acquisition and retention costs	**(7,663)**	**192**	**(7,471)**	(7,199)	194	(7,005)
Depreciation and amortisation	**(12,772)**	**(7,054)**	**(19,826)**	(12,650)	(7,025)	(19,675)
Other expenses and losses	**(32,613)**	**8,262**	**(24,351)**	(32,810)	8,237	(24,573)
Other income and gains	**416**	**50**	**466**	2,047	–	2,047
Share of profits less losses of:						
Associated companies	**3,938**	**(30)**	**3,908**	4,100	(20)	4,080
Joint ventures	**4,745**	**(112)**	**4,633**	3,722	(2)	3,720
	21,126	**1,322**	**22,448**	20,003	1,402	21,405
Interest expenses and other finance costs	**(5,342)**	**(1,288)**	**(6,630)**	(4,462)	(1,225)	(5,687)
Profit before tax	**15,784**	**34**	**15,818**	15,541	177	15,718
Current tax charge	**(2,063)**	**–**	**(2,063)**	(1,573)	–	(1,573)
Deferred tax credit (charge)	**(197)**	**(1)**	**(198)**	189	9	198
Profit after tax	**13,524**	**33**	**13,557**	14,157	186	14,343
Profit attributable to non-controlling interests and holders of perpetual capital securities	**(3,332)**	**(20)**	**(3,352)**	(3,148)	13	(3,135)
Profit attributable to ordinary shareholders	**10,192**	**13**	**10,205**	11,009	199	11,208
Earnings per share for profit attributable to ordinary shareholders	**HK$2.66**	**–**	**HK$2.66**	HK$2.87	HK$0.06	HK$2.93

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(ii) Consolidated Statement of Comprehensive Income

	Six months ended 30 June 2024			Six months ended 30 June 2023		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Profit after tax	**13,524**	**33**	**13,557**	14,157	186	14,343
Other comprehensive income (losses)						
Items that will not be reclassified to profit or loss						
Changes in fair value of equity instruments at fair value through other comprehensive income	**(377)**	**–**	**(377)**	605	–	605
Remeasurement of defined benefit obligations	**498**	**–**	**498**	101	–	101
Share of other comprehensive income (losses) of associated companies	**(116)**	**–**	**(116)**	(539)	–	(539)
Share of other comprehensive income (losses) of joint ventures	**(910)**	**–**	**(910)**	94	–	94
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	**(112)**	**–**	**(112)**	(36)	–	(36)
	(1,017)	**–**	**(1,017)**	225	–	225
Items that may be reclassified to profit or loss						
Changes in fair value of debt instruments at fair value through other comprehensive income	**19**	**–**	**19**	(4)	–	(4)
Exchange gains (losses) on translation of foreign operations	**(4,843)**	**467**	**(4,376)**	9,211	(270)	8,941
Exchange losses reclassified to profit or loss	**–**	**–**	**–**	337	–	337
Losses on cash flow hedges	**(27)**	**–**	**(27)**	(1,145)	–	(1,145)
Gains (losses) on net investment hedges	**635**	**–**	**635**	(1,378)	–	(1,378)
Reclassification adjustments for hedging gains included in profit or loss	**–**	**–**	**–**	(1,735)	–	(1,735)
Share of other comprehensive income (losses) of associated companies	**(2,081)**	**(60)**	**(2,141)**	2,594	(7)	2,587
Share of other comprehensive income (losses) of joint ventures	**(2,346)**	**10**	**(2,336)**	4,203	(22)	4,181
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	**2**	**–**	**2**	(1)	–	(1)
	(8,641)	**417**	**(8,224)**	12,082	(299)	11,783
Other comprehensive income (losses), net of tax	**(9,658)**	**417**	**(9,241)**	12,307	(299)	12,008
Total comprehensive income	**3,866**	**450**	**4,316**	26,464	(113)	26,351
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	**(1,941)**	**(171)**	**(2,112)**	(4,410)	86	(4,324)
Total comprehensive income attributable to ordinary shareholders	**1,925**	**279**	**2,204**	22,054	(27)	22,027

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(iii) Consolidated Statement of Financial Position

	30 June 2024			31 December 2023		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Non-current assets						
Fixed assets	**115,031**	**(2,183)**	**112,848**	121,957	(2,131)	119,826
Right-of-use assets	**–**	**58,342**	**58,342**	–	61,198	61,198
Leasehold land	**5,711**	**(5,711)**	**–**	5,958	(5,958)	–
Telecommunications licences	**62,630**	**–**	**62,630**	64,264	–	64,264
Brand names and other rights	**81,105**	**–**	**81,105**	83,396	–	83,396
Goodwill	**268,714**	**–**	**268,714**	271,136	–	271,136
Associated companies	**143,452**	**(827)**	**142,625**	144,375	(737)	143,638
Interests in joint ventures	**157,599**	**(1,281)**	**156,318**	157,516	(1,179)	156,337
Deferred tax assets	**18,832**	**1,688**	**20,520**	19,337	1,737	21,074
Liquid funds and other listed investments	**11,477**	**–**	**11,477**	15,786	–	15,786
Other non-current assets	**19,656**	**613**	**20,269**	19,356	506	19,862
	884,207	**50,641**	**934,848**	903,081	53,436	956,517
Current assets						
Cash and cash equivalents	**131,599**	**–**	**131,599**	127,323	–	127,323
Inventories	**25,162**	**–**	**25,162**	24,473	–	24,473
Trade receivables and other current assets	**48,739**	**(1,861)**	**46,878**	52,505	(1,915)	50,590
	205,500	**(1,861)**	**203,639**	204,301	(1,915)	202,386
Current liabilities						
Bank and other debts	**69,775**	**(448)**	**69,327**	58,785	(461)	58,324
Interest bearing loan from a non-controlling shareholder	**2,007**	**–**	**2,007**	–	–	–
Current tax liabilities	**3,755**	**(52)**	**3,703**	4,215	(49)	4,166
Lease liabilities	**–**	**12,415**	**12,415**	–	13,616	13,616
Trade payables and other current liabilities	**80,039**	**(694)**	**79,345**	87,477	(1,058)	86,419
	155,576	**11,221**	**166,797**	150,477	12,048	162,525
Net current assets	**49,924**	**(13,082)**	**36,842**	53,824	(13,963)	39,861
Total assets less current liabilities	**934,131**	**37,559**	**971,690**	956,905	39,473	996,378
Non-current liabilities						
Bank and other debts	**209,334**	**(644)**	**208,690**	214,362	(764)	213,598
Interest bearing loans from non-controlling shareholders	**1,134**	**–**	**1,134**	3,245	–	3,245
Lease liabilities	**–**	**51,691**	**51,691**	–	54,307	54,307
Deferred tax liabilities	**20,295**	**(717)**	**19,578**	20,381	(809)	19,572
Pension obligations	**3,088**	**–**	**3,088**	3,536	–	3,536
Other non-current liabilities	**30,549**	**–**	**30,549**	31,571	–	31,571
	264,400	**50,330**	**314,730**	273,095	52,734	325,829
Net assets	**669,731**	**(12,771)**	**656,960**	683,810	(13,261)	670,549
Capital and reserves						
Share capital	**3,830**	**–**	**3,830**	3,830	–	3,830
Share premium	**242,972**	**–**	**242,972**	242,972	–	242,972
Reserves	**301,740**	**(9,101)**	**292,639**	306,629	(9,396)	297,233
Total ordinary shareholders' funds	**548,542**	**(9,101)**	**539,441**	553,431	(9,396)	544,035
Perpetual capital securities	**–**	**–**	**–**	4,566	–	4,566
Non-controlling interests	**121,189**	**(3,670)**	**117,519**	125,813	(3,865)	121,948
Total equity	**669,731**	**(12,771)**	**656,960**	683,810	(13,261)	670,549

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows

	Six months ended 30 June 2024			Six months ended 30 June 2023		
	Pre-HKFRS 16 basis HK$ million	**Effect on adoption of HKFRS 16 HK$ million**	**Post-HKFRS 16 basis HK$ million**	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million
	(A)		**(B)**	(A)		(B)
Operating activities						
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	**28,746**	**8,289**	**37,035**	27,137	8,416	35,553
Interest expenses and other finance costs paid (net of capitalisation)	**(5,279)**	**(1,288)**	**(6,567)**	(4,396)	(1,225)	(5,621)
Tax paid	**(2,274)**	**–**	**(2,274)**	(1,760)	–	(1,760)
Funds from operations (Funds from operations under (B) is before principal elements of lease payments)	**21,193**	**7,001**	**28,194**	20,981	7,191	28,172
Changes in working capital	**(5,346)**	**117**	**(5,229)**	(7,140)	159	(6,981)
Net cash from operating activities	**15,847**	**7,118**	**22,965**	13,841	7,350	21,191
Investing activities						
Purchase of fixed assets	**(8,935)**	**118**	**(8,817)**	(9,918)	172	(9,746)
Additions to telecommunications licences	**(60)**	**–**	**(60)**	(1,009)	–	(1,009)
Additions to brand names and other rights	**(751)**	**–**	**(751)**	(649)	–	(649)
Purchase of subsidiary companies, net of cash acquired	**(10)**	**–**	**(10)**	(79)	–	(79)
Additions to unlisted investments	**(22)**	**–**	**(22)**	(39)	–	(39)
Repayments of loans from associated companies and joint ventures	**350**	**–**	**350**	2,241	–	2,241
Purchase of and advances to associated companies and joint ventures	**(1,604)**	**–**	**(1,604)**	(95)	–	(95)
Proceeds from disposal of fixed assets	**115**	**–**	**115**	19	–	19
Proceeds from disposal of subsidiary companies, net of cash disposed	**333**	**–**	**333**	2,563	–	2,563
Proceeds from partial disposal / disposal of associated companies and joint ventures	**179**	**–**	**179**	723	–	723
Proceeds from disposal of other unlisted investments	**262**	**–**	**262**	74	–	74
Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments	**(10,143)**	**118**	**(10,025)**	(6,169)	172	(5,997)
Disposal of liquid funds and other listed investments	**3,297**	**–**	**3,297**	15	–	15
Additions to liquid funds and other listed investments	**(75)**	**–**	**(75)**	(65)	–	(65)
Cash flows used in investing activities	**(6,921)**	**118**	**(6,803)**	(6,219)	172	(6,047)
Net cash inflow before financing activities	**8,926**	**7,236**	**16,162**	7,622	7,522	15,144
Financing activities						
New borrowings	**32,448**	**(107)**	**32,341**	38,294	(172)	38,122
Repayment of borrowings	**(20,058)**	**241**	**(19,817)**	(44,162)	150	(44,012)
Principal elements of lease payments	**–**	**(7,370)**	**(7,370)**	–	(7,500)	(7,500)
Net loans to non-controlling shareholders	**(21)**	**–**	**(21)**	(30)	–	(30)
Issue of equity securities by subsidiary companies to non-controlling shareholders	**27**	**–**	**27**	–	–	–
Redemption of perpetual capital securities	**(4,180)**	**–**	**(4,180)**	–	–	–
Dividends paid to ordinary shareholders	**(6,798)**	**–**	**(6,798)**	(7,989)	–	(7,989)
Dividends paid to non-controlling interests	**(5,906)**	**–**	**(5,906)**	(2,913)	–	(2,913)
Distribution paid on perpetual capital securities	**(162)**	**–**	**(162)**	(167)	–	(167)
Cash flows used in financing activities	**(4,650)**	**(7,236)**	**(11,886)**	(16,967)	(7,522)	(24,489)
Increase (decrease) in cash and cash equivalents	**4,276**	**–**	**4,276**	(9,345)	–	(9,345)
Cash and cash equivalents at 1 January	**127,323**	**–**	**127,323**	138,085	–	138,085
Cash and cash equivalents at 30 June	**131,599**	**–**	**131,599**	128,740	–	128,740

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows (continued)

	Six months ended 30 June 2024			Six months ended 30 June 2023		
	Pre-HKFRS 16 basis HK$ million	**Effect on adoption of HKFRS 16 HK$ million**	**Post-HKFRS 16 basis HK$ million**	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million
Analysis of cash, liquid funds and other listed investments at 30 June						
Cash and cash equivalents, as above	**131,599**	**–**	**131,599**	128,740	–	128,740
Liquid funds and other listed investments	**11,477**	**–**	**11,477**	17,995	–	17,995
Total cash, liquid funds and other listed investments	**143,076**	**–**	**143,076**	146,735	–	146,735
Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	**280,835**	**(1,092)**	**279,743**	285,928	(1,162)	284,766
Interest bearing loans from non-controlling shareholders	**3,141**	**–**	**3,141**	2,549	–	2,549
Net debt	**140,900**	**(1,092)**	**139,808**	141,742	(1,162)	140,580
Interest bearing loans from non-controlling shareholders	**(3,141)**	**–**	**(3,141)**	(2,549)	–	(2,549)
Net debt (excluding interest bearing loans from non-controlling shareholders)	**137,759**	**(1,092)**	**136,667**	139,193	(1,162)	138,031

6 Presentation of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains

This note provides additional details in respect of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains.

	Six months ended 30 June	
	2024	2023
	HK$ million	HK$ million
Cost of goods sold:		
included in "cost of inventories sold"	**50,823**	51,121
included in "expensed customer acquisition and retention costs"	**4,413**	4,311
	55,236	55,432
Depreciation and amortisation:		
Fixed assets (see note 11)	**8,554**	8,489
Right-of-use assets (see note 12(b))	**7,330**	7,293
Telecommunications licences (see note 13)	**444**	477
Brand names and other rights (see note 14)	**1,586**	1,626
Customer acquisition and retention costs (see note 20(a))	**1,912**	1,790
	19,826	19,675
Other expenses and losses:		
Cost of providing services [(a)]	**15,066**	14,597
Office and general administrative expenses and others	**4,272**	4,789
Expenses for short-term, low-value assets leases and payment for variable rent (see note 12(b))	**1,771**	1,672
Advertising and promotion expenses	**2,292**	2,321
Legal and professional fees	**937**	944
Loss on disposal of a subsidiary company (see note 31(d))	**–**	250
Loss on disposal of associated companies	**13**	–
	24,351	24,573
Other income and gains:		
Gains on disposal of subsidiary companies (See note 31(d))	**364**	–
Gains on disposals of associated companies and joint ventures	**–**	213
A gain on disposal of financial instruments [(b)]	**–**	1,829
Others	**102**	5
	466	2,047

(a) Cost of providing services of HK$15,066 million (30 June 2023: HK$14,597 million) includes telecommunication network related costs of HK$9,640 million (30 June 2023: HK$9,510 million), repair and maintenance of HK$2,129 million (30 June 2023: HK$2,051 million) and others of HK$3,297 million (30 June 2023: HK$3,036 million).

(b) Prior period balance represents a gain arising from disposal of Cenovus Energy share warrants of HK$1,829 million (see note 5(b)(xv)).

7 Interest expenses and other finance costs

	Six months ended 30 June	
	2024	2023
	HK$ million	HK$ million
Bank loans and overdrafts	**2,433**	1,937
Other loans	**2**	2
Notes and bonds	**2,723**	2,408
Interest bearing loans from non-controlling shareholders	**83**	52
Other finance costs	**26**	78
Amortisation of loan facilities fees and premiums or discounts relating to debts	**117**	119
Other non-cash interest adjustments [(a)]	**(54)**	(53)
	5,330	4,543
Less: interest capitalised	**(11)**	(100)
Interest on lease liabilities (see note 12(b))	**1,311**	1,244
	6,630	5,687

(a) Other non-cash interest adjustments represent amortisation of acquisition-date fair value adjustments relating to debts of HK$171 million (30 June 2023: HK$170 million) net with accretion expense associated with an increase in the present value of certain obligations over time.

8 Tax

	Six months ended 30 June	
	2024	2023
	HK$ million	HK$ million
Current tax charge		
Hong Kong	**18**	25
Outside Hong Kong	**2,045**	1,548
	2,063	1,573
Deferred tax charge (credit)		
Hong Kong	**(6)**	7
Outside Hong Kong	**204**	(205)
	198	(198)
	2,261	1,375

8 Tax (continued)

The Group's profits are taxed at different rates depending on the country or territory in which the profits arise.

Hong Kong profits tax has been provided for at the rate of 16.5% (30 June 2023: 16.5%) on the estimated assessable profits less estimated available tax losses. Tax outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses.

The Group is within the scope of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development. The Group applies the HKAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. While Hong Kong has yet to introduce its draft legislation for implementation of the Pillar Two Model Rules, including the tax law that implements the global minimum tax and qualified domestic minimum top-up tax, it is expected that the new regime will come into effect for the Group's financial year beginning on 1 January 2025. For certain other jurisdictions where the Group has operations, Pillar Two legislation has come into effect as of 1 January 2024. Based on the assessment for the period ended 30 June 2024, the Group does not expect to have any Pillar Two exposure (including current tax) arising in these jurisdictions. Overall, based on the assessment for the period ended 30 June 2024 and the information currently available, the impact of these rules on the Group's income tax position is not expected to be material.

9 Earnings per share for profit attributable to ordinary shareholders

The calculation of earnings per share is based on profit attributable to ordinary shareholders of the Company of HK$10,205 million (30 June 2023: HK$11,208 million) and 3,830,044,500 shares in issue during the six months ended 30 June 2024 (30 June 2023: 3,830,044,500 shares).

The Company and its subsidiary companies do not have a share option scheme or other dilutive potential ordinary shares as at 30 June 2024 and 30 June 2023. Certain of the Company's associated companies have employee share options outstanding as at 30 June 2024 and 30 June 2023. The employee share options of these associated companies outstanding as at 30 June 2024 and 30 June 2023 did not have a dilutive effect on earnings per share.

10 Distributions and dividends

(a) Distribution paid on perpetual capital securities

	Six months ended 30 June	
	2024	2023
	HK$ million	HK$ million
Distribution paid on perpetual capital securities	**162**	167

(b) Dividends

	Six months ended 30 June	
	2024	2023
	HK$ million	HK$ million
Interim dividend, declared of HK$0.688 per share (30 June 2023: HK$0.756 per share)	**2,635**	2,896

In addition, final dividend in respect of the year 2023 of HK$1.775 per share totalling HK$6,798 million (2022: HK$2.086 per share totalling HK$7,989 million) was approved and paid during the current period.

11 Fixed assets

	Land and buildings HK$ million	Telecom-munications network assets HK$ million	Other assets HK$ million	Total HK$ million
At 31 December 2023				
Cost	30,939	82,238	98,779	211,956
Accumulated depreciation and impairment	(8,366)	(39,701)	(44,063)	(92,130)
	22,573	42,537	54,716	119,826
Six months ended 30 June 2024				
Opening net book value	**22,573**	**42,537**	**54,716**	**119,826**
Additions	**581**	**1,054**	**7,182**	**8,817**
Relating to subsidiaries acquired (see note 31(c))	**–**	**–**	**4**	**4**
Disposals	**(1)**	**(30)**	**(60)**	**(91)**
Relating to subsidiaries disposed (see note 31(d))	**–**	**–**	**(4,713)**	**(4,713)**
Depreciation charge for the period	**(567)**	**(4,239)**	**(3,748)**	**(8,554)**
Transfer between categories	**77**	**3,523**	**(3,600)**	**–**
Exchange translation differences	**(538)**	**(1,078)**	**(825)**	**(2,441)**
Closing net book value	**22,125**	**41,767**	**48,956**	**112,848**
At 30 June 2024				
Cost	**30,763**	**84,866**	**94,522**	**210,151**
Accumulated depreciation and impairment	**(8,638)**	**(43,099)**	**(45,566)**	**(97,303)**
	22,125	**41,767**	**48,956**	**112,848**

12 Leases

(a) Group as a lessee – amounts recognised in the consolidated statement of financial position

	30 June 2024 HK$ million	31 December 2023 HK$ million
Right-of-use assets		
Container terminals	**14,079**	15,312
Retail stores	**20,069**	20,653
Telecommunications network infrastructure sites	**13,734**	14,688
Leasehold land	**5,712**	5,958
Other assets	**4,748**	4,587
	58,342	61,198
Lease liabilities		
Current	**12,415**	13,616
Non-current	**51,691**	54,307
	64,106	67,923

During the six months ended 30 June 2024, the Group entered into new lease agreements. For these new leases, the Group is required to make fixed monthly payments and, in respect of certain of these new leases, additional variable payments depending on the turnover. On leases that commenced during the six months ended 30 June 2024, the Group has recognised HK$3,229 million (30 June 2023: HK$5,858 million) of right-of-use assets and HK$3,220 million of lease liabilities (30 June 2023: HK$5,858 million).

(b) Group as a lessee – amounts recognised in the consolidated income statement

	Six months ended 30 June	
	2024 HK$ million	2023 HK$ million
Expenses relating to short-term leases (included in "Other expenses and losses")	**468**	217
Expenses relating to leases of low-value assets that are not short term leases (included in "Other expenses and losses")	**262**	275
Expenses relating to variable lease payments not included in lease liabilities (included in "Other expenses and losses")	**1,041**	1,180
	1,771	1,672
Depreciation charge of right-of-use assets (included in "Depreciation and amortisation")	**7,330**	7,293
Interest on lease liabilities (included in "Interest expenses and other finance costs")	**1,311**	1,244
Total charges recognised in profit or loss for leases	**10,412**	10,209

13 Telecommunications licences

	HK$ million
At 31 December 2023	
Cost	71,396
Accumulated amortisation and impairment	(7,132)
	64,264
Six months ended 30 June 2024	
Opening net book value	**64,264**
Additions	**60**
Amortisation for the period	**(444)**
Exchange translation differences	**(1,250)**
Closing net book value	**62,630**
At 30 June 2024	
Cost	**70,066**
Accumulated amortisation and impairment	**(7,436)**
	62,630

The Group's telecommunications licences in the UK and Italy with a carrying value of HK$19,871 million and HK$32,762 million respectively (31 December 2023: HK$19,914 million and HK$33,781 million respectively) are considered to have an indefinite useful life. As at 30 June 2024, these telecommunications licences have been allocated to the Telecommunications segment.

14 Brand names and other rights

	Brand names HK$ million	Other rights HK$ million	Total HK$ million
At 31 December 2023			
Cost	68,148	34,120	102,268
Accumulated amortisation and impairment	(94)	(18,778)	(18,872)
	68,054	15,342	83,396
Six months ended 30 June 2024			
Opening net book value	**68,054**	**15,342**	**83,396**
Additions	**–**	**751**	**751**
Amortisation for the period	**(5)**	**(1,581)**	**(1,586)**
Exchange translation differences	**(697)**	**(759)**	**(1,456)**
Closing net book value	**67,352**	**13,753**	**81,105**
At 30 June 2024			
Cost	**67,450**	**33,603**	**101,053**
Accumulated amortisation and impairment	**(98)**	**(19,850)**	**(19,948)**
	67,352	**13,753**	**81,105**

Brand names considered to have an indefinite useful life are not subject to amortisation. The carrying value of brand names with indefinite useful life at 30 June 2024 of HK$49,466 million (31 December 2023: HK$49,730 million) and HK$17,728 million (31 December 2023: HK$18,156 million) has been allocated to Retail segment and the Telecommunications segment respectively.

Other rights, primarily include operating and service content rights, and resource consents and customer lists. These rights are amortised over their finite useful lives. At 30 June 2024, the carrying value of these rights amounted to HK$8,826 million (31 December 2023: HK$9,773 million) and HK$4,927 million (31 December 2023: HK$5,569 million) respectively.

15 Goodwill

	HK$ million
At 31 December 2023	
Cost	297,159
Accumulated impairment	(26,023)
	271,136
Six months ended 30 June 2024	
Opening net book value	**271,136**
Relating to subsidiaries acquired (see note 31(c))	**6**
Exchange translation differences	**(2,428)**
Closing net book value	**268,714**
At 30 June 2024	
Cost	**293,956**
Accumulated impairment	**(25,242)**
	268,714

As at 30 June 2024, the carrying amount of goodwill has been mainly allocated to Telecommunications segment of HK$82,474 million (31 December 2023: HK$84,897 million), Retail segment of HK$114,095 million (31 December 2023: HK$114,099 million), and Infrastructure segment of HK$39,129 million (31 December 2023: HK$39,123 million).

16 Associated companies

	30 June 2024 HK$ million	31 December 2023 HK$ million
Unlisted shares	**11,209**	9,071
Listed shares, Hong Kong	**62,919**	62,919
Listed shares, outside Hong Kong	**80,612**	80,837
Share of undistributed post acquisition reserves	**(13,472)**	(12,081)
	141,268	140,746
Amounts due from (net with amounts due to) associated companies	**1,357**	2,892
	142,625	143,638

17 Interests in joint ventures

	30 June 2024 HK$ million	31 December 2023 HK$ million
Unlisted shares	**131,416**	127,116
Share of undistributed post acquisition reserves	**5,922**	7,154
	137,338	134,270
Amounts due from (net with amounts due to) joint ventures	**18,980**	22,067
	156,318	156,337

18 Deferred tax

	30 June 2024 HK$ million	31 December 2023 HK$ million
Deferred tax assets	**20,520**	21,074
Deferred tax liabilities	**19,578**	19,572
Net deferred tax assets	**942**	1,502

Analysis of net deferred tax assets:

	30 June 2024 HK$ million	31 December 2023 HK$ million
Tax losses	**17,258**	16,865
Accelerated depreciation allowances	**(3,082)**	(2,425)
Fair value adjustments arising from acquisitions	**(12,226)**	(12,268)
Revaluation of investment properties and other investments	**21**	20
Withholding tax on undistributed profits	**(902)**	(912)
Other temporary differences	**(127)**	222
	942	1,502

The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same fiscal authority.

At 30 June 2024, the Group has recognised accumulated deferred tax assets amounting to HK$20,520 million (31 December 2023: HK$21,074 million) of which HK$16,561 million (31 December 2023: HK$16,973 million) relates to **3** Group Europe.

The amounts of unutilised tax losses and deductible temporary differences for which no deferred tax assets is recognised in the consolidated statement of financial position at 30 June 2024 were HK$513,611 million (31 December 2023: HK$531,915 million) and HK$24,688 million (31 December 2023: HK$27,472 million), respectively, totalling HK$538,299 million (31 December 2023: HK$559,387 million). The amounts included balances that are subject to agreement by relevant tax authorities.

19 Liquid funds and other listed investments

	30 June 2024 HK$ million	31 December 2023 HK$ million
Financial assets at amortised cost		
Managed funds – cash and cash equivalents, outside Hong Kong	**29**	50
Financial assets at fair value through other comprehensive income ("FVOCI") [(a)]		
Listed equity securities, Hong Kong [(b)]	**597**	608
Listed equity securities, outside Hong Kong [(b)]	**4,197**	8,589
Managed funds – listed debt securities, outside Hong Kong [(c)]	**6,654**	6,539
	11,448	15,736
	11,477	15,786

(a) The fair values are based on quoted market prices.

(b) These equity securities are not investments held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at FVOCI. As at 30 June 2024, the Group has collar agreements with banks to hedge fair values of certain of these listed equity securities. Fair value surplus of HK$195 million of these collar arrangements are included in current assets (see note 22). For the comparative balance as at 31 December 2023, fair value deficits of HK$297 million and HK$59 million are included in current and non-current liabilities (see notes 24 and 28, respectively).

(c) Managed funds – listed debt securities comprised predominately US Treasury notes and government and government guaranteed notes.

20 Other non-current assets

	30 June 2024 HK$ million	31 December 2023 HK$ million
Investment properties	**408**	408
Customer acquisition and retention costs [(a)]	**4,227**	4,290
Contract assets	**3,669**	3,826
Unlisted investments		
Financial assets at FVOCI – equity securities [(b)]	**2,175**	2,189
Financial assets at fair value through profit or loss – equity securities	**368**	369
Financial assets at fair value through profit or loss – debt securities	**429**	604
Pension assets (see note 27)	**1,984**	1,428
Derivative financial instruments		
Cash flow hedges		
Interest rate swaps	**–**	52
Cross currency interest rate swaps	**225**	150
Net investment hedges – Cross currency swaps	**770**	572
Other non-current assets [(c)]	**6,014**	5,974
	20,269	19,862

(a) Customer acquisition and retention costs primarily relate to incremental commission costs incurred to obtain telecommunications contracts with customers. The amount of customer acquisition and retention costs shown above is after deducting the amortisation charged to the current period's consolidated income statement of HK$1,912 million (30 June 2023: HK$1,790 million). Further, there was no impairment loss in relation to the cost capitalised. The Group applies the practical expedient in paragraph 94 of HKFRS 15, and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the costs that the Group otherwise would have recognised is one year or less.

(b) These equity securities are not investments held for trading purpose. The Group made an election to recognise and measure these investments at fair value through other comprehensive income as the Group considered this FVOCI category to be the appropriate classification. Fair value for these investments are determined by using valuation techniques, including discounted cashflow analysis.

(c) Amount included lease receivables of HK$748 million (31 December 2023: HK$507 million). The remaining balances are mainly prepayments of telecommunications annual licences fee.

21 Cash and cash equivalents

	30 June 2024 HK$ million	31 December 2023 HK$ million
Cash at bank and in hand	**30,493**	34,000
Short term bank deposits	**101,106**	93,323
	131,599	127,323

The carrying amounts of cash and cash equivalents approximate their fair values.

22 Trade receivables and other current assets

	30 June 2024 HK$ million	31 December 2023 HK$ million
Trade receivables [(a)]	**19,059**	20,264
Less: loss allowance provision	**(3,647)**	(3,967)
	15,412	16,297
Other current assets		
Derivative financial instruments		
Fair value hedges – collar agreements	**195**	–
Cash flow hedges		
Interest rate swaps	**38**	–
Forward foreign exchange contracts	**2**	–
Other contracts	**14**	26
Net investment hedges		
Forward foreign exchange contracts	**109**	201
Cross currency swaps	**537**	336
Contract assets	**3,241**	3,754
Prepayments	**14,141**	16,361
Other receivables	**13,085**	13,491
Current tax receivables	**104**	124
	46,878	50,590

(a) Trade receivables are stated at the expected recoverable amount, net of any provision for estimated impairment losses where it is deemed that a receivable may not be fully recoverable. The carrying amounts of these assets approximate their fair values.

At the end of the period / year, the ageing analysis of the trade receivables presented based on the invoice date, is as follows:

	30 June 2024 HK$ million	31 December 2023 HK$ million
Less than 31 days	**11,371**	11,996
Within 31 to 60 days	**1,566**	1,874
Within 61 to 180 days	**1,680**	1,523
Over 180 days	**4,442**	4,871
	19,059	20,264

23 Bank and other debts

	30 June 2024			31 December 2023		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Principal amounts						
Bank loans	**35,618**	**52,526**	**88,144**	24,484	65,036	89,520
Other loans	**4**	**68**	**72**	154	72	226
Notes and bonds	**33,759**	**155,646**	**189,405**	33,755	147,900	181,655
	69,381	**208,240**	**277,621**	58,393	213,008	271,401
Unamortised fair value adjustments arising from acquisitions	**7**	**2,115**	**2,122**	18	2,275	2,293
Subtotal before the following items	**69,388**	**210,355**	**279,743**	58,411	215,283	273,694
Unamortised loan facilities fees and premiums or discounts related to debts	**(61)**	**(1,665)**	**(1,726)**	(87)	(1,685)	(1,772)
	69,327	**208,690**	**278,017**	58,324	213,598	271,922

Bank and other debts at principal amount are scheduled for repayment by calendar year as follows:

	30 June 2024			
	Bank loans HK$ million	**Other loans HK$ million**	**Notes and bonds HK$ million**	**Total HK$ million**
2024, remainder of year	**10,545**	**2**	**27,489**	**38,036**
2025	**25,298**	**4**	**6,270**	**31,572**
2026	**23,426**	**4**	**19,162**	**42,592**
2027	**11,407**	**3**	**18,504**	**29,914**
2028	**12,124**	**4**	**23,544**	**35,672**
2029 to 2033	**5,344**	**20**	**66,697**	**72,061**
2034 to 2043	**–**	**35**	**16,039**	**16,074**
2044 and thereafter	**–**	**–**	**11,700**	**11,700**
	88,144	**72**	**189,405**	**277,621**
Less: current portion	**(35,618)**	**(4)**	**(33,759)**	**(69,381)**
	52,526	**68**	**155,646**	**208,240**

	31 December 2023			
	Bank loans HK$ million	Other loans HK$ million	Notes and bonds HK$ million	Total HK$ million
2024	24,484	154	33,755	58,393
2025	25,326	4	6,465	31,795
2026	15,565	3	19,431	34,999
2027	12,141	3	18,601	30,745
2028	12,004	3	23,973	35,980
2029 to 2033	–	22	59,482	59,504
2034 to 2043	–	37	8,248	8,285
2044 and thereafter	–	–	11,700	11,700
	89,520	226	181,655	271,401
Less: current portion	(24,484)	(154)	(33,755)	(58,393)
	65,036	72	147,900	213,008

24 Trade payables and other current liabilities

	30 June 2024 HK$ million	31 December 2023 HK$ million
Trade payables [(a)]	**21,817**	23,017
Other current liabilities		
Derivative financial instruments		
Fair value hedges – collar agreements	**–**	297
Cash flow hedges		
Forward foreign exchange contracts	**–**	2
Other contracts	**58**	113
Net investment hedges		
Forward foreign exchange contracts	**43**	1,072
Interest free loans from non-controlling shareholders	**327**	438
Contract liabilities	**5,347**	5,948
Obligations for telecommunications licences and other rights	**471**	621
Provisions (see note 25)	**1,141**	1,552
Expenses and other accruals	**33,175**	36,471
Other payables	**16,966**	16,888
	79,345	86,419

(a) At the end of the period / year, the ageing analysis of the trade payables is as follows:

	30 June 2024 HK$ million	31 December 2023 HK$ million
Less than 31 days	**14,323**	15,763
Within 31 to 60 days	**3,440**	3,361
Within 61 to 90 days	**1,605**	1,333
Over 90 days	**2,449**	2,560
	21,817	23,017

25 Provisions

	30 June 2024 HK$ million	31 December 2023 HK$ million
Provision for commitments, onerous contracts and other guarantees	**16,509**	17,155
Closure obligations	**114**	111
Assets retirement obligations	**1,247**	1,247
Other provisions	**1,164**	1,538
	19,034	20,051
Provisions are analysed as:		
Current portion (see note 24)	**1,141**	1,552
Non-current portion (see note 28)	**17,893**	18,499
	19,034	20,051

The provision for commitments, onerous contracts and other guarantees represents the unavoidable costs of meeting these commitments and obligations after deducting the associated, expected future benefits and / or estimated recoverable value. The provision for closure obligations represents the estimated costs to execute integration plans and store closures. The provision for assets retirement obligations represents the present value of the estimated future costs of dismantling and removing fixed assets when they are no longer used and restoring the sites on which they are located.

26 Interest bearing loans from non-controlling shareholders

At 30 June 2024, these loans bear interest at rates at EURIBOR+2.0%, Stockholm Interbank Offered Rate +2.0% and Stockholm Interbank Offered Rate +0.7% (31 December 2023: EURIBOR+2.0%, Stockholm Interbank Offered Rate +2.0% and Stockholm Interbank Offered Rate +0.7%) per annum. The carrying amounts of the borrowings approximate their fair values.

27 Pension obligations

The Group operates a number of defined benefit and defined contribution plans, the assets of which are held independently of the Group's assets in trustee administered funds. The Group's major defined benefit plans are in Hong Kong, the United Kingdom and the Netherlands.

Amounts recognised in the consolidated statement of financial position are as follows:

	30 June 2024 HK$ million	31 December 2023 HK$ million
Defined benefit assets (see note 20)	**1,984**	1,428
Defined benefit liabilities	**3,088**	3,536
Net defined benefit liabilities	**1,104**	2,108

The amounts recognised in the consolidated statement of financial position are determined as follows:

Present value of defined benefit obligations	**17,359**	17,965
Fair value of plan assets	**16,258**	15,860
	1,101	2,105
Restrictions on assets recognised	**3**	3
Net defined benefit liabilities	**1,104**	2,108

28 Other non-current liabilities

	30 June 2024 HK$ million	31 December 2023 HK$ million
Derivative financial instruments		
Fair value hedges – collar agreements	–	59
Cash flow hedges		
Other contracts	–	1
Net investment hedges		
Cross currency swaps	**353**	465
Other derivative financial instruments	**35**	–
Obligations for telecommunications licences and other rights	**3,707**	3,994
Other non-current liabilities	**6,395**	6,387
Liabilities relating to the economic benefits arrangements	**2,166**	2,166
Provisions (see note 25)	**17,893**	18,499
	30,549	31,571

29 Share capital, share premium and perpetual capital securities

(a) Share capital and share premium

	Number of shares	Share capital HK$ million	Share premium HK$ million	Total HK$ million
Authorised:				
Ordinary shares of HK$1 each	**8,000,000,000**	**8,000**	**–**	**8,000**
Issued and fully paid:				
Ordinary shares				
At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	**3,830,044,500**	**3,830**	**242,972**	**246,802**

(b) Perpetual capital securities

	30 June 2024 HK$ million	31 December 2023 HK$ million
EUR500 million issued in 2018	–	4,566

In December 2018, a wholly owned subsidiary company of the Group issued perpetual capital securities with nominal amount of EUR500 million for cash. The Group has fully redeemed these perpetual capital securities in June 2024.

30 Reserves

	Six months ended 30 June 2024				
	Attributable to ordinary shareholders				
	Retained profit	Exchange reserve	Hedging reserve	Others [a]	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2024	669,173	(29,260)	2,618	(345,298)	297,233
Profit for the period	10,205	–	–	–	10,205
Other comprehensive income (losses)					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	(377)	(377)
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	19	19
Remeasurement of defined benefit obligations	397	–	–	–	397
Exchange losses on translation of foreign operations	–	(3,678)	–	–	(3,678)
Losses on cash flow hedges	–	–	(24)	–	(24)
Gains on net investment hedges	–	481	–	–	481
Losses in other reserves related to subsidiaries disposed during the period transferred directly to retained profits	(24)	–	–	24	–
Share of other comprehensive income (losses) of associated companies	(150)	(2,052)	80	10	(2,112)
Share of other comprehensive income (losses) of joint ventures	(694)	(2,199)	272	–	(2,621)
Tax relating to components of other comprehensive income (losses)	(88)	–	2	–	(86)
Other comprehensive income (losses), net of tax	(559)	(7,448)	330	(324)	(8,001)
Transfer of net loss on disposal of equity securities at FVOCI to retained profit	(80)	–	–	80	–
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2023	(6,798)	–	–	–	(6,798)
At 30 June 2024	671,941	(36,708)	2,948	(345,542)	292,639

30 Reserves (continued)

	Six months ended 30 June 2023				
	Attributable to ordinary shareholders				
	Retained profit	Exchange reserve	Hedging reserve	Others [a]	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2023	657,443	(40,203)	5,332	(345,861)	276,711
Profit for the period	11,208	–	–	–	11,208
Other comprehensive income (losses)					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	605	605
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	(4)	(4)
Remeasurement of defined benefit obligations	85	–	–	–	85
Exchange gains on translation of foreign operations	–	8,655	–	–	8,655
Exchange losses reclassified to profit or loss	–	334	–	–	334
Losses on cash flow hedges	–	–	(1,132)	–	(1,132)
Losses on net investment hedges	–	(1,095)	–	–	(1,095)
Reclassification adjustments for hedging gains included in profit or loss	–	–	(1,735)	–	(1,735)
Share of other comprehensive income (losses) of associated companies	20	2,208	156	(562)	1,822
Share of other comprehensive income of joint ventures	67	2,720	525	2	3,314
Tax relating to components of other comprehensive income (losses)	(29)	–	(1)	–	(30)
Other comprehensive income (losses), net of tax	143	12,822	(2,187)	41	10,819
Impact of hyperinflation	(21)	–	–	–	(21)
Transfer of gain on disposal of equity securities at FVOCI to retained profit	13	–	–	(13)	–
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2022	(7,989)	–	–	–	(7,989)
Recognition of put option liabilities arising from business combinations	–	–	–	(148)	(148)
Relating to purchase of non-controlling interests	–	–	–	(34)	(34)
At 30 June 2023	660,797	(27,381)	3,145	(346,015)	290,546

(a) Other reserves comprise revaluation reserve and other capital reserves. As at 30 June 2024, revaluation reserve deficit amounted to HK$3,025 million (1 January 2024: HK$2,835 million, 30 June 2023: HK$2,896 million and 1 January 2023: HK$3,472 million), and other capital reserves deficit amounted to HK$342,517 million (1 January 2024: HK$342,463 million, 30 June 2023: HK$343,119 million and 1 January 2023: HK$342,389 million). Revaluation surplus (deficit) arising from revaluation to market value of listed debt securities and listed equity securities are included in revaluation reserve. Included in the other capital reserves account is a deficit of HK$341,336 million, relating to the fair value of shares of Cheung Kong (Holdings) Limited, the former holding company of the Group, cancelled as part of the reorganisation completed in 2015.

31 Notes to condensed consolidated statement of cash flows

(a) Reconciliation of profit after tax to cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital

	Six months ended 30 June	
	2024	2023
	HK$ million	HK$ million
Profit after tax	**13,557**	14,343
Less: share of profits less losses of		
Associated companies	**(3,908)**	(4,080)
Joint ventures	**(4,633)**	(3,720)
	5,016	6,543
Adjustments for:		
Current tax charge	**2,063**	1,573
Deferred tax charge (credit)	**198**	(198)
Interest expenses and other finance costs	**6,630**	5,687
Depreciation and amortisation	**19,826**	19,675
EBITDA of Company and subsidiaries [(i)]	**33,733**	33,280
Dividends received from associated companies and joint ventures	**5,707**	6,057
Losses (gains) on disposal of fixed assets	**(24)**	70
Losses (gains) on disposals of associated companies and joint ventures (see note 6)	**13**	(213)
Losses (gains) on disposal of subsidiaries (see note 31(d))		
Italian network business	**–**	250
Ports business	**(364)**	–
A gain on disposal of financial instruments (see note 5(b)(xv))	**–**	(1,829)
Gains on disposal of unlisted investments	**(78)**	–
Customer acquisition and retention costs capitalised in the period	**(1,947)**	(2,085)
Other non-cash items	**(5)**	23
	37,035	35,553

(i) Reconciliation of EBITDA:

	Six months ended 30 June	
	2024	2023
	HK$ million	HK$ million
EBITDA of Company and subsidiaries	**33,733**	33,280
Share of EBITDA of associated companies and joint ventures		
Share of profits less losses of:		
Associated companies	**3,908**	4,080
Joint ventures	**4,633**	3,720
Adjustments for:		
Depreciation and amortisation	**12,776**	11,999
Interest expenses and other finance costs	**5,303**	6,048
Current tax charge	**2,288**	1,719
Deferred tax charge	**936**	449
Non-controlling interests	**257**	234
	30,101	28,249
EBITDA (see note 5(b)(ii))	**63,834**	61,529

31 Notes to condensed consolidated statement of cash flows (continued)

(b) Changes in working capital

	Six months ended 30 June	
	2024	2023
	HK$ million	HK$ million
Increase in inventories	**(1,400)**	(1,079)
Decrease (increase) in trade receivables and other current assets	**1,211**	(843)
Decrease in trade payables and other current liabilities	**(4,547)**	(7,570)
Other non-cash items	**(493)**	2,511
	(5,229)	(6,981)

(c) Purchase of subsidiary companies

The following table summarises the consideration paid and the amounts of the assets acquired and liabilities assumed recognised for acquisitions completed during the periods:

	Six months ended 30 June	
	2024	2023
	HK$ million	HK$ million
Purchase consideration transferred:		
Cash and cash equivalents paid	**10**	87
Fair value		
Fixed assets	**4**	5
Brand names and other rights	**–**	9
Deferred tax assets	**–**	3
Cash and cash equivalents	**–**	8
Trade receivables and other current assets	**–**	29
Trade payables and other current liabilities and current tax liabilities	**–**	(31)
Bank and other debts	**–**	(2)
Pension obligations	**–**	(1)
Net identifiable assets acquired	**4**	20
Non-controlling interests	**–**	(8)
	4	12
Goodwill	**6**	75
Total consideration	**10**	87
Net cash outflow arising from acquisition:		
Cash and cash equivalents paid	**10**	87
Cash and cash equivalents acquired	**–**	(8)
Total net cash outflow	**10**	79

The assets acquired and liabilities assumed are recognised at the acquisition date fair value and are recorded at the consolidation level.

For the six months ended 30 June 2024 and 2023, the contributions to the Group's revenue and profit before tax from these subsidiaries acquired during the period since the respective date of acquisition were not material. The acquisition related costs were not material.

31 Notes to condensed consolidated statement of cash flows (continued)

(d) Disposal of subsidiary companies

	Six months ended 30 June	
	2024	2023
	HK$ million	HK$ million
Equity securities received	**736**	2,563
Cash and cash equivalents received	**464**	2,563
Carrying amount of net assets disposed	**(836)**	(5,052)
Gains before reclassification of exchange losses	**364**	74
Cumulative exchange losses reclassified to profit or loss	**–**	(324)
Gains (losses) on disposals	**364**	(250)
Analysis of assets and liabilities over which control was lost:		
Fixed assets	**4,713**	–
Right-of-use assets	**730**	–
Trade receivables and other current assets	**91**	–
Inventories	**43**	–
Assets classified as held for sale	**–**	6,202
Trade payables and other current liabilities and current tax liabilities	**(513)**	–
Bank and other debts	**(2,824)**	–
Leases liabilities	**(820)**	–
Loans from non-controlling shareholders	**(92)**	–
Deferred tax liabilities	**(35)**	–
Pension obligations	**(45)**	–
Liabilities directly associated with assets classified as held for sale	**–**	(1,150)
Non-controlling interests	**(543)**	–
Net assets (excluding cash and cash equivalents) disposed	**705**	5,052
Cash and cash equivalents disposed	**131**	–
Net assets disposed	**836**	5,052
Net cash inflow arising from disposal:		
Cash and cash equivalents received	**464**	2,563
Cash and cash equivalents disposed	**(131)**	–
Total net cash inflow	**333**	2,563

Disposal of subsidiary companies for the current period mainly related to the disposal of the Group's former non-wholly owned subsidiary Abu Qir Container Terminal Company S.A.E., which became 41% owned associated company in the current period. For the comparative period, the disposal of subsidiary companies mainly related to the disposal of Zefiro Net S.r.l., which became 50% owned joint venture in the comparative period. The gains (loss) on these disposals are recognised in the consolidated income statement, with the current period's gains on disposals included in the line item titled "Other income and gains" and the comparative period's loss on disposals included in the line item titled "Other expenses and losses" in the consolidated income statement. See note 6.

Saved as disclosed for the effect arising from the gains (loss) on disposals, the effect on the Group's results from the subsidiary companies disposed during the period are not material for the periods ended 30 June 2024 and 2023.

31 Notes to condensed consolidated statement of cash flows (continued)

(e) Changes in liabilities arising from financing activities

The following table sets out an analysis of the cash flows and non-cash flows changes in liabilities arising from financing activities:

	Bank and other debts	Lease liabilities	Interest bearing loans from non-controlling shareholders	Interest free loans from non-controlling shareholders	Liabilities relating to the economic benefits arrangements	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2024	271,922	67,923	3,245	438	2,166	345,694
Financing cash flows						
New borrowings	32,341	–	–	–	–	32,341
Repayment of borrowings	(19,817)	–	–	–	–	(19,817)
Principal elements of lease payments	–	(7,370)	–	–	–	(7,370)
Net loans to non-controlling shareholders	–	–	(2)	(19)	–	(21)
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 7)	117	–	–	–	–	117
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 7(a))	(171)	–	–	–	–	(171)
Increase in lease liabilities from entering into new leases during the period (see note 12(a))	–	3,220	–	–	–	3,220
Interest on lease liabilities (see note 7)	–	1,311	–	–	–	1,311
Interest element of lease liabilities paid (included in "net cash from operating activities")	–	(1,320)	–	–	–	(1,320)
Remeasurement / write off of lease liabilities	–	3,349	–	–	–	3,349
Relating to subsidiaries disposed (see note 31(d))	(2,824)	(820)	–	(92)	–	(3,736)
Exchange translation differences	(3,551)	(2,187)	(102)	–	–	(5,840)
At 30 June 2024	278,017	64,106	3,141	327	2,166	347,757

31 Notes to condensed consolidated statement of cash flows (continued)

(e) Changes in liabilities arising from financing activities (continued)

The following table sets out an analysis of the cash flows and non-cash flows changes in liabilities arising from financing activities (continued):

	Bank and other debts	Lease liabilities	Interest bearing loans from non-controlling shareholders	Interest free loans from non-controlling shareholders	Liabilities relating to the economic benefits arrangements	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2023	284,326	66,059	2,567	472	2,166	355,590
Financing cash flows						
New borrowings	38,122	–	–	–	–	38,122
Repayment of borrowings	(44,012)	–	–	–	–	(44,012)
Principal elements of lease payments	–	(7,500)	–	–	–	(7,500)
Net loans from (to) non-controlling shareholders	–	–	4	(34)	–	(30)
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 7)	119	–	–	–	–	119
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 7(a))	(170)	–	–	–	–	(170)
Increase in lease liabilities from entering into new leases during the period (see note 12(a))	–	5,858	–	–	–	5,858
Interest on lease liabilities (see note 7)	–	1,244	–	–	–	1,244
Interest element of lease liabilities paid (included in "net cash from operating activities")	–	(1,187)	–	–	–	(1,187)
Remeasurement / write off of lease liabilities	–	3,026	–	–	–	3,026
Relating to subsidiaries acquired (see note 31(c))	2	–	–	–	–	2
Exchange translation differences	4,457	1,585	(22)	–	–	6,020
At 30 June 2023	282,844	69,085	2,549	438	2,166	357,082

32 Contingent liabilities and guarantees

At 30 June 2024, the Company and its subsidiaries provide guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures of HK$6,049 million (31 December 2023: HK$4,560 million).

The amount utilised by its associated companies and joint ventures are as follows:

	30 June 2024	31 December 2023
	HK$ million	HK$ million
To associated companies	**5,164**	3,661
To joint ventures	**–**	–

At 30 June 2024, the Group had provided performance and other guarantees of HK$4,735 million (31 December 2023: HK$4,115 million).

33 Commitments

There have been no material changes in the total amount of capital commitments since 31 December 2023 except for the amounts taken up during the period in the normal course of business.

34 Related parties transactions

Saved as disclosed elsewhere in these financial statements, transactions between the Group and other related parties during the period are not significant to the Group. The outstanding balances with associated companies and joint ventures are disclosed in notes 16 and 17. Transactions between the Company and its subsidiaries have been eliminated on consolidation.

No transactions have been entered with the directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being the key management personnel compensation).

35 Legal proceedings

As at 30 June 2024 and 31 December 2023, the Group is not engaged in any material litigation or arbitration proceedings, and no material litigation or claim is known by the Group to be pending or threatened against it.

36 Fair value measurements

(a) Carrying amounts and fair values of financial assets and financial liabilities

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows:

	Note	Classification under HKFRS 9	30 June 2024 Carrying amounts HK$ million	30 June 2024 Fair values HK$ million	31 December 2023 Carrying amounts HK$ million	31 December 2023 Fair values HK$ million
Financial assets						
Liquid funds and other listed investments						
Cash and cash equivalents (included in Managed funds)	19	Amortised cost	**29**	**29**	50	50
Listed equity securities, Hong Kong	19	FVOCI	**597**	**597**	608	608
Listed equity securities, outside Hong Kong	19	FVOCI	**4,197**	**4,197**	8,589	8,589
Listed debt securities (included in Managed funds)	19	FVOCI	**6,654**	**6,654**	6,539	6,539
Unlisted investments						
Unlisted equity securities	20	FVOCI	**2,175**	**2,175**	2,189	2,189
Unlisted equity securities	20	Fair value through profit or loss ("FVPL")	**368**	**368**	369	369
Unlisted debt securities	20	FVPL	**429**	**429**	604	604
Derivative financial instruments						
Fair value hedges – collar agreements	22	Fair value – hedges	**195**	**195**	–	–
Cash flow hedges						
Interest rate swaps	20 & 22	Fair value – hedges	**38**	**38**	52	52
Cross currency interest rate swaps	20	Fair value – hedges	**225**	**225**	150	150
Forward foreign exchange contracts	22	Fair value – hedges	**2**	**2**	–	–
Other contracts	22	Fair value – hedges	**14**	**14**	26	26
Net investment hedges						
Forward foreign exchange contracts	22	Fair value – hedges	**109**	**109**	201	201
Cross currency swaps	20 & 22	Fair value – hedges	**1,307**	**1,307**	908	908
Lease receivables	20	Amortised cost	**748**	**748**	507	507
Cash and cash equivalents	21	Amortised cost	**131,599**	**131,599**	127,323	127,323
Trade receivables	22	Amortised cost	**15,412**	**15,412**	16,297	16,297
Other receivables	22	Amortised cost	**13,085**	**13,085**	13,491	13,491
Amounts due from associated companies		Amortised cost	**1,898**	**1,898**	3,435	3,435
Amounts due from joint ventures		Amortised cost	**19,325**	**19,325**	22,377	22,377
			198,406	**198,406**	203,715	203,715

36 Fair value measurements (continued)

(a) Carrying amounts and fair values of financial assets and financial liabilities (continued)

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows (continued):

	Note	Classification under HKFRS 9	30 June 2024 Carrying amounts HK$ million	30 June 2024 Fair values HK$ million	31 December 2023 Carrying amounts HK$ million	31 December 2023 Fair values HK$ million
Financial liabilities						
Bank and other debts [(i)]	23	Amortised cost	**278,017**	**252,639**	271,922	258,853
Trade payables	24	Amortised cost	**21,817**	**21,817**	23,017	23,017
Derivative financial instruments						
Fair value hedges – collar agreements	24 & 28	Fair value – hedges	**–**	**–**	356	356
Cash flow hedges						
Forward foreign exchange contracts	24	Fair value – hedges	**–**	**–**	2	2
Other contracts	24 & 28	Fair value – hedges	**58**	**58**	114	114
Net investment hedges						
Forward foreign exchange contracts	24	Fair value – hedges	**43**	**43**	1,072	1,072
Cross currency swaps	28	Fair value – hedges	**353**	**353**	465	465
Other derivative financial instruments	28	Fair value – hedges	**35**	**35**	–	–
Interest free loans from non-controlling shareholders	24	Amortised cost	**327**	**327**	438	438
Expenses and other accruals	24	Amortised cost	**33,175**	**33,175**	36,471	36,471
Other payables	24	Amortised cost	**16,966**	**16,966**	16,888	16,888
Lease liabilities	12	Amortised cost	**64,106**	**64,106**	67,923	67,923
Interest bearing loans from non-controlling shareholders		Amortised cost	**3,141**	**3,141**	3,245	3,245
Obligations for telecommunications licences and other rights	24 & 28	Amortised cost	**4,178**	**4,178**	4,615	4,615
Liabilities relating to the economic benefits arrangements	28	Amortised cost	**2,166**	**2,166**	2,166	2,166
Amounts due to associated companies		Amortised cost	**541**	**541**	543	543
Amounts due to joint ventures		Amortised cost	**345**	**345**	310	310
			425,268	**399,890**	429,547	416,478

(i) The fair values of the bank and other debts are based on market quotes or estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

36 Fair value measurements (continued)

(a) Carrying amounts and fair values of financial assets and financial liabilities (continued)

	30 June 2024		31 December 2023	
	Carrying amounts	**Fair values**	Carrying amounts	Fair values
	HK$ million	**HK$ million**	HK$ million	HK$ million
Representing:				
Financial assets measured at				
Amortised cost	**182,096**	**182,096**	183,480	183,480
FVOCI	**13,623**	**13,623**	17,925	17,925
FVPL	**797**	**797**	973	973
Fair value – hedges	**1,890**	**1,890**	1,337	1,337
	198,406	**198,406**	203,715	203,715
Financial liabilities measured at				
Amortised cost	**424,779**	**399,401**	427,538	414,469
Fair value – hedges	**489**	**489**	2,009	2,009
	425,268	**399,890**	429,547	416,478

(b) Financial assets and financial liabilities measured at fair value

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

36 Fair value measurements (continued)

(b) Financial assets and financial liabilities measured at fair value (continued)

Fair value hierarchy (continued)

		30 June 2024				31 December 2023			
	Note	**Level 1 HK$ million**	**Level 2 HK$ million**	**Level 3 HK$ million**	**Total HK$ million**	Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million
Financial assets									
Liquid funds and other listed investments									
Listed equity securities, Hong Kong	19	**597**	**–**	**–**	**597**	608	–	–	608
Listed equity securities, outside Hong Kong	19	**4,197**	**–**	**–**	**4,197**	8,589	–	–	8,589
Listed debt securities (included in Managed funds)	19	**6,654**	**–**	**–**	**6,654**	6,539	–	–	6,539
Unlisted investments									
Unlisted equity securities – FVOCI	20	**–**	**–**	**2,175**	**2,175**	–	–	2,189	2,189
Unlisted equity securities – FVPL	20	**–**	**46**	**322**	**368**	–	46	323	369
Unlisted debt securities	20	**–**	**–**	**429**	**429**	–	–	604	604
Derivative financial instruments									
Fair value hedges – collar agreements	22	**–**	**–**	**195**	**195**	–	–	–	–
Cash flow hedges									
Interest rate swaps	20 & 22	**–**	**38**	**–**	**38**	–	52	–	52
Cross currency interest rate swaps	20	**–**	**225**	**–**	**225**	–	150	–	150
Forward foreign exchange contracts	22	**–**	**2**	**–**	**2**	–	–	–	–
Other contracts	22	**–**	**14**	**–**	**14**	–	26	–	26
Net investment hedges									
Forward foreign exchange contracts	22	**–**	**109**	**–**	**109**	–	201	–	201
Cross currency swaps	20 & 22	**–**	**1,307**	**–**	**1,307**	–	908	–	908
		11,448	**1,741**	**3,121**	**16,310**	15,736	1,383	3,116	20,235
Financial liabilities									
Derivative financial instruments									
Fair value hedges – collar agreements	24 & 28	**–**	**–**	**–**	**–**	–	–	356	356
Cash flow hedges									
Forward foreign exchange contracts	24	**–**	**–**	**–**	**–**	–	2	–	2
Other contracts	24 & 28	**–**	**58**	**–**	**58**	–	114	–	114
Net investment hedges									
Forward foreign exchange contracts	24	**–**	**43**	**–**	**43**	–	1,072	–	1,072
Cross currency swaps	28	**–**	**353**	**–**	**353**	–	465	–	465
Other derivative financial instruments	28	**–**	**35**	**–**	**35**	–	–	–	–
		–	**489**	**–**	**489**	–	1,653	356	2,009

36 Fair value measurements (continued)

(b) Financial assets and financial liabilities measured at fair value (continued)

Fair value hierarchy (continued)

The fair value of financial assets and financial liabilities that are not traded in active market is determined by using valuation techniques. Specific valuation techniques used to value financial assets and financial liabilities include discounted cash flow analysis, are used to determine fair value for the financial assets and financial liabilities.

During the six months ended 30 June 2024 and 2023, there were no transfers between the Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 from or to Level 1 or Level 2 fair value measurements.

Level 3 fair values

The movements of the balance of financial assets and financial liabilities measured at fair value based on Level 3 are as follows:

	Six months ended 30 June	
	2024	2023
	HK$ million	HK$ million
At 1 January	**2,760**	3,593
Total gains (losses) recognised in		
Income statement	**6**	(5)
Other comprehensive income	**527**	(1,141)
Additions	**21**	39
Disposals	**(183)**	(74)
Exchange translation differences	**(10)**	20
At 30 June	**3,121**	2,432
Total gains (losses) recognised in income statement relating to those financial assets and financial liabilities held at the end of the reporting period	**6**	(5)

The fair value of financial assets and financial liabilities that are grouped under Level 3 is determined by using valuation techniques including discounted cash flow analysis. In determining fair value, specific valuation techniques are used with reference to inputs such as dividend stream and other specific input relevant to those particular financial assets and financial liabilities.

Changing unobservable inputs used in Level 3 valuation to reasonable alternative assumptions would not have significant impact on the Group's profit or loss.

37 US dollar equivalents

Amounts in these financial statements are stated in Hong Kong dollar (HK$), the functional currency of the Company. The translation into US dollar (US$) of these financial statements as of, and for the six months ended, 30 June 2024, is for convenience only and has been made at the rate of HK$7.8 to US$1. This translation should not be construed as a representation that the Hong Kong dollar amounts actually represented have been, or could be, converted into US dollar at this or any other rate.

38 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million currency units unless otherwise stated.

39 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those adopted in the 2023 Annual Financial Statements, except for the adoption of the new standards, interpretations and amendments became effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments apply for the first time to financial reporting periods commencing on or after 1 January 2024, but do not have a material impact on the Interim Financial Statements:

(a) Classification of Liabilities as Current or Non-current – Amendments to HKAS 1; and Non-current Liabilities with Covenants – Amendments to HKAS 1

Amendments made to HKAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Interim Financial Statements.

39 New standards, interpretations and amendments adopted by the Group (continued)

(b) Lease Liability in a Sale and Leaseback – Amendments to HKFRS 16

These are narrow-scope amendments to the requirements for sale and leaseback transactions in HKFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The amendments had no impact on the Interim Financial Statements.

(c) Supplier Finance Arrangements – Amendments to HKAS 7 and HKFRS 7

These amendments clarify the characteristics of supplier finance arrangements ("SFAs") and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of SFAs on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus these amendments had no impact on the Interim Financial Statements.

Financial Performance Summary

	Post-IFRS 16 [1] 2024 HK$ million	%	Post-IFRS 16 [1][2] 2023 HK$ million	%	Change %
Revenue [3]					
Ports and Related Services [3]	**45,282**	**9%**	40,851	9%	11%
Retail	**190,193**	**40%**	183,344	40%	4%
Infrastructure	**55,324**	**12%**	54,714	12%	1%
CK Hutchison Group Telecom	**88,371**	**19%**	86,814	19%	2%
Finance & Investments and Others	**97,512**	**20%**	95,835	20%	2%
Total Revenue	**476,682**	**100%**	461,558	100%	3%
EBITDA [3]					
Ports and Related Services [3]	**18,848**	**15%**	16,415	13%	15%
Retail	**25,594**	**20%**	25,507	20%	–
Infrastructure	**29,953**	**24%**	29,526	23%	1%
CK Hutchison Group Telecom	**31,257**	**25%**	29,081	23%	7%
Finance & Investments and Others	**19,456**	**16%**	26,780	21%	-27%
Total EBITDA	**125,108**	**100%**	127,309	100%	-2%
- Underlying	**128,848**		127,309		1%
- One-off items [4]	**(3,740)**		–		
EBIT [3]					
Ports and Related Services [3]	**13,123**	**22%**	10,583	17%	24%
Retail	**14,099**	**24%**	13,849	22%	2%
Infrastructure	**19,231**	**33%**	19,616	31%	-2%
CK Hutchison Group Telecom	**4,490**	**8%**	3,191	5%	41%
Finance & Investments and Others	**7,815**	**13%**	15,531	25%	-50%
Total EBIT	**58,758**	**100%**	62,770	100%	-6%
- Underlying	**62,498**		62,770		–
- One-off items [4]	**(3,740)**		–		
Interest Expenses and Other Finance Costs [3]	**(24,050)**		(24,200)		1%
Profit Before Tax	**34,708**		38,570		-10%
Tax [3]					
Current tax	**(8,783)**		(7,701)		-14%
Deferred tax	**(2,141)**		(690)		-210%
	(10,924)		(8,391)		-30%
Profit after tax	**23,784**		30,179		-21%
Non-controlling interests and perpetual capital securities holders' interests	**(6,696)**		(6,679)		–
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**17,088**		23,500		-27%
- Underlying	**20,828**		23,500		-11%
- One-off items [4]	**(3,740)**		–		

Note 1: As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this Annual Report interchangeably with the relevant Hong Kong Financial Reporting Standards.

Note 2: The Hutchison Asia Telecommunications results are reported under Finance & Investments and Others segment from 1 January 2024 and the comparative results for the year ended 31 December 2023 have been reclassified to the Finance & Investments and Others segment to conform with the year ended 31 December 2024 presentation to enable a better comparison of performance.

Note 3: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 4: One-off items represent non-cash impairment and other provisions on the Group's telecommunication business in Vietnam of HK$3.7 billion.

Financial Performance Summary

	Pre-IFRS 16 [1] 2024 HK$ million	%	Pre-IFRS 16 [1][2] 2023 HK$ million	%	Change %	Local currencies change %
Revenue [3]						
Ports and Related Services [3]	**45,282**	**9%**	40,851	9%	11%	12%
Retail	**190,193**	**40%**	183,344	40%	4%	5%
Infrastructure	**55,324**	**12%**	54,714	12%	1%	1%
CK Hutchison Group Telecom	**88,371**	**19%**	86,814	19%	2%	2%
Finance & Investments and Others	**97,512**	**20%**	95,835	20%	2%	4%
Total Revenue	**476,682**	**100%**	461,558	100%	3%	4%
EBITDA [3]						
Ports and Related Services [3]	**16,172**	**16%**	13,628	13%	19%	19%
Retail	**16,395**	**16%**	16,226	15%	1%	2%
Infrastructure	**29,614**	**29%**	29,201	28%	1%	1%
CK Hutchison Group Telecom	**24,129**	**23%**	22,341	21%	8%	8%
Finance & Investments and Others	**16,290**	**16%**	23,484	23%	-31%	-29%
Total EBITDA	**102,600**	**100%**	104,880	100%	-2%	-2%
- Underlying	**106,340**		104,880		1%	2%
- One-off items [4]	**(3,740)**		–			
EBIT [3]						
Ports and Related Services [3]	**11,873**	**22%**	9,328	16%	27%	27%
Retail	**13,018**	**24%**	12,888	22%	1%	2%
Infrastructure	**19,180**	**35%**	19,562	33%	-2%	-3%
CK Hutchison Group Telecom	**3,485**	**6%**	2,265	4%	54%	51%
Finance & Investments and Others	**6,875**	**13%**	14,525	25%	-53%	-52%
Total EBIT	**54,431**	**100%**	58,568	100%	-7%	-7%
- Underlying	**58,171**		58,568		-1%	-1%
- One-off items [4]	**(3,740)**		–			
Interest Expenses and Other Finance Costs [3]	**(19,655)**		(20,147)		2%	
Profit Before Tax	**34,776**		38,421		-9%	
Tax [3]						
Current tax	**(8,793)**		(7,705)		-14%	
Deferred tax	**(2,193)**		(795)		-176%	
	(10,986)		(8,500)		-29%	
Profit after tax	**23,790**		29,921		-20%	
Non-controlling interests and perpetual capital securities holders' interests	**(6,760)**		(6,678)		-1%	
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**17,030**		23,243		-27%	-26%
- Underlying	**20,770**		23,243		-11%	-10%
- One-off items [4]	**(3,740)**		–			

Note 1: As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this Annual Report interchangeably with the relevant Hong Kong Financial Reporting Standards. The Group believes that the IAS 17 basis ("Pre-IFRS 16 basis") metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 basis ("Post-IFRS 16 basis"), better reflect management's view of the Group's underlying operational performance. IAS 17 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT, interest expenses and other finance costs, tax, non-controlling interests and perpetual capital securities holders' interests and profit attributable to ordinary shareholders prepared under the Pre-IFRS 16 basis relating to the accounting for leases. Unless otherwise specified, the discussion of the Group's operating results in this Annual Report is on a Pre-IFRS 16 basis as mentioned above.

Note 2: The Hutchison Asia Telecommunications results are reported under Finance & Investments and Others segment from 1 January 2024 and the comparative results for the year ended 31 December 2023 have been reclassified to the Finance & Investments and Others segment to conform with the year ended 31 December 2024 presentation to enable a better comparison of performance.

Note 3: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 4: One-off items represent non-cash impairment and other provisions on the Group's telecommunication business in Vietnam of HK$3.7 billion.

Financial Performance Summary

	Post-IFRS 16 [1] 2023 HK$ million	%	Post-IFRS 16 [1] 2022 HK$ million	%	Change %
Revenue [2]					
Ports and Related Services [2]	**40,851**	**9%**	44,141	10%	-7%
Retail	**183,344**	**40%**	169,645	37%	8%
Infrastructure	**54,714**	**12%**	54,441	12%	1%
CK Hutchison Group Telecom	**86,814**	**19%**	83,289	18%	4%
Hutchison Asia Telecommunications	**11,779**	**2%**	11,628	2%	1%
Finance & Investments and Others	**84,056**	**18%**	94,085	21%	-11%
Total Revenue	**461,558**	**100%**	457,229	100%	1%
EBITDA [2]					
Ports and Related Services [2]	**16,415**	**13%**	19,007	13%	-14%
Retail	**25,507**	**20%**	23,359	16%	9%
Infrastructure	**29,526**	**23%**	29,109	21%	1%
CK Hutchison Group Telecom	**29,081**	**23%**	39,002	27%	-25%
Hutchison Asia Telecommunications	**6,011**	**5%**	12,478	9%	-52%
Finance & Investments and Others	**20,769**	**16%**	19,177	14%	8%
Total EBITDA	**127,309**	**100%**	142,132	100%	-10%
- Underlying	**127,309**		128,119		-1%
- One-off items [3]	**–**		14,013		
EBIT [2]					
Ports and Related Services [2]	**10,583**	**17%**	13,024	17%	-19%
Retail	**13,849**	**22%**	11,831	15%	17%
Infrastructure	**19,616**	**31%**	18,872	24%	4%
CK Hutchison Group Telecom	**3,191**	**5%**	14,216	18%	-78%
Hutchison Asia Telecommunications	**2,388**	**4%**	8,582	11%	-72%
Finance & Investments and Others	**13,143**	**21%**	11,736	15%	12%
Total EBIT	**62,770**	**100%**	78,261	100%	-20%
- Underlying	**62,770**		64,248		-2%
- One-off items [3]	**–**		14,013		
Interest Expenses and Other Finance Costs [2]	**(24,200)**		(18,398)		-32%
Profit Before Tax	**38,570**		59,863		-36%
Tax [2]					
Current tax	**(7,701)**		(9,418)		18%
Deferred tax	**(690)**		(6,762)		90%
	(8,391)		(16,180)		48%
Profit after tax	**30,179**		43,683		-31%
Non-controlling interests and perpetual capital securities holders' interests	**(6,679)**		(7,003)		5%
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**23,500**		36,680		-36%
- Underlying	**23,500**		25,741		-9%
- One-off items [3]	**–**		10,939		

Note 1: As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this Annual Report interchangeably with Hong Kong Financial Reporting Standard 16 "Leases" ("HKFRS 16") and Hong Kong Accounting Standard 17 "Leases" ("HKAS 17"), respectively.

Note 2: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 3: Comprise HK$19,060 million gain (before tax) from the disposal of UK tower assets (disposal gain after tax: HK$15,926 million) and Indonesian telecommunication business merger gain (HK$7,245 million), partly offset by non-cash impairments of the Group's telecommunication businesses in Italy (HK$11,039 million) and Sri Lanka (HK$1,000 million), as well as HK$253 million non-cash impairment charges (before tax) of Cenovus Energy (impairment charges after tax: HK$193 million).

Financial Performance Summary

	Pre-IFRS 16 [1] 2023 HK$ million	%	Pre-IFRS 16 [1] 2022 HK$ million	%	Change %	Local currencies change %
Revenue [2]						
Ports and Related Services [2]	**40,851**	**9%**	44,141	10%	-7%	-9%
Retail	**183,344**	**40%**	169,645	37%	8%	8%
Infrastructure	**54,714**	**12%**	54,441	12%	1%	2%
CK Hutchison Group Telecom	**86,814**	**19%**	83,289	18%	4%	3%
Hutchison Asia Telecommunications	**11,779**	**2%**	11,628	2%	1%	4%
Finance & Investments and Others	**84,056**	**18%**	94,085	21%	-11%	-8%
Total Revenue	**461,558**	**100%**	457,229	100%	1%	1%
EBITDA [2]						
Ports and Related Services [2]	**13,628**	**13%**	15,805	13%	-14%	-14%
Retail	**16,226**	**15%**	14,309	12%	13%	11%
Infrastructure	**29,201**	**28%**	28,815	24%	1%	3%
CK Hutchison Group Telecom	**22,341**	**21%**	32,192	27%	-31%	-32%
Hutchison Asia Telecommunications	**3,952**	**4%**	9,420	8%	-58%	-57%
Finance & Investments and Others	**19,532**	**19%**	18,469	16%	6%	9%
Total EBITDA	**104,880**	**100%**	119,010	100%	-12%	-12%
- Underlying	**104,880**		106,207		-1%	-1%
- One-off items [3]	**–**		12,803			
EBIT [2]						
Ports and Related Services [2]	**9,328**	**16%**	11,426	16%	-18%	-19%
Retail	**12,888**	**22%**	11,048	15%	17%	14%
Infrastructure	**19,562**	**33%**	18,833	26%	4%	5%
CK Hutchison Group Telecom	**2,265**	**4%**	12,803	18%	-82%	-83%
Hutchison Asia Telecommunications	**1,612**	**3%**	6,745	9%	-76%	-76%
Finance & Investments and Others	**12,913**	**22%**	12,009	16%	8%	10%
Total EBIT	**58,568**	**100%**	72,864	100%	-20%	-19%
- Underlying	**58,568**		60,061		-2%	-2%
- One-off items [3]	**–**		12,803			
Interest Expenses and Other Finance Costs [2]	**(20,147)**		(14,860)		-36%	
Profit Before Tax	**38,421**		58,004		-34%	
Tax [2]						
Current tax	**(7,705)**		(9,421)		18%	
Deferred tax	**(795)**		(6,670)		88%	
	(8,500)		(16,091)		47%	
Profit after tax	**29,921**		41,913		-29%	
Non-controlling interests and perpetual capital securities holders' interests	**(6,678)**		(7,044)		5%	
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**23,243**		34,869		-33%	-33%
- Underlying	**23,243**		25,140		-8%	-7%
- One-off items [3]	**–**		9,729			

Note 1: As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this Annual Report interchangeably with Hong Kong Financial Reporting Standard 16 "Leases" ("HKFRS 16") and Hong Kong Accounting Standard 17 "Leases" ("HKAS 17"), respectively. The Group believes that the IAS 17 basis ("Pre-IFRS 16 basis") metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 basis ("Post-IFRS 16 basis"), better reflect management's view of the Group's underlying operational performance. IAS 17 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT, interest expenses and other finance costs, tax, non-controlling interests and perpetual capital securities holders' interests and profit attributable to ordinary shareholders prepared under the Pre-IFRS 16 basis relating to the accounting for leases for the years ended 31 December 2022 and 2023. Unless otherwise specified, the discussion of the Group's operating results in this Annual Report is on a Pre-IFRS 16 basis as mentioned above.

Note 2: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 3: Comprise HK$18,957 million gain (before tax) from the disposal of UK tower assets (disposal gain after tax: HK$15,823 million) and Indonesian telecommunication business merger gain (HK$6,100 million), partly offset by non-cash impairments of the Group's telecommunication businesses in Italy (HK$11,039 million) and Sri Lanka (HK$962 million), as well as HK$253 million non-cash impairment charges (before tax) of Cenovus Energy (impairment charges after tax: HK$193 million).

Financial Performance Summary

	Post-IFRS 16 [1] 2022 HK$ million	%	Post-IFRS 16 [1] 2021 HK$ million	%	Change %
Revenue [2]					
Ports and Related Services [2]	**44,141**	**10%**	42,285	9%	4%
Retail	**169,645**	**37%**	173,601	39%	-2%
Infrastructure	**54,441**	**12%**	56,100	13%	-3%
CK Hutchison Group Telecom	**83,289**	**18%**	92,575	21%	-10%
Hutchison Asia Telecommunications	**11,628**	**2%**	8,786	2%	32%
Finance & Investments and Others	**94,085**	**21%**	72,036	16%	31%
Total Revenue	**457,229**	**100%**	445,383	100%	3%
EBITDA [2]					
Ports and Related Services [2]	**19,007**	**13%**	18,008	13%	6%
Retail	**23,359**	**16%**	26,119	19%	-11%
Infrastructure	**29,109**	**21%**	29,938	22%	-3%
CK Hutchison Group Telecom	**39,002**	**27%**	50,892	38%	-23%
Hutchison Asia Telecommunications	**12,478**	**9%**	4,232	3%	195%
Finance & Investments and Others	**19,177**	**14%**	6,464	5%	197%
Total EBITDA	**142,132**	**100%**	135,653	100%	5%
EBIT [2]					
Ports and Related Services [2]	**13,024**	**17%**	11,946	17%	9%
Retail	**11,831**	**15%**	13,370	20%	-12%
Infrastructure	**18,872**	**24%**	19,139	28%	-1%
CK Hutchison Group Telecom	**14,216**	**18%**	24,530	36%	-42%
Hutchison Asia Telecommunications	**8,582**	**11%**	979	1%	777%
Finance & Investments and Others	**11,736**	**15%**	(1,146)	-2%	1124%
Total EBIT	**78,261**	**100%**	68,818	100%	14%
Interest Expenses and Other Finance Costs [2]	**(18,398)**		(18,841)		2%
Profit Before Tax	**59,863**		49,977		20%
Tax [2]					
Current tax	**(9,418)**		(7,629)		-23%
Deferred tax	**(6,762)**		(1,932)		-250%
	(16,180)		(9,561)		-69%
Profit after tax	**43,683**		40,416		8%
Non-controlling interests and perpetual capital securities holders' interests	**(7,003)**		(6,932)		-1%
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**36,680**		33,484		10%

Note 1: As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this Annual Report interchangeably with Hong Kong Financial Reporting Standard 16 "Leases" ("HKFRS 16") and Hong Kong Accounting Standard 17 "Leases" ("HKAS 17"), respectively.

Note 2: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Financial Performance Summary

	Pre-IFRS 16 [1] 2022 HK$ million	%	Pre-IFRS 16 [1] 2021 HK$ million	%	Change %	Local currencies change %
Revenue [2]						
Ports and Related Services [2]	**44,141**	**10%**	42,285	9%	4%	10%
Retail	**169,645**	**37%**	173,601	39%	-2%	6%
Infrastructure	**54,441**	**12%**	56,100	13%	-3%	4%
CK Hutchison Group Telecom	**83,289**	**18%**	92,575	21%	-10%	–
Hutchison Asia Telecommunications	**11,628**	**2%**	8,786	2%	32%	38%
Finance & Investments and Others	**94,085**	**21%**	72,036	16%	31%	35%
Total Revenue	**457,229**	**100%**	445,383	100%	3%	10%
EBITDA [2]						
Ports and Related Services [2]	**15,805**	**13%**	15,157	13%	4%	8%
Retail	**14,309**	**12%**	16,034	14%	-11%	-2%
Infrastructure	**28,815**	**24%**	29,636	27%	-3%	5%
CK Hutchison Group Telecom	**32,192**	**27%**	43,052	39%	-25%	-19%
Hutchison Asia Telecommunications	**9,420**	**8%**	2,036	2%	363%	373%
Finance & Investments and Others	**18,469**	**16%**	5,312	5%	248%	254%
Total EBITDA	**119,010**	**100%**	111,227	100%	7%	14%
EBIT [2]						
Ports and Related Services [2]	**11,426**	**16%**	10,737	17%	6%	10%
Retail	**11,048**	**15%**	12,460	19%	-11%	-2%
Infrastructure	**18,833**	**26%**	19,095	30%	-1%	6%
CK Hutchison Group Telecom	**12,803**	**18%**	23,462	36%	-45%	-42%
Hutchison Asia Telecommunications	**6,745**	**9%**	209	–	3127%	3189%
Finance & Investments and Others	**12,009**	**16%**	(1,219)	-2%	1085%	1094%
Total EBIT	**72,864**	**100%**	64,744	100%	13%	19%
Interest Expenses and Other Finance Costs [2]	**(14,860)**		(14,659)		-1%	
Profit Before Tax	**58,004**		50,085		16%	
Tax [2]						
Current tax	**(9,421)**		(7,631)		-23%	
Deferred tax	**(6,670)**		(1,947)		-243%	
	(16,091)		(9,578)		-68%	
Profit after tax	**41,913**		40,507		3%	
Non-controlling interests and perpetual capital securities holders' interests	**(7,044)**		(7,007)		-1%	
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**34,869**		33,500		4%	10%

Note 1: As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this Annual Report interchangeably with Hong Kong Financial Reporting Standard 16 "Leases" ("HKFRS 16") and Hong Kong Accounting Standard 17 "Leases" ("HKAS 17"), respectively. The Group believes that the IAS 17 basis ("Pre-IFRS 16 basis") metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 basis ("Post-IFRS 16 basis"), better reflect management's view of the Group's underlying operational performance. IAS 17 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT, interest expenses and other finance costs, tax, non-controlling interests and perpetual capital securities holders' interests and profit attributable to ordinary shareholders prepared under the Pre-IFRS 16 basis relating to the accounting for leases for the years ended 31 December 2021 and 2022. Unless otherwise specified, the discussion of the Group's operating results in this Annual Report is on a Pre-IFRS 16 basis as mentioned above.

Note 2: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Financial Performance Summary

	Post-IFRS 16 Unaudited Results for the six months ended 30 June 2025 HK$ million	%	Post-IFRS 16 Unaudited Results for the six months ended 30 June 2024 HK$ million	%	Change %
Revenue [1]					
Ports and Related Services [1]	**23,597**	**10%**	21,594	9%	9%
Retail	**98,840**	**41%**	91,469	39%	8%
Infrastructure	**28,627**	**12%**	27,098	12%	6%
CK Hutchison Group Telecom	**45,012**	**19%**	42,934	19%	5%
Finance & Investments and Others	**44,587**	**18%**	49,549	21%	-10%
Total Revenue	**240,663**	**100%**	232,644	100%	3%
EBITDA [1]					
Ports and Related Services [1]	**10,132**	**15%**	9,319	15%	9%
Retail	**12,771**	**19%**	11,760	19%	9%
Infrastructure	**15,734**	**23%**	14,847	23%	6%
CK Hutchison Group Telecom	**16,810**	**25%**	15,134	24%	11%
Finance & Investments and Others	**12,005**	**18%**	12,362	19%	-3%
Total Underlying EBITDA	**67,452**	**100%**	63,422	100%	6%
One-off items [2]	**(10,469)**		–		
Total Reported EBITDA	**56,983**		63,422		-10%
EBIT [1]					
Ports and Related Services [1]	**7,161**	**21%**	6,472	21%	11%
Retail	**6,805**	**20%**	6,023	19%	13%
Infrastructure	**10,193**	**30%**	9,754	32%	5%
CK Hutchison Group Telecom	**2,945**	**9%**	2,169	7%	36%
Finance & Investments and Others	**6,526**	**20%**	6,537	21%	–
Total Underlying EBIT	**33,630**	**100%**	30,955	100%	9%
One-off items [2]	**(10,469)**		–		
Total Reported EBIT	**23,161**		30,955		-25%
Interest Expenses and Other Finance Costs [1]	**(12,042)**		(11,933)		-1%
Profit Before Tax	**11,119**		19,022		-42%
Tax [1]					
Current tax	**(4,494)**		(4,351)		-3%
Deferred tax	**(2,211)**		(1,134)		-95%
	(6,705)		(5,485)		-22%
Profit after tax	**4,414**		13,537		-67%
Non-controlling interests and perpetual capital securities holders' interests	**(3,562)**		(3,332)		-7%
Reported Profit Attributable to Ordinary Shareholder	**852**		10,205		-92%
Add back: One-off items [2]	**10,469**		–		
Underlying Profit Attributable to Ordinary Shareholder	**11,321**		10,205		11%

Note 1: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 2: One-off items represent non-cash loss arising from the UK merger and related impacts of HK$10,469 million.

Financial Performance Summary

	Pre-IFRS 16 [1] Unaudited Results for the six months ended 30 June 2025 HK$ million	%	Pre-IFRS 16 [1] Unaudited Results for the six months ended 30 June 2024 HK$ million	%	Change %	Local currencies change %
Revenue [2]						
Ports and Related Services [2]	**23,597**	**10%**	21,594	9%	9%	10%
Retail	**98,840**	**41%**	91,469	39%	8%	6%
Infrastructure	**28,627**	**12%**	27,098	12%	6%	6%
CK Hutchison Group Telecom	**45,012**	**19%**	42,934	19%	5%	2%
Finance & Investments and Others	**44,587**	**18%**	49,549	21%	-10%	-7%
Total Revenue	**240,663**	**100%**	232,644	100%	3%	3%
EBITDA [2]						
Ports and Related Services [2]	**8,719**	**16%**	7,938	15%	10%	8%
Retail	**7,974**	**14%**	7,089	14%	12%	8%
Infrastructure	**15,565**	**28%**	14,679	28%	6%	6%
CK Hutchison Group Telecom	**13,160**	**23%**	11,732	22%	12%	9%
Finance & Investments and Others	**10,502**	**19%**	10,763	21%	-2%	–
Total Underlying EBITDA	**55,920**	**100%**	52,201	100%	7%	6%
One-off items [3]	**(10,922)**		–			
Total Reported EBITDA	**44,998**		52,201		-14%	-15%
EBIT [2]						
Ports and Related Services [2]	**6,508**	**21%**	5,785	20%	12%	11%
Retail	**6,180**	**20%**	5,433	19%	14%	9%
Infrastructure	**10,161**	**32%**	9,726	34%	4%	4%
CK Hutchison Group Telecom	**2,518**	**8%**	1,822	6%	38%	32%
Finance & Investments and Others	**6,042**	**19%**	6,077	21%	-1%	1%
Total Underlying EBIT	**31,409**	**100%**	28,843	100%	9%	8%
One-off items [3]	**(10,922)**		–			
Total Reported EBIT	**20,487**		28,843		-29%	-30%
Interest Expenses and Other Finance Costs [2]	**(9,624)**		(9,828)		2%	
Profit Before Tax	**10,863**		19,015		-43%	
Tax [2]						
Current tax	**(4,494)**		(4,351)		-3%	
Deferred tax	**(2,330)**		(1,160)		-101%	
	(6,824)		(5,511)		-24%	
Profit after tax	**4,039**		13,504		-70%	
Non-controlling interests and perpetual capital securities holders' interests	**(3,599)**		(3,312)		-9%	
Reported Profit Attributable to Ordinary Shareholder	**440**		10,192		-96%	-98%
Add back: One-off items [3]	**10,922**		–			
Underlying Profit Attributable to Ordinary Shareholder	**11,362**		10,192		11%	9%

Note 1: The Group has adopted International Financial Reporting Standard 16 "Leases" ("IFRS 16") accounting standard for its statutory reporting but its management reporting has remained on the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17"). The Group believes that the IAS 17 basis ("Pre-IFRS 16 basis") metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 basis ("Post-IFRS 16 basis"), better reflect management's view of the Group's underlying operational performance. Pre-IFRS 16 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT, interest expenses and other finance costs, tax, non-controlling interests and perpetual capital securities holders' interests and profit attributable to ordinary shareholders prepared under the Pre-IFRS 16 basis relating to the accounting for leases. Unless otherwise specified, the discussion of the Group's operating results in this Interim Report is on a Pre-IFRS 16 basis as mentioned above.

Note 2: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 3: The HK$10,922 million one-time losses included HK$9,915 million of non-cash disposal loss, HK$1,445 million of transactional related expenses under CKHGT and transactional intercompany credit of HK$438 million under Finance & Investments and Others.

Financial Performance Summary

	Post-IFRS 16 [1] Unaudited Results for the six months ended 30 June 2024 HK$ million	%	Post-IFRS 16 [1] [2] Unaudited Results for the six months ended 30 June 2023 HK$ million	%	Change %
Revenue [3]					
Ports and Related Services [3]	**21,594**	**9%**	19,863	9%	9%
Retail	**91,469**	**39%**	88,619	40%	3%
Infrastructure	**27,098**	**12%**	27,540	12%	-2%
CK Hutchison Group Telecom	**42,934**	**19%**	41,761	19%	3%
Finance & Investments and Others	**49,549**	**21%**	46,084	20%	8%
Total Revenue	**232,644**	**100%**	223,867	100%	4%
EBITDA [3]					
Ports and Related Services [3]	**9,319**	**15%**	7,840	13%	19%
Retail	**11,760**	**19%**	11,771	19%	–
Infrastructure	**14,847**	**23%**	14,839	24%	–
CK Hutchison Group Telecom	**15,134**	**24%**	13,357	22%	13%
Finance & Investments and Others	**12,362**	**19%**	13,344	22%	-7%
Total EBITDA	**63,422**	**100%**	61,151	100%	4%
EBIT [3]					
Ports and Related Services [3]	**6,472**	**21%**	4,903	16%	32%
Retail	**6,023**	**19%**	5,948	20%	1%
Infrastructure	**9,754**	**32%**	10,069	34%	-3%
CK Hutchison Group Telecom	**2,169**	**7%**	852	3%	155%
Finance & Investments and Others	**6,537**	**21%**	7,841	27%	-17%
Total EBIT	**30,955**	**100%**	29,613	100%	5%
Interest Expenses and other finance Costs [3]	**(11,933)**		(11,735)		-2%
Profit Before Tax	**19,022**		17,878		6%
Tax [3]					
Current tax	**(4,351)**		(3,292)		-32%
Deferred tax	**(1,134)**		(251)		-352%
	(5,485)		(3,543)		-55%
Profit after tax	**13,537**		14,335		-6%
Non-controlling interests and perpetual capital securities holders' interests	**(3,332)**		(3,127)		-7%
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**10,205**		11,208		-9%

Note 1: As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this Interim Report interchangeably with the relevant Hong Kong Financial Reporting Standards.

Note 2: The Hutchison Asia Telecommunications results are reported under Finance & Investments and Others segment from 1 January 2024 and the comparative results for the six months ended 30 June 2023 have been reclassified to the Finance & Investments and Others segment to conform with the six months ended 30 June 2024 presentation to enable a better comparison of performance.

Note 3: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Financial Performance Summary

	Pre-IFRS 16 [1] Unaudited Results for the six months ended 30 June 2024 HK$ million	%	Pre-IFRS 16 [1] [2] Unaudited Results for the six months ended 30 June 2023 HK$ million	%	Change %	Local currencies change %
Revenue [3]						
Ports and Related Services [3]	**21,594**	**9%**	19,863	9%	9%	9%
Retail	**91,469**	**39%**	88,619	40%	3%	5%
Infrastructure	**27,098**	**12%**	27,540	12%	-2%	-2%
CK Hutchison Group Telecom	**42,934**	**19%**	41,761	19%	3%	2%
Finance & Investments and Others	**49,549**	**21%**	46,084	20%	8%	10%
Total Revenue	**232,644**	**100%**	223,867	100%	4%	5%
EBITDA [3]						
Ports and Related Services [3]	**7,938**	**15%**	6,509	13%	22%	22%
Retail	**7,089**	**14%**	7,056	14%	–	2%
Infrastructure	**14,679**	**28%**	14,681	29%	–	–
CK Hutchison Group Telecom	**11,732**	**22%**	10,019	20%	17%	17%
Finance & Investments and Others	**10,763**	**21%**	11,668	24%	-8%	-6%
Total EBITDA	**52,201**	**100%**	49,933	100%	5%	5%
EBIT [3]						
Ports and Related Services [3]	**5,785**	**20%**	4,337	16%	33%	34%
Retail	**5,433**	**19%**	5,420	20%	–	1%
Infrastructure	**9,726**	**34%**	10,041	37%	-3%	-3%
CK Hutchison Group Telecom	**1,822**	**6%**	335	1%	444%	449%
Finance & Investments and Others	**6,077**	**21%**	7,334	26%	-17%	-16%
Total EBIT	**28,843**	**100%**	27,467	100%	5%	6%
Interest Expenses and other finance Costs [3]	**(9,828)**		(9,757)		-1%	
Profit Before Tax	**19,015**		17,710		7%	
Tax [3]						
Current tax	**(4,351)**		(3,292)		-32%	
Deferred tax	**(1,160)**		(269)		-331%	
	(5,511)		(3,561)		-55%	
Profit after tax	**13,504**		14,149		-5%	
Non-controlling interests and perpetual capital securities holders' interests	**(3,312)**		(3,140)		-5%	
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**10,192**		11,009		-7%	-6%

Note 1: As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this Interim Report interchangeably with the relevant Hong Kong Financial Reporting Standards. The Group believes that the IAS 17 basis ("Pre-IFRS 16 basis") metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 basis ("Post-IFRS 16 basis"), better reflect management's view of the Group's underlying operational performance. IAS 17 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT, interest expenses and other finance costs, tax, non-controlling interests and perpetual capital securities holders' interests and profit attributable to ordinary shareholders prepared under the Pre-IFRS 16 basis relating to the accounting for leases. Unless otherwise specified, the discussion of the Group's operating results in this Interim Report is on a Pre-IFRS 16 basis as mentioned above.

Note 2: The Hutchison Asia Telecommunications results are reported under Finance & Investments and Others segment from 1 January 2024 and the comparative results for the six months ended 30 June 2023 have been reclassified to the Finance & Investments and Others segment to conform with the six months ended 30 June 2024 presentation to enable a better comparison of performance.

Note 3: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

GLOSSARY OF CERTAIN TERMS

Aggregates – rock, generally granite, which has been crushed into different sizes for use in the construction industry.

GHz – gigahertz. **km** – kilometer. **MHz** – megahertz.

MW – megawatt, equal to 1,000 kilowatts.

Panamax – ships that are of the maximum dimensions that will fit through the locks of the Panama Canal, each of which is 1,000 feet long by 110 feet wide and 85 feet deep.

Post Panamax – a vessel whose size does not allow it to transit the Panama Canal.

SAR – Special Administrative Region of the PRC.

TEU – Twenty foot equivalent unit, which is the amount of cargo that can be shipped in a container 20 feet long by 8 feet wide by 8 feet 6 inches high with a maximum load of 24 tons.

UMTS – Universal Mobile Telecommunications Systems.

U.S. – United States.

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