

2024 Interim Report

Corporate Information

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

LI Tzar Kuoi, Victor, BSc, MSc, LL.D (Hon)
Grande Ufficiale dell'Ordine della Stella d'Italia
Chairman

FOK Kin Ning, Canning, BA, DFM, FCA (ANZ)
Deputy Chairman

Frank John SIXT, MA, LLL
Group Co-Managing Director and Group Finance Director

LAI Kai Ming, Dominic, BSc, MBA
Group Co-Managing Director

IP Tak Chuen, Edmond, BA, MSc
Deputy Managing Director

KAM Hing Lam, BSc, MBA
Deputy Managing Director

Edith SHIH, BSE, MA, MA, EdM, Solicitor,
FCG(CS, CGP), HKFCG(CS, CGP)(PE)

Andrew John HUNTER, MA, MBA, CA, CPA

NON-EXECUTIVE DIRECTORS

CHOW Kun Chee, Roland, LLM

LEE Yeh Kwong, Charles, GBM, GBS, OBE, JP

George Colin MAGNUS, OBE, BBS, MA

WOO Mo Fong, Susan, BSc
(alias CHOW WOO Mo Fong, Susan)

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHOW Ching Yee, Cynthia, BA, MBA

Philip Lawrence KADOORIE, BSc

LAU Yau Fun, Sophie, GBS, SBS, OBE, JP
(alias LEUNG LAU Yau Fun, Sophie)

Paul Joseph TIGHE, BSc

TSIM Sin Ling, Ruth, MBA, CPA, CGA, FCA, FCCA, FCPA

WONG Kwai Lam, BA, PhD

WONG Yick-ming, Rosanna⁽¹⁾, PhD, DBE, JP

SENIOR ADVISOR

LI Ka-shing, GBM, KBE, LL.D (Hon), DSSc (Hon)
Grande Ufficiale Ordine al Merito della Repubblica Italiana
Commandeur de la Légion d'Honneur
Commandeur de l'Ordre de Léopold
Grand Officer of the Order Vasco Nunez de Balboa

AUDIT COMMITTEE

WONG Kwai Lam (*Chairman*)

CHOW Ching Yee, Cynthia

Paul Joseph TIGHE

TSIM Sin Ling, Ruth

NOMINATION COMMITTEE

WONG Yick-ming, Rosanna (*Chairperson*)⁽¹⁾

Paul Joseph TIGHE (*Chairman*)⁽²⁾

LI Tzar Kuoi, Victor

LAU Yau Fun, Sophie

REMUNERATION COMMITTEE

WONG Yick-ming, Rosanna (*Chairperson*)⁽¹⁾

WONG Kwai Lam (*Chairman*)⁽³⁾

LI Tzar Kuoi, Victor

CHOW Ching Yee, Cynthia⁽²⁾

SUSTAINABILITY COMMITTEE

Frank John SIXT (*Chairman*)

Edith SHIH

TSIM Sin Ling, Ruth⁽²⁾

WONG Yick-ming, Rosanna⁽¹⁾

COMPANY SECRETARY

Edith SHIH

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

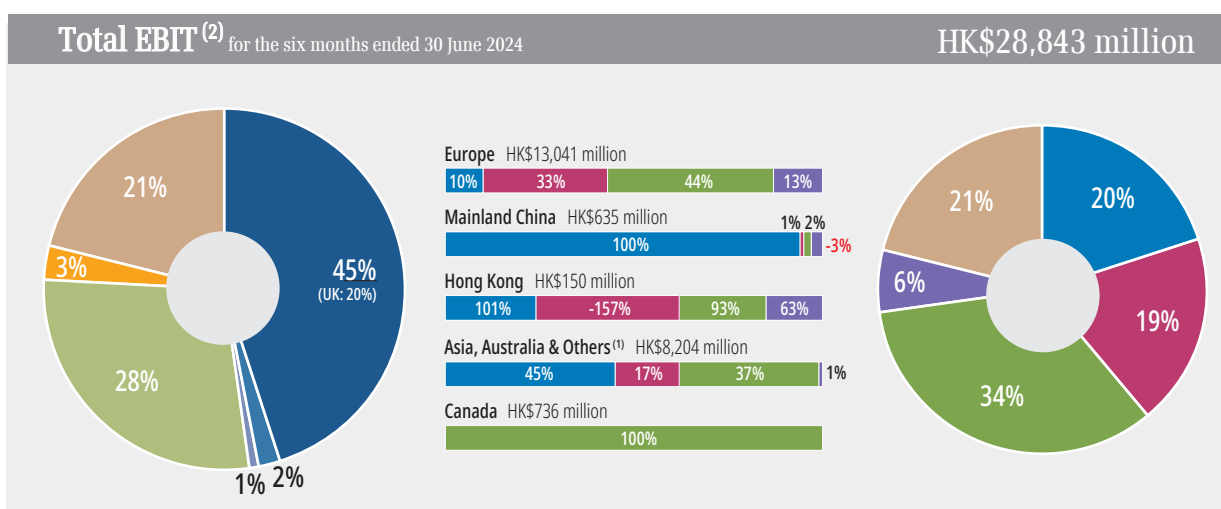
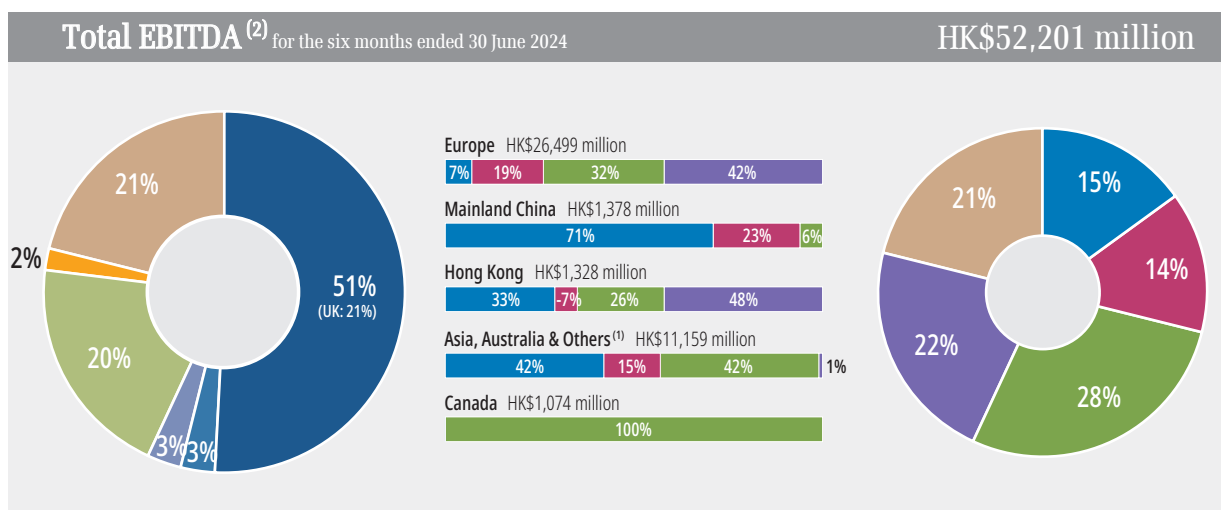
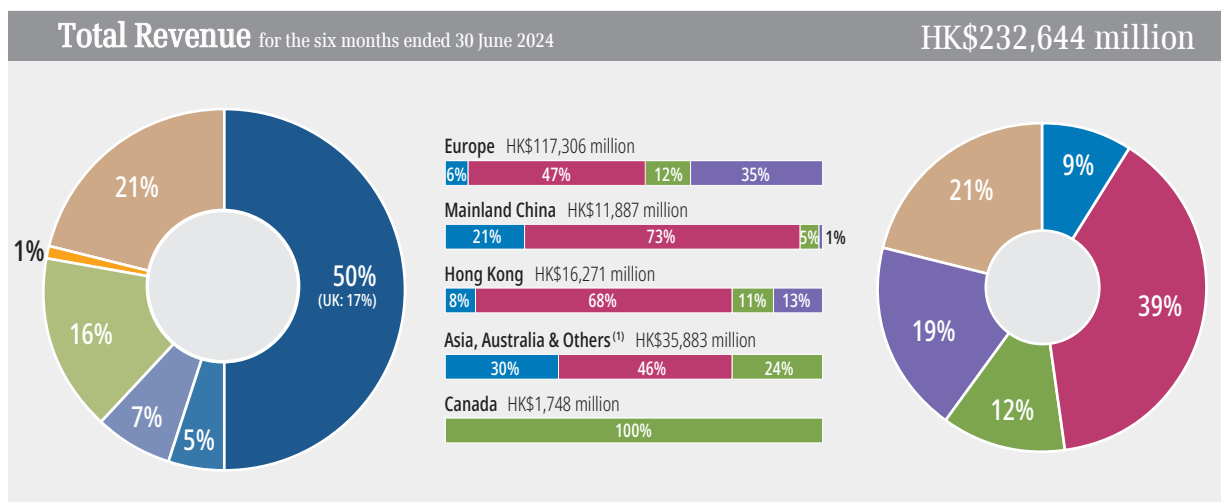
Notes:

- (1) Retired at the conclusion of the annual general meeting held on 23 May 2024 (the "AGM")
- (2) Appointed with effect from the conclusion of the AGM
- (3) Appointed as Chairman with effect from the conclusion of the AGM

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Analyses of Core Business Segments by Geographical Location



- Europe
- Mainland China
- Hong Kong
- Asia, Australia & Others⁽¹⁾
- Canada
- Finance & Investments and Others

Note 1: Includes Panama, Mexico and the Middle East
Note 2: Prepared under Pre-IFRS 16 basis which is set out in note 1 on page 4

- 🚢 Ports & Related Services
- 🛒 Retail
- 🌳 Infrastructure
- 📠 Telecommunications
- 🏢 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⁾		Pre-IFRS 16 ⁽¹⁾⁽²⁾		Change %	Local currencies change %
	Unaudited Results for the six months ended 30 June 2024 HK\$ million	%	Unaudited Results for the six months ended 30 June 2023 HK\$ million	%		
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.

Consolidated Operating Results

Unaudited Results for the six months ended 30 June 2024

Highlights

Six months ended 30 June	Post-IFRS 16 ⁽¹⁾ Basis				
	2024 HK\$ million	2023 HK\$ million	2024 HK\$ per share	2023 HK\$ per share	Change
Total Revenue ⁽²⁾	232,644	223,867			
Total EBITDA ⁽²⁾	63,422	61,151			
Total EBIT ⁽²⁾	30,955	29,613			
Reported earnings ⁽³⁾	10,205	11,208	2.66	2.93	-9%
Interim dividend per share			0.688	0.756	-9%

Six months ended 30 June	Pre-IFRS 16 ⁽¹⁾ Basis	
	2024 HK\$ million	2023 HK\$ million
Total Revenue ⁽²⁾	232,644	223,867
Total EBITDA ⁽²⁾	52,201	49,933
Total EBIT ⁽²⁾	28,843	27,467
Reported earnings ⁽³⁾	10,192	11,009

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 and Reported earnings 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, earnings before interest expenses and other finance costs, tax, depreciation and amortisation ("EBITDA") and earnings before interest expenses and other finance costs and tax ("EBIT") include the Group's proportionate share of associated companies and joint ventures' respective items.

Note 3: Reported earnings represent profit attributable to shareholders. Reported earnings per share for the six months ended 30 June 2024 and 2023 is calculated based on profit attributable to ordinary shareholders and CKHH's number of shares in issue during the periods of 3,830,044,500.

Chairman's Statement

Although general economic trends continued to stabilise in the first half with cooling headline inflation and steady, within consensus growth, the geopolitical landscape and global financial conditions remained fragmented and polarised. Dangerously escalating conflict in the Middle East, attacks on Red Sea shipping, the continuing conflict in the Ukraine and conflict risks in North Africa and Asia combined with heightened trade tensions to increase uncertainty. Recent turmoil in global equity and bond markets further highlights the elevated level of risk in financial markets generally.

During the first half, the Group has navigated headwinds ranging from the cumulative effect of energy and input cost escalations in the UK and Europe to the impact of tight monetary policies in the US and the resulting strong US dollar, to continuing soft consumer demand in Asia outside of the ASEAN countries. That said, on the whole, the Group has achieved a reasonable level of profitability in the circumstances and most importantly has maintained its strong underlying financial profile.

On a pre-IFRS 16 basis, EBITDA and EBIT increased by 5% and 5% respectively in reported currency compared to the first half of 2023, primarily driven by continuing recovery in the Ports division, improvements across most of our telecom operations and higher contribution from Cenovus Energy. Partly offsetting these were lower operational contribution from the Infrastructure division primarily due to tariff reset and the Group's certain treasury gains on non-core asset disposals in 2023 which did not recur in 2024.

Overall, profit attributable to ordinary shareholders on a pre-IFRS 16 basis of HK\$10,192 million decreased 7% in reported currency and 6% in local currencies when compared to the first half of 2023, reflecting increased tax charges from a higher effective tax rate in this half. On a post-IFRS 16 basis, profit attributable to ordinary shareholders for the first half of 2024 was HK\$10,205 million, a 9% decrease compared to the same period last year.

Reported earnings per share were HK\$2.66 for the six months ended 30 June 2024 (30 June 2023 – HK\$2.93).

Dividend

The Board of Directors declares an interim dividend of HK\$0.688 per share (30 June 2023 – HK\$0.756 per share), payable on Thursday, 26 September 2024, to shareholders (except for the holders of treasury shares, if any) whose names appear on the Register of Members of the Company at the close of business on Monday, 16 September 2024, being the record date for determining shareholders' entitlement to the interim dividend. Currently, there are no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

Ports and Related Services

The Ports and Related Services division handled 42.3 million twenty-foot equivalent units ("TEU") through 293 operating berths in the first half of 2024, a 7% growth compared to the same period last year. Higher volumes across all regions were primarily driven by strong domestic consumption, inventory replenishment caused by anticipated rising consumer demand, as well as supply chain relocations as trade tension and geopolitical risks escalated, which in particular benefited ports in Asia and Latin America. Despite overall favourable variances, throughput volume from Rotterdam in the Netherlands was lower and transshipment volume in Hong Kong also continued to decline.

This division reported revenue of HK\$21,594 million, an increase of 9% compared to the first half of 2023. This robust performance was mainly driven by higher throughput, as well as a 4% increase in storage income mostly from Mexico as a result of terminal congestion due to increased import laden containers. EBITDA⁽¹⁾ of HK\$7,938 million and EBIT⁽¹⁾ of HK\$5,785 million, increased by 22% and 33% respectively in the first half, due to higher revenue and good cost controls, partly offset by subpar performance from an associated company in the container shipping business.

The demand outlook for the third quarter remains positive but is expected to gradually slow down in the fourth quarter as shippers will have frontloaded cargo orders in advance for holiday seasons. The division expects an overall moderate volume growth during 2024 with relatively higher growth in Asia, Europe and Latin America regions.

The Ports division continues progressing decarbonisation of its operation with its near-term and net-zero targets recently validated by the Science Based Targets initiative. The division's "Equipment Electrification Directive" became mandatory in January 2024, and all new purchases or replacements of terminal equipment or trucks have to be electricity powered. As a result, the division has achieved a 5% year-on-year scope 1 and 2 emission reduction per TEU by the end of May 2024. In addition, the division has also reduced its diesel consumption per TEU by 6.5% year-on-year, further progressing toward its commitment to a net-zero operation.

Retail

The Retail division had 16,548 stores across 28 markets at the end of June 2024, 2% higher against the same period last year. In reported currency against last year, the division's total revenue of HK\$91,469 million increased by 3%, while EBITDA⁽²⁾ and EBIT⁽²⁾ of HK\$7,089 million and HK\$5,433 million remained flat. In local currencies, total revenue, EBITDA and EBIT increased by 5%, 2% and 1% respectively against the same period last year. Apart from non-ASEAN Asia regions, most operations in this division have performed well and continued to achieve or exceed pre-pandemic level performance. Excluding the non-ASEAN Asia regions, EBITDA and EBIT both achieved a robust growth of 16% in local currencies compared to the first half of 2023.

Note 1: Under Post-IFRS 16 basis, EBITDA was HK\$9,319 million (30 June 2023: HK\$7,840 million); EBIT was HK\$6,472 million (30 June 2023: HK\$4,903 million).

Note 2: Under Post-IFRS 16 basis, EBITDA was HK\$11,760 million (30 June 2023: HK\$11,771 million); EBIT was HK\$6,023 million (30 June 2023: HK\$5,948 million).

The Health and Beauty segment, which represented 88% of the Retail division's revenue in the first half of 2024, reported total sales growth in local currencies of 6% from a solid 5% growth in comparable stores sales. The segment's EBITDA and EBIT both improved by 6% in local currencies compared to the same period last year. Performance in the Health and Beauty operations in Europe continue its strong growth with 16% and 17% increase in EBITDA and EBIT in local currencies respectively against the same period last year, mainly contributed by strong performance in the UK, Poland, Germany and the Benelux countries. Health and Beauty Asia reported 11% increase in both EBITDA and EBIT in local currencies primarily driven by steady sales growth from its major markets in the ASEAN region. This pleasing growth performance was partly offset by the weak performance of Health and Beauty China which saw a 19% decline in comparable store sales. Health and Beauty China reported EBITDA of HK\$250 million and close to achieving breakeven at EBIT level in the first half of 2024.

Looking into the second half of 2024, businesses in European and ASEAN Asia countries should maintain momentum in achieving solid results, while various initiatives are being implemented to improve the performance of the Asian operations in non-ASEAN markets. The division will strive to enhance profitability and maintain short payback on store openings through effective efficiencies planning, as well as strengthening its customer engagement with its substantial customer base of 164 million loyalty members.

The Retail division continues working towards its emission reduction target commitments to reduce scope 1 and 2 emission by 50.4% and scope 3 emission from purchased goods and services, upstream transportation and distribution, and customer usage of products by 58% per Hong Kong dollar value added. To achieve this goal, the division has already committed and purchased over 581 GWh of renewable energy through Energy Attributes Certificates in selected markets (Mainland China, Hong Kong, Philippines, Malaysia, Thailand, Turkey, Indonesia). The total acquired energy amount represents over 80% coverage of its operation's annual energy consumption in the above-listed markets, bringing positive contribution to the Group's emission reduction targets.

Infrastructure

The Infrastructure division comprises a 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.

CKI

CKI announced a net profit attributable to shareholders under Post-IFRS 16 basis of HK\$4,311 million, 2% higher than the same period last year, mainly from stable contribution from the portfolio of infrastructure assets.

In April 2024, CKI, CK Asset Holdings and Power Assets Holdings completed the acquisition of Phoenix Energy, the largest natural gas distribution network company in Northern Ireland, and also entered into an agreement in August 2024 to acquire an earnings and cashflow accretive portfolio of operating onshore wind farms in the United Kingdom. CKI holds 40% of Phoenix Energy and will also hold 40% interest in the wind farm portfolio, which is expected to be acquired in September 2024.

The Infrastructure division continues to achieve good progress in pursuit of net zero and decarbonising its operations. CKI continues to expand its energy transition portfolio with the acquisition by UK Power Networks of UU Solar in the United Kingdom in the first half of 2024 and the acquisition of the operating wind farm portfolio in the United Kingdom aforementioned. UU Solar brought a 69MW portfolio of renewable energy generation, which included 65 solar photovoltaic, four onshore wind and one hydro generation assets, while the wind farm portfolio comprises 32 wind farms located in England, Scotland and Wales, totalling 175 MW in installed capacity and 137 MW in net attributable capacity. These recent acquisitions highlight the Group's continual commitment to invest in clean infrastructure assets and deploy capital in progressing green transition.

CK Hutchison Group Telecom

Revenue of CK Hutchison Group Telecom ("CKHGT") was HK\$42,934 million (€5,071 million), 3% higher against the same period last year. EBITDA⁽³⁾ and EBIT⁽³⁾ of HK\$11,732 million (€1,387 million) and HK\$1,822 million (€215 million) were 17% and 444% higher than the same period last year respectively in reported currency, primarily due to better underlying performance of the 3 Group Europe operations and favourable year-on-year variance of HK\$0.9 billion arising from the foreign currency revaluation impact of certain monetary assets.

3 Group Europe

As at 30 June 2024, the active customer base of 3 Group Europe stands at 40.5 million, 1% higher against the same period last year mainly due to good growth in customer base reported by almost all the operations, except for Wind Tre which focuses on acquiring and retaining customers with a higher average customer lifetime value.

Revenue of HK\$39,935 million was 3% higher against the same period last year in local currencies, primarily driven by the healthy growth in net customer services revenue from higher customer base, favourable impact of revenue initiatives phased throughout 2023 and first half of 2024, coupled with higher roaming income from increased travelling by the European customers. Revenue growth also reflects higher MVNO and other wholesale revenue, with the decline of Italy's wholesale revenue stabilising in this half. 3 Group Europe reported a corresponding 3% higher total margin in local currencies.

Note 3: Under Post-IFRS 16 basis, EBITDA was HK\$15,134 million (30 June 2023: HK\$13,357 million); EBIT was HK\$2,169 million (30 June 2023: HK\$852 million).

EBITDA⁽⁴⁾ of HK\$11,043 million was 8% or HK\$781 million higher against the same period last year in local currencies, reflecting the higher margin and stable operating expenses from tight cost control initiatives. Depreciation and amortisation increased slightly by 2% or HK\$213 million against the same period last year due to enlarged network asset base across the footprint. Correspondingly, EBIT⁽⁴⁾ of HK\$1,693 million was 50% or HK\$568 million higher in local currencies, reflecting primarily the EBITDA growth mentioned above.

Looking into the remainder of the year, the good underlying performance reported in the first half is expected to continue with on-going revenue initiatives, disciplined cost management and stabilising depreciation from tight management of capital spending. Although cost pressures will continue to weigh on the division's profitability, all operations will focus in delivering margin enhancements and cost reductions to improve financial performance.

In March 2024, the competition authorities in the UK have decided that the UK telecom merger will be referred for a Phase 2 review and have recently published a notice to extend the statutory deadline by another 8 weeks, with the final decision date being postponed to 7 December 2024. In July 2024, the Italian telecom operation completed the acquisition of OpNet, a wholesale fixed-wireless-access provider, which will increase Wind Tre's spectrum holdings to deliver network capacity enhancement.

This division continues to progress towards achieving its Science-Based Targets, including reducing scope 1 and 2 emissions by 50% by 2030 and reducing scope 3 emissions by 42% by 2030 versus a 2020 baseline. This division will continue to invest in the transition to 5G including network equipment upgrades, implementation of energy efficient network features, and virtualisation of networks, all of which are leading to more efficient processing of data traffic. Furthermore, all operations are continuing to evaluate options for procuring long-term renewable power purchase agreements to replace Energy Attribute Certificates, as well as incorporating Sustainability targets in the compensation plans of key executives, driving Sustainability further into strategic directives for the businesses.

Finance & Investments and Others

This segment reported adverse EBITDA⁽⁵⁾ and EBIT⁽⁵⁾ results in the first half of 2024, primarily due to certain treasury gains on non-core asset disposals in 2023 not recurring in 2024, excluding which, underlying performance was favourable to the same period last year, mainly from higher contributions from Cenovus Energy and Indosat Ooredoo Hutchison ("IOH"), partly offset by share of HutchMed's partnering revenue being lower as 2023 included upfront licence income from a transaction that closed in the first half of last year.

The Group's 17.1% share of Cenovus Energy's Post-IFRS 16 EBITDA, EBIT and net earnings were HK\$5,504 million, HK\$3,113 million and HK\$2,116 million, an increase of 33%, 56% and 46% compared to the same period last year respectively, mainly driven by the improvement in commodity prices as well as increase in upstream production and downstream throughput volume.

IOH, the Group's Telecommunications joint venture in Indonesia, reported 18% and 43% increase in EBITDA and net profit respectively, primarily driven by a combination of revenue growth and continued cost optimisation.

The Group's liquidity and financial profile remain strong. Free cash flow in the first half of 2024 increased by 17% against the same period last year, mainly driven by operating cash flow growth and measured capital spending reduction. Consolidated cash and liquid investments totalled HK\$143,076 million and consolidated total bank and other debts⁽⁶⁾ amounted to HK\$280,835 million, resulting in consolidated net debt⁽⁶⁾ of HK\$137,759 million (31 December 2023 – HK\$131,810 million) and net debt to net total capital ratio⁽⁶⁾ of 17.0% (31 December 2023 – 16.1%).

Sustainability

In April 2024, the Group released its 2023 Sustainability Report, outlining the Group's strategy and actions taken towards a sustainable operation. The Group is committed to reduce 50% of scope 1 and 2 emissions by 2035 as well as the pursuit of net-zero greenhouse gas emissions across its value chain by 2050.

Note 4: Under Post-IFRS 16 basis, EBITDA was HK\$14,238 million (30 June 2023: HK\$13,393 million); EBIT was HK\$2,031 million (30 June 2023: HK\$1,653 million).

Note 5: 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 6: 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 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 17.1% (31 December 2023: 16.2%).

The Group works to ensure the sustainability data collection system and inventory is well managed, utilising a cloud-based platform for better data management across different regions. To further ensure the accuracy of the collected data, the Group also started working with independent assurers to conduct ESG assurance on core business operations, ensuring data comprehensiveness and precision.

The Group is also closely monitoring the fast-changing sustainability related regulations across jurisdictions to ensure full compliance is achieved. Dedicated resources are committed to monitor upcoming sustainability disclosure requirements under legislation and frameworks that will be effective over the next couple of years, such as the EU's Corporate Sustainability Reporting Directive and the International Financial Reporting Standards.

Developing workplaces where employees of the Group feel supported, recognised and included continues to be one of the core objectives of the Group. During the first half of this year, **3** Austria, **3** Hong Kong, **3** Sweden and Wind Tre received national or regional recognition as being among the best employers locally. **3** Ireland continues to retain Gold Status from Investors in Diversity, which is the only telecoms company in Ireland to hold the accreditation, while Wind Tre received the gender equality certification (UNI/PDR 125) in addition to Equal Pay Certificate.

Finally, the Group issued a US\$2 billion bond in April 2024, with a debut US Dollar Green note issuance of US\$1 billion and included eligible projects in Renewable Energy, Clean Transportation, Energy Efficiency, and Circular Economy categories under the Group's Sustainable Finance Framework.

Outlook

Despite the uncertain outlook and the absence of one-time initiatives and treasury gains, the Group remains resilient from an operational perspective as its business and geographical diversification balances upward and downward cycles in various sectors and countries, resulting in an overall solid underlying performance and steady cash flow generation across the core businesses.

The Group will continue to explore long term value accretive transactions for our shareholders, and will seek to strengthen our balance sheet and overall financial profile. Prudent financial, liquidity and cash flow management continue to be the Group's key priority, along with maintaining an agile financial strategy to ensure that the Group continues to generate shareholder returns while maintaining its strong underlying financial position.

I would like to thank the Board of Directors and all our dedicated employees around the world for their continued loyalty, diligence, professionalism and contributions to the Group.

Victor T K Li

Chairman

Hong Kong, 15 August 2024

Operations Highlights

Ports and Related Services

	30 June 2024 HK\$ million	30 June 2023 HK\$ million	Change	Local currencies change
Total Revenue ⁽¹⁾	21,594	19,863	+9%	+9%
EBITDA ⁽¹⁾⁽⁴⁾	7,938	6,509	+22%	+22%
EBIT ⁽¹⁾⁽⁴⁾	5,785	4,337	+33%	+34%
Throughput (million TEU)	42.3	39.3	+7%	
Number of berths ⁽³⁾	293	293	–	

	Throughput (million TEU)			Number of Berths ⁽³⁾		
	30 June 2024	30 June 2023	Change	30 June 2024	30 June 2023	Change
HPH Trust	10.4	10.0	+4%	52	52	–
Mainland China and Other Hong Kong	6.5	6.4	+2%	44	44	–
Europe	8.2	7.8	+5%	67	67	–
Asia, Australia and Others ⁽²⁾	17.2	15.1	+14%	130	130	–
Total	42.3	39.3	+7%	293	293	–

HK\$ million	Total Revenue ⁽¹⁾				Total EBITDA ⁽¹⁾⁽⁴⁾			
	30 June 2024	30 June 2023	Change	Local currencies change	30 June 2024	30 June 2023	Change	Local currencies change
HPH Trust	1,130	1,135	–	–	606	586	+3%	+3%
Mainland China and Other Hong Kong	869	886	-2%	+2%	346	319	+8%	+12%
Europe	6,983	6,622	+5%	+5%	1,878	1,622	+16%	+15%
Asia, Australia and Others ⁽²⁾	10,814	9,219	+17%	+17%	4,371	3,297	+33%	+34%
Corporate costs & other port related services	1,798	2,001	-10%	-10%	737	685	+8%	+8%
Total	21,594	19,863	+9%	+9%	7,938	6,509	+22%	+22%

Note 1: Total Revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 2: Asia, Australia and Others includes Panama, Mexico and the Middle East.

Note 3: Based on 300 metres per berth and is computed by dividing the total berth length by 300 metres.

Note 4: Under Post-IFRS 16 basis, EBITDA was HK\$9,319 million (30 June 2023: HK\$7,840 million); EBIT was HK\$6,472 million (30 June 2023: HK\$4,903 million).

Throughput increased by 7% to 42.3 million TEU in the first half of 2024, with 65% and 35% local and transshipment volume respectively (1H 2023: 65% and 35% local and transshipment volume respectively). The throughput growth was mainly driven by the Asia, Australia and Others segment, with a 14% increase year-on-year, particularly in Central America (Mexico, Freeport in Bahamas and Panama), South East Asia (Klang, Laemchabang and Jakarta) and Pakistan owing to vigorous momentum of local consumptions, as well as accelerated pace of global freight handling. European ports volume grew by 5%, reflecting rising cargo activities mainly in the UK and Barcelona in Spain, with the latter benefiting from the diverted Red Sea transshipment traffic. However, the decline in throughput volume from Rotterdam in the Netherlands due to subdued consumer demand partly offsetting this growth. Furthermore, HPH Trust and the Mainland China and Other Hong Kong segment reported 4% and 2% growth respectively, as surging US and EU export volumes through Yantian and Shanghai Ports more than offset the reduced transshipment volume in Hong Kong.

As a result of the uplift in volume coupled with higher storage income predominantly in Mexico from surge in import laden containers, total revenue in the first half of 2024 was 9% higher than the same period last year in both reported and local currencies. EBITDA and EBIT increased 22% and 33% respectively in reported currency against the same period last year. In local currencies, EBITDA and EBIT increased 22% and 34% respectively, reflecting the robust performance outlined earlier. The Asia, Australia and Others segment reported a 33% and 46% increase in EBITDA and EBIT respectively in reported currency from favourable performance in major ports including Mexico, Pakistan and Thailand, as well as lower operating cost following the end of concession at the port in Buenos Aires in August 2023, partly offset by the adverse performance from the port in Alexandria, Egypt impacted by lower storage income. Europe segment reported a 16% and 24% increase in EBITDA and EBIT respectively in reported currency primarily driven by higher revenue from volume growth in the UK and Barcelona in Spain, together with stringent cost controls that more than offset the throughput decline in Rotterdam in the Netherlands.

As at 30 June 2024, this division operates 293 berths. Net additions of two berths are expected which comprises Jazan port in Saudi Arabia (+2 berths), Laemchabang in Thailand (+1 berth) and Ensenada in Mexico (+1 berth), partly offset by Busan (-1 berth after relocation to new terminal expected in Q4 2024) and Basra in Iraq (-1 berth, planned return of concession), taking the total number of berths at the end of the year to 295.

Retail

	30 June 2024 HK\$ million	30 June 2023 HK\$ million	Change	Local currencies change
Total Revenue	91,469	88,619	+3%	+5%
EBITDA ⁽¹⁾	7,089	7,056	–	+2%
EBIT ⁽¹⁾	5,433	5,420	–	+1%
Store Numbers	16,548	16,164	+2%	

	Store Numbers			Net Change In Store Number	Comparable Stores Sales Growth (%) ⁽²⁾	
	30 June 2024	30 June 2023	Change	30 June 2024	30 June 2024	30 June 2023
H&B China	3,775	3,780	–	(5)	-18.6%	+2.0%
H&B Asia	4,032	3,820	+6%	212	+9.2%	+16.8%
H&B China & Asia Subtotal	7,807	7,600	+3%	207	+0.3%	+11.3%
H&B Western Europe	5,777	5,717	+1%	60	+6.5%	+10.3%
H&B Eastern Europe	2,573	2,442	+5%	131	+6.9%	+15.8%
H&B Europe Subtotal	8,350	8,159	+2%	191	+6.6%	+11.3%
H&B Subtotal	16,157	15,759	+3%	398	+4.5%	+11.3%
Other Retail ⁽³⁾	391	405	-3%	(14)	-5.6%	-16.3%
Total Retail	16,548	16,164	+2%	384	+3.3%	+7.2%

Note 1: Under Post-IFRS 16 basis, EBITDA was HK\$11,760 million (30 June 2023: HK\$11,771 million); EBIT was HK\$6,023 million (30 June 2023: HK\$5,948 million).

Note 2: Comparable stores sales growth represents the percentage change in revenue contributed by stores which, as at the first day of the relevant financial year (a) have been operating for over 12 months and (b) have not undergone major resizing within the previous 12 months.

Note 3: Other Retail includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations.

The Retail division consists of the AS Watson ("ASW") group of companies, the world's largest international Health and Beauty ("H&B") retailer with a 164 million loyalty member base. ASW operated 12 retail brands with 16,548 stores in 28 markets worldwide as of 30 June 2024. The division had a net store addition of 2%, primarily driven by store network expansion in the ASEAN Asia region and Poland.

Comparable stores sales growth for the H&B segment of 4.5% in the first half of 2024 was mainly contributed by the steady comparable stores sales growth of 9.2% in the H&B Asia with growing demand in the Philippines, Thailand and Malaysia in particular. H&B operations in Europe also recorded a solid comparable stores sales growth of 6.6% from strong store traffic particularly in the UK, Germany and the Benelux countries. Meanwhile, H&B China reported a decrease in comparable store sales of -18.6% due to weak store traffic.

HK\$ million	Total Revenue						Total EBITDA ⁽¹⁾							
	30 June 2024	%	30 June 2023	%	Change	Local currencies change	30 June 2024	%	EBITDA Margin	30 June 2023	%	EBITDA Margin	Change	Local currencies change
H&B China	6,879	8%	8,884	10%	-23%	-19%	250	4%	4%	751	11%	8%	-67%	-65%
H&B Asia	18,300	20%	17,366	20%	+5%	+14%	1,729	24%	9%	1,679	24%	10%	+3%	+11%
H&B China & Asia Subtotal	25,179	28%	26,250	30%	-4%	+3%	1,979	28%	8%	2,430	35%	9%	-19%	-13%
H&B Western Europe	43,228	47%	40,399	45%	+7%	+7%	3,778	53%	9%	3,240	46%	8%	+17%	+17%
H&B Eastern Europe	12,038	13%	10,281	12%	+17%	+12%	1,358	19%	11%	1,139	16%	11%	+19%	+14%
H&B Europe Subtotal	55,266	60%	50,680	57%	+9%	+8%	5,136	72%	9%	4,379	62%	9%	+17%	+16%
H&B Subtotal	80,445	88%	76,930	87%	+5%	+6%	7,115	100%	9%	6,809	97%	9%	+4%	+6%
Other Retail	11,024	12%	11,689	13%	-6%	-5%	(26)	-	-	247	3%	2%	-111%	-110%
Total Retail	91,469	100%	88,619	100%	+3%	+5%	7,089	100%	8%	7,056	100%	8%	-	+2%

H&B loyalty members' participation & exclusives sales contribution	30 June 2024	30 June 2023
Total loyalty members in H&B segment (million)	163	150
Loyalty members' sales participation in H&B segment (%)	65%	64%
Exclusives sales contribution to total H&B sales (%)	36%	37%

The division's total revenue increased by 3%, while EBITDA and EBIT remained flat in reported currency against the same period last year. Excluding the adverse foreign exchange translation effect, this division's total revenue, EBITDA and EBIT increased by 5%, 2% and 1% in local currencies respectively. Excluding the operations in non-ASEAN Asia regions, the division's EBITDA and EBIT both achieved notable growth of 16% in local currencies against the same period last year.

The H&B segment, which represented 100% of the division's EBITDA in the first half of 2024, reported an improvement of 6% in total revenue, EBITDA and EBIT in local currencies, driven by strong trading momentum continued from last year in Europe and the ASEAN Asia region with favourable performance led by Poland, Germany, the UK, the Benelux countries, the Philippines and Malaysia, partly offset by adverse performance in the Mainland impacted by soft consumer sentiment.

Infrastructure

	30 June 2024 HK\$ million	30 June 2023 HK\$ million	Change	Local currencies change
Total Revenue	27,098	27,540	-2%	-2%
EBITDA ⁽¹⁾	14,679	14,681	-	-
EBIT ⁽¹⁾	9,726	10,041	-3%	-3%
CKI Reported Net Profit (under Post-IFRS 16 basis)	4,311	4,239	+2%	

Note 1: Under Post-IFRS 16 basis, EBITDA was HK\$14,847 million (30 June 2023: HK\$14,839 million); EBIT was HK\$9,754 million (30 June 2023: HK\$10,069 million).

The infrastructure division comprises the Group's 75.67% interest in CK Infrastructure Holdings Limited ("CKI"), the largest publicly listed infrastructure company on the SEHK, and the Group's interests in six co-owned infrastructure assets with CKI, including Northumbrian Water, Park'N Fly, Australian Gas Networks, Dutch Enviro Energy, Wales & West Utilities and UK Rails.

CKI

CKI operates in Hong Kong, the Mainland, the UK, Continental Europe, Australia, New Zealand, Canada and the United States. CKI announced profit attributable to shareholders under Post-IFRS 16 basis of HK\$4,311 million in the first half of 2024, 2% higher against the same period last year, primarily due to stable contribution from the portfolio of infrastructure assets.

Profit contribution⁽²⁾ from Power Assets, a company listed on the SEHK and in which CKI holds a 36.01% interest as of 30 June 2024, was HK\$1,082 million in the first half of 2024, an increase of 2% in reported currency, reflecting resilient operational performance of the portfolio of businesses. Profit contribution⁽²⁾ from the UK portfolio was HK\$1,865 million in the first half of 2024, a 17% increase against the same period last year in reported currency, mainly due to higher revenue, lower finance costs and favourable foreign exchange translation impact. In local currency, profit contribution⁽²⁾ was 14% higher against the first half of 2023. Profit contribution⁽²⁾ from Australian portfolio increased by 5% to HK\$864 million in the first half of 2024 in reported currency. In local currency, profit contribution⁽²⁾ increased by 7% driven by higher revenue generated from various businesses. In Continental Europe, profit contribution⁽²⁾ was HK\$419 million in the first half of 2024, a decrease of 1% in reported currency but flat in local currency. In Canada, profit contribution⁽²⁾ decreased by 25% in both reported currency and local currency to HK\$301 million in the first half of 2024, primarily driven by reduced contribution from Canadian Power due to the absence of last year same period's particularly high energy prices, partly offset by revenue growth of Park'N Fly from strong demand in its key markets of Toronto and Montreal, with solid performance of Canadian Midstream Assets and Reliance Home Comfort. Profit contribution⁽²⁾ from New Zealand portfolio increased by 11% and 13% in reported currency and local currency respectively to HK\$80 million in the first half of 2024, mainly from strong performance of Enviro NZ. Hong Kong and the Mainland businesses reported a profit contribution⁽²⁾ of HK\$96 million in the first half of 2024, 6% lower against the same period last year, reflecting the low traffic volume of the toll road operations and decreased volume and price of the infrastructure materials manufacturing business in the Mainland.

A number of CKI's regulated businesses in the UK, Australia and New Zealand are expected to enter new regulatory regime in 2025. Northumbrian Water received the draft determination for the regulatory period from 2025-2030 in July 2024, potentially providing for higher allowed returns and higher total expenditure allowances. The final determination will be announced at the end of the year. Possible investments over the next five-year period of more than £4.5 billion have been proposed by Northumbrian Water for upgrading the network to improve water quality, enhancing environmental performance, upgrading water treatment and monitoring, as well as ensuring reliable and resilient water supply. SA Power Networks is working on its draft proposal for the upcoming regulatory reset for the period 2025-2030 and will submit the proposal in December 2024. For Wellington Electricity, draft decision for the regulatory period commencing April 2025 was released in May 2024 with the final decision due in November.

CKI has always been committed to prudent financial management and the risk management approach is conservative with the underlying financial position closely monitored. CKI's financial strength continues to be solid, with HK\$9.2 billion cash on hand and a net debt to net total capital ratio of 9.8% as at 30 June 2024. Taking into account the net debt of the infrastructure investment portfolio, net debt to net total capital ratio on a look-through basis was an industry low of 47.8% as at 30 June 2024.

Credit rating from Standard & Poor's maintained at "A/ Stable".

Note 2: Represents share of net profit (before shareholder's loan interest expense to CKI) under Post-IFRS 16 basis.

CK Hutchison Group Telecom

In million	30 June 2024 HK\$	30 June 2023 HK\$	Change	Local currencies change	30 June 2024 EURO	30 June 2023 EURO
Total Revenue	42,934	41,761	+3%	+2%	5,071	4,917
Total Margin	31,245	30,258	+3%	+3%	3,692	3,562
Total CACs	(7,619)	(7,198)	-6%		(898)	(848)
Less: Handset revenue	5,612	5,186	+8%		661	611
Total CACs (net of handset revenue)	(2,007)	(2,012)	–		(237)	(237)
Operating Expenses	(17,506)	(18,227)	+4%		(2,068)	(2,107)
EBITDA⁽¹⁾	11,732	10,019	+17%	+17%	1,387	1,218
Depreciation & Amortisation	(9,910)	(9,684)	-2%		(1,172)	(1,139)
EBIT⁽¹⁾	1,822	335	+444%	+449%	215	79

3 Group Europe

In million	30 June 2024 HK\$	30 June 2023 HK\$	Change	Local currencies change
Total Revenue	39,935	38,751	+3%	+3%
Total Margin	29,126	28,205	+3%	+3%
Total CACs	(7,393)	(6,963)	-6%	
Less: Handset revenue	5,495	5,047	+9%	
Total CACs (net of handset revenue)	(1,898)	(1,916)	+1%	+2%
Operating Expenses	(16,185)	(16,029)	-1%	-1%
<i>Opex as a % of total margin</i>	56%	57%		
EBITDA⁽³⁾	11,043	10,260	+8%	+8%
<i>EBITDA Margin %⁽²⁾</i>	32%	30%		
Depreciation & Amortisation	(9,350)	(9,117)	-3%	-2%
EBIT⁽³⁾	1,693	1,143	+48%	+50%

Note 1: Under Post-IFRS 16 basis, EBITDA was HK\$15,134 million (30 June 2023: HK\$13,357 million); EBIT was HK\$2,169 million (30 June 2023: HK\$852 million).

Note 2: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Note 3: Under Post-IFRS 16 basis, EBITDA was HK\$14,238 million (30 June 2023: HK\$13,393 million); EBIT was HK\$2,031 million (30 June 2023: HK\$1,653 million).

3 Group Europe's total revenue and total margin of HK\$39,935 million and HK\$29,126 million respectively were both 3% higher against the same period last year in local currencies, primarily driven by the healthy growth in net customer service revenue due to an increase in the customer base and upside from revenue initiatives, coupled with higher roaming income from increased travelling of the European customers, as well as higher MVNO and other wholesale contribution for all operations.

Active customer base as at 30 June 2024 of 40.5 million was 1% higher against the same period last year. Average monthly customer churn rate of the contract customer base remained stable at 1.2% for the first half of 2024 (1H 2023: 1.2%). 3 Group Europe's net ARPU was €12.76, flat as compared to the first half of 2023, as the favourable impact from revenue initiatives were offset by lower incoming mobile termination revenue due to year-on-year reduction in EU-wide interconnection rates and dilutive impact of higher mix of low margin Internet of things (IoT) customers in Ireland. Nevertheless, 3 Group Europe's net AMPU increased by 1% to €11.65, primarily reflecting the revenue initiatives upside on net customer service margin, as the reduction in mobile termination revenue impact as mentioned was nullified by the corresponding decrease in interconnection cost.

Majority of 3 Group Europe operations reported higher net customer service margin driven by inflation-linked adjustment embedded in customer contracts or annual adjustment executed in first half of 2024, coupled with full six-month impact from the favourable revenue initiatives implemented in last year. In addition, UK and Ireland continued to increase their active customer base in business and Fixed Wireless Access segments, while Sweden and Denmark reported growth in the contract base with steady contribution delivered by their second brands. Italy and Austria's active customer base was lower, reflecting Italy's customer value management initiatives, as well as keen competition and voluntary churn due to tariff adjustment in Austria, which more than offset the favourable revenue initiatives upside on their net customer service margin. Other margin grew across all the operations due to the improvement in MVNO performance and expansion of revenue streams beyond traditional service offerings. Overall, these resulted in a 3% total margin growth.

3 Group Europe's EBITDA and EBIT was 8% and 50% higher year-on-year in local currencies, primarily due to the improvements in overall total margin as mentioned, coupled with relatively stable operating expenses, as various cost initiatives and stabilising but elevated energy cost mostly offset higher network costs from the expanded networks, particularly in the UK. Depreciation and amortisation increased slightly by 2% in local currencies due to enlarged network asset base across the footprint.

CKHGT - Results by operations

In million	UK GBP		Italy ⁽⁴⁾ EURO		Sweden SEK		Denmark DKK	
	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023
Total Revenue	1,335	1,227	1,853	1,898	3,980	3,777	1,217	1,213
<i>% change</i>	+9%		-2%		+5%		-	
Total margin	879	808	1,438	1,469	2,685	2,545	1,032	977
<i>% change</i>	+9%		-2%		+6%		+6%	
Total CACs	(474)	(447)	(156)	(133)	(393)	(458)	(129)	(154)
Less: Handset Revenue	356	323	110	90	195	261	37	60
Total CACs (net of handset revenue)	(118)	(124)	(46)	(43)	(198)	(197)	(92)	(94)
Operating Expenses	(548)	(521)	(742)	(778)	(1,226)	(1,165)	(583)	(589)
<i>Opex as a % of total margin</i>	62%	64%	52%	53%	46%	46%	56%	60%
EBITDA	213	163	650	648	1,261	1,183	357	294
<i>% change</i>	+31%		-		+7%		+21%	
<i>EBITDA margin %⁽⁵⁾</i>	22%	18%	37%	36%	33%	34%	30%	25%
Depreciation & Amortisation	(243)	(239)	(552)	(542)	(900)	(876)	(281)	(242)
EBIT	(30)	(76)	98	106	361	307	76	52
<i>% change</i>	+61%		-8%		+18%		+46%	
Capex (excluding licence)	(230)	(275)	(298)	(284)	(873)	(796)	(152)	(196)
Comparable Depreciation & Amortisation ⁽⁶⁾	(202)	(206)	(407)	(411)	(551)	(516)	(211)	(175)
Comparable Depreciation & Amortisation ⁽⁶⁾ less Capex	(28)	(69)	109	127	(322)	(280)	59	(21)
Reported EBITDA less Capex	(17)	(112)	352	364	388	387	205	98
Licence ⁽⁷⁾	-	-	-	-	-	-	-	-

HK dollar equivalents of Reported EBITDA and EBIT are summarised as follows:

<i>EBITDA-pre IFRS 16 basis (HK\$)</i>	2,109	1,586	5,503	5,501	937	889	405	336
<i>EBITDA-post IFRS 16 basis (HK\$)</i>	2,523	1,996	7,823	7,795	1,069	1,003	462	390
<i>EBIT-pre IFRS 16 basis (HK\$)</i>	(296)	(733)	831	896	268	230	86	59
<i>EBIT-post IFRS 16 basis (HK\$)</i>	(238)	(649)	1,054	1,267	277	238	91	63

	UK		Italy		Sweden		Denmark	
	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023
Total registered customer base (million)	12.0	13.4	19.0	19.6	2.7	2.5	1.6	1.6
Total active customer base (million)	10.9	10.6	17.8	18.3	2.7	2.5	1.6	1.6
Contract customers as a % of the total registered customer base	78%	67%	50%	49%	70%	70%	55%	56%
Average monthly churn rate of the total contract registered customer base (%)	1.5%	1.4%	1.3%	1.5%	1.2%	1.2%	1.8%	1.9%
Active contract customers as a % of the total contract registered customer base	99%	98%	96%	96%	100%	100%	100%	100%
Active customers as a % of the total registered customer base	91%	79%	94%	93%	100%	100%	100%	100%
LTE coverage by population (%)	96%	96%	100%	100%	99%	98%	100%	100%
Six month data usage per active customer (Gigabyte)								

Note 4: Wind Tre's results include fixed line business revenue of €523 million (30 June 2023: €506 million) and EBITDA of €102 million (30 June 2023: €110 million).

Note 5: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

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Austria EURO		Ireland EURO		3 Group Europe HK\$		HTHKH HK\$		Corporate and Others ⁽⁸⁾ HK\$		CKHGT HK\$		CKHGT EURO	
1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023
478	466	309	298	39,935	38,751	2,058	2,328	941	682	42,934	41,761	5,071	4,917
+3%		+4%		+3%		-12%		+38%		+3%		+3%	
		<i>Local currencies change %</i>		+3%						+2%			
361	343	238	228	29,126	28,205	1,653	1,655	466	398	31,245	30,258	3,692	3,562
+5%		+4%		+3%		-		+17%		+3%		+4%	
		<i>Local currencies change %</i>		+3%						+3%			
(69)	(74)	(42)	(40)	(7,393)	(6,963)	(226)	(235)	-	-	(7,619)	(7,198)	(898)	(848)
60	67	41	37	5,495	5,047	117	139	-	-	5,612	5,186	661	611
(9)	(7)	(1)	(3)	(1,898)	(1,916)	(109)	(96)	-	-	(2,007)	(2,012)	(237)	(237)
(183)	(176)	(159)	(155)	(16,185)	(16,029)	(925)	(945)	(396)	(1,253)	(17,506)	(18,227)	(2,068)	(2,107)
51%	51%	67%	68%	56%	57%	56%	57%	N/A	N/A	56%	60%	56%	59%
169	160	78	70	11,043	10,260	619	614	70	(855)	11,732	10,019	1,387	1,218
+6%		+11%		+8%		+1%		+108%		+17%		+14%	
		<i>Local currencies change %</i>		+8%						+17%			
40%	40%	29%	27%	32%	30%	32%	28%	N/A	N/A	31%	27%	31%	28%
(85)	(81)	(67)	(67)	(9,350)	(9,117)	(559)	(565)	(1)	(2)	(9,910)	(9,684)	(1,172)	(1,139)
84	79	11	3	1,693	1,143	60	49	69	(857)	1,822	335	215	79
+6%		+267%		+48%		+22%		+108%		+444%		+172%	
		<i>Local currencies change %</i>		+50%						+449%			
(112)	(84)	(43)	(47)	(6,935)	(7,031)	(166)	(163)	-	(1)	(7,101)	(7,195)	(839)	(846)
(59)	(56)	(49)	(45)	(7,014)	(6,948)	(266)	(260)	(1)	(2)	(7,281)	(7,210)	(860)	(847)
(53)	(28)	6	(2)	79	(83)	100	97	1	1	180	15	21	1
57	76	35	23	4,108	3,229	453	451	70	(856)	4,631	2,824	548	372
(7)	-	-	(120)	(59)	(1,005)	-	-	-	-	(59)	(1,005)	(7)	(120)
1,431	1,357	658	591	11,043	10,260	619	614	70	(855)	11,732	10,019	€1,387	€1,218
1,555	1,472	806	737	14,238	13,393	826	819	70	(855)	15,134	13,357	€1,788	€1,611
709	668	95	23	1,693	1,143	60	49	69	(857)	1,822	335	€215	€79
735	692	112	42	2,031	1,653	69	56	69	(857)	2,169	852	€256	€139

Austria		Ireland		3 Group Europe		HTHKH	
1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023
3.1	3.1	4.7	4.1	43.1	44.3	5.2	3.9
2.8	2.8	4.7	4.1	40.5	39.9	4.3	3.4
78%	77%	82%	79%	65%	60%	28%	38%
0.4%	0.5%	0.4%	0.4%	1.2%	1.2%	1.0%	0.9%
99%	100%	100%	100%	98%	98%	100%	100%
90%	90%	100%	100%	94%	90%	82%	87%
99%	97%	99%	99%	-	-	99%	99%
				159.6	136.3	123.1	95.6

Note 6: Comparable Depreciation & Amortisation excludes amortisation of licences, amortisation of capitalised CACs, amortisation of customer relationship intangibles, as well as share of joint venture's depreciation of Wind Tre and HTHKH. The comparatives were restated to conform with the 2024 definition.

Note 7: 1H 2024 licence cost for Austria represents investment for 600 MHz of 26 GHz spectrum acquired in March 2024. 1H 2023 licence cost for Ireland represents investment for 20 MHz of 700 MHz spectrum, 40 MHz of 2100 MHz spectrum and 70 MHz of 2600 MHz spectrum acquired in January 2023.

Note 8: 1H 2023 results include an exchange reserve charge of HK\$0.3 billion recycled to the income statement upon partial disposal of a subsidiary which became a joint venture.

CK Hutchison Group Telecom (continued)

Key Business Indicators

	Registered Customer Base								
	Registered Customers at 30 June 2024 ('000)			Registered Customer Growth (%) from 31 December 2023 to 30 June 2024			Registered Customer Growth (%) from 30 June 2023 to 30 June 2024		
	Non-contract	Contract	Total	Non-contract	Contract	Total	Non-contract	Contract	Total
United Kingdom	2,695	9,303	11,998	-21%	+2%	-5%	-39%	+5%	-10%
Italy ⁽⁹⁾	9,548	9,468	19,016	-3%	-1%	-2%	-5%	-1%	-3%
Sweden	793	1,888	2,681	+3%	+3%	+3%	+4%	+7%	+6%
Denmark	728	901	1,629	+3%	+2%	+2%	+6%	+2%	+4%
Austria	691	2,400	3,091	-4%	-1%	-1%	-6%	-	-2%
Ireland	846	3,842	4,688	-	+7%	+5%	-	+17%	+13%
3 Group Europe Total	15,301	27,802	43,103	-6%	+1%	-1%	-13%	+4%	-3%
HTHKH	3,770	1,444	5,214	+18%	-1%	+12%	+55%	-2%	+34%

	Active ⁽¹⁰⁾ Customer Base								
	Active Customers at 30 June 2024 ('000)			Active Customer Growth (%) from 31 December 2023 to 30 June 2024			Active Customer Growth (%) from 30 June 2023 to 30 June 2024		
	Non-contract	Contract	Total	Non-contract	Contract	Total	Non-contract	Contract	Total
United Kingdom	1,675	9,222	10,897	+8%	+2%	+3%	-7%	+5%	+3%
Italy ⁽⁹⁾	8,730	9,120	17,850	-3%	-	-1%	-5%	-	-3%
Sweden	789	1,888	2,677	+3%	+3%	+3%	+4%	+7%	+6%
Denmark	726	901	1,627	+3%	+2%	+2%	+6%	+2%	+4%
Austria	389	2,386	2,775	-2%	-1%	-1%	-8%	-1%	-2%
Ireland	846	3,842	4,688	-	+7%	+5%	-	+17%	+13%
3 Group Europe Total	13,155	27,359	40,514	-	+2%	+1%	-4%	+4%	+1%
HTHKH	2,827	1,444	4,271	+13%	-1%	+8%	+46%	-2%	+25%

Note 9: In addition to the above, Wind Tre has 2.9 million fixed line customers.

Note 10: 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") ⁽¹¹⁾
to 30 June 2024

	Non-contract	Contract	Blended Total	% Variance compared to 30 June 2023
United Kingdom	£6.08	£19.67	£17.57	-6%
Italy	€9.34	€12.79	€11.08	+1%
Sweden	SEK123.41	SEK235.03	SEK201.95	-4%
Denmark	DKK93.91	DKK138.63	DKK118.81	-2%
Austria	€9.10	€23.52	€21.42	+1%
Ireland	€14.45	€8.60	€9.72	-14%
3 Group Europe Average	€9.63	€17.29	€14.75	-3%
HTHKH	HK\$14.14	HK\$183.37	HK\$77.21	-20%

12-month Trailing Net Average Revenue per Active User ("Net ARPU") ⁽¹²⁾
to 30 June 2024

	Non-contract	Contract	Blended Total	% Variance compared to 30 June 2023
United Kingdom	£6.08	£14.84	£13.49	+2%
Italy	€9.34	€12.00	€10.68	+1%
Sweden	SEK123.41	SEK209.53	SEK184.01	-
Denmark	DKK93.91	DKK130.89	DKK114.50	-2%
Austria	€9.10	€19.27	€17.79	-2%
Ireland	€14.45	€6.66	€8.15	-14%
3 Group Europe Average	€9.63	€14.31	€12.76	-
HTHKH	HK\$14.14	HK\$167.68	HK\$71.36	-20%

12-month Trailing Net Average Margin per Active User ("Net AMPU") ⁽¹³⁾
to 30 June 2024

	Non-contract	Contract	Blended Total	% Variance compared to 30 June 2023
United Kingdom	£5.54	£13.41	£12.20	+3%
Italy	€8.63	€11.18	€9.92	+3%
Sweden	SEK107.58	SEK185.64	SEK162.51	+1%
Denmark	DKK82.40	DKK112.89	DKK99.37	+1%
Austria	€8.30	€17.87	€16.48	-
Ireland	€13.40	€6.13	€7.52	-13%
3 Group Europe Average	€8.82	€13.06	€11.65	+1%
HTHKH	HK\$10.84	HK\$148.80	HK\$62.26	-17%

Note 11: 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.

Note 12: 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.

Note 13: 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.

CK Hutchison Group Telecom (continued)

United Kingdom

3 UK's EBITDA and EBIT grew by 31% and 61% in local currency respectively compared to the same period last year, primarily driven by a 9% increase in total margin from an increase in the customer base, coupled with growth in the wholesale business including bulk SMS, partly offset by higher operating costs from an enlarged network and costs inflation.

Italy

Wind Tre's EBITDA was flat against the same period last year in local currency, mainly driven by lower operating expenses from stringent cost control measures, as well as new revenue stream growth such as cybersecurity, energy and insurance products, mostly offset by lower net customer service margin from lower customer base. Encouragingly, the continued reduction in wholesale margin in the past years has largely abated. Despite a stable operating performance, EBIT decreased by 8% compared to the first half of 2023 in local currency mainly due to higher depreciation and amortisation from the enlarged asset base, as well as increase in Fixed Wireless Access related investments for increased take up.

Sweden

Sweden, where the Group has a 60% interest, reported 6% increase in total margin compared to the same period last year primarily from customer base growth. EBITDA and EBIT grew by 7% and 18% respectively in local currency driven by higher total margin, partly offset by higher operating costs incurred from the enlarged network base and increased staff costs. Beside the extensive 5G TDD coverage in ten of the country's largest cities, the high speed 5G coverage is extended to further 25 cities and towns in 2024.

Denmark

The operation in Denmark, where the Group has a 60% interest, reported 6% growth in total margin primarily driven by 4% customer base growth and lower national roaming costs. EBITDA and EBIT increased by 21% and 46% respectively in local currency mainly due to higher total margin and lower electricity costs, partly offset by higher operating costs from enlarged network base. Despite of the lower loss from network asset swap during the period, depreciation increased as a result of the network expansion and increase in 5G customer-premises equipment take up. Denmark has reached approximately 90% 5G coverage with TDD coverage close to 60% of overall population.

Austria

3 Austria's EBITDA grew by 6% in local currency compared to the same period last year, mainly driven by 5% increase in total margin from robust MVNO performance, partly offset by higher operating expenses associated with the enlarged network base and increased staff costs. EBIT in local currency increased by 6% driven by higher EBITDA as mentioned, partly offset by increased depreciation from the enlarged asset base amid ongoing 5G network rollout. During the period, Austria enhanced its 5G coverage, with FDD and TDD coverage reaching over 90% and 65% respectively.

Ireland

Total margin grew by 4% against the same period last year driven by the 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. EBITDA and EBIT in local currency increased by 11% and 267% respectively compared to the same period last year reflecting better total margin, which more than offset higher operating expenses due to one-off redundancy provision recognised in this half. In the first half of 2024, 3 Ireland has reached over 90% 5G coverage.

Hutchison Telecommunications Hong Kong Holdings

Total revenue of HK\$2,058 million was 12% lower compared to the same period last year, as the growth in roaming services revenue fuelled by the resurgence in global travel was more than offset by lower hardware revenue and reduced local service revenue primarily from shifts in consumer spending patterns. Despite the lower revenue, total margin remained stable due to favourable margin mix. EBITDA of HK\$619 million was 1% higher as compared to the same period last year, primarily attributable to the stringent cost containment, partly offset by higher CACs. EBIT of HK\$60 million was 22% higher as compared to the first half of 2023 also reflected the reduced depreciation and amortisation costs.

Finance & Investments and Others

	30 June 2024 HK\$ million	30 June 2023 ⁽¹⁾ HK\$ million	Change	Local currencies change
Total Revenue	49,549	46,084	+8%	+10%
EBITDA ⁽²⁾	10,763	11,668	-8%	-6%
EBIT ⁽²⁾	6,077	7,334	-17%	-16%

Note 1: 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 2: Under Post-IFRS 16 basis, EBITDA was HK\$12,362 million (30 June 2023: HK\$13,344 million); EBIT was HK\$6,537 million (30 June 2023: HK\$7,841 million).

Finance & Investments and Others segment includes returns earned on the Group's holdings of cash and liquid investments, Hutchison Whampoa (China) Limited, listed associate TOM Group, the Marionnaud businesses, listed associate CK Life Sciences Group, Hutchison Asia Telecommunications (Indosat Ooredoo Hutchison ("IOH") and operations in Vietnam and Sri Lanka), listed associate Cenovus Energy and listed subsidiary, Hutchison Telecommunications (Australia) Limited, which has a 25.05% interest in TPG Telecom Limited, also a listed company in Australia.

EBITDA and EBIT decreased by 8% and 17% respectively from the first half of 2023 in reported currency primarily due to certain gains on non-core asset disposals in 2023 not recurring in 2024, excluding which, EBITDA and EBIT were favourable mainly driven by share of higher profit of the energy business and IOH, partly offset by share of HutchMed's partnering revenue being lower as 2023 included upfront licence income from a transaction that closed in the first half of last year.

The Group's share of Cenovus Energy's Post-IFRS 16 EBITDA, EBIT and net earnings were HK\$5,504 million, HK\$3,113 million and HK\$2,116 million, an increase of 33%, 56% and 46% compared to the same period last year respectively, mainly due to improvement in commodity prices that resulted in better operating margin, as well as higher production during the period.

IOH's reported Post-IFRS 16 EBITDA and Net profit were IDR13,412 billion and IDR2,735 billion, an increase of 18% and 43% respectively compared to the same period last year, primarily due to year-on-year revenue growth of 13% driven mainly by increased data usage, and the continued cost optimisation of its nationwide network with the BTS footprint reaching more than 240,000.

As at 30 June 2024, the Group's holdings of cash and liquid investments totalled HK\$143,076 million. Further information on the Group's treasury function can be found in the "Group Capital Resources and Liquidity" section of this Interim Report.

Interest Expense, Finance Costs and Tax

The Group's consolidated interest expenses and other finance costs for the six months ended 30 June 2024, including its share of associated companies' and joint ventures' interest expenses, amortisation of finance costs and after deducting interest capitalised on assets under development, amounted to HK\$9,828 million, increased by 1% when compared to the same period last year mainly due to the higher effective interest rates, partly offset by lower average loan balances. The Group's weighted average cost of debt for the six months ended 30 June 2024 was 3.6% (30 June 2023: 2.9%).

The Group recorded current and deferred tax charges of HK\$5,511 million in the six months ended 30 June 2024, an increase of 55% compared to the same period last year, primarily reflected the higher profit before tax for the first half of 2024.

Group Capital Resources and Other Information

Group Capital Resources and Liquidity

Treasury Management

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 derivative instruments to hedge the Group's earnings were entered during the period or remain outstanding at the end of the period. 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.

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.

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 30 June 2024, approximately 32% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 68% were at fixed rates (31 December 2023: 34% floating; 66% fixed). The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK\$3,364 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 31% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 69% were at fixed rates at 30 June 2024 (31 December 2023: 32% floating; 68% fixed). All of the aforementioned interest rate derivatives are designated as hedges and these hedges are considered highly effective. The Group's weighted average cost of debt for the period ended 30 June 2024 is 3.6% (30 June 2023 – 2.9%).

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 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 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.

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 Dollars and the Group'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 British Pounds. Reported EBITDA⁽¹⁾ for the first half of 2024 was HK\$52,201 million, of which 51% was derived from European operations, including 21% from the UK. At 30 June 2024, of the Group's total principal amount of bank and other debts after currency swap arrangements, 34% and 3% were denominated in Euro and British Pounds respectively, whilst liquid assets comprised 23% Euro and 4% British Pounds denominated cash and cash equivalents. As a result, 45% and 3% of the Group's consolidated net debt⁽²⁾ of HK\$137,759 million were denominated in Euro and British Pounds respectively. Net assets⁽³⁾ was HK\$669,731 million, with 22% and 23% attributable to Continental Europe and the UK operations respectively.

At 30 June 2024, the Group's total principal amount of bank and other debts were denominated as follows: 32% in Euro, 49% in US dollars, 6% in HK dollars, 5% in British Pounds and 8% in other currencies. The Group had currency swap arrangements with banks to swap British Pounds principal amount of borrowings equivalent to HK\$4,955 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: 34% in Euro, 49% in US dollars, 6% in HK dollars, 3% in British Pounds and 8% in other currencies.

For purposes of illustrating the Group's currency sensitivity, based on the results for the first half of 2024, a 10% depreciation of British Pounds would result in a HK\$1.1 billion decrease in EBITDA, a HK\$0.3 billion decrease in NPAT, HK\$0.4 billion decrease in net debt and 0.3%-point increase in net debt to net total capital ratio. Similarly, a 10% depreciation of Euro would result in a HK\$1.1 billion decrease in EBITDA, a HK\$0.2 billion decrease in NPAT, HK\$6.2 billion decrease in net debt and 0.3%-point decrease on net debt to net total capital ratio. Actual sensitivity will depend on actual results and cash flows for the period under consideration.

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 management of local operations.

Credit Profile

Our long term credit rating from Moody's, S&P and Fitch remained at A2 (stable outlook), A (stable outlook) and A- (stable outlook) respectively. The Group 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 Holdings ("CK Hutchison Group Telecom"), a wholly-owned subsidiary of the Group, obtained long term credit rating from Moody's, S&P and Fitch at Baa1 (stable outlook), A- (stable outlook) and A- (stable outlook) respectively. CK Hutchison Group Telecom will seek to maintain its ratings by applying the same financial disciplines as the Group.

Market Price Risk

The Group's main market price risk exposures relate to listed debt and equity securities described in "Liquid Assets" below and the interest rate swaps described in "Interest Rate Exposure" above. The Group's holding of listed debt and equity securities represented approximately 8% (31 December 2023 – approximately 11%) of the cash, liquid funds and other listed investments ("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.

Note 1: Under Post-IFRS 16 basis, EBITDA for the first half of 2024 was HK\$63,422 million (30 June 2023 – HK\$61,151 million).

Note 2: Under Post-IFRS 16 basis, consolidated net debt as at 30 June 2024 was HK\$136,667 million (31 December 2023 – HK\$130,585 million).

Note 3: Under Post-IFRS 16 basis, net assets as at 30 June 2024 was HK\$656,960 million (31 December 2023 – HK\$670,549 million).

Liquid Assets

The Group continues to maintain a robust financial position. Liquid assets amounted to HK\$143,076 million at 30 June 2024, flat against the balance of HK\$143,109 million at 31 December 2023, 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, mostly 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 dollars, 47% in US dollars, 3% in Renminbi, 23% in Euro, 4% in British Pounds and 7% in other currencies.

Cash and cash equivalents represented 92% (31 December 2023 – 89%) of the liquid assets, US Treasury notes and listed debt securities 5% (31 December 2023 – 5%) and listed equity securities 3% (31 December 2023 – 6%). The US Treasury notes and listed debt securities, including those held under managed funds, consisted of US Treasury notes of 72%, government and government guaranteed notes of 25% and others of 3%. All of these US Treasury notes and listed debt securities are rated at Aaa/AAA or Aa1/AA+ with an average maturity of 1.4 years on the overall portfolio. The Group has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.

Cash Flow

EBITDA in the first half of 2024 was HK\$52,201 million, an increase of 5% compared to HK\$49,933 million for the same period last year. Consolidated funds from operations⁽⁴⁾ ("FFO") before cash profits from disposals, capital expenditures, investments and changes in working capital was HK\$21,193 million for the first half of 2024, an increase of 1% against the same period last year of HK\$20,981 million.

The Group's capital expenditures (including licences, brand name and other rights) for the first half of 2024 amounted to HK\$9,746 million (30 June 2023 – HK\$11,576 million). Capital expenditures (including licences, brand name and other rights) for the ports and related services division amounted to HK\$1,110 million (30 June 2023 – HK\$2,209 million); for the retail division HK\$1,108 million (30 June 2023 – HK\$863 million); for the infrastructure division HK\$247 million (30 June 2023 – HK\$162 million); for CK Hutchison Group Telecom HK\$7,160 million (30 June 2023 – HK\$8,200 million); and for the finance and investments and others segment HK\$121 million (30 June 2023 – HK\$142 million).

The Group's dividends received from associated companies and joint ventures for the first half of 2024 amounted to HK\$5,707 million (30 June 2023 – HK\$6,057 million). Dividends received from associated companies and joint ventures for the ports and related services division amounted to HK\$588 million (30 June 2023 – HK\$1,338 million); for the retail division HK\$1,049 million (30 June 2023 – HK\$1,475 million); for the infrastructure division HK\$2,745 million (30 June 2023 – HK\$2,317 million); and for the finance and investments and others segment HK\$1,325 million (30 June 2023 – HK\$927 million).

The Group's purchases of and advances to associated companies and joint ventures amounted to HK\$1,604 million (30 June 2023 – HK\$95 million). Purchases of and advances to associated companies and joint ventures for the ports and related services division was HK\$137 million (30 June 2023 – nil); for the infrastructure division HK\$1,418 million (30 June 2023 – HK\$56 million); for CK Hutchison Group Telecom HK\$45 million (30 June 2023 – HK\$34 million); and for the finance and investments and others segment HK\$4 million (30 June 2023 – HK\$5 million).

Net cash inflow before financing activities⁽⁵⁾ was HK\$8,926 million, an increase of 17% compared to HK\$7,622 million for the same period last year, reflecting favourable working capital movements and lower capital expenditures, partly offset by lower proceeds from the disposal of subsidiaries and joint ventures, and lower loan repayment from associated companies and joint ventures.

The capital expenditures and investments of the Group are primarily funded by cash generated from operations, cash on hand and to the extent appropriate, by external borrowings.

For further information of the Group's capital expenditures by division and cash flow, please see Note 5(b)(v) to the Financial Statements and the "Condensed Consolidated Statement of Cash Flows" section of this Interim Report.

Note 4: Under Post-IFRS 16 basis, FFO for the first half of 2024 was HK\$28,194 million (30 June 2023 – HK\$28,172 million).

Note 5: Under Post-IFRS 16 basis, net cash inflow before financing activities for the first half of 2024 was HK\$16,162 million (30 June 2023 – HK\$15,144 million).

Debt Maturity and Currency Profile

The Group's total bank and other debts, including unamortised fair value adjustments from acquisitions, at 30 June 2024 amounted to HK\$280,835 million (31 December 2023 – HK\$274,919 million) which comprises principal amount of bank and other debts of HK\$278,713 million (31 December 2023 – HK\$272,626 million) and unamortised fair value adjustments arising from acquisitions of HK\$2,122 million (31 December 2023 – HK\$2,293 million). The Group's total principal amount of bank and other debts at 30 June 2024 consist of 68% notes and bonds (31 December 2023 – 67%) and 32% bank and other loans (31 December 2023 – 33%). Interest bearing loans from non-controlling shareholders, which are viewed as quasi-equity, totalled HK\$3,141 million as at 30 June 2024 (31 December 2023 – HK\$3,245 million).

The maturity profile of the Group's total principal amount of bank and other debts at 30 June 2024 is set out below:

	HK\$	US\$	Euro	GBP	Others	Total
In the remainder of 2024	1%	4%	8%	–	1%	14%
In 2025	–	6%	2%	–	3%	11%
In 2026	1%	3%	9%	1%	1%	15%
In 2027	1%	6%	2%	–	2%	11%
In 2028	2%	4%	5%	1%	1%	13%
In 2029 – 2033	1%	17%	8%	–	–	26%
In 2034 – 2043	–	5%	–	1%	–	6%
Beyond 2043	–	4%	–	–	–	4%
Total	6%	49%	34%	3%	8%	100%

The non-HK dollar and non-US dollar denominated loans are either directly related to the Group's businesses in the countries of the currencies concerned, or the loans are balanced by assets in the same currencies. None of the Group's consolidated borrowings have credit rating triggers that would accelerate the maturity dates of any outstanding consolidated Group's debt.

Changes in Debt Financing and Perpetual Capital Securities

The significant financing activities for the Group in the first half of 2024 were as follows:

- In March, repaid a floating rate term loan facility of US\$130 million (approximately HK\$1,014 million) on maturity;
- In April, repaid US\$750 million (approximately HK\$5,850 million) principal amount of fixed rate notes on maturity;
- In April, issued US\$1,000 million (approximately HK\$7,800 million) guaranteed fixed rate notes due 2029 and US\$1,000 million (approximately HK\$7,800 million) guaranteed fixed rate notes due 2034;
- In May, obtained two five year floating rate term loan facilities of EUR200 million (approximately HK\$1,696 million) each;
- In May, repaid two floating rate term loan facilities of EUR200 million (approximately HK\$1,696 million) each on maturity;
- In May, prepaid EUR500 million (approximately HK\$4,240 million) of a floating rate term loan facility of EUR1,500 million (approximately HK\$12,540 million) maturing in September 2024;
- In June, obtained a three year floating rate term loan facility of HK\$1,600 million;
- In June, obtained a five year floating rate term loan facility of HK\$2,000 million;
- In June, repaid a floating rate term loan facility of US\$250 million (approximately HK\$1,950 million) on maturity;
- In June, repaid a floating rate term loan facility of US\$200 million (approximately HK\$1,560 million) on maturity;
- In June, obtained a five year floating rate term loan facility of EUR600 million (approximately HK\$5,016 million); and
- In June, EUR500 million (approximately HK\$4,180 million) subordinated guaranteed perpetual capital securities issued were redeemed in full.

Capital, Net Debt and Interest Coverage Ratios

The Group's total ordinary shareholders' funds and perpetual capital securities⁽⁶⁾ decreased to HK\$548,542 million as at 30 June 2024, compared to HK\$557,997 million as at 31 December 2023, mainly reflecting redemption of perpetual capital securities and the Group's 2023 final dividends and distributions paid, partly offset by profit for the first half of 2024 and other items recognised directly in reserves.

As at 30 June 2024, the consolidated net debt of the Group, excluding interest bearing loans from non-controlling shareholders which are viewed as quasi-equity, was HK\$137,759 million (31 December 2023 – HK\$131,810 million), a 5% increase compared to the net debt at the beginning of the year mainly due to dividend payments, redemption of perpetual capital securities, capital expenditure and investment spending, partly offset by net cash generated from operating activities. The Group's consolidated net debt to net total capital ratio⁽⁷⁾ was 17.0% as at 30 June 2024 (31 December 2023 – 16.1%; 30 June 2023 – 17.0%). The Group's consolidated cash and liquid investments as at 30 June 2024 were sufficient to repay all of the Group's outstanding debt maturing before 31 December 2027.

The Group's consolidated cash interest expenses and other finance costs of subsidiaries, before capitalisation and net of interest income in the first half of 2024 was HK\$1,077 million (30 June 2023 – HK\$307 million). EBITDA of HK\$52,201 million (30 June 2023: HK\$49,933 million) and FFO excluding net interest⁽⁸⁾ of HK\$22,270 million (30 June 2023 – HK\$21,288 million) for the period covered consolidated net interest expenses and other finance costs 44.6 times (30 June 2023 – 149.3 times) and 20.7 times (30 June 2023 – 69.3 times) respectively.

Secured Financing

At 30 June 2024, assets of the Group totalling HK\$1,518 million (31 December 2023 – HK\$1,533 million) were pledged as security for bank loans.

Borrowing Facilities Available

Committed borrowing facilities available to Group companies but not drawn at 30 June 2024 amounted to the equivalent of HK\$7,870 million (31 December 2023 – HK\$12,730 million).

Contingent Liabilities

At 30 June 2024, the Group provided guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures totalling HK\$6,049 million (31 December 2023 – HK\$4,560 million), of which HK\$5,164 million (31 December 2023 – HK\$3,661 million) has been drawn down as at 30 June 2024 and also provided performance and other guarantees of HK\$4,735 million (31 December 2023 – HK\$4,115 million).

Employee Relations

At 30 June 2024, the Company and its subsidiaries employed 174,878 people (30 June 2023 – 172,622 people). The employee costs for the six-month period, excluding Directors' emoluments, totalled HK\$22,809 million (2023 – HK\$21,650 million). Including the Group's associated companies, at 30 June 2024, the Group employed 304,934 people of whom 16,170 were employed in Hong Kong. All of the Group's subsidiaries are equal opportunity employers, with the selection and promotion of individuals based on suitability for the position offered. The salary and benefit levels of the Group's employees are kept at a competitive level and employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system, which is reviewed annually.

The Company does not have a share option scheme for the purchase of ordinary shares in the Company. Certain subsidiaries and associates of the Group offer various equity-linked compensation elements appropriate to their sectors and markets. A wide range of benefits including medical coverage, provident funds and retirement plans and long service awards is also provided to employees. In addition, training and development programmes are provided on an on-going basis throughout the Group. Many social, sporting and recreational activities are arranged for employees on a Group-wide basis. Group employees also participated in community-oriented events.

Note 6: Under Post-IFRS 16 basis, total ordinary shareholders' funds and perpetual capital securities as at 30 June 2024 was HK\$539,441 million (31 December 2023 – HK\$548,601 million).

Note 7: Under Post-IFRS 16 basis, net debt to net total capital ratio for the first half of 2024 was 17.1% (31 December 2023 – 16.2%; 30 June 2023 – 17.2%).

Note 8: Under Post-IFRS 16 basis, FFO excluding net interest for the first half of 2024 was HK\$30,559 million (30 June 2023 – HK\$29,704 million).

Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company.

Review of Interim Financial Statements

The unaudited condensed consolidated financial statements of the Company and its subsidiary companies for the six months ended 30 June 2024 have been reviewed by the Company's auditor, PricewaterhouseCoopers, 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. The auditor's independent review report of PricewaterhouseCoopers is set out on page 38 in the Interim Report. The unaudited condensed consolidated financial statements of the Company and its subsidiary companies for the six months ended 30 June 2024 have also been reviewed by the Audit Committee of the Company.

Record Date for Interim Dividend

The record date for determining the entitlement of shareholders (except for the holders of treasury shares, if any) to the interim dividend is Monday, 16 September 2024. In order to qualify for the interim dividend payable on Thursday, 26 September 2024, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar (Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) for registration no later than 4:30 pm on Monday, 16 September 2024.

Corporate Strategy

The principal objective of the Company is to enhance long-term total return for all its stakeholders. To achieve this objective, the Group focuses on achieving recurring and sustainable earnings, cash flow and dividend growth without compromising the Group's financial strength and stability. The Group executes disciplined management of revenue growth, margin and costs, capital and investments to return ratio targets, earnings and cash flow accretive merger and acquisition activities, as well as organic growth in sectors or geographies where the Group has management experience and resources. Technology transformation also remains a key initiative of the Group to capture new cost and revenue opportunities in all businesses. At the same time, the Group is committed to maintaining long-term investment grade ratings, preserving strong liquidity and flexibility, sustaining a long and balanced debt maturity profile and actively managing cash flow and working capital. The Group explores opportunities to enhance shareholders' returns, which include potential in-market consolidation and solidifying strategic alliances with global technology partners. The Chairman's Statement and the Operations Highlights contained in this Interim Report and the Operations Analysis posted on the Group's website (<http://www.ckh.com.hk/en/ir/presentation.php>), include discussions and analyses of the Group's performance, the basis on which the Group generates and preserves value in the longer term and delivers the Group's objectives. The Group also focuses on sustainability and delivering business solutions that support social and environmental challenges, such as enabling the transition to a net-zero economy. Further information on the sustainability initiatives of the Group and its key relationships with stakeholders can also be found in the standalone Sustainability Report of the Group.

Past Performance and Forward Looking Statements

The performance and the results of the operations of the Group contained in the 2024 Interim Report are historical in nature, and past performance is no guarantee of the future results of the Group. Any forward-looking statements and opinions contained within the 2024 Interim Report are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in the 2024 Interim Report; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

Disclosure of Interests

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2024, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "SEHK") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the "CKHH Securities Code") were as follows:

(I) Interests and short positions in the shares, underlying shares and debentures of the Company

Long positions in the shares of the Company

Directors	Capacity	Nature of Interests	Number of Shares Held	Total	Approximate % of Shareholding ⁽⁸⁾
Li Tzar Kuoi, Victor	Beneficiary of trusts	Other interest	1,162,632,010 ⁽¹⁾	1,165,829,560	30.4390%
)		
	Beneficial owner	Personal interest	220,000)		
)		
	Interest of controlled corporations	Corporate interest	2,572,350 ⁽²⁾		
)		
	Interest of spouse	Family interest	200,000)		
)		
	Interest of child	Family interest	205,200 ⁽³⁾		
Fok Kin Ning, Canning	Interest of a controlled corporation	Corporate interest	6,011,438 ⁽⁴⁾	6,011,438	0.1569%
Frank John Sixt	Beneficial owner	Personal interest	166,800	166,800	0.0043%
Lai Kai Ming, Dominic	Beneficial owner	Personal interest	34,200	34,200	0.0008%
Kam Hing Lam	Beneficial owner	Personal interest	51,040)	108,400	0.0028%
)		
	Interest of child	Family interest	57,360)		
Edith Shih	Beneficial owner	Personal interest	187,125)	192,187	0.0050%
)		
	Interest of spouse	Family interest	5,062)		
Chow Kun Chee, Roland	Beneficial owner	Personal interest	99,752	99,752	0.0026%
Chow Woo Mo Fong, Susan	Beneficial owner	Personal interest	129,960	129,960	0.0033%
Lee Yeh Kwong, Charles	Beneficial owner	Personal interest	862,124)	906,584	0.0236%
)		
	Interest of spouse	Family interest	37,620)		
)		
	Interest of a controlled corporation	Corporate interest	6,840 ⁽⁵⁾		
)		

Directors	Capacity	Nature of Interests	Number of Shares Held	Total	Approximate % of Shareholding ⁽⁸⁾
George Colin Magnus	Founder and/or beneficiary of a discretionary trust	Other interest	833,868 ⁽⁶⁾	936,000	0.0244%
)		
)				
	Beneficial owner	Personal interest	85,361)		
	Interest of spouse	Family interest	16,771)		
Philip Lawrence Kadoorie	Beneficiary of a discretionary trust	Other interest	7,380,860 ⁽⁷⁾	7,380,860	0.1927%
Leung Lau Yau Fun, Sophie	Beneficial owner	Personal interest	10,000)	11,000	0.0002%
	Interest of spouse	Family interest	1,000)		

Notes:

(1) The 1,162,632,010 shares of the Company comprise:

- (a) 1,005,817,044 shares held by Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-Shing Unity Trust ("UT1") and its related companies in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT1 related companies"). Mr Li Ka-shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust ("DT1") and another discretionary trust ("DT2"). Each of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1", which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited ("TDT2", which is the trustee of DT2) holds units in UT1 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children, and Mr Li Tzar Kai, Richard.

The entire issued share capital of TUT1, TDT1 and TDT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Unity Holdco or any of Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as aforesaid.

As Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT1 and DT2, and by virtue of the above, Mr Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said shares of the Company held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO as a Director of the Company.

- (b) 72,387,720 shares held by Li Ka-Shing Castle Trustee Company Limited ("TUT3") as trustee of The Li Ka-Shing Castle Trust ("UT3") and its related companies in which TUT3 as trustee of UT3 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT3 related companies"). Mr Li Ka-shing is the settlor of each of the two discretionary trusts ("DT3" and "DT4"). Each of Li Ka-Shing Castle Trustee Corporation Limited ("TDT3", which is the trustee of DT3) and Li Ka-Shing Castle Trustcorp Limited ("TDT4", which is the trustee of DT4) holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children, and Mr Li Tzar Kai, Richard.

The entire issued share capital of TUT3, TDT3 and TDT4 are owned by Li Ka-Shing Castle Holdings Limited (“Castle Holdco”). Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Castle Holdco. TUT3 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Castle Holdco or any of Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor as a holder of the shares of Castle Holdco as aforesaid.

As Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT3 and DT4, and by virtue of the above, Mr Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said shares of the Company held by TUT3 as trustee of UT3 and TUT3 related companies under the SFO as a Director of the Company.

- (c) 84,427,246 shares held by a company controlled by TDT3 as trustee of DT3.
- (2) Among those shares,
 - (a) 300,000 shares are held by Li Ka Shing Foundation Limited (“LKSF”). By virtue of the terms of the constituent documents of LKSF, Mr Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at its general meetings.
 - (b) 2,272,350 shares are held by certain companies of which Mr Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.
- (3) Such shares are held by a company in which a child of Mr Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings.
- (4) Such shares are held by a company which is equally controlled by Mr Fok Kin Ning, Canning and his spouse.
- (5) Such shares are held by a company of which Mr Lee Yeh Kwong, Charles is interested in the entire issued share capital.
- (6) 184,000 shares are held by a company controlled by a trust of which Mr George Colin Magnus is a discretionary beneficiary and 649,868 shares are indirectly held by a discretionary trust of which Mr George Colin Magnus is the settlor and/or a discretionary beneficiary.
- (7) Such shares are ultimately held by a discretionary trust of which Mr Philip Lawrence Kadoorie is one of the discretionary beneficiaries.
- (8) The percentages of shareholding in this table were computed based on the number of issued shares of the Company as at 30 June 2024, being 3,830,044,500 shares.

(II) Interests and short positions in the shares, underlying shares and debentures of the associated corporations of the Company

Long positions in the shares, underlying shares and debentures of the associated corporations of the Company

As at 30 June 2024, Mr Li Tzar Kuoi, Victor, as a Director of the Company, was deemed to be interested in the following by virtue of, inter alia, his interests as described in Note (1) above:

- (i) 5,428,000 ordinary shares, representing approximately 0.21% of the issued voting shares, in CK Infrastructure Holdings Limited (“CKI”) held by TUT1 as trustee of UT1;
- (ii) 53,604,826 ordinary shares, representing approximately 1.11% of the issued voting shares, in Hutchison Telecommunications Hong Kong Holdings Limited (“HTHKH”) of which 53,451,546 ordinary shares are held by TUT1 as trustee of UT1 and its related company in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings, and 153,280 ordinary shares are held by TUT3 as trustee of UT3;

- (iii) 15,000,000 ordinary shares, representing approximately 15% of the issued voting shares, in Beutiland Company Limited held by a wholly owned subsidiary of TUT1 as trustee of UT1; and
- (iv) 2,700,000 share stapled units, representing approximately 0.03% of the issued voting share stapled units, in HK Electric Investments ("HKEI") and HK Electric Investments Limited ("HKEIL") held by TUT1 as trustee of UT1.

As at 30 June 2024, Mr Li Tzar Kuoi, Victor was also deemed to be interested in (i) 5,170,000 share stapled units, representing approximately 0.05% of the issued voting share stapled units, in HKEI and HKEIL held by LKSF; (ii) 2,835,759,715 ordinary shares, representing approximately 29.50% of the issued voting shares, in CK Life Sciences Int'l., (Holdings) Inc. ("CKLS") held by certain wholly owned subsidiaries of LKSF; and (iii) 350,527,953 ordinary shares, representing approximately 7.27% of the issued voting shares, in HTHKH held by LKSF. By virtue of the terms of the constituent documents of LKSF, Mr Li may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at its general meetings.

In addition, Mr Li Tzar Kuoi, Victor had, as at 30 June 2024, the following interests:

- (i) personal interests in 2,250,000 ordinary shares, representing approximately 0.02% of the issued voting shares, in CKLS held in his capacity as a beneficial owner;
- (ii) family interests in (a) 192,000 ordinary shares, representing approximately 0.003% of the issued voting shares, in HTHKH held by a company of which his child is entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings; and (b) 227,000 ordinary shares, representing approximately 0.009% of the issued voting shares, in CKI held by his spouse; and
- (iii) corporate interests in (a) 2,519,250 ordinary shares, representing approximately 0.05% of the issued voting shares, in HTHKH; and (b) a nominal amount of US\$10,000,000 in the 4.20% Guaranteed Perpetual Capital Securities issued by Cheung Kong Infrastructure Finance (BVI) Limited, which are held by companies of which Mr Li is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.

Mr Fok Kin Ning, Canning had, as at 30 June 2024, the following interests:

- (i) 5,100,000 ordinary shares, representing approximately 0.03% of the issued voting shares, in Hutchison Telecommunications (Australia) Limited ("HTAL") comprising personal and corporate interests in 4,100,000 ordinary shares and 1,000,000 ordinary shares respectively;
- (ii) family interests in 267,400 ordinary shares, representing approximately 0.03% of the issued voting shares, in HUTCHMED (China) Limited ("HUTCHMED") held by his spouse;
- (iii) corporate interests in 1,202,380 ordinary shares, representing approximately 0.02% of the issued voting shares, in HTHKH;
- (iv) corporate interests in 2,000,000 share stapled units, representing approximately 0.02% of the issued voting share stapled units, in HKEI and HKEIL; and
- (v) corporate interests in 1,500,000 ordinary shares, representing approximately 0.01% of the issued voting shares, in CKLS.

Mr Fok Kin Ning, Canning holds the above personal interests in his capacity as a beneficial owner and holds the above corporate interests through a company which is equally controlled by Mr Fok and his spouse.

Mr Frank John Sixt in his capacity as a beneficial owner had, as at 30 June 2024, personal interests in (i) 1,000,000 ordinary shares, representing approximately 0.007% of the issued voting shares, in HTAL; (ii) 255,000 ordinary shares, representing approximately 0.005% of the issued voting shares, in HTHKH; (iii) 900,000 ordinary shares, representing approximately 0.009% of the issued voting shares, in CKLS; and (iv) 492,000 ordinary shares, representing approximately 0.01% of the issued voting shares, in TOM Group Limited ("TOM").

Mr Ip Tak Chuen, Edmond in his capacity as a beneficial owner had, as at 30 June 2024, personal interests in 2,250,000 ordinary shares, representing approximately 0.02% of the issued voting shares, in CKLS.

Mr Kam Hing Lam had, as at 30 June 2024, the following interests:

- (i) personal interests in 100,000 ordinary shares, representing approximately 0.003% of the issued voting shares, in CKI held in his capacity as a beneficial owner; and
- (ii) family interests in (a) 100,000 ordinary shares, representing approximately 0.004% of the issued voting shares, in Power Assets Holdings Limited ("Power Assets"); (b) 1,025,000 share stapled units, representing approximately 0.01% of the issued voting share stapled units, in HKEI and HKEIL; and (c) 6,225,000 ordinary shares, representing approximately 0.06% of the issued voting shares, in CKLS held by his child.

Ms Edith Shih in her capacity as a beneficial owner had, as at 30 June 2024, personal interests in 700,000 ordinary shares and 100,000 American depositary shares (each representing five ordinary shares), in aggregate representing approximately 0.13% of the issued voting shares, in HUTCHMED.

Mr Chow Kun Chee, Roland in his capacity as a beneficial owner had, as at 30 June 2024, personal interests in (i) 10,000 ordinary shares, representing approximately 0.0003% of the issued voting shares, in CKI; (ii) 903,936 ordinary shares, representing approximately 0.009% of the issued voting shares, in CKLS; (iii) 134,918 ordinary shares, representing approximately 0.006% of the issued voting shares, in Power Assets; (iv) 582,000 ordinary shares, representing approximately 0.01% of the issued voting shares, in TOM; and (v) 33,730 share stapled units, representing approximately 0.0003% of the issued voting share stapled units, in HKEI and HKEIL.

Mrs Chow Woo Mo Fong, Susan in her capacity as a beneficial owner had, as at 30 June 2024, personal interests in 250,000 ordinary shares, representing approximately 0.005% of the issued voting shares, in HTHKH.

Mr Lee Yeh Kwong, Charles had, as at 30 June 2024, the following interests:

- (i) personal interests in 100,000 ordinary shares, representing approximately 0.003% of the issued voting shares, in CKI held in his capacity as a beneficial owner;
- (ii) 247,000 ordinary shares, representing approximately 0.01% of the issued voting shares, in Power Assets comprising corporate interests in 100,000 ordinary shares held through a company of which Mr Lee is interested in the entire issued share capital and family interests in 147,000 ordinary shares held by his spouse; and
- (iii) corporate interests in 25,000 share stapled units, representing approximately 0.0002% of the issued voting share stapled units, in HKEI and HKEIL held through a company of which Mr Lee is interested in the entire issued share capital.

Mr George Colin Magnus had, as at 30 June 2024, the following interests:

- (i) 13,333 ordinary shares, representing approximately 0.0002% of the issued voting shares, in HTHKH comprising personal interests in 13,201 ordinary shares held in his capacity as a beneficial owner and family interests in 132 ordinary shares held by his spouse; and
- (ii) 765,000 ordinary shares, representing approximately 0.007% of the issued voting shares, in CKLS comprising (a) personal interests in 753,360 ordinary shares held in his capacity as a beneficial owner; (b) family interests in 600 ordinary shares held by his spouse; and (c) other interests in 11,040 ordinary shares held by a company controlled by a trust of which Mr Magnus is a discretionary beneficiary.

Mrs Leung Lau Yau Fun, Sophie had, as at 30 June 2024, the following interests:

- (i) personal interests in 6,000 ordinary shares, representing approximately 0.0001% of the issued voting shares, in TOM held in her capacity as a beneficial owner;
- (ii) family interests in 2,400 ordinary shares, representing approximately 0.00002% of the issued voting shares, in CKLS held by her spouse; and
- (iii) corporate interests in (a) 100,000 share stapled units, representing approximately 0.001% of the issued voting share stapled units, in HKEI and HKEIL; (b) 200,000 ordinary shares, representing approximately 0.009% of the issued voting shares, in Power Assets; and (c) a nominal amount of US\$1,000,000 in the 7.5% Notes due 2027 issued by Hutchison Whampoa Finance (CI) Limited, which are held by a company (as trustee of a charitable trust) of which Mrs Leung is interested in one-third of the issued share capital.

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executives of the Company and their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the SEHK pursuant to the CKHH Securities Code.

Certain Directors held qualifying shares in certain subsidiaries of the Company on trust for other subsidiaries.

Interests and Short Positions of Shareholders Discloseable under the SFO

So far as the Directors and chief executives of the Company are aware, as at 30 June 2024, other than the interests of the Directors and chief executives of the Company as disclosed in the section titled "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures", the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the SEHK:

(I) Interests and short positions of substantial shareholders in the shares and underlying shares of the Company

Long positions in the shares of the Company

Names	Capacity	Number of Shares Held	Total	Approximate % of Shareholding ⁽⁵⁾
Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-Shing Unity Trust ("UT1")	Trustee	1,005,817,044	1,005,817,044 ⁽¹⁾	26.26%
Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1")	Trustee and beneficiary of a trust	1,005,817,044	1,005,817,044 ⁽¹⁾	26.26%
Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust ("DT2")	Trustee and beneficiary of a trust	1,005,817,044	1,005,817,044 ⁽¹⁾	26.26%
Li Ka-shing	Interest of a controlled corporation	300,000)))
	Founder of discretionary trusts	1,162,632,010)	1,162,932,010 ⁽²⁾	30.36%

(II) Interests and short positions of other persons in the shares and underlying shares of the Company

(a) Long positions in the shares and underlying shares of the Company

Name	Capacity	Number of Shares/ Underlying Shares Held	Total	Approximate % of Shareholding ⁽⁵⁾
BlackRock, Inc.	Interest of controlled corporations	193,745,122	193,745,122 ⁽³⁾	5.06%

(b) Short positions in the shares and underlying shares of the Company

Name	Capacity	Number of Shares/ Underlying Shares Held	Total	Approximate % of Shareholding ⁽⁵⁾
BlackRock, Inc.	Interest of controlled corporations	1,421,500	1,421,500 ⁽⁴⁾	0.04%

Notes:

- (1) The three references to 1,005,817,044 shares of the Company relate to the same block of shares of the Company. Of these 1,005,817,044 shares of the Company, 913,378,704 shares are held by TUT1 as trustee of UT1 and 92,438,340 shares are held by companies controlled by TUT1 as trustee of UT1. Each of TUT1 as trustee of UT1, TDT1 as trustee of DT1 and TDT2 as trustee of DT2 is taken to have a duty of disclosure under the SFO in relation to the same 1,005,817,044 shares of the Company as described in Note (1)(a) under the section titled "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above.
- (2) The 1,162,932,010 shares of the Company comprise:
 - (a) 300,000 shares held by LKSF. By virtue of the terms of the constituent documents of LKSF, Mr Li Ka-shing may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at its general meetings.
 - (b) 1,162,632,010 shares of the Company as described in Note (1) under the section titled "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above. As Mr Li Ka-shing may be regarded as a founder of each of DT1, DT2 and two other discretionary trusts (DT3 and DT4) for the purpose of the SFO, Mr Li Ka-shing is taken to have a duty of disclosure under the SFO as a substantial shareholder in relation to the same 1,162,632,010 shares of the Company after his retirement from the directorship of the Company.
- (3) Such long position includes derivative interests in 6,216,500 underlying shares of the Company, which are derived from unlisted and cash settled derivatives.
- (4) Such short position includes derivative interests in 1,413,000 underlying shares of the Company, which are derived from unlisted and cash settled derivatives.
- (5) The percentages of shareholding in this table were computed based on the number of issued shares of the Company as at 30 June 2024, being 3,830,044,500 shares.

Save as disclosed above, as at 30 June 2024, no other person (other than the Directors and chief executives of the Company) had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the SEHK.

Share Option Scheme

Neither the Company nor its subsidiaries had any share option scheme during the six months ended 30 June 2024.

Corporate Governance

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Company and its subsidiaries (the “Group”) as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding the interests of shareholders and other stakeholders and enhancing shareholder value. Accordingly, the Company has adopted and applied corporate governance principles and practices that emphasise a quality board of Directors (the “Board”), effective risk management and internal control systems, stringent disclosure practices, transparency and accountability as well as effective communication and engagement with shareholders and other stakeholders. It is, in addition, committed to continuously enhancing these standards and practices and inculcating a robust culture of compliance and ethical governance underlying the business operations and practices across the Group.

Compliance with the Corporate Governance Code

The Company has complied throughout the six months ended 30 June 2024 with all applicable code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), other than as summarised below. Effective from 1 April 2024, the roles of Chairman and Group Co-Managing Directors are performed by separate individuals – Mr Victor T K Li is Chairman, Mr Fok Kin Ning, Canning is Deputy Chairman, and Mr Frank John Sixt and Mr Lai Kai Ming, Dominic are Group Co-Managing Directors. The Company is in full compliance with the code provisions of the CG Code.

Prior to 1 April 2024, the position of Managing Director of the Company was jointly held by Mr Victor T K Li and Mr Fok Kin Ning, Canning as Group Co-Managing Directors, while Mr Li also took on the position of Chairman. With the Group being a multinational conglomerate with diverse businesses in about 50 countries/markets, Mr Li and Mr Fok in their then position as Group Co-Managing Directors shared responsibilities in the overall strategic direction and day-to-day management of the Group, with no single individual having unfettered management decision power. Further, the Board comprising experienced and seasoned professionals continued to scrutinise material business matters and monitor performance of the Group to ensure that management function was effectively and properly exercised with balance of power and authority. The Audit Committee, Nomination Committee and Remuneration Committee, all chaired by an Independent Non-executive Director, also provided strong independent oversight of the management in their respective areas of responsibilities and expertise. Hence, the arrangements provided checks and balances without jeopardising the independent exercise of powers of the Chairman and the Group Co-Managing Directors.

Compliance with the Model Code for Securities Transactions by Directors

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules as the code of conduct regulating Directors’ dealings in securities of the Company. In response to specific enquiries made, all Directors have confirmed that they have complied with the required standards set out in such code regarding their securities transactions throughout their tenure during the six months ended 30 June 2024.

Changes in Information of Directors

Pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK"), the changes in information of Directors of the Company, as notified to the Company, subsequent to the 2023 Annual Report are set out below:

Directors	Details of Changes
Edith Shih	Appointed as a member of the Remuneration Committee of HUTCHMED (China) Limited ⁽¹⁾ on 17 May 2024
Chow Ching Yee, Cynthia	Appointed as <ul style="list-style-type: none">– a member of the Remuneration Committee of the Company with effect from the conclusion of its annual general meeting held on 23 May 2024 (the "AGM")– a member of the Remuneration Committee and the Sustainability Committee of Hutchison Telecommunications Hong Kong Holdings Limited⁽²⁾ with effect from the conclusion of its annual general meeting held on 9 May 2024
Paul Joseph Tighe	Appointed as Chairman of the Nomination Committee of the Company with effect from the conclusion of the AGM
Tsim Sin Ling, Ruth	Appointed as a member of the Sustainability Committee of the Company with effect from the conclusion of the AGM
Wong Kwai Lam	Appointed as Chairman of the Remuneration Committee of the Company with effect from the conclusion of the AGM

Notes:

- (1) A company the ordinary shares of which are listed on the Main Board of the SEHK and the AIM market of the London Stock Exchange, and its American depositary shares are traded on the Nasdaq Global Select Market
- (2) A company the shares of which are listed on the Main Board of the SEHK

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	Unaudited 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	Unaudited 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					Unaudited Total equity HK\$ million
		Ordinary shareholders			Holders of perpetual capital securities HK\$ million	Non- controlling interests HK\$ million	
		Share capital and share premium* HK\$ million	Reserves® HK\$ million	Total ordinary shareholders' funds 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

CK Hutchison Holdings Limited
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Unaudited Total equity# US\$ million		Attributable to					Unaudited Total equity HK\$ million
		Share capital and share premium* HK\$ million	Reserves@ HK\$ million	Total ordinary shareholders' funds HK\$ million	Holder of perpetual capital securities HK\$ million	Non- controlling interests 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	Unaudited 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

CK Hutchison Holdings Limited
2024 Interim Report

Unaudited 2024 [#] US\$ million		Note	Unaudited 2024 HK\$ million	Unaudited 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			Revenue from other sources HK\$ million	Total HK\$ million
	recognised at a point in time HK\$ million	recognised over time HK\$ million	Subtotal 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			Revenue from other sources HK\$ million	Total HK\$ million
	recognised at a point in time HK\$ million	recognised over time HK\$ million	Subtotal 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			Revenue from other sources HK\$ million	Total HK\$ million
	recognised at a point in time HK\$ million	recognised over time HK\$ million	Subtotal 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			Revenue from other sources HK\$ million	Total HK\$ million
	recognised at a point in time HK\$ million	recognised over time HK\$ million	Subtotal 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 HK\$ million	31 December 2023 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%
<i>Portion attributable to:</i>								
Non-controlling interests of HPH Trust	-	587	587		-	556	556	
Divestiture 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 ^(iv)	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) ^(iv)							
	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	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	53	7	60	-	41	8	49	-
Hong Kong Holdings	82	(13)	69	-	(855)	(2)	(857)	-3%
Corporate and Others								
Finance & Investments and Others ^(vi)	1,794	28	1,822	6%	301	34	335	1%
	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%
<i>Portion attributable to:</i>								
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 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	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
<i>Portion attributable to:</i>						
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 ^(ix)							
	Six months ended 30 June 2024				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	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	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 ^(vii) HK\$ million	Deferred tax assets HK\$ million	Investments in associated companies and interests in joint ventures HK\$ million	Total assets HK\$ million	Segment assets ^(vii) 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 ^(viii) HK\$ million	Current & non-current borrowings and other non-current liabilities HK\$ million	Current & deferred tax liabilities HK\$ million	Total liabilities HK\$ million	Segment liabilities ^(viii) HK\$ million	Current & non-current borrowings 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) ^(viii)							
	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 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	(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 HK\$ million	Telecom- munications licences HK\$ million	Brand names and other rights HK\$ million	Total HK\$ million	Fixed assets HK\$ million	Telecom- munications licences HK\$ million	Brand names and other rights HK\$ million	Total 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 ^(vii) HK\$ million	Deferred tax assets HK\$ million	Investments in associated companies and interests in joint ventures HK\$ million	Total assets HK\$ million	Segment assets ^(vii) HK\$ million	Deferred tax assets HK\$ million	Investments in associated companies and interests in joint ventures HK\$ million	Total assets 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 HK\$ million	31 December 2023 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 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
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 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
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 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
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 HK\$ million	2023 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)
	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)
	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				
	Retained profit	Attributable to ordinary shareholders			Total
		Exchange reserve	Hedging reserve	Others ^(a)	
	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				
	Retained profit	Attributable to ordinary shareholders			Total
		Exchange reserve	Hedging reserve	Others ^(a)	
	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 HK\$ million	2023 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 HK\$ million	2023 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)
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 HK\$ million	2023 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 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 arrangements HK\$ million	Total 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 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 arrangements 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	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 HK\$ million	31 December 2023 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		31 December 2023	
			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)	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		31 December 2023	
			Carrying amounts HK\$ million	Fair values HK\$ million	Carrying amounts HK\$ million	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 HK\$ million	Fair values HK\$ million	Carrying amounts HK\$ million	Fair values 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)

	Note	30 June 2024				31 December 2023			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	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 HK\$ million	2023 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.

Information for Shareholders

Listing	The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited
Stock Codes	The Stock Exchange of Hong Kong Limited: 1 Bloomberg: 1 HK Reuters: 1.HK
Public Float Capitalisation	Approximately HK\$99,029 million (approximately 69% of the issued share capital of the Company) as at 30 June 2024
Financial Calendar	Record Date for 2024 Interim Dividend: 16 September 2024 Payment of 2024 Interim Dividend: 26 September 2024
Registered Office	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands
Principal Place of Business	48th Floor, Cheung Kong Center 2 Queen's Road Central, Hong Kong Telephone: +852 2128 1188 Facsimile: +852 2128 1705
Principal Share Registrar and Transfer Office	Maples Fund Services (Cayman) Limited PO Box 1093, Boundary Hall, Cricket Square Grand Cayman, KY1-1102, Cayman Islands
Hong Kong Share Registrar and Transfer Office	Computershare Hong Kong Investor Services Limited Rooms 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East Wanchai, Hong Kong Telephone: +852 2862 8628 Facsimile: +852 2865 0990
Investor Information	Corporate press releases, financial reports and other investor information on the Group are available on the website of the Company
Investor Relations Contact	Please direct enquiries to: Group Investor Relations 47th Floor, Cheung Kong Center 2 Queen's Road Central, Hong Kong Telephone: +852 2128 1188 Facsimile: +852 2128 1705 Email: ir@ckh.com.hk
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