長江和記實業有限公司
CK HUTCHISON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1)

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

HIGHLIGHTS

	Post-IFRS 16 (1) Basis				
Year ended 31 December	**2024**	2023	**2024**	2023	Change
	HK$ million	HK$ million	**HK$ per share**	HK$ per share	
Total Revenue (2)	**476,682**	461,558			
Total EBITDA (2)	**125,108**	127,309			
Total EBIT (2)	**58,758**	62,770			
Reported earnings (3)					
Underlying	**20,828**	23,500	**5.44**	6.14	**-11%**
One-time items (4)	**(3,740)**	-	**(0.98)**	-	
	17,088	**23,500**	**4.46**	**6.14**	**-27%**
Final dividend per share			**1.514**	1.775	**-15%**
Full year dividend per share			**2.202**	2.531	**-13%**

	Pre-IFRS 16 (1) Basis					
	Reported		Underlying (4)			
Year ended 31 December	**2024**	2023	**2024**	2023	Reported currency change	Local currencies change
	HK$ million	HK$ million	**HK$ million**	HK$ million		
Total Revenue (2)	**476,682**	461,558	**476,682**	461,558	**3%**	**4%**
Total EBITDA (2)	**102,600**	104,880	**106,340**	104,880	**1%**	**2%**
Total EBIT (2)	**54,431**	58,568	**58,171**	58,568	**-1%**	**-1%**
Reported earnings (3)	**17,030**	23,243	**20,770**	23,243	**-11%**	**-10%**

(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 results announcement 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 results announcement is on a Pre-IFRS 16 basis as mentioned above.

(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.

(3) Reported earnings represent profit attributable to shareholders. Reported earnings per share for the year ended 31 December 2024 and 2023 is calculated based on profit attributable to ordinary shareholders.

(4) Underlying results for the year ended 31 December 2024 exclude one-time non-cash impairment and other provisions on the Vietnam telecommunication business of HK$3.7 billion at EBITDA, EBIT and Reported earnings, under pre-IFRS 16 and post-IFRS 16 basis.

CHAIRMAN'S STATEMENT

Economic conditions in early 2024 were relatively benign with easing inflation and generally within consensus growth. Nevertheless, energy and input costs continued to increase in the UK and Europe while anticipated loosening of monetary policy in the US did not materialise and the US Dollar as a result remained persistently strong by historical standards.

Since the third quarter of the year volatility has increased in equity, currency, bond and debt markets in the US and in several of the major markets in which our businesses operate. Geopolitical and trade tensions have also risen significantly. Commodity markets have fluctuated significantly with oil, gas and refined products prices generally weak as a result of demand concerns associated with weak economic activity.

During the year, the Group recognised one-time non-cash impairment and other provisions on its telecommunication business in Vietnam of HK$3.7 billion as the operating conditions continue to be under significant pressure. However, on the whole, the Group's underlying operating results were relatively stable.

On a pre-IFRS 16 basis and excluding the one-time losses mentioned above, underlying EBITDA increased 2% in local currencies compared to 2023, primarily from good growth in the Ports division, improvements across all of the operations in CKHGT, as well as stable performance from the Retail and Infrastructure divisions, partly offset by certain treasury gains on non-core asset disposal in 2023 which did not recur in 2024 and lower contribution from Cenovus Energy. Underlying EBIT decreased by 1% in local currencies against last year due to higher depreciation and amortisation, primarily due to CKHGT and higher share of depreciation of Cenovus Energy.

Underlying profit attributable to ordinary shareholders on a pre-IFRS 16 basis of HK$20,770 million decreased 10% in local currencies against 2023, reflecting increased tax charges from a higher effective tax rate in 2024. Including the one-time non-cash impairment and other provisions on the telecommunication business in Vietnam, on a Post-IFRS 16 basis, reported profit attributable to ordinary shareholders of HK$17,088 million decreased 27% against last year.

Reported earnings per share were HK$4.46 for the year ended 31 December 2024 (31 December 2023 – HK$6.14).

Dividend

The Board of Directors recommends a final dividend of HK$1.514 per share (2023 final dividend – HK$1.775 per share), payable on Thursday, 12 June 2025, to shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 28 May 2025, being the record date for determining shareholders' entitlement to the proposed final dividend. Combined with the interim dividend of HK$0.688 per share, the full year dividend amounts to HK$2.202 per share (2023 full year dividend – HK$2.531 per share).

Ports and Related Services

This division reported revenue of HK$45,282 million, an increase of 11% compared to 2023, primarily driven by 6% higher throughput with growth across all segments, a 13% uplift in storage income and the favourable performance of a shipping line associated company. Consequently, EBITDA[1] of HK$16,172 million and EBIT[1] of HK$11,873 million, increased by 19% and 27% respectively compared to 2023, due to higher revenue as mentioned above and effective cost controls.

Looking ahead to 2025, there may be headwinds with supply chain disruptions anticipated in the early part of the year due to shipping lines transitioning into their new alliances, as well as ongoing geopolitical risk impacting global trade. However, moderate organic growth is expected to continue mainly from Asia and Middle East, which together with expansion at existing terminal facilities and strengthening strategic partnerships, the division will look to deliver improvements in operating results in the coming year.

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[1] Under Post-IFRS 16 basis, EBITDA was HK$18,848 million (2023: HK$16,415 million); EBIT was HK$13,123 million (2023: HK$10,583 million).

Retail

The division's total revenue of HK$190,193 million increased by 4% in reported currency against last year, while EBITDA[2] and EBIT[2] of HK$16,395 million and HK$13,018 million both increased by 1%. In local currencies, total revenue increased by 5%, while EBITDA and EBIT both increased by 2%. Most operations in this division delivered favourable performance, except for non-ASEAN Asia regions which suffered from declined store footfall and weak consumer confidence. Excluding the non-ASEAN Asia regions, EBITDA and EBIT both achieved a strong growth of 10% in local currencies against last year.

Looking ahead, the European and ASEAN Asian businesses are projected to maintain strong performance, while the Asian operations in non-ASEAN markets are anticipated to show improvement through store network optimisation and various strategic actions. Leveraging its 170 million loyalty customer base, this division will focus on deepening customer engagement and maximising lifetime value, maintaining a rapid return on investment for store openings, as well as delivering revenue growth through its online plus offline platform strategy.

(2) Under Post-IFRS 16 basis, EBITDA was HK$25,594 million (2023: HK$25,507 million); EBIT was HK$14,099 million (2023: HK$13,849 million).

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

Profit contributions from operating businesses reported strong growth of 10% year-on-year. However, net profit was impacted by treasury items including higher interest cost and lower foreign exchange gain, resulting in the announced net profit under Post-IFRS 16 basis of HK$8,115 million being 1% higher than last year.

Looking into 2025, this division's regulated businesses will continue to provide steady and recurring income and the non-regulated businesses will also generate good growth contributions. Together with its strong financial position, this division is well placed to capitalise on investment opportunities as they arise.

CK Hutchison Group Telecom

Revenue of CK Hutchison Group Telecom ("CKHGT") was HK$88,371 million (€10,458 million), 2% higher against last year in reported currency. EBITDA[3] and EBIT[3] of HK$24,129 million (€2,855 million) and HK$3,485 million (€405 million) were 8% and 54% higher than last year in reported currency, primarily due to better performance of **3** Group Europe operations.

3 Group Europe

Revenue of HK$81,710 million was 2% higher against last year in local currencies, primarily driven by moderate growth in net customer services revenue from the higher customer base and favourable revenue initiatives phased throughout the year. Revenue growth also reflects higher MVNO and other wholesale revenue. As a result of improved revenue mix, **3** Group Europe reported an overall 3% higher total margin in local currencies.

EBTIDA[4] of HK$23,122 million was 8% or HK$1,760 million higher against last year in local currencies, primarily driven by good growth in total margin. Despite continued challenges from cost inflation, operating expenses and customer acquisition spending remained stable year-on-year under tight cost control initiatives. Depreciation and amortisation increased by 3% or HK$599 million due to higher depreciation from enlarged network asset base, as well as a one-time accelerated depreciation from the swap out of certain network equipment in the Denmark operation, partly offset by the favourable variance from accelerated depreciation on the legacy IT system recognised by the UK in 2023 that did not recur in 2024. Correspondingly, EBIT[4] of HK$3,603 million was 48% or HK$1,161 million higher against last year in local currencies, reflecting primarily the higher EBITDA as mentioned.

3 UK and Vodafone UK merger approval from the competition authorities ("CMA") was received in December 2024 and the Group is working with CMA to put in place the final undertakings in order to close the transaction with completion expected within the first half of 2025.

Looking ahead to 2025, the operations will focus on delivering stable underlying performance through growing the customer base, continuing revenue initiatives, stringent cost discipline and stabilising depreciation under tight management of capital spending. The Group will also comprehensively review ways and means of enhancing productivity and significantly reducing its operating and capital cost base. This in depth review will be completed and new targets announced during the year.

(3) Under Post-IFRS 16 basis, EBITDA was HK$31,257 million (2023: HK$29,081 million); EBIT was HK$4,490 million (2023: HK$3,191 million).

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

Finance & Investments and Others

This segment reported adverse EBITDA[5] and EBIT[5] results compared to last year, primarily due to the one-time non-cash impairment and other provisions on the telecommunication business in Vietnam of HK$3,740 million[6], certain treasury gains on non-core asset disposals in 2023 not recurring in 2024, as well as lower contribution from Cenovus Energy.

The Group's 17.4% share of Cenovus Energy's Post-IFRS 16 EBITDA, EBIT and net earnings were HK$9,311 million, HK$4,491 million and HK$3,041 million, a decrease of HK$783 million, HK$1,073 million and HK$922 million compared to last year respectively, mainly reflecting the decline in commodity prices, partly offset by increase in production volume.

The Group's telecommunications joint venture in Indonesia, Indosat Ooredoo Hutchison ("IOH") continued to report robust revenue growth of 9%, primarily driven by an increase in data traffic and an enhanced customer experience from the expanded network, resulting in the Group's share of IOH EBITDA increasing by 4% in reported currency. Excluding the net gains from the disposal of non-core assets in 2023 not recurring in 2024, the Group's share of IOH's underlying EBITDA increased 12% year-on-year, reflecting revenue growth and disciplined cost control.

The Group's liquidity and financial profile remain strong. Consolidated cash and liquid investments totalled HK$129,445 million and consolidated total bank and other debts[7] amounted to HK$259,059 million, resulting in consolidated net debt[7] of HK$129,614 million (31 December 2023 – HK$131,810 million) and net debt to net total capital ratio[7] [8] of 16.2% (31 December 2023 – 16.1%).

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(5) The Hutchison Asia Telecommunications results are reported under Finance & Investments and Others segment from 1 January 2024 and the comparative results for the year ended 31 December 2023 have been reclassified to the Finance & Investments and Others segment to conform with the year ended 31 December 2024 presentation to enable a better comparison of performance.

(6) Under Post-IFRS 16 basis, the non-cash impairment and other provisions on the telecommunication business in Vietnam was HK$3,740 million.

(7) 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 16.4% (31 December 2023: 16.2%).

(8) The increase in net debt to net total capital ratio is mainly due to the redemption of €500 million perpetual capital securities during the year, without which the net debt to net total capital ratio would have been 15.7%.

Sustainability

Throughout 2024, the Group continued to operate positively towards decarbonisation goals and achieved significant impacts from initiatives. During the past year, the Group has reduced approximately 20% carbon emission as compared to the baseline, on track with the decarbonisation pathway set out in the reduction targets.

With increasing and more stringent disclosure requirements on the horizon, particularly in regions of the European Union and Hong Kong regarding the Corporate Sustainability Disclosure Directive and International Financial Reporting Standards, the Group took the initiative in 2024 by early engaging with service consultants to understand the requirements and to prepare for future compliance needs. The Group has also accepted the invitation from the Carbon Disclosure Project and taken the initiative on disclosure participation, which further enhanced the transparency of the Group's sustainability performance.

With regards to creating a positive working environment, the Group ensures employees are working in an environment of being supported, acknowledged and included, which continues to be one of the Group's core objectives. The Group's commitments are recognised with **3** Austria, **3** Hong Kong, **3** Sweden and Wind Tre named among the best employers of respective jurisdiction. **3** Ireland was also awarded with "Investors in Diversity Gold" standard in 2024, while UK Power Network received the "Diversity and Inclusion Strategy of the Year" from the Women in Green Business Awards in London. The AS Watson Group was also announced as the first health and beauty retailer signatory of the Women's Empowerment Principle from the United Nations Entity for Gender Equality and Empowerment, demonstrating the Group's overall dedication to a diversified workplace.

Outlook

The operating environment for the Group's businesses is expected to be both volatile and unpredictable. In such an environment, the Group will constrain capital spending and new investment and focus on stringent cash flow management. We will also task all our businesses to increase productivity and reduce operating spending, in particular through the rapid adoption of suitable emerging technology tools. Lastly our strong balance sheet and liquidity position ensure that the Group will be able to maintain a strong financial profile even in the severest of market conditions.

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, 20 March 2025

Financial Performance Summary

	Post-IFRS 16 [1] 2024 HK$ million	%	Post-IFRS 16 [1][2] 2023 HK$ million	%	Change %
Revenue [3]					
Ports and Related Services [3]	**45,282**	**9%**	40,851	9%	11%
Retail	**190,193**	**40%**	183,344	40%	4%
Infrastructure	**55,324**	**12%**	54,714	12%	1%
CK Hutchison Group Telecom	**88,371**	**19%**	86,814	19%	2%
Finance & Investments and Others	**97,512**	**20%**	95,835	20%	2%
Total Revenue	**476,682**	**100%**	461,558	100%	3%
EBITDA [3]					
Ports and Related Services [3]	**18,848**	**15%**	16,415	13%	15%
Retail	**25,594**	**20%**	25,507	20%	–
Infrastructure	**29,953**	**24%**	29,526	23%	1%
CK Hutchison Group Telecom	**31,257**	**25%**	29,081	23%	7%
Finance & Investments and Others	**19,456**	**16%**	26,780	21%	-27%
Total EBITDA	**125,108**	**100%**	127,309	100%	-2%
- Underlying	**128,848**		127,309		1%
- One-off items [4]	**(3,740)**		–		
EBIT [3]					
Ports and Related Services [3]	**13,123**	**22%**	10,583	17%	24%
Retail	**14,099**	**24%**	13,849	22%	2%
Infrastructure	**19,231**	**33%**	19,616	31%	-2%
CK Hutchison Group Telecom	**4,490**	**8%**	3,191	5%	41%
Finance & Investments and Others	**7,815**	**13%**	15,531	25%	-50%
Total EBIT	**58,758**	**100%**	62,770	100%	-6%
- Underlying	**62,498**		62,770		–
- One-off items [4]	**(3,740)**		–		
Interest Expenses and Other Finance Costs [3]	**(24,050)**		(24,200)		1%
Profit Before Tax	**34,708**		38,570		-10%
Tax [3]					
Current tax	**(8,783)**		(7,701)		-14%
Deferred tax	**(2,141)**		(690)		-210%
	(10,924)		(8,391)		-30%
Profit after tax	**23,784**		30,179		-21%
Non-controlling interests and perpetual capital securities holders' interests	**(6,696)**		(6,679)		–
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**17,088**		23,500		-27%
- Underlying	**20,828**		23,500		-11%
- One-off items [4]	**(3,740)**		–		

Note 1: As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this results announcement interchangeably with the relevant Hong Kong Financial Reporting Standards.

Note 2: The Hutchison Asia Telecommunications results are reported under Finance & Investments and Others segment from 1 January 2024 and the comparative results for the year ended 31 December 2023 have been reclassified to the Finance & Investments and Others segment to conform with the year ended 31 December 2024 presentation to enable a better comparison of performance.

Note 3: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 4: One-off items represent non-cash impairment and other provisions on the Group's telecommunicaiton business in Vietnam of HK$3.7 billion.

Financial Performance Summary

	Pre-IFRS 16 [1] 2024 HK$ million	%	Pre-IFRS 16 [1][2] 2023 HK$ million	%	Change %	Local currencies change %
Revenue [3]						
Ports and Related Services [3]	**45,282**	**9%**	40,851	9%	11%	12%
Retail	**190,193**	**40%**	183,344	40%	4%	5%
Infrastructure	**55,324**	**12%**	54,714	12%	1%	1%
CK Hutchison Group Telecom	**88,371**	**19%**	86,814	19%	2%	2%
Finance & Investments and Others	**97,512**	**20%**	95,835	20%	2%	4%
Total Revenue	**476,682**	**100%**	461,558	100%	3%	4%
EBITDA [3]						
Ports and Related Services [3]	**16,172**	**16%**	13,628	13%	19%	19%
Retail	**16,395**	**16%**	16,226	15%	1%	2%
Infrastructure	**29,614**	**29%**	29,201	28%	1%	1%
CK Hutchison Group Telecom	**24,129**	**23%**	22,341	21%	8%	8%
Finance & Investments and Others	**16,290**	**16%**	23,484	23%	-31%	-29%
Total EBITDA	**102,600**	**100%**	104,880	100%	-2%	-2%
- Underlying	**106,340**		104,880		1%	2%
- One-off items [4]	**(3,740)**		–			
EBIT [3]						
Ports and Related Services [3]	**11,873**	**22%**	9,328	16%	27%	27%
Retail	**13,018**	**24%**	12,888	22%	1%	2%
Infrastructure	**19,180**	**35%**	19,562	33%	-2%	-3%
CK Hutchison Group Telecom	**3,485**	**6%**	2,265	4%	54%	51%
Finance & Investments and Others	**6,875**	**13%**	14,525	25%	-53%	-52%
Total EBIT	**54,431**	**100%**	58,568	100%	-7%	-7%
- Underlying	**58,171**		58,568		-1%	-1%
- One-off items [4]	**(3,740)**		–			
Interest Expenses and Other Finance Costs [3]	**(19,655)**		(20,147)		2%	
Profit Before Tax	**34,776**		38,421		-9%	
Tax [3]						
Current tax	**(8,793)**		(7,705)		-14%	
Deferred tax	**(2,193)**		(795)		-176%	
	(10,986)		(8,500)		-29%	
Profit after tax	**23,790**		29,921		-20%	
Non-controlling interests and perpetual capital securities holders' interests	**(6,760)**		(6,678)		-1%	
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**17,030**		23,243		-27%	-26%
- Underlying	**20,770**		23,243		-11%	-10%
- One-off items [4]	**(3,740)**		–			

Note 1: As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this results announcement 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 results announcement is on a Pre-IFRS 16 basis as mentioned above.

Note 2: The Hutchison Asia Telecommunications results are reported under Finance & Investments and Others segment from 1 January 2024 and the comparative results for the year ended 31 December 2023 have been reclassified to the Finance & Investments and Others segment to conform with the year ended 31 December 2024 presentation to enable a better comparison of performance.

Note 3: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 4: One-off items represent non-cash impairment and other provisions on the Group's telecommunicaiton business in Vietnam of HK$3.7 billion.

Independent Auditor's Report

To the Shareholders of CK Hutchison Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of CK Hutchison Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), which are set out on pages 17 to 135, comprise:

- the consolidated and Company statements of financial position as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024, and of its consolidated profit and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Goodwill; and
- Investments in associated companies and joint ventures.

Key Audit Matter

Goodwill

Refer to notes 16 and 45 to the consolidated financial statements

The Group has a significant amount of goodwill arising from various acquisitions. As at 31 December 2024, the carrying amounts of goodwill amounted to approximately HK$267 billion.

Goodwill is subject to impairment assessments annually and when there is an indication of impairment.

In carrying out the impairment assessments, significant judgements are required to estimate the recoverable amounts, being the higher of the fair value less costs of disposal and value in use. The recoverable amounts are estimated taking into consideration the future cash flows of the respective business units based on the latest approved financial budgets for the next five years and a number of other assumptions, including the growth rates to extrapolate the cash flows beyond the budget period and the discount rates to bring the future cash flows back to their present values.

We considered this is a key audit matter as significant judgements are involved in the impairment assessments.

How our audit addressed the Key Audit Matter

Our procedures to address this key audit matter included:

- Understanding management's assessment process of impairment of goodwill;

- Assessing the appropriateness of the valuation methodologies used;

- Assessing the reasonableness of key assumptions used in management's estimation of recoverable amounts based on our knowledge of the relevant businesses and industries, other appropriate supporting evidence, and with the involvement of our valuations experts;

- Testing source data to supporting evidence, such as approved budgets, on a sample basis, and considering the reasonableness of the estimated future cash flows, the growth rates and discount rates applied; and

- Performing sensitivity analyses on the key assumptions to evaluate the potential impacts on the recoverable amounts including the growth rates and discount rates as these are the key assumptions to which the measurement of recoverable amounts is the most sensitive.

We found the assumptions adopted in relation to the impairment assessments to be supportable and reasonable based on available evidence.

Key Audit Matters (continued)

Key Audit Matter

Investments in associated companies and joint ventures

Refer to notes 17, 18 and 45 to the consolidated financial statements

The Group has significant investments in associated companies and joint ventures, which are accounted for under the equity method. As at 31 December 2024, the carrying amounts of investments in associated companies and joint ventures amounted to approximately HK$140 billion and HK$154 billion respectively.

Investments in associated companies and joint ventures are subject to impairment assessments when there is an indication of impairment. For those associated companies and joint ventures in which such indication exists, the Group performed impairment assessments. In carrying out the impairment assessments, significant judgements are required to estimate the recoverable amounts of the Group's investments in the associated companies and the joint ventures.

We considered this is a key audit matter as significant judgements are involved in the impairment assessments.

How our audit addressed the Key Audit Matter

Our procedures to address this key audit matter included:

- Understanding management's process for identifying the existence of impairment indicators and performing impairment assessments of investments in associated companies and joint ventures when indicators of impairment exist;
- Assessing the appropriateness of the valuation methodologies used in the impairment assessments; and
- Assessing the reasonableness of key assumptions used by management in the estimation of recoverable amounts of those investments in associated companies or joint ventures with impairment indicators, including the projections of cash flows, the growth rates and discount rates applied; and comparing cash flow projections to supporting evidence, such as approved budgets.

We found the assumptions adopted in relation to the impairment assessments to be supportable and reasonable based on available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Hung Nam.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 20 March 2025

Consolidated Income Statement

for the year ended 31 December 2024

2024 # US$ million		Note	2024 HK$ million	2023 HK$ million
36,071	Revenue	4	**281,351**	275,575
(13,615)	Cost of inventories sold	7	**(106,194)**	(105,739)
(5,332)	Staff costs		**(41,591)**	(39,226)
(1,979)	Expensed customer acquisition and retention costs		**(15,433)**	(15,188)
(5,187)	Depreciation and amortisation	7	**(40,460)**	(40,083)
(6,781)	Other expenses and losses	7	**(52,895)**	(48,095)
67	Other income and gains	7	**524**	2,067
	Share of profits less losses of:			
885	Associated companies		**6,903**	8,138
1,251	Joint ventures		**9,757**	7,990
5,380			**41,962**	45,439
(1,717)	Interest expenses and other finance costs	8	**(13,392)**	(12,227)
3,663	**Profit before tax**		**28,570**	33,212
(537)	Current tax	9	**(4,189)**	(4,119)
(68)	Deferred tax credit (charge)	9	**(528)**	1,116
3,058	**Profit after tax**		**23,853**	30,209
(867)	**Profit attributable to non-controlling interests and holders of perpetual capital securities**		**(6,765)**	(6,709)
2,191	**Profit attributable to ordinary shareholders**		**17,088**	23,500
US$ 0.57	**Earnings per share for profit attributable to ordinary shareholders**	10	**HK$ 4.46**	HK$ 6.14

Details of distribution paid to the holders of perpetual capital securities, interim dividend paid and proposed final dividend payable to the ordinary shareholders are set out in note 11.

See note 43.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

2024 # US$ million		Note	2024 HK$ million	2023 HK$ million
3,058	**Profit after tax**		**23,853**	30,209
	Other comprehensive income (losses)			
	Items that will not be reclassified to profit or loss			
(68)	Changes in fair value of equity instruments at fair value through other comprehensive income		**(528)**	718
104	Remeasurement of defined benefit obligations		**810**	(1,470)
(11)	Share of other comprehensive income (losses) of associated companies		**(83)**	(560)
(121)	Share of other comprehensive income (losses) of joint ventures		**(945)**	269
(12)	Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	32 (b)	**(90)**	376
(108)			**(836)**	(667)
	Items that may be reclassified to profit or loss			
16	Changes in fair value of debt instruments at fair value through other comprehensive income		**126**	120
(1,223)	Exchange gains (losses) on translation of foreign operations		**(9,543)**	7,771
-	Exchange losses reclassified to profit or loss		**-**	342
(17)	Losses on cash flow hedges		**(132)**	(1,059)
190	Gains (losses) on net investment hedges		**1,484**	(1,641)
-	Reclassification adjustments for hedging gains included in profit or loss		**-**	(1,735)
(726)	Share of other comprehensive income (losses) of associated companies		**(5,670)**	1,889
(681)	Share of other comprehensive income (losses) of joint ventures		**(5,311)**	3,728
1	Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	32 (b)	**5**	4
(2,440)			**(19,041)**	9,419
(2,548)	Other comprehensive income (losses), net of tax		**(19,877)**	8,752
510	**Total comprehensive income**		**3,976**	38,961
(533)	**Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities**		**(4,155)**	(7,476)
(23)	**Total comprehensive income (losses) attributable to ordinary shareholders**		**(179)**	31,485

See note 43.

Consolidated Statement of Financial Position

at 31 December 2024

2024 # **US$ million**		Note	**2024** **HK$ million**	2023 HK$ million
	Non-current assets			
14,330	Fixed assets	12	**111,777**	119,826
7,383	Right-of-use assets	13	**57,589**	61,198
8,188	Telecommunications licences	14	**63,869**	64,264
10,159	Brand names and other rights	15	**79,241**	83,396
34,272	Goodwill	16	**267,325**	271,136
17,931	Associated companies	17	**139,855**	143,638
19,770	Interests in joint ventures	18	**154,208**	156,337
2,326	Deferred tax assets	19	**18,140**	21,074
1,044	Liquid funds and other listed investments	20	**8,142**	15,786
2,591	Other non-current assets	21	**20,203**	19,862
117,994			**920,349**	956,517
	Current assets			
15,552	Cash and cash equivalents	23	**121,303**	127,323
3,195	Inventories		**24,923**	24,473
5,893	Trade receivables and other current assets	24	**45,967**	50,590
24,640			**192,193**	202,386
	Current liabilities			
3,969	Bank and other debts	25	**30,956**	58,324
240	Interest bearing loan from a non-controlling shareholder	28	**1,874**	-
432	Current tax liabilities		**3,368**	4,166
1,557	Lease liabilities	13	**12,142**	13,616
10,595	Trade payables and other current liabilities	26	**82,645**	86,419
16,793			**130,985**	162,525
7,847	Net current assets		**61,208**	39,861
125,841	Total assets less current liabilities		**981,557**	996,378
	Non-current liabilities			
28,902	Bank and other debts	25	**225,436**	213,598
205	Interest bearing loans from non-controlling shareholders	28	**1,597**	3,245
6,715	Lease liabilities	13	**52,377**	54,307
2,304	Deferred tax liabilities	19	**17,974**	19,572
410	Pension obligations	29	**3,197**	3,536
3,639	Other non-current liabilities	30	**28,384**	31,571
42,175			**328,965**	325,829
83,666	**Net assets**		**652,592**	670,549

See note 43.

Consolidated Statement of Financial Position

at 31 December 2024

2024 # **US$ million**		Note	**2024** **HK$ million**	2023 HK$ million
	Capital and reserves			
491	Share capital	31 (a)	**3,830**	3,830
31,150	Share premium	31 (a)	**242,972**	242,972
36,912	Reserves	32	**287,913**	297,233
68,553	Total ordinary shareholders' funds		**534,715**	544,035
-	Perpetual capital securities	31 (b)	-	4,566
15,113	Non-controlling interests		**117,877**	121,948
83,666	**Total equity**		**652,592**	670,549

See note 43.

Frank John Sixt
Director

Lai Kai Ming, Dominic
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

		Attributable to					
		Ordinary shareholders					
Total equity # US$ million		Share capital and share premium * HK$ million	Reserves @ HK$ million	Total ordinary shareholders' funds HK$ million	Holders of perpetual capital securities HK$ million	Non-controlling interests HK$ million	Total equity HK$ million
85,968	At 1 January 2024	**246,802**	**297,233**	**544,035**	**4,566**	**121,948**	**670,549**
3,058	Profit for the year	**-**	**17,088**	**17,088**	**71**	**6,694**	**23,853**
	Other comprehensive income (losses)						
(68)	Changes in fair value of equity instruments at fair value through other comprehensive income	**-**	**(528)**	**(528)**	**-**	**-**	**(528)**
16	Changes in fair value of debt instruments at fair value through other comprehensive income	**-**	**126**	**126**	**-**	**-**	**126**
104	Remeasurement of defined benefit obligations	**-**	**646**	**646**	**-**	**164**	**810**
(1,223)	Exchange losses on translation of foreign operations	**-**	**(8,156)**	**(8,156)**	**-**	**(1,387)**	**(9,543)**
(17)	Losses on cash flow hedges	**-**	**(122)**	**(122)**	**-**	**(10)**	**(132)**
190	Gains on net investment hedges	**-**	**1,123**	**1,123**	**-**	**361**	**1,484**
(737)	Share of other comprehensive income (losses) of associated companies	**-**	**(5,320)**	**(5,320)**	**-**	**(433)**	**(5,753)**
(802)	Share of other comprehensive income (losses) of joint ventures	**-**	**(4,969)**	**(4,969)**	**-**	**(1,287)**	**(6,256)**
(11)	Tax relating to components of other comprehensive income (losses)	**-**	**(67)**	**(67)**	**-**	**(18)**	**(85)**
(2,548)	Other comprehensive income (losses), net of tax	**-**	**(17,267)**	**(17,267)**	**-**	**(2,610)**	**(19,877)**
510	Total comprehensive income (losses)	**-**	**(179)**	**(179)**	**71**	**4,084**	**3,976**
	Transactions with owners in their capacity as owners:						
(872)	Dividends paid relating to 2023	**-**	**(6,798)**	**(6,798)**	**-**	**-**	**(6,798)**
(338)	Dividends paid relating to 2024	**-**	**(2,635)**	**(2,635)**	**-**	**-**	**(2,635)**
(1,017)	Dividends paid to non-controlling interests	**-**	**-**	**-**	**-**	**(7,932)**	**(7,932)**
(21)	Distributions paid on perpetual capital securities	**-**	**-**	**-**	**(162)**	**-**	**(162)**
(574)	Redemption of perpetual capital securities	**-**	**-**	**-**	**(4,475)**	**-**	**(4,475)**
80	Equity contribution from non-controlling interests	**-**	**-**	**-**	**-**	**624**	**624**
1	Unclaimed dividends write back	**-**	**9**	**9**	**-**	**-**	**9**
(2)	Relating to purchase of non-controlling interests	**-**	**(37)**	**(37)**	**-**	**16**	**(21)**
(69)	Relating to partial disposal / disposal of subsidiary companies	**-**	**320**	**320**	**-**	**(863)**	**(543)**
(2,812)		**-**	**(9,141)**	**(9,141)**	**(4,637)**	**(8,155)**	**(21,933)**
83,666	At 31 December 2024	**246,802**	**287,913**	**534,715**	**-**	**117,877**	**652,592**

See note 43.

* See note 31(a).

@ See note 32.

Consolidated Statement of Changes in Equity
for the year ended 31 December 2024

		Attributable to					
		Ordinary shareholders					
Total equity # US$ million		Share capital and share premium * HK$ million	Reserves @ HK$ million	Total ordinary shareholders' funds HK$ million	Holders of perpetual capital securities HK$ million	Non-controlling interests HK$ million	Total equity HK$ million
82,988	At 1 January 2023	246,802	276,711	523,513	4,561	119,235	647,309
3,873	Profit for the year	-	23,500	23,500	172	6,537	30,209
	Other comprehensive income (losses)						
92	Changes in fair value of equity instruments at fair value through other comprehensive income	-	718	718	-	-	718
15	Changes in fair value of debt instruments at fair value through other comprehensive income	-	120	120	-	-	120
(188)	Remeasurement of defined benefit obligations	-	(1,108)	(1,108)	-	(362)	(1,470)
996	Exchange gains on translation of foreign operations	-	7,457	7,457	-	314	7,771
44	Exchange losses reclassified to profit or loss	-	339	339	-	3	342
(136)	Losses on cash flow hedges	-	(1,033)	(1,033)	-	(26)	(1,059)
(210)	Losses on net investment hedges	-	(1,308)	(1,308)	-	(333)	(1,641)
(222)	Reclassification adjustments for hedging gains included in profit or loss	-	(1,735)	(1,735)	-	-	(1,735)
170	Share of other comprehensive income of associated companies	-	1,183	1,183	-	146	1,329
512	Share of other comprehensive income of joint ventures	-	3,065	3,065	-	932	3,997
49	Tax relating to components of other comprehensive income (losses)	-	287	287	-	93	380
1,122	Other comprehensive income, net of tax	-	7,985	7,985	-	767	8,752
4,995	Total comprehensive income	-	31,485	31,485	172	7,304	38,961
13	Impact of hyperinflation	-	82	82	-	21	103
	Transactions with owners in their capacity as owners:						
(1,024)	Dividends paid relating to 2022	-	(7,989)	(7,989)	-	-	(7,989)
(371)	Dividends paid relating to 2023	-	(2,896)	(2,896)	-	-	(2,896)
(608)	Dividends paid to non-controlling interests	-	-	-	-	(4,744)	(4,744)
(21)	Distributions paid on perpetual capital securities	-	-	-	(167)	-	(167)
(19)	Recognition of put option liabilities arising from business combinations	-	(148)	(148)	-	-	(148)
2	Unclaimed dividends write back	-	15	15	-	-	15
1	Relating to purchase of a subsidiary company	-	-	-	-	8	8
4	Relating to purchase of non-controlling interests	-	(34)	(34)	-	70	36
8	Relating to partial disposal of subsidiary companies	-	7	7	-	54	61
(2,015)		-	(10,963)	(10,963)	(167)	(4,591)	(15,721)
85,968	At 31 December 2023	246,802	297,233	544,035	4,566	121,948	670,549

\# See note 43.
* See note 31(a).
@ See note 32.

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

2024 # **US$ million**		Note	**2024** **HK$ million**	2023 HK$ million
	Operating activities			
9,632	Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	33 (a)	**75,130**	75,416
(1,701)	Interest expenses and other finance costs paid (net of capitalisation)		**(13,267)**	(12,083)
(596)	Tax paid		**(4,652)**	(3,931)
7,335	**Funds from operations (before principal elements of lease payments)**		**57,211**	59,402
(382)	Changes in working capital	33 (b)	**(2,983)**	(7,965)
6,953	**Net cash from operating activities**		**54,228**	51,437
	Investing activities			
(2,611)	Purchase of fixed assets	12	**(20,365)**	(21,670)
(9)	Additions to telecommunications licences	14	**(72)**	(1,956)
(245)	Additions to brand names and other rights	15	**(1,913)**	(1,675)
(527)	Purchase of subsidiary companies, net of cash acquired	33 (c)	**(4,114)**	(55)
(6)	Additions to unlisted investments		**(44)**	(74)
159	Repayments of loans from associated companies and joint ventures		**1,242**	2,829
(317)	Purchase of and advances to associated companies and joint ventures		**(2,470)**	(819)
19	Proceeds from disposal of fixed assets		**146**	168
43	Proceeds from disposal of subsidiary companies, net of cash disposed	33 (d)	**333**	2,563
-	Proceeds from disposal of financial instruments		**-**	2,451
23	Proceeds from partial disposal / disposal of associated companies and joint ventures		**179**	734
34	Proceeds from disposal of other unlisted investments		**266**	74
(3,437)	Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments		**(26,812)**	(17,430)
919	Disposal of liquid funds and other listed investments		**7,172**	2,088
(34)	Additions to liquid funds and other listed investments		**(262)**	(73)
(2,552)	**Cash flows used in investing activities**		**(19,902)**	(15,415)
4,401	**Net cash inflow before financing activities**		**34,326**	36,022
	Financing activities			
7,000	New borrowings	33 (e)	**54,594**	58,211
(7,718)	Repayment of borrowings	33 (e)	**(60,201)**	(75,361)
(1,808)	Principal elements of lease payments	33 (e)	**(14,103)**	(14,476)
60	Net loans from non-controlling shareholders	33 (e)	**466**	527
80	Issue of equity securities by subsidiary companies to non-controlling shareholders		**624**	-
-	Proceeds from partial disposal of subsidiary companies		**-**	61
(536)	Redemption of perpetual capital securities		**(4,180)**	-
(1,210)	Dividends paid to ordinary shareholders		**(9,433)**	(10,885)
(1,019)	Dividends paid to non-controlling interests		**(7,951)**	(4,694)
(21)	Distributions paid on perpetual capital securities		**(162)**	(167)
(5,172)	**Cash flows used in financing activities**		**(40,346)**	(46,784)
(771)	Decrease in cash and cash equivalents		**(6,020)**	(10,762)
16,323	Cash and cash equivalents at 1 January		**127,323**	138,085
15,552	**Cash and cash equivalents at 31 December**		**121,303**	127,323

See note 43.

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

2024 # **US$ million**		Note	**2024** **HK$ million**	2023 HK$ million
	Analysis of cash, liquid funds and other listed investments			
15,552	Cash and cash equivalents, as above	23	**121,303**	127,323
1,044	Liquid funds and other listed investments	20	**8,142**	15,786
16,596	**Total cash, liquid funds and other listed investments**		**129,445**	143,109
33,077	Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	25	**258,003**	273,694
445	Interest bearing loans from non-controlling shareholders	28	**3,471**	3,245
16,926	**Net debt**		**132,029**	133,830
(445)	Interest bearing loans from non-controlling shareholders		**(3,471)**	(3,245)
16,481	**Net debt (excluding interest bearing loans from non-controlling shareholders)**		**128,558**	130,585

See note 43.

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. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") as at and for the year ended 31 December 2024 (the "Annual Financial Statements") were authorised for issue by the Company's board of directors on 20 March 2025.

The Chairman's Statement, the Operations Review, the Group Capital Resources and Liquidity, and the Risk Factors, issued outside the Annual Financial Statements as part of the announcement of the Group's results for the year ended 31 December 2024 and the Group's 2024 Annual Report, include discussions of the performance of the Group's businesses for the current year, the principal risk and uncertainties affecting the Group's businesses, the important corporate transactions concluded since the end of the 2023 financial year, and the Group's liquidity and financial profile.

2 Use of judgements, assumptions and estimates

The preparation of financial statements under Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") requires entities to make judgements, estimates and assumptions about the reported amounts and the accompanying disclosures.

In preparing the Annual Financial Statements, the Group has made accounting related estimates based on judgements and assumptions about current and, for some estimates, future economic and market conditions that the Group considers are relevant and reasonable. It is reasonably possible that actual achievements, results, performances or other future events or conditions could differ from those on which the estimates are based. This could result in materially different estimates, judgements and assumptions from those used for the purposes of the Annual Financial Statements. Hence, our accounting estimates, judgements and assumptions could change over time in response to how these events and conditions develop. Note 45 sets out further information on our significant accounting judgements, estimates and assumptions applied in preparing the Annual Financial Statements.

3 Basis of preparation

The Annual Financial Statements have been prepared in accordance with HKFRS and the applicable disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The Annual Financial Statements are prepared on a going concern basis, as Management is satisfied that the Group has the ability to continue as a going concern. In making this assessment, Management has assessed the potential cash generation of the Group, the liquidity of the Group and existing funding available to the Group. On the basis of these assessments, Management has determined that, at the date on which the Annual Financial Statements were authorised for issue, the use of the going concern basis of accounting to prepare the Annual Financial Statements is appropriate.

The Annual Financial Statements have been prepared on a historical cost basis, except that defined benefit plans plan assets, investment properties, certain financial assets and liabilities (including derivative instruments) are measured at fair values.

There were no new accounting standards or interpretations adopted during the year ended 31 December 2024 that had a significant effect on the Group in 2024. A summary of the amendments to HKFRS adopted by the Group in the current year and the Group's material accounting policies are included in note 46.

4 Revenue

(a) An analysis of revenue of the Company and subsidiary companies is as follows:

	2024 HK$ million	2023 HK$ million
Sale of goods	**162,682**	161,147
Revenue from services	**110,586**	105,838
Interest	**7,969**	8,448
Dividend income	**114**	142
	281,351	275,575

(b) Further details are set out below in respect of revenue of the Company and subsidiary companies, including the disaggregation of revenue from contracts with customers within the scope of HKFRS 15:

(i) By segments *

	Revenue from contracts with customers			**Revenue**	
	recognised at a point in time HK$ million	**recognised over time HK$ million**	**Subtotal HK$ million**	**from other sources HK$ million**	**2024 Total HK$ million**
Ports and Related Services	**-**	**34,133**	**34,133**	**154**	**34,287**
Retail	**135,918**	**42**	**135,960**	**-**	**135,960**
Infrastructure	**3,564**	**-**	**3,564**	**1,894**	**5,458**
Telecommunications **					
CK Hutchison Group Telecom					
3 Group Europe	***13,020***	***68,669***	***81,689***	***12***	***81,701***
Hutchison Telecommunications Hong Kong Holdings	***1,221***	***3,561***	***4,782***	***-***	***4,782***
Corporate and Others	***-***	***699***	***699***	***1,049***	***1,748***
	14,241	**72,929**	**87,170**	**1,061**	**88,231**
Finance & Investments and Others **	**11,227**	**1,112**	**12,339**	**5,076**	**17,415**
	164,950	**108,216**	**273,166**	**8,185**	**281,351**

	Revenue from contracts with customers			Revenue	
	recognised at a point in time HK$ million	recognised over time HK$ million	Subtotal HK$ million	from other sources HK$ million	2023 Total HK$ million
Ports and Related Services	-	30,794	30,794	160	30,954
Retail	133,624	48	133,672	-	133,672
Infrastructure	3,728	-	3,728	2,877	6,605
Telecommunications **					
CK Hutchison Group Telecom					
3 Group Europe	*12,652*	*67,558*	*80,210*	*12*	*80,222*
Hutchison Telecommunications Hong Kong Holdings	*1,364*	*3,532*	*4,896*	*-*	*4,896*
Corporate and Others	*26*	*444*	*470*	*1,095*	*1,565*
	14,042	71,534	85,576	1,107	86,683
Finance & Investments and Others **	12,022	1,096	13,118	4,543	17,661
	163,416	103,472	266,888	8,687	275,575

* See note 5 for operating segment information.

** Hutchison Asia Telecommunications, reported previously in this note under “Telecommunications”, is grouped within and reported as a part of “Finance & Investments and Others” with effect from 1 January 2024. Comparative information has been reclassified to conform to this presentation. See note 5(a) under “Telecommunications” for further details.

4 Revenue (continued)

(b) Further details are set out below in respect of revenue of the Company and subsidiary companies, including the disaggregation of revenue from contracts with customers within the scope of HKFRS 15 (continued):

(ii) By geographical locations *

	Revenue from contracts with customers			**Revenue**	
	recognised at a point in time HK$ million	**recognised over time HK$ million**	**Subtotal HK$ million**	**from other sources HK$ million**	**2024 Total HK$ million**
Hong Kong	**24,334**	**4,171**	**28,505**	**258**	**28,763**
Mainland China	**16,590**	**240**	**16,830**	**3**	**16,833**
The People's Republic of China	**40,924**	**4,411**	**45,335**	**261**	**45,596**
Europe	**77,047**	**82,372**	**159,419**	**1,630**	**161,049**
Canada	**-**	**1**	**1**	**203**	**204**
Asia, Australia and Others	**35,752**	**20,320**	**56,072**	**1,015**	**57,087**
	112,799	**102,693**	**215,492**	**2,848**	**218,340**
	153,723	**107,104**	**260,827**	**3,109**	**263,936**
Finance & Investments and Others	**11,227**	**1,112**	**12,339**	**5,076**	**17,415**
	164,950	**108,216**	**273,166**	**8,185**	**281,351**

	Revenue from contracts with customers			Revenue	
	recognised at a point in time HK$ million	recognised over time HK$ million	Subtotal HK$ million	from other sources HK$ million	2023 Total HK$ million
Hong Kong	25,402	4,167	29,569	288	29,857
Mainland China	19,817	231	20,048	24	20,072
The People's Republic of China	45,219	4,398	49,617	312	49,929
Europe	72,857	80,145	153,002	1,707	154,709
Canada	-	-	-	229	229
Asia, Australia and Others	33,318	17,833	51,151	1,896	53,047
	106,175	97,978	204,153	3,832	207,985
	151,394	102,376	253,770	4,144	257,914
Finance & Investments and Others	12,022	1,096	13,118	4,543	17,661
	163,416	103,472	266,888	8,687	275,575

* See note 5 for operating segment information.

4 Revenue (continued)

(c) Contract balances related to contracts with customers within the scope of HKFRS 15

Under HKFRS 15, a contract asset or a contract liability is generated when either party to the contract performs, depending on the relationship between the entity's performance and the customer's payment. When an entity satisfies a performance obligation by transferring a promised goods or service, the entity has earned a right to consideration from the customer and, therefore, has a contract asset. When the customer performs first, for example, by prepaying its promised consideration, the entity has a contract liability. Generally, contract assets may represent conditional or unconditional rights to consideration. The right would be conditional, for example, when an entity is required first to satisfy another performance obligation in the contract before it is entitled to payment from the customer. If an entity has an unconditional right to receive consideration from the customer, the contract asset is classified as and accounted for as a receivable and presented separately from other contract assets. A right is unconditional if nothing other than the passage of time is required before payment of that consideration is due.

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers within the scope of HKFRS 15.

	2024	2023
	HK$ million	HK$ million
Trade receivables, which are included in "Trade receivables and other current assets" (see note 24)	**15,327**	16,297
Contract assets (see notes 21 and 24)	**7,121**	7,580
Contract liabilities (see note 26)	**(5,500)**	(5,948)

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. In 2024, HK$717 million (2023: HK$653 million) was recognised in the consolidated income statement as provision for expected credit losses on trade receivables.

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. In 2024, HK$1,018 million (2023: HK$927 million) was recognised in the consolidated income statement as provision for expected credit losses on contract assets.

Contract liabilities primarily relate to the Group's unfulfilled performance obligations for which consideration has been received at the reporting date. On fulfilment of its obligations, the contract liability is recognised in revenue in the period when the performance obligations are fulfilled. HK$4,792 million (2023: HK$4,614 million) was recognised as revenue in 2024 that was included in the contract liability balance at the beginning of the year.

(d) Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date. The Group applies the practical expedient in paragraph 121 of HKFRS 15 and does not disclose the amount of the transaction price allocated to the remaining performance obligations for contracts with an original expected duration of one year or less. In addition, contracts that include a promise to perform an undefined quantity of tasks at a fixed contractual rate per unit, with no contractual minimums that would make some or all of the consideration variable, are not included in the following analysis as the possible transaction prices and the ultimate consideration for those contracts will depend on the occurrence or non-occurrence of future customer usage. In light of these basis of preparation, the following does not reflect the expectation of the Group's future performance. The analysis is for compliance with HKFRS 15 disclosure requirement in respect of transaction price allocated to the remaining performance obligations.

	2024	2023
	HK$ million	HK$ million
Within one year	**12,200**	15,384
More than one year	**7,121**	5,195
	19,321	20,579

5 Operating segment information

(a) Description of segments and basis of presentation of segment information

For management purposes, the Group is organised into four core businesses - ports and related services, retail, infrastructure and telecommunications. The Group's most senior executive management (the Chief Operating Decision Maker as defined in HKFRS 8) monitors the operating results of the core businesses separately for the purpose of making decisions about resource allocation and performance assessment.

Segment information sets out in this note is organised into these four core businesses, as follows:

Ports and Related Services:

This division is the world's leading port network, and has interests in 53 ports comprising 295 operational berths in 24 countries as at 31 December 2024. The division comprises the Group's 80% interest in the Hutchison Ports group of companies and its 30.07% interest in a listed associated company Hutchison Port Holdings Trust ("HPH Trust"). Results of HPH Trust are included in the segment results (under Ports and Related Services) based on the Group's effective shareholdings (net of non-controlling interests) in HPH Trust.

Retail:

The retail division consists of the AS Watson ("ASW") group of companies, the world's largest international health and beauty retailer with a 170 million loyalty member base. ASW operated 12 retail brands with 16,951 stores in 30 markets worldwide as at 31 December 2024.

Infrastructure:

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

Telecommunications:

The Group's telecommunications division consists of CK Hutchison Group Telecom Holdings ("CK Hutchison Group Telecom") which consolidates the **3** Group businesses in Europe ("**3** Group Europe") and a 66.09% interest in Hutchison Telecommunications Hong Kong Holdings, which is listed on the Stock Exchange.

Hutchison Asia Telecommunications, previously presented under "Telecommunications" in this operating segment note, is grouped within and presented as a part of "Finance & Investments and Others" with effect from 1 January 2024. This is to conform to a change in the composition of internal management reporting to the Group's most senior executive management. Comparative operating segment information in this note has been reclassified to conform to this new presentation.

In addition, "Finance & Investments and Others" is presented in the segment information below to reconcile to the totals included in the Group's consolidated income statement and consolidated statement of financial position. "Finance & Investments and Others" covers the activities of other areas of the Group that are not presented separately and includes a 87.87% interest in the Australian Securities Exchange listed Hutchison Telecommunications (Australia) Limited ("HTAL"), which has a 25.05% attributable interest in a listed associated company TPG Telecom Limited ("TPG"), Hutchison Asia Telecommunications, Hutchison Whampoa (China), Hutchison E-Commerce, the Marionnaud business, listed associated companies HUTCHMED (China) Limited ("HUTCHMED"), TOM Group, CK Life Sciences Int'l., (Holdings) Inc. and Cenovus Energy Inc. ("Cenovus Energy"), corporate head office operations and the returns earned on the Group's holdings of cash and liquid investments.

The Group has adopted HKFRS 16 "Leases" accounting standard (which relates to accounting for leases) for its statutory reporting but its management reporting has remained on the precedent lease accounting standard Hong Kong Accounting Standard 17 "Leases" ("HKAS 17"). The Group believes that the HKAS 17 basis metrics ("Pre-HKFRS 16 basis"), which are not intended to be a substitute for, or superior to, the reported metrics on a HKFRS 16 basis ("Post-HKFRS 16 basis"), better reflect the management's view of the Group's underlying operational performances. Pre-HKFRS 16 basis metrics financial information is regularly reviewed by the Group's most senior executive management.

Segment information sets out below is presented, except where indicated otherwise, on a Pre-HKFRS 16 basis together with reconciliations to the total under the Post-HKFRS 16 basis. Section (c) of this note includes reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics for the Group's consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flows for the current and comparative years, and the Group's consolidated statement of financial position as at 31 December 2024 and 31 December 2023.

Saved as disclosed in the notes below, the column headed as Company and Subsidiaries refers to the holding company of the Group and subsidiary companies' respective items and the column headed as Associates and JV refers to the Group's share of associated companies and joint ventures' respective items.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities

(i) An analysis of revenue by segments

	Revenue							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
Ports and Related Services	**34,287**	**10,995**	**45,282**	**9%**	30,954	9,897	40,851	9%
Retail	**135,960**	**54,233**	**190,193**	**40%**	133,672	49,672	183,344	40%
Infrastructure	**5,458**	**49,866**	**55,324**	**12%**	6,605	48,109	54,714	12%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***81,701***	***9***	***81,710***	***18%***	*80,222*	*9*	*80,231*	*17%*
Hutchison Telecommunications Hong Kong Holdings	***4,782***	***-***	***4,782***	***1%***	*4,896*	*-*	*4,896*	*1%*
Corporate and Others	***1,748***	***131***	***1,879***	***-***	*1,565*	*122*	*1,687*	*-*
	88,231	**140**	**88,371**	**19%**	86,683	131	86,814	18%
Finance & Investments and Others	**17,415**	**80,097**	**97,512**	**20%**	17,661	78,174	95,835	21%
	281,351	**195,331**	**476,682**	**100%**	275,575	185,983	461,558	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**-**	**1,296**	**1,296**		-	1,158	1,158	
Divesture of infrastructure investments	**-**	**901**	**901**		-	813	813	
	281,351	**197,528**	**478,879**		275,575	187,954	463,529	
HKFRS 16 impact	**-**	**-**	**-**		-	-	-	
	281,351	**197,528**	**478,879**		275,575	187,954	463,529	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

The Group uses two measures of segment results, EBITDA (see note 5(b)(xiv)) and EBIT (see note 5(b)(xv)). Analysis of segment results by EBITDA and EBIT are set out in (ii), (iii), (ix), (x) and (xiii) below.

(ii) An analysis of EBITDA by segments

	EBITDA (LBITDA) (xiv)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
Ports and Related Services	**12,098**	**4,074**	**16,172**	**16%**	10,104	3,524	13,628	13%
Retail	**11,274**	**5,121**	**16,395**	**16%**	11,335	4,891	16,226	15%
Infrastructure	**1,765**	**27,849**	**29,614**	**29%**	3,364	25,837	29,201	28%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***22,689***	***433***	***23,122***	***22%***	*21,059*	*289*	*21,348*	*20%*
Hutchison Telecommunications Hong Kong Holdings	***1,236***	***54***	***1,290***	***1%***	*1,182*	*61*	*1,243*	*1%*
Corporate and Others	***(256)***	***(27)***	***(283)***	***-***	*(240)*	*(10)*	*(250)*	*-*
	23,669	**460**	**24,129**	**23%**	22,001	340	22,341	21%
Finance & Investments and Others (xvi) (xvii)	**(176)**	**16,466**	**16,290**	**16%**	5,631	17,853	23,484	23%
EBITDA	**48,630**	**53,970**	**102,600**	**100%**	52,435	52,445	104,880	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**-**	**909**	**909**		-	780	780	
EBITDA ^	**48,630** ^	**54,879** ^	**103,509** ^		52,435 ^	53,225 ^	105,660 ^	
Depreciation and amortisation	**(26,391)**	**(22,047)**	**(48,438)**		(25,957)	(20,623)	(46,580)	
Interest expenses and other finance costs	**(10,678)**	**(8,977)**	**(19,655)**		(9,720)	(10,427)	(20,147)	
Current tax	**(4,199)**	**(4,594)**	**(8,793)**		(4,123)	(3,582)	(7,705)	
Deferred tax credit (charge)	**(528)**	**(1,665)**	**(2,193)**		1,083	(1,878)	(795)	
Non-controlling interests	**(6,829)**	**(571)**	**(7,400)**		(6,708)	(482)	(7,190)	
	5	**17,025**	**17,030**		7,010	16,233	23,243	
HKFRS 16 impact								
EBITDA ^	**17,132** ^	**5,376** ^	**22,508** ^		16,959 ^	5,470 ^	22,429 ^	
Depreciation and amortisation	**(14,069)**	**(4,112)**	**(18,181)**		(14,126)	(4,101)	(18,227)	
Interest expenses and other finance costs	**(2,714)**	**(1,681)**	**(4,395)**		(2,507)	(1,546)	(4,053)	
Current tax	**10**	**-**	**10**		4	-	4	
Deferred tax	**-**	**52**	**52**		33	72	105	
Non-controlling interests	**64**	**-**	**64**		(1)	-	(1)	
	428	**16,660**	**17,088**		7,372	16,128	23,500	

^ Reconciliation to Post-HKFRS 16 basis EBITDA :							
Pre-HKFRS 16 basis EBITDA per above	**48,630**	**54,879**	**103,509**		52,435	53,225	105,660
HKFRS 16 impact per above	**17,132**	**5,376**	**22,508**		16,959	5,470	22,429
Post-HKFRS 16 basis EBITDA (see note 33(a)(i))	**65,762**	**60,255**	**126,017**		69,394	58,695	128,089

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iii) An analysis of EBIT by segments

	EBIT (LBIT)[xv]							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
Ports and Related Services	**9,239**	**2,634**	**11,873**	**22%**	7,261	2,067	9,328	16%
Retail	**8,766**	**4,252**	**13,018**	**24%**	8,785	4,103	12,888	22%
Infrastructure	**1,490**	**17,690**	**19,180**	**35%**	3,079	16,483	19,562	33%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe								
EBITDA before the following non-cash items:	**22,689**	**433**	**23,122**		21,059	289	21,348	
Depreciation	**(11,852)**	**(351)**	**(12,203)**		(11,489)	(260)	(11,749)	
Amortisation of licence fees, other rights, customer acquisition and retention costs	**(7,316)**	**-**	**(7,316)**		(7,199)	-	(7,199)	
EBIT - **3** Group Europe	**3,521**	**82**	**3,603**	**6%**	2,371	29	2,400	4%
Hutchison Telecommunications Hong Kong Holdings	**154**	**14**	**168**	**-**	100	16	116	-
Corporate and Others	**(259)**	**(27)**	**(286)**	**-**	(241)	(10)	(251)	-
	3,416	**69**	**3,485**	**6%**	2,230	35	2,265	4%
Finance & Investments and Others[xvi] [xvii]	**(672)**	**7,547**	**6,875**	**13%**	5,123	9,402	14,525	25%
EBIT	**22,239**	**32,192**	**54,431**	**100%**	26,478	32,090	58,568	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**-**	**640**	**640**		-	512	512	
EBIT ^	**22,239** ^	**32,832** ^	**55,071** ^		26,478 ^	32,602 ^	59,080 ^	
Interest expenses and other finance costs	**(10,678)**	**(8,977)**	**(19,655)**		(9,720)	(10,427)	(20,147)	
Current tax	**(4,199)**	**(4,594)**	**(8,793)**		(4,123)	(3,582)	(7,705)	
Deferred tax credit (charge)	**(528)**	**(1,665)**	**(2,193)**		1,083	(1,878)	(795)	
Non-controlling interests	**(6,829)**	**(571)**	**(7,400)**		(6,708)	(482)	(7,190)	
	5	**17,025**	**17,030**		7,010	16,233	23,243	
HKFRS 16 impact								
EBIT ^	**3,063** ^	**1,264** ^	**4,327** ^		2,833 ^	1,369 ^	4,202 ^	
Interest expenses and other finance costs	**(2,714)**	**(1,681)**	**(4,395)**		(2,507)	(1,546)	(4,053)	
Current tax	**10**	**-**	**10**		4	-	4	
Deferred tax	**-**	**52**	**52**		33	72	105	
Non-controlling interests	**64**	**-**	**64**		(1)	-	(1)	
	428	**16,660**	**17,088**		7,372	16,128	23,500	
^ Reconciliation to Post-HKFRS 16 basis EBIT :								
Pre-HKFRS 16 basis EBIT per above	**22,239**	**32,832**	**55,071**		26,478	32,602	59,080	
HKFRS 16 impact per above	**3,063**	**1,264**	**4,327**		2,833	1,369	4,202	
Post-HKFRS 16 basis EBIT	**25,302**	**34,096**	**59,398**		29,311	33,971	63,282	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iv) An analysis of depreciation and amortisation expenses by segments

	Depreciation and amortisation					
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million
Ports and Related Services	**2,859**	**1,440**	**4,299**	2,843	1,457	4,300
Retail	**2,508**	**869**	**3,377**	2,550	788	3,338
Infrastructure	**275**	**10,159**	**10,434**	285	9,354	9,639
Telecommunications						
CK Hutchison Group Telecom						
3 Group Europe	***19,168***	***351***	***19,519***	*18,688*	*260*	*18,948*
Hutchison Telecommunications Hong Kong Holdings	***1,082***	***40***	***1,122***	*1,082*	*45*	*1,127*
Corporate and Others	***3***	**-**	***3***	*1*	-	*1*
	20,253	**391**	**20,644**	19,771	305	20,076
Finance & Investments and Others	**496**	**8,919**	**9,415**	508	8,451	8,959
	26,391	**21,778**	**48,169**	25,957	20,355	46,312
Portion attributable to:						
Non-controlling interests of HPH Trust	**-**	**269**	**269**	-	268	268
	26,391	**22,047**	**48,438**	25,957	20,623	46,580
Divesture of infrastructure investments	**-**	**212**	**212**	-	176	176
	26,391	**22,259**	**48,650**	25,957	20,799	46,756
HKFRS 16 impact	**14,069**	**4,112**	**18,181**	14,126	4,101	18,227
	40,460	**26,371**	**66,831**	40,083	24,900	64,983

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(v) An analysis of capital expenditure by segments

	Capital expenditure (xxii)							
	Fixed assets HK$ million	**Telecom-munications licences HK$ million**	**Brand names and other rights HK$ million**	**2024 Total HK$ million**	Fixed assets HK$ million	Telecom-munications licences HK$ million	Brand names and other rights HK$ million	2023 Total HK$ million
Ports and Related Services	**3,804**	**-**	**16**	**3,820**	5,511	-	10	5,521
Retail	**3,240**	**-**	**-**	**3,240**	2,814	-	-	2,814
Infrastructure	**363**	**-**	**-**	**363**	320	-	2	322
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***12,408***	***59***	***1,897***	***14,364***	*12,450*	*1,937*	*1,663*	*16,050*
Hutchison Telecommunications Hong Kong Holdings	***434***	***-***	***-***	***434***	*481*	*-*	*-*	*481*
Corporate and Others	***1***	***-***	***-***	***1***	*2*	*-*	*-*	*2*
	12,843	**59**	**1,897**	**14,799**	12,933	1,937	1,663	16,533
Finance & Investments and Others	**345**	**13**	**-**	**358**	301	19	-	320
	20,595	**72**	**1,913**	**22,580**	21,879	1,956	1,675	25,510
HKFRS 16 impact	**(230)**	**-**	**-**	**(230)**	(209)	-	-	(209)
	20,365	**72**	**1,913**	**22,350**	21,670	1,956	1,675	25,301

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(vi) An analysis of total assets by segments

	Total assets							
	Segment assets (xx) HK$ million	**Deferred tax assets HK$ million**	**Investments in associated companies and interests in joint ventures HK$ million**	**2024 Total assets HK$ million**	Segment assets (xx) HK$ million	Deferred tax assets HK$ million	Investments in associated companies and interests in joint ventures HK$ million	2023 Total assets HK$ million
Ports and Related Services	**70,019**	**490**	**22,825**	**93,334**	75,587	609	21,519	97,715
Retail	**201,748**	**1,701**	**16,999**	**220,448**	201,155	1,802	17,233	220,190
Infrastructure	**54,777**	**1**	**168,113**	**222,891**	59,577	2	171,277	230,856
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	*263,429*	*14,162*	*2,664*	*280,255*	*275,196*	*16,858*	*2,628*	*294,682*
Hutchison Telecommunications Hong Kong Holdings	*15,208*	*1*	*112*	*15,321*	*15,776*	*2*	*109*	*15,887*
Corporate and Others	*25,226*	*-*	*3*	*25,229*	*26,995*	*-*	*1*	*26,996*
	303,863	**14,163**	**2,779**	**320,805**	317,967	16,860	2,738	337,565
Finance & Investments and Others	**121,400**	**68**	**85,603**	**207,071**	131,868	64	89,124	221,056
	751,807	**16,423**	**296,319**	**1,064,549**	786,154	19,337	301,891	1,107,382
HKFRS 16 impact	**48,532**	**1,717**	**(2,256)**	**47,993**	51,700	1,737	(1,916)	51,521
	800,339	**18,140**	**294,063**	**1,112,542**	837,854	21,074	299,975	1,158,903

(vii) An analysis of total liabilities by segments

	Total liabilities							
	Segment liabilities (xx) HK$ million	**Current & non-current borrowings (xxi) and other non-current liabilities HK$ million**	**Current & deferred tax liabilities HK$ million**	**2024 Total liabilities HK$ million**	Segment liabilities (xx) HK$ million	Current & non-current borrowings (xxi) and other non-current liabilities HK$ million	Current & deferred tax liabilities HK$ million	2023 Total liabilities HK$ million
Ports and Related Services	**11,044**	**10,385**	**4,531**	**25,960**	11,591	14,867	4,535	30,993
Retail	**28,340**	**6,626**	**10,369**	**45,335**	27,748	7,056	10,900	45,704
Infrastructure	**6,809**	**19,131**	**535**	**26,475**	7,236	24,551	615	32,402
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	*28,865*	*14,883*	*3,622*	*47,370*	*32,856*	*16,319*	*3,935*	*53,110*
Hutchison Telecommunications Hong Kong Holdings	*1,657*	*2,118*	*198*	*3,973*	*1,835*	*2,249*	*123*	*4,207*
Corporate and Others	*865*	*44,914*	*46*	*45,825*	*1,105*	*44,428*	*26*	*45,559*
	31,387	**61,915**	**3,866**	**97,168**	35,796	62,996	4,084	102,876
Finance & Investments and Others	**9,714**	**191,885**	**2,739**	**204,338**	8,642	198,493	4,462	211,597
	87,294	**289,942**	**22,040**	**399,276**	91,013	307,963	24,596	423,572
HKFRS 16 impact	**63,067**	**(1,695)**	**(698)**	**60,674**	66,865	(1,225)	(858)	64,782
	150,361	**288,247**	**21,342**	**459,950**	157,878	306,738	23,738	488,354

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(viii) An analysis of revenue by geographical locations

	Revenue (xix)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
Hong Kong	**28,763**	**5,143**	**33,906**	**7%**	29,857	4,554	34,411	8%
Mainland China	**16,833**	**7,506**	**24,339**	**5%**	20,072	7,264	27,336	6%
The People's Republic of China	**45,596**	**12,649**	**58,245**	**12%**	49,929	11,818	61,747	14%
Europe	**161,049**	**83,323**	**244,372**	**52%**	154,709	76,970	231,679	50%
Canada	**204**	**3,151**	**3,355**	**1%**	229	3,633	3,862	1%
Asia, Australia and Others	**57,087**	**16,111**	**73,198**	**15%**	53,047	15,388	68,435	14%
	218,340	**102,585**	**320,925**	**68%**	207,985	95,991	303,976	65%
	263,936	**115,234**	**379,170**	**80%**	257,914	107,809	365,723	79%
Finance & Investments and Others	**17,415**	**80,097**	**97,512**	**20%**	17,661	78,174	95,835	21%
	281,351	**195,331**	**476,682** **	**100%**	275,575	185,983	461,558 **	100%

** see note 5(b)(i) for reconciliation of segment revenue to revenue presented in the consolidated income statement.

(ix) An analysis of EBITDA by geographical locations

	EBITDA (LBITDA) (xiv)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
Hong Kong	**469**	**1,884**	**2,353**	**2%**	1,182	1,686	2,868	3%
Mainland China	**613**	**2,577**	**3,190**	**3%**	1,484	2,222	3,706	4%
The People's Republic of China	**1,082**	**4,461**	**5,543**	**5%**	2,666	3,908	6,574	7%
Europe	**34,121**	**22,393**	**56,514**	**55%**	31,516	20,612	52,128	49%
Canada	**199**	**1,834**	**2,033**	**2%**	230	1,978	2,208	2%
Asia, Australia and Others	**13,404**	**8,816**	**22,220**	**22%**	12,392	8,094	20,486	19%
	47,724	**33,043**	**80,767**	**79%**	44,138	30,684	74,822	70%
	48,806	**37,504**	**86,310**	**84%**	46,804	34,592	81,396	77%
Finance & Investments and Others (xvi) (xvii)	**(176)**	**16,466**	**16,290**	**16%**	5,631	17,853	23,484	23%
	48,630	**53,970**	**102,600** ##	**100%**	52,435	52,445	104,880 ##	100%

see note 5(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

5 **Operating segment information (continued)**

(b) Segment results, assets and liabilities (continued)

(x) An analysis of EBIT by geographical locations

	EBIT (LBIT) (xv)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
Hong Kong	**(1,017)**	**945**	**(72)**	**-**	(342)	741	399	1%
Mainland China	**(110)**	**1,822**	**1,712**	**3%**	632	1,460	2,092	3%
The People's Republic of China	**(1,127)**	**2,767**	**1,640**	**3%**	290	2,201	2,491	4%
Europe	**12,911**	**15,499**	**28,410**	**52%**	10,865	14,376	25,241	43%
Canada	**200**	**1,155**	**1,355**	**2%**	229	1,308	1,537	3%
Asia, Australia and Others	**10,927**	**5,224**	**16,151**	**30%**	9,971	4,803	14,774	25%
	24,038	**21,878**	**45,916**	**84%**	21,065	20,487	41,552	71%
	22,911	**24,645**	**47,556**	**87%**	21,355	22,688	44,043	75%
Finance & Investments and Others (xvi) (xvii)	**(672)**	**7,547**	**6,875**	**13%**	5,123	9,402	14,525	25%
	22,239	**32,192**	**54,431 @@**	**100%**	26,478	32,090	58,568 @@	100%

@@ see note 5(b)(iii) for reconciliation of segment EBIT to EBIT included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xi) An analysis of capital expenditure by geographical locations

	Capital expenditure (xxii)							
	Fixed assets HK$ million	**Telecom-munications licences HK$ million**	**Brand names and other rights HK$ million**	**2024 Total HK$ million**	Fixed assets HK$ million	Telecom-munications licences HK$ million	Brand names and other rights HK$ million	2023 Total HK$ million
Hong Kong	**1,241**	**-**	**-**	**1,241**	1,389	-	-	1,389
Mainland China	**668**	**-**	**-**	**668**	658	-	-	658
The People's Republic of China	**1,909**	**-**	**-**	**1,909**	2,047	-	-	2,047
Europe	**15,088**	**59**	**1,897**	**17,044**	14,799	1,088	1,663	17,550
Asia, Australia and Others	**3,253**	**-**	**16**	**3,269**	4,732	849	12	5,593
	18,341	**59**	**1,913**	**20,313**	19,531	1,937	1,675	23,143
	20,250	**59**	**1,913**	**22,222**	21,578	1,937	1,675	25,190
Finance & Investments and Others	**345**	**13**	**-**	**358**	301	19	-	320
	20,595	**72**	**1,913**	**22,580**	21,879	1,956	1,675	25,510
HKFRS 16 impact	**(230)**	**-**	**-**	**(230)**	(209)	-	-	(209)
	20,365	**72**	**1,913**	**22,350**	21,670	1,956	1,675	25,301

(xii) An analysis of total assets by geographical locations

	Total assets							
	Segment assets (xx) HK$ million	**Deferred tax assets HK$ million**	**Investments in associated companies and interests in joint ventures HK$ million**	**2024 Total assets HK$ million**	Segment assets (xx) HK$ million	Deferred tax assets HK$ million	Investments in associated companies and interests in joint ventures HK$ million	2023 Total assets HK$ million
Hong Kong	**47,825**	**287**	**10,631**	**58,743**	48,053	161	10,656	58,870
Mainland China	**29,076**	**570**	**15,298**	**44,944**	33,223	688	15,184	49,095
The People's Republic of China	**76,901**	**857**	**25,929**	**103,687**	81,276	849	25,840	107,965
Europe	**432,453**	**14,787**	**119,130**	**566,370**	444,041	17,614	117,538	579,193
Canada	**4,969**	**1**	**10,980**	**15,950**	4,333	2	12,329	16,664
Asia, Australia and Others	**116,084**	**710**	**54,677**	**171,471**	124,636	808	57,060	182,504
	553,506	**15,498**	**184,787**	**753,791**	573,010	18,424	186,927	778,361
	630,407	**16,355**	**210,716**	**857,478**	654,286	19,273	212,767	886,326
Finance & Investments and Others	**121,400**	**68**	**85,603**	**207,071**	131,868	64	89,124	221,056
	751,807	**16,423**	**296,319**	**1,064,549**	786,154	19,337	301,891	1,107,382
HKFRS 16 impact	**48,532**	**1,717**	**(2,256)**	**47,993**	51,700	1,737	(1,916)	51,521
	800,339	**18,140**	**294,063**	**1,112,542**	837,854	21,074	299,975	1,158,903

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net losses from major transaction activities and other one-off item by segments and geographical locations

The Group's EBITDA and EBIT for the year ended 31 December 2024 included the losses attributable to shareholders from the the impairment charge against the assets of the Group's telecommunications business in Vietnam of HK$1,859 million and other provisions of HK$1,881 millon (see note 5(b)(xvii)).

An analysis of EBITDA by segments

	EBITDA (LBITDA) (xiv)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
EBITDA before the following one-off item								
Ports and Related Services	**12,098**	**4,074**	**16,172**	**15%**	10,104	3,524	13,628	13%
Retail	**11,274**	**5,121**	**16,395**	**15%**	11,335	4,891	16,226	15%
Infrastructure	**1,765**	**27,849**	**29,614**	**28%**	3,364	25,837	29,201	28%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***22,689***	***433***	***23,122***	***22%***	*21,059*	*289*	*21,348*	*20%*
Hutchison Telecommunications Hong Kong Holdings	***1,236***	***54***	***1,290***	***1%***	*1,182*	*61*	*1,243*	*1%*
Corporate and Others	***(256)***	***(27)***	***(283)***	**-**	*(240)*	(10)	*(250)*	-
	23,669	**460**	**24,129**	**23%**	22,001	340	22,341	21%
Finance & Investments and Others (xvi)	**3,564**	**16,466**	**20,030**	**19%**	5,631	17,853	23,484	23%
	52,370	**53,970**	**106,340**	**100%**	52,435	52,445	104,880	100%
One-off item								
Impairment of telecommunications business in Vietnam and other provisions (xvii)	**(3,740)**	**-**	**(3,740)**		-	-	-	
	48,630	**53,970**	**102,600** ##		52,435	52,445	104,880 ##	

see note 5(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net losses from major transaction activities and other one-off item by segments and geographical locations (continued)

An analysis of EBITDA by geographical locations

	EBITDA (LBITDA) (xiv)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
EBITDA before the following one-off item								
Hong Kong	**469**	**1,884**	**2,353**	**2%**	1,182	1,686	2,868	3%
Mainland China	**613**	**2,577**	**3,190**	**3%**	1,484	2,222	3,706	4%
The People's Republic of China	**1,082**	**4,461**	**5,543**	**5%**	2,666	3,908	6,574	7%
Europe	**34,121**	**22,393**	**56,514**	**53%**	31,516	20,612	52,128	49%
Canada	**199**	**1,834**	**2,033**	**2%**	230	1,978	2,208	2%
Asia, Australia and Others	**13,404**	**8,816**	**22,220**	**21%**	12,392	8,094	20,486	19%
	47,724	**33,043**	**80,767**	**76%**	44,138	30,684	74,822	70%
	48,806	**37,504**	**86,310**	**81%**	46,804	34,592	81,396	77%
Finance & Investments and Others (xvi)	**3,564**	**16,466**	**20,030**	**19%**	5,631	17,853	23,484	23%
	52,370	**53,970**	**106,340**	**100%**	52,435	52,445	104,880	100%
One-off item								
Impairment of telecommunications business in Vietnam and other provisions (xvii)	**(3,740)**	**-**	**(3,740)**		-	-	-	
	48,630	**53,970**	**102,600 ##**		52,435	52,445	104,880 ##	

see note 5(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net losses from major transaction activities and other one-off item by segments and geographical locations (continued)

An analysis of EBIT by segments

	EBIT (LBIT) [(xv)]							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
EBIT before the following one-off item								
Ports and Related Services	**9,239**	**2,634**	**11,873**	**21%**	7,261	2,067	9,328	16%
Retail	**8,766**	**4,252**	**13,018**	**22%**	8,785	4,103	12,888	22%
Infrastructure	**1,490**	**17,690**	**19,180**	**33%**	3,079	16,483	19,562	33%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***3,521***	***82***	***3,603***	***6%***	*2,371*	29	*2,400*	*4%*
Hutchison Telecommunications Hong Kong Holdings	***154***	***14***	***168***	**-**	*100*	*16*	*116*	-
Corporate and Others	***(259)***	***(27)***	***(286)***	**-**	*(241)*	(10)	*(251)*	-
	3,416	**69**	**3,485**	**6%**	2,230	35	2,265	4%
Finance & Investments and Others [(xvi)]	**3,068**	**7,547**	**10,615**	**18%**	5,123	9,402	14,525	25%
	25,979	**32,192**	**58,171**	**100%**	26,478	32,090	58,568	100%
One-off item								
Impairment of telecommunications business in Vietnam and other provisions [(xvii)]	**(3,740)**	**-**	**(3,740)**		-	-	-	
	22,239	**32,192**	**54,431** @@		26,478	32,090	58,568 @@	

@@ see note 5(b)(iii) for reconciliation of segment EBIT to EBIT included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiii) An analysis of results (EBITDA and EBIT) before net losses from major transaction activities and other one-off item by segments and geographical locations (continued)

An analysis of EBIT by geographical locations

	EBIT (LBIT) (xv)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
EBIT before the following one-off item								
Hong Kong	**(1,017)**	**945**	**(72)**	**-**	(342)	741	399	1%
Mainland China	**(110)**	**1,822**	**1,712**	**3%**	632	1,460	2,092	3%
The People's Republic of China	**(1,127)**	**2,767**	**1,640**	**3%**	290	2,201	2,491	4%
Europe	**12,911**	**15,499**	**28,410**	**49%**	10,865	14,376	25,241	43%
Canada	**200**	**1,155**	**1,355**	**2%**	229	1,308	1,537	3%
Asia, Australia and Others	**10,927**	**5,224**	**16,151**	**28%**	9,971	4,803	14,774	25%
	24,038	**21,878**	**45,916**	**79%**	21,065	20,487	41,552	71%
	22,911	**24,645**	**47,556**	**82%**	21,355	22,688	44,043	75%
Finance & Investments and Others (xvi)	**3,068**	**7,547**	**10,615**	**18%**	5,123	9,402	14,525	25%
	25,979	**32,192**	**58,171**	**100%**	26,478	32,090	58,568	100%
One-off item								
Impairment of telecommunications business in Vietnam and other provisions (xvii)	**(3,740)**	**-**	**(3,740)**		-	-	-	
	22,239	**32,192**	**54,431** @@		26,478	32,090	58,568 @@	

@@ see note 5(b)(iii) for reconciliation of segment EBIT to EBIT included and presented in the consolidated income statement.

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xiv) EBITDA (LBITDA) represents the EBITDA (LBITDA) of the Company and subsidiary companies as well as the Group's share of the EBITDA (LBITDA) of associated companies and joint ventures except for HPH Trust which is included based on the Group's effective share of EBITDA for this operation. EBITDA (LBITDA) is defined as earnings (losses) before interest expenses and other finance costs, tax, depreciation and amortisation. Information concerning EBITDA (LBITDA) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of gross cash flow generation. The Group considers EBITDA (LBITDA) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBITDA (LBITDA) is therefore presented as a measure of segment results in accordance with HKFRS 8. EBITDA (LBITDA) is not a measure of cash liquidity or financial performance under HKFRS and the EBITDA (LBITDA) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBITDA (LBITDA) should not necessarily be construed as an alternative to cash flows or results from operations as determined in accordance with HKFRS.

(xv) EBIT (LBIT) represents the EBIT (LBIT) of the Company and subsidiary companies as well as the Group's share of the EBIT (LBIT) of associated companies and joint ventures except for HPH Trust which is included based on the Group's effective share of EBIT for this operation. EBIT (LBIT) is defined as earnings (losses) before interest expenses and other finance costs and tax. Information concerning EBIT (LBIT) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of results from operations. The Group considers EBIT (LBIT) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBIT (LBIT) is therefore presented as a measure of segment results in accordance with HKFRS 8. EBIT (LBIT) is not a measure of financial performance under HKFRS and the EBIT (LBIT) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBIT (LBIT) should not necessarily be construed as an alternative to results from operations as determined in accordance with HKFRS.

(xvi) The comparative year balance included a gain on disposal of financial instruments of HK$1,829 million. In June 2023, the Group entered into a warrant repurchase agreement with Cenovus Energy, under which the Group sold 26.3 million Cenovus Energy share warrants to Cenovus Energy for a total consideration of approximately C$410 million. Before their disposal, these share warrants, as hedging instrument in a cash flow hedge, were measured at fair value through other comprehensive income and reported under "Finance & Investments and Others" in the segment information note and under other non-current assets in the consolidated statement of financial position. The disposal has resulted in a gain (after reclassification adjustments of hedging gains to profit or loss) of approximately HK$1,829 million (HK$1,829 million at Post-HKFRS 16 basis) in the comparative year. This gain was reported under "Finance & Investments and Others" in the segment results and under "Other income and gains" in the consolidated income statement.

(xvii) The balance includes an impairment charge of HK$1,859 million (HK$1,859 million at Post-HKFRS 16 basis, see note 7(e)) against assets of the Group's telecommunications business in Vietnam and provisions totalling HK$1,881 million for exposures relating to the Group's interest in this business. The total amount of HK$3,740 million is at EBITDA and EBIT levels and is reported under "Finance & Investments and Others" in the segment results. In the consolidated income statement, these charges are reported in the line item "Other expenses and losses" with HK$1,859 million presented as "Impairment loss on telecommunications business in Vietnam" and HK$1,881 million included in "Office and general administrative expenses and others".

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(xviii) The Group is working with the UK Competition and Markets Authority to put in place the final undertakings in order to close the **3** UK and Vodafone UK merger transaction with completion expected within the first half of 2025.

(xix) The geographical location of customers is based on the location at which the services were provided or goods delivered. Hong Kong is the location of principal place of business of the Company.

(xx) Segment assets and segment liabilities

Segment assets are assets other than deferred tax assets and investments in associated companies and interests in joint ventures.

Segment liabilities are liabilities other than bank and other debts, interest bearing loans from non-controlling shareholders, tax liabilities (including deferred tax liabilities) and other non-current liabilities.

See note 5(b)(vi) and 5(b)(vii) for reconciliation of segment assets and segment liabilities from Pre-HKFRS 16 basis to Post-HKFRS 16 basis.

Geographical analysis of the Group's non-current assets (based on Post-HKFRS 16 basis) other than financial instruments, deferred tax assets and post-employment benefit assets is as follows:

	2024	2023
	HK$ million	HK$ million
Hong Kong	**73,423**	72,857
Mainland China	**54,341**	57,362
The People's Republic of China	**127,764**	130,219
Europe	**513,988**	523,476
Canada	**59,958**	62,643
Asia, Australia and Others	**185,897**	197,955
	759,843	784,074
	887,607	914,293

The geographical location of these specified non-current assets is based on the physical location of the asset (for fixed assets, right-of-use assets and other operating assets), the location of the operation in which they are allocated (for intangible assets and goodwill), and the location of operations (for associated companies and interests in joint ventures).

(xxi) Current and non-current borrowings comprise bank and other debts and interest bearing loans from non-controlling shareholders.

(xxii) For the purpose of segmental information analysis, expenditures incurred for leases are not regarded as capital expenditures.

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics

(i) Consolidated Income Statement

	2024			2023		
	Pre-HKFRS 16 basis 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	**281,351**	**-**	**281,351**	275,575	-	275,575
Cost of inventories sold	**(106,223)**	**29**	**(106,194)**	(105,771)	32	(105,739)
Staff costs	**(41,591)**	**-**	**(41,591)**	(39,226)	-	(39,226)
Expensed customer acquisition and retention costs	**(15,787)**	**354**	**(15,433)**	(15,577)	389	(15,188)
Depreciation and amortisation	**(26,391)**	**(14,069)**	**(40,460)**	(25,957)	(14,126)	(40,083)
Other expenses and losses	**(69,594)**	**16,699**	**(52,895)**	(64,633)	16,538	(48,095)
Other income and gains	**474**	**50**	**524**	2,067	-	2,067
Share of profits less losses of:						
Associated companies	**7,012**	**(109)**	**6,903**	8,215	(77)	8,138
Joint ventures	**10,013**	**(256)**	**9,757**	8,018	(28)	7,990
	39,264	**2,698**	**41,962**	42,711	2,728	45,439
Interest expenses and other finance costs	**(10,678)**	**(2,714)**	**(13,392)**	(9,720)	(2,507)	(12,227)
Profit before tax	**28,586**	**(16)**	**28,570**	32,991	221	33,212
Current tax	**(4,199)**	**10**	**(4,189)**	(4,123)	4	(4,119)
Deferred tax credit (charge)	**(528)**	**-**	**(528)**	1,083	33	1,116
Profit after tax	**23,859**	**(6)**	**23,853**	29,951	258	30,209
Profit attributable to non-controlling interests and holders of perpetual capital securities	**(6,829)**	**64**	**(6,765)**	(6,708)	(1)	(6,709)
Profit attributable to ordinary shareholders	**17,030**	**58**	**17,088**	23,243	257	23,500
Earnings per share for profit attributable to ordinary shareholders	**HK$ 4.45**	**HK$ 0.01**	**HK$ 4.46**	HK$ 6.07	HK$ 0.07	HK$ 6.14

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(ii) Consolidated Statement of Comprehensive Income

	2024			2023		
	Pre-HKFRS 16 basis 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	**23,859**	**(6)**	**23,853**	29,951	258	30,209
Other comprehensive income (losses)						
Items that will not be reclassified to profit or loss						
Changes in fair value of equity instruments at fair value through other comprehensive income	**(528)**	**-**	**(528)**	718	-	718
Remeasurement of defined benefit obligations	**810**	**-**	**810**	(1,470)	-	(1,470)
Share of other comprehensive income (losses) of associated companies	**(83)**	**-**	**(83)**	(560)	-	(560)
Share of other comprehensive income (losses) of joint ventures	**(945)**	**-**	**(945)**	269	-	269
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	**(90)**	**-**	**(90)**	376	-	376
	(836)	**-**	**(836)**	(667)	-	(667)
Items that may be reclassified to profit or loss						
Changes in fair value of debt instruments at fair value through other comprehensive income	**126**	**-**	**126**	120	-	120
Exchange gains (losses) on translation of foreign operations	**(10,064)**	**521**	**(9,543)**	8,100	(329)	7,771
Exchange losses reclassified to profit or loss	**-**	**-**	**-**	344	(2)	342
Losses on cash flow hedges	**(132)**	**-**	**(132)**	(1,059)	-	(1,059)
Gains (losses) on net investment hedges	**1,484**	**-**	**1,484**	(1,641)	-	(1,641)
Reclassification adjustments for hedging gains included in profit or loss	**-**	**-**	**-**	(1,735)	-	(1,735)
Share of other comprehensive income (losses) of associated companies	**(5,658)**	**(12)**	**(5,670)**	1,812	77	1,889
Share of other comprehensive income (losses) of joint ventures	**(5,348)**	**37**	**(5,311)**	3,748	(20)	3,728
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	**5**	**-**	**5**	4	-	4
	(19,587)	**546**	**(19,041)**	9,693	(274)	9,419
Other comprehensive income (losses), net of tax	**(20,423)**	**546**	**(19,877)**	9,026	(274)	8,752
Total comprehensive income	**3,436**	**540**	**3,976**	38,977	(16)	38,961
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	**(4,061)**	**(94)**	**(4,155)**	(7,560)	84	(7,476)
Total comprehensive income (losses) attributable to ordinary shareholders	**(625)**	**446**	**(179)**	31,417	68	31,485

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(iii) Consolidated Statement of Financial Position

	2024			2023		
	Pre-HKFRS 16 basis 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	**113,994**	**(2,217)**	**111,777**	121,957	(2,131)	119,826
Right-of-use assets	**-**	**57,589**	**57,589**	-	61,198	61,198
Leasehold land	**5,443**	**(5,443)**	**-**	5,958	(5,958)	-
Telecommunications licences	**63,869**	**-**	**63,869**	64,264	-	64,264
Brand names and other rights	**79,241**	**-**	**79,241**	83,396	-	83,396
Goodwill	**267,325**	**-**	**267,325**	271,136	-	271,136
Associated companies	**140,713**	**(858)**	**139,855**	144,375	(737)	143,638
Interests in joint ventures	**155,606**	**(1,398)**	**154,208**	157,516	(1,179)	156,337
Deferred tax assets	**16,423**	**1,717**	**18,140**	19,337	1,737	21,074
Liquid funds and other listed investments	**8,142**	**-**	**8,142**	15,786	-	15,786
Other non-current assets	**19,589**	**614**	**20,203**	19,356	506	19,862
	870,345	**50,004**	**920,349**	903,081	53,436	956,517
Current assets						
Cash and cash equivalents	**121,303**	**-**	**121,303**	127,323	-	127,323
Inventories	**24,923**	**-**	**24,923**	24,473	-	24,473
Trade receivables and other current assets	**47,978**	**(2,011)**	**45,967**	52,505	(1,915)	50,590
	194,204	**(2,011)**	**192,193**	204,301	(1,915)	202,386
Current liabilities						
Bank and other debts	**31,427**	**(471)**	**30,956**	58,785	(461)	58,324
Interest bearing loan from a non-controlling shareholder	**1,874**	**-**	**1,874**	-	-	-
Current tax liabilities	**3,431**	**(63)**	**3,368**	4,215	(49)	4,166
Lease liabilities	**-**	**12,142**	**12,142**	-	13,616	13,616
Trade payables and other current liabilities	**84,097**	**(1,452)**	**82,645**	87,477	(1,058)	86,419
	120,829	**10,156**	**130,985**	150,477	12,048	162,525
Net current assets	**73,375**	**(12,167)**	**61,208**	53,824	(13,963)	39,861
Total assets less current liabilities	**943,720**	**37,837**	**981,557**	956,905	39,473	996,378
Non-current liabilities						
Bank and other debts	**226,021**	**(585)**	**225,436**	214,362	(764)	213,598
Interest bearing loans from non-controlling shareholders	**1,597**	**-**	**1,597**	3,245	-	3,245
Lease liabilities	**-**	**52,377**	**52,377**	-	54,307	54,307
Deferred tax liabilities	**18,609**	**(635)**	**17,974**	20,381	(809)	19,572
Pension obligations	**3,197**	**-**	**3,197**	3,536	-	3,536
Other non-current liabilities	**29,023**	**(639)**	**28,384**	31,571	-	31,571
	278,447	**50,518**	**328,965**	273,095	52,734	325,829
Net assets	665,273	(12,681)	652,592	683,810	(13,261)	670,549
Capital and reserves						
Share capital	**3,830**	**-**	**3,830**	3,830	-	3,830
Share premium	**242,972**	**-**	**242,972**	242,972	-	242,972
Reserves	**296,847**	**(8,934)**	**287,913**	306,629	(9,396)	297,233
Total ordinary shareholders' funds	**543,649**	**(8,934)**	**534,715**	553,431	(9,396)	544,035
Perpetual capital securities	**-**	**-**	**-**	4,566	-	4,566
Non-controlling interests	**121,624**	**(3,747)**	**117,877**	125,813	(3,865)	121,948
Total equity	665,273	(12,681)	652,592	683,810	(13,261)	670,549

5 **Operating segment information (continued)**

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows

	2024			2023		
	Pre-HKFRS 16 basis HK$ million	**Effect on adoption of HKFRS 16 HK$ million**	**Post-HKFRS 16 basis HK$ million**	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million
	(A)		**(B)**	(A)		(B)
Operating activities						
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	**57,913**	**17,217**	**75,130**	58,574	16,842	75,416
Interest expenses and other finance costs paid (net of capitalisation)	**(10,553)**	**(2,714)**	**(13,267)**	(9,576)	(2,507)	(12,083)
Tax paid	**(4,652)**	**-**	**(4,652)**	(3,931)	-	(3,931)
Funds from operations (Funds from operations under (B) is before principal elements of lease payments)	**42,708**	**14,503**	**57,211**	45,067	14,335	59,402
Changes in working capital	**(2,189)**	**(794)**	**(2,983)**	(7,909)	(56)	(7,965)
Net cash from operating activities	**40,519**	**13,709**	**54,228**	37,158	14,279	51,437
Investing activities						
Purchase of fixed assets	**(20,595)**	**230**	**(20,365)**	(21,879)	209	(21,670)
Additions to telecommunications licences	**(72)**	**-**	**(72)**	(1,956)	-	(1,956)
Additions to brand names and other rights	**(1,913)**	**-**	**(1,913)**	(1,675)	-	(1,675)
Purchase of subsidiary companies, net of cash acquired	**(4,114)**	**-**	**(4,114)**	(55)	-	(55)
Additions to unlisted investments	**(44)**	**-**	**(44)**	(74)	-	(74)
Repayments of loans from associated companies and joint ventures	**1,242**	**-**	**1,242**	2,829	-	2,829
Purchase of and advances to associated companies and joint ventures	**(2,470)**	**-**	**(2,470)**	(819)	-	(819)
Proceeds from disposal of fixed assets	**146**	**-**	**146**	168	-	168
Proceeds from disposal of subsidiary companies, net of cash disposed	**333**	**-**	**333**	2,563	-	2,563
Proceeds from disposal of financial instruments	**-**	**-**	**-**	2,451	-	2,451
Proceeds from partial disposal / disposal of associated companies and joint ventures	**179**	**-**	**179**	734	-	734
Proceeds from disposal of other unlisted investments	**266**	**-**	**266**	74	-	74
Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments	**(27,042)**	**230**	**(26,812)**	(17,639)	209	(17,430)
Disposal of liquid funds and other listed investments	**7,172**	**-**	**7,172**	2,088	-	2,088
Additions to liquid funds and other listed investments	**(262)**	**-**	**(262)**	(73)	-	(73)
Cash flows used in investing activities	**(20,132)**	**230**	**(19,902)**	(15,624)	209	(15,415)
Net cash inflow before financing activities	**20,387**	**13,939**	**34,326**	21,534	14,488	36,022
Financing activities						
New borrowings	**54,806**	**(212)**	**54,594**	58,420	(209)	58,211
Repayment of borrowings	**(60,577)**	**376**	**(60,201)**	(75,558)	197	(75,361)
Principal elements of lease payments	**-**	**(14,103)**	**(14,103)**	-	(14,476)	(14,476)
Net loans from non-controlling shareholders	**466**	**-**	**466**	527	-	527
Issue of equity securities by subsidiary companies to non-controlling shareholders	**624**	**-**	**624**	-	-	-
Proceeds from partial disposal of subsidiary companies	**-**	**-**	**-**	61	-	61
Redemption of perpetual capital securities	**(4,180)**	**-**	**(4,180)**	-	-	-
Dividends paid to ordinary shareholders	**(9,433)**	**-**	**(9,433)**	(10,885)	-	(10,885)
Dividends paid to non-controlling interests	**(7,951)**	**-**	**(7,951)**	(4,694)	-	(4,694)
Distributions paid on perpetual capital securities	**(162)**	**-**	**(162)**	(167)	-	(167)
Cash flows used in financing activities	**(26,407)**	**(13,939)**	**(40,346)**	(32,296)	(14,488)	(46,784)
Decrease in cash and cash equivalents	**(6,020)**	**-**	**(6,020)**	(10,762)	-	(10,762)
Cash and cash equivalents at 1 January	**127,323**	**-**	**127,323**	138,085	-	138,085
Cash and cash equivalents at 31 December	**121,303**	**-**	**121,303**	127,323	-	127,323

5 Operating segment information (continued)

(c) Reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows (continued)

	2024			2023		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
Analysis of cash, liquid funds and other listed investments						
Cash and cash equivalents, as above	**121,303**	**-**	**121,303**	127,323	-	127,323
Liquid funds and other listed investments	**8,142**	**-**	**8,142**	15,786	-	15,786
Total cash, liquid funds and other listed investments	**129,445**	**-**	**129,445**	143,109	-	143,109
Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	**259,059**	**(1,056)**	**258,003**	274,919	(1,225)	273,694
Interest bearing loans from non-controlling shareholders	**3,471**	**-**	**3,471**	3,245	-	3,245
Net debt	**133,085**	**(1,056)**	**132,029**	135,055	(1,225)	133,830
Interest bearing loans from non-controlling shareholders	**(3,471)**	**-**	**(3,471)**	(3,245)	-	(3,245)
Net debt (excluding interest bearing loans from non-controlling shareholders)	**129,614**	**(1,056)**	**128,558**	131,810	(1,225)	130,585

6 Directors' emoluments

	2024 HK$ million	2023 HK$ million
Directors' emoluments	**424**	419

Directors' emoluments comprise payments to directors by the Company and its subsidiaries in connection with the management of the affairs of the Company and its subsidiaries. The emoluments exclude amounts received from the Company's listed subsidiaries and paid to the Company. The amounts disclosed above are the amounts recognised as directors' emolument expenses and are included in "Staff costs" and "Other expenses and losses" in the consolidated income statement.

As at 31 December 2024 and 31 December 2023, the Company and its subsidiary companies do not have share option scheme. None of the directors have received any share-based payments from the Company or any of its subsidiaries during the year (2023: nil).

In 2024, the five individuals whose emoluments were the highest for the year were directors of the Company. In 2023, the five individuals whose emoluments were the highest for the year were four directors of the Company and one director of a subsidiary of the Company. The remuneration of the director of the subsidiary company consisted of basic salary, allowances and benefits-in-kind of HK$4.94 million; provident fund contribution of HK$0.39 million and discretionary bonus of HK$23.85 million.

Further details of the directors' emoluments are set out in table below:

Directors' emolument expenses recognised in the Group's consolidated income statement:

	2024					
Name of directors	**Director's fees HK$ million**	**Basic salaries, allowances and benefits-in-kind HK$ million**	**Discretionary bonuses HK$ million**	**Provident fund contributions HK$ million**	**Inducement or compensation fees HK$ million**	**Total emoluments HK$ million**
Victor T K LI [1] [2]						
Paid by the Company	**0.31**	**5.31**	**46.04**	**-**	**-**	**51.66**
Paid by CKI	**0.13**	**-**	**30.02**	**-**	**-**	**30.15**
	0.44	**5.31**	**76.06**	**-**	**-**	**81.81**
FOK Kin Ning, Canning [3]	**0.22**	**8.41**	**71.57**	**0.72**	**-**	**80.92**
Frank John SIXT [3] [4]	**0.28**	**12.07**	**74.21**	**-**	**-**	**86.56**
LAI Kai Ming, Dominic [3]	**0.22**	**7.53**	**71.52**	**0.62**	**-**	**79.89**
IP Tak Chuen, Edmond						
Paid by the Company	**0.22**	**0.45**	**1.79**	**-**	**-**	**2.46**
Paid by CKI	**0.10**	**1.80**	**2.35**	**-**	**-**	**4.25**
	0.32	**2.25**	**4.14**	**-**	**-**	**6.71**
KAM Hing Lam						
Paid by the Company	**0.22**	**2.59**	**8.56**	**-**	**-**	**11.37**
Paid by CKI	**0.08**	**4.20**	**10.57**	**-**	**-**	**14.85**
	0.30	**6.79**	**19.13**	**-**	**-**	**26.22**
Edith SHIH [3] [4]	**0.28**	**4.99**	**17.84**	**0.37**	**-**	**23.48**
Andrew John HUNTER [5]						
Paid by the Company	**0.16**	**-**	**1.06**	**-**	**-**	**1.22**
Paid by CKI	**0.08**	**14.37**	**17.67**	**1.44**	**-**	**33.56**
	0.24	**14.37**	**18.73**	**1.44**	**-**	**34.78**
CHOW Kun Chee, Roland [6]	**0.22**	**-**	**-**	**-**	**-**	**0.22**
CHOW WOO Mo Fong, Susan [6]	**0.22**	**-**	**-**	**-**	**-**	**0.22**
LEE Yeh Kwong, Charles [6]	**0.22**	**-**	**-**	**-**	**-**	**0.22**
George Colin MAGNUS [6]						
Paid by the Company	**0.22**	**-**	**-**	**-**	**-**	**0.22**
Paid by CKI	**0.08**	**-**	**-**	**-**	**-**	**0.08**
	0.30	**-**	**-**	**-**	**-**	**0.30**
CHOW Ching Yee, Cynthia [2] [7] [8]	**0.39**	**-**	**-**	**-**	**-**	**0.39**
Graeme Allan JACK [7] [8] [9]	**0.02**	**-**	**-**	**-**	**-**	**0.02**
Philip Lawrence KADOORIE [7]	**0.22**	**-**	**-**	**-**	**-**	**0.22**
LEUNG LAU Yau Fun, Sophie [1] [7]	**0.25**	**-**	**-**	**-**	**-**	**0.25**
Paul Joseph TIGHE [1] [7] [8]						
Paid by the Company	**0.37**	**-**	**-**	**-**	**-**	**0.37**
Paid by CKI	**0.20**	**-**	**-**	**-**	**-**	**0.20**
	0.57	**-**	**-**	**-**	**-**	**0.57**
TSIM Sin Ling, Ruth [4] [7] [8] [10]	**0.39**	**-**	**-**	**-**	**-**	**0.39**
WONG Kwai Lam [2] [7] [8]	**0.41**	**-**	**-**	**-**	**-**	**0.41**
WONG Yick-ming, Rosanna [11]	**0.15**	**-**	**-**	**-**	**-**	**0.15**
Total	**5.66**	**61.72**	**353.20**	**3.15**	**-**	**423.73**

6 Directors' emoluments (continued)

Directors' emolument expenses recognised in the Group's consolidated income statement (continued):

Name of directors	2023 Director's fees HK$ million	Basic salaries, allowances and benefits-in-kind HK$ million	Discretionary bonuses HK$ million	Provident fund contributions HK$ million	Inducement or compensation fees HK$ million	Total emoluments HK$ million
Victor T K LI (1) (2)						
Paid by the Company	0.31	5.14	44.70	-	-	50.15
Paid by CKI	0.13	-	30.02	-	-	30.15
	0.44	5.14	74.72	-	-	80.30
FOK Kin Ning, Canning (3)	0.22	12.28	116.14	1.10	-	129.74
Frank John SIXT (3) (4)	0.28	9.48	59.36	0.53	-	69.65
LAI Kai Ming, Dominic (3)	0.22	6.23	57.22	0.51	-	64.18
IP Tak Chuen, Edmond						
Paid by the Company	0.22	1.72	8.94	-	-	10.88
Paid by CKI	0.10	1.80	11.79	-	-	13.69
	0.32	3.52	20.73	-	-	24.57
KAM Hing Lam						
Paid by the Company	0.22	2.52	8.31	-	-	11.05
Paid by CKI	0.08	4.20	10.82	-	-	15.10
	0.30	6.72	19.13	-	-	26.15
Edith SHIH (3) (4)	0.28	4.84	16.22	0.36	-	21.70
CHOW Kun Chee, Roland (6)	0.22	-	-	-	-	0.22
CHOW WOO Mo Fong, Susan (6)	0.22	-	-	-	-	0.22
LEE Yeh Kwong, Charles (6)	0.22	-	-	-	-	0.22
George Colin MAGNUS (6)						
Paid by the Company	0.22	-	-	-	-	0.22
Paid by CKI	0.08	-	-	-	-	0.08
	0.30	-	-	-	-	0.30
LEE Wai Mun, Rose (12)	0.33	-	-	-	-	0.33
CHOW Ching Yee, Cynthia (7) (8) (13)	0.02	-	-	-	-	0.02
Philip Lawrence KADOORIE (7)	0.22	-	-	-	-	0.22
LEUNG LAU Yau Fun, Sophie (1) (7)	0.25	-	-	-	-	0.25
Paul Joseph TIGHE (7) (8)						
Paid by the Company	0.35	-	-	-	-	0.35
Paid by CKI	0.20	-	-	-	-	0.20
	0.55	-	-	-	-	0.55
WONG Kwai Lam (2) (7) (8)	0.41	-	-	-	-	0.41
WONG Yick-ming, Rosanna (1) (2) (4) (7)	0.37	-	-	-	-	0.37
Total	5.17	48.21	363.52	2.50	-	419.40

(1) Member of the Nomination Committee.
(2) Member of the Remuneration Committee.
(3) Directors' fees to these Directors from the Company's listed subsidiaries during the period they served as directors have been paid to the Company and are not included in the amounts above.
(4) Member of the Sustainability Committee.
(5) Appointed on 1 April 2024.
(6) Non-executive Director.
(7) Independent Non-executive Director. The total emoluments of the Independent Non-executive Directors of the Company are HK$2.40 million (2023: HK$2.15 million).
(8) Member of the Audit Committee.
(9) Appointed on 13 December 2024.
(10) Appointed on 2 January 2024.
(11) Former Independent Non-executive Director and member of each of the Nomination Committee, Remuneration Committee and Sustainability Committee. Retired on 23 May 2024.
(12) Former Independent Non-executive Director and member of the Audit Committee. Resigned on 14 December 2023.
(13) Appointed on 14 December 2023.

7 Presentation of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains

This note provides additional details in respect of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains.

	2024 HK$ million	2023 HK$ million
Cost of goods sold: [a]		
included in "Cost of inventories sold"	**106,194**	105,739
included in "Expensed customer acquisition and retention costs"	**9,299**	9,456
	115,493	115,195

	2024 HK$ million	2023 HK$ million
Depreciation and amortisation: [b]		
Fixed assets (see note 12)	**17,862**	17,550
Right-of-use assets (see note 13(b))	**14,631**	14,651
Telecommunications licences (see note 14)	**907**	953
Brand names and other rights (see note 15)	**3,157**	3,262
Customer acquisition and retention costs (see note 21(a))	**3,903**	3,667
	40,460	40,083

	2024 HK$ million	2023 HK$ million
Other expenses and losses:		
Cost of providing services [c]	**(30,385)**	(29,435)
Office and general administrative expenses and others (see note 5(b)(xvii))	**(9,716)**	(7,740)
Expenses relating to short-term leases (see note 13(b))	**(850)**	(498)
Expenses relating to leases of low-value assets that are not short-term leases (see note 13(b))	**(491)**	(568)
Expenses relating to variable lease payments not included in lease liabilities (see note 13(b))	**(2,168)**	(2,253)
Advertising and promotion expenses	**(4,717)**	(4,783)
Legal and professional fees	**(2,147)**	(2,101)
Auditors' remuneration [d]	**(548)**	(397)
Impairment loss on telecommunications business in Vietnam [e]	**(1,859)**	-
Loss on disposal of a subsidiary company (See note 33(d))	**-**	(250)
Loss on disposal of associated companies and joint ventures	**(14)**	(70)
	(52,895)	(48,095)

	2024 HK$ million	2023 HK$ million
Other income and gains:		
Gains on disposals of subsidiary companies (See note 33(d))	**364**	-
Gains on disposals of interests in associated companies and joint ventures	**-**	228
A gain on disposal of financial instruments [f]	**-**	1,829
Others	**160**	10
	524	2,067

(a) Cost of goods sold of HK$115,493 million (2023: HK$115,195 million) is contributed by Retail segment of HK$94,091 million (2023:HK$92,765 million), Infrastructure segment of HK$1,505 million (2023: HK$1,654 million), Telecommunications segment of HK$11,889 million (2023: HK$12,212 million) and Finance & Investments and Others segment of HK$8,008 million (2023:HK$8,564 million).

(b) See note 5(b)(iv) for contribution by segments.

7 Presentation of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains (continued)

(c) Cost of providing services of HK$30,385 million (2023: HK$29,435 million) includes telecommunication network related costs of HK$19,653 million (2023: HK$19,093 million), repair and maintenance of HK$4,145 million (2023: HK$4,160 million) and others of HK$6,587 million (2023: HK$6,182 million). The balance is contributed by Ports and Related Services segment of HK$6,974 million (2023: HK$6,441 million), Retail segment of HK$313 million (2023:HK$277 million), Infrastructure segment of HK$830 million (2023: HK$1,164 million), Telecommunications segment of HK$21,745 million (2023: HK$21,089 million) and Finance & Investments and Others segment of HK$523 million (2023:HK$464 million).

(d) Auditors' remuneration of HK$548 million (2023: HK$397 million) are charged for audit and audit related work performed by the Company's auditor, PricewaterhouseCoopers of HK$407 million (2023: HK$262 million) and performed by other auditors of HK$76 million (2023: HK$14 million), and for non-audit work, including tax compliance and other tax related services, and other services, performed by the Company's auditor, PricewaterhouseCoopers of HK$22 million (2023: HK$71 million) and performed by other auditors of HK$43 million (2023: HK$50 million).

(e) Impairment loss

For the current year, an impairment loss of HK$1,859 million arose in the telecommunications business in Vietnam which is included as part of the "Finance & Investments and Others" segment in note 5.

The Group's telecommunications businesses in Vietnam principally engage in providing 3G and 4G mobile network services. The heightened competition and challenging operating environment in the Vietnam's telecommunications market led the Group to carry out an impairment test on this business at 31 December 2024, by comparing the carrying amount of this business with its recoverable amount. As a result, the Group recognised an impairment loss of HK$1,859 million, of which HK$1,236 million against fixed assets, HK$500 million against right-of-use assets and HK$123 million against other assets. The impairment loss was primarily resulted from the lowered expectation on growth and reported service revenues of 3G and 4G services of the Vietnam's businesses. The recoverable amount of this business was determined based on the value-in-use ("VIU") calculations. The VIU calculations used discounted cash flow projections based on the latest financial budget covering a five-year period and business plan approved by the management. Key assumptions and estimates used to prepare the discounted cash flow model include a post-tax discount rate of 10.1% and a growth rate of 0% reflecting the latest market conditions and that the business has yet to initiate a plan to invest in commercialisation of 5G.

(f) See note 5(b)(xvi).

8 Interest expenses and other finance costs

	2024	2023
	HK$ million	HK$ million
Bank loans and overdrafts	**4,596**	4,384
Other loans	**4**	4
Notes and bonds	**5,672**	5,057
Interest bearing loans from non-controlling shareholders	**159**	124
Other finance costs	**100**	234
Amortisation of loan facilities fees and premiums or discounts relating to debts	**248**	237
Other non-cash interest adjustments [(a)]	**(123)**	(93)
	10,656	9,947
Less: interest capitalised	**(21)**	(266)
Interest on lease liabilities (see note 13(b))	**2,757**	2,546
	13,392	12,227

(a) Other non-cash interest adjustments represent amortisation of acquisition-date fair value adjustments relating to debts of HK$338 million (2023: HK$341 million) net with accretion expense associated with an increase in the present value of certain obligations over time.

9 Tax

	2024 HK$ million	2023 HK$ million
Current tax charge		
Hong Kong	**167**	216
Outside Hong Kong	**4,022**	3,903
	4,189	4,119
Deferred tax charge (credit)		
Hong Kong	**(60)**	(37)
Outside Hong Kong	**588**	(1,079)
	528	(1,116)
	4,717	3,003

The Group's profits are taxed at different rates depending on the country or territory in which the profits arise.

Hong Kong profits tax has been provided for at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits less estimated available tax losses. Tax outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses.

The tax charged to the consolidated income statement of HK$4,717 million (2023: HK$3,003 million) differs from the tax charge of HK$3,961 million (2023: HK$2,982 million) that would apply if the Group's pre-tax profits (before share of results of the associated companies and joint ventures) had been taxed at the statutory rates of the countries in which the profits arose. The differences are set out as follows:

	2024 HK$ million	2023 HK$ million
Tax calculated at the domestic rates applicable in the jurisdiction concerned	**3,961**	2,982
Tax effect of:		
Tax losses not recognised	**1,524**	1,824
Income or gains not subject to tax	**(1,843)**	(1,112)
Expenses not deductible for tax purposes	**3,036**	1,847
Recognition of previously unrecognised tax losses	**-**	(32)
Utilisation of previously unrecognised tax losses	**(440)**	(200)
Under (over) provision in prior years	**1,055**	(855)
Other temporary differences	**(2,576)**	(1,451)
Total tax for the year	**4,717**	3,003

The Group is within the scope of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development. The Group applies the HKAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. While the Pillar Two legislation, including the tax law that implements the global minimum tax and qualified domestic minimum top-up tax, is not yet enacted or substantially enacted in Hong Kong as of the reporting date, it is expected that the new regime will come into effect for the Group's financial year beginning on 1 January 2025. For certain other jurisdictions where the Group has operations, Pillar Two legislation has come into effect as of 1 January 2024. Based on the assessment for the year ended 31 December 2024, the Group does not expect to have any Pillar Two exposure (including current tax) arising in these jurisdictions. Overall, based on the assessment for the year ended 31 December 2024 and the information currently available, the impact of these rules on the Group's income tax position is not expected to be material.

10 Earnings per share for profit attributable to ordinary shareholders

The calculation of earnings per share is based on profit attributable to ordinary shareholders of the Company of HK$17,088 million (2023: HK$23,500 million) and 3,830,044,500 shares in issue during the year of 2024 (2023: 3,830,044,500 shares).

The Company and its subsidiary companies do not have share option scheme or other dilutive potential ordinary shares as at 31 December 2024 and 31 December 2023. Certain of the Company's associated companies have employee share options outstanding as at 31 December 2024 and 31 December 2023. The employee share options of these associated companies outstanding as at 31 December 2024 and 31 December 2023 did not have a dilutive effect on earnings per share.

11 Distributions and dividends

(a) Distribution paid on perpetual capital securities

	2024 **HK$ million**	2023 HK$ million
Distribution paid on perpetual capital securities	**162**	167

(b) Dividends

	2024 **HK$ million**	2023 HK$ million
Interim dividend, paid of HK$0.688 per share (2023: HK$0.756 per share)	**2,635**	2,896
Final dividend, proposed of HK$1.514 per share (2023: HK$1.775 per share)	**5,799**	6,798
	8,434	9,694

The final dividend proposed after the end of the reporting period has not been recognised as a liability at 31 December 2024. The amount of the 2024 proposed final dividend is expected to be paid on 12 June 2025 out of retained profit.

12 Fixed assets

	Land and buildings HK$ million	Telecom-munications network assets HK$ million	Other assets [a] HK$ million	Total HK$ million
Cost				
At 1 January 2023	28,981	70,505	88,835	188,321
Additions	1,291	2,243	18,136	21,670
Relating to subsidiaries acquired (see note 33(c))	-	-	6	6
Disposals	(273)	(908)	(2,637)	(3,818)
Transfer between categories	255	7,818	(8,073)	-
Exchange translation differences	685	2,580	2,512	5,777
At 31 December 2023 and 1 January 2024	**30,939**	**82,238**	**98,779**	**211,956**
Additions	**1,404**	**2,296**	**16,665**	**20,365**
Relating to subsidiaries acquired (see note 33(c))	**-**	**451**	**177**	**628**
Disposals	**(310)**	**(5,109)**	**(6,125)**	**(11,544)**
Relating to subsidiaries disposed (see note 33(d))	**(119)**	**-**	**(5,096)**	**(5,215)**
Transfer between categories	**431**	**6,118**	**(6,549)**	**-**
Exchange translation differences	**(1,221)**	**(3,785)**	**(3,541)**	**(8,547)**
At 31 December 2024	**31,124**	**82,209**	**94,310**	**207,643**
Accumulated depreciation and impairment				
At 1 January 2023	7,210	30,943	37,518	75,671
Charge for the year	1,093	8,256	8,201	17,550
Disposals	(270)	(783)	(2,424)	(3,477)
Transfer between categories	-	(42)	42	-
Exchange translation differences	333	1,327	726	2,386
At 31 December 2023 and 1 January 2024	**8,366**	**39,701**	**44,063**	**92,130**
Charge for the year	**1,104**	**8,991**	**7,767**	**17,862**
Impairment recognised (see note 7(e))	**-**	**1,221**	**15**	**1,236**
Disposals	**(308)**	**(5,047)**	**(5,946)**	**(11,301)**
Relating to subsidiaries disposed (see note 33(d))	**(119)**	**-**	**(383)**	**(502)**
Transfer between categories	**-**	**4**	**(4)**	**-**
Exchange translation differences	**(116)**	**(1,842)**	**(1,601)**	**(3,559)**
At 31 December 2024	**8,927**	**43,028**	**43,911**	**95,866**
Net book value				
At 31 December 2024	**22,197**	**39,181**	**50,399**	**111,777**
At 31 December 2023	22,573	42,537	54,716	119,826
At 1 January 2023	21,771	39,562	51,317	112,650

(a) Net book value of other assets of HK$50,399 million (2023: HK$54,716 million) primarily relate to fixed assets used in business of Ports and related services of HK$17,094 million (2023: HK$21,837 million), Telecommunications of HK$23,715 million (2023: HK$23,411 million), and Infrastructure of HK$1,259 million (2023: HK$1,476 million).

As at 31 December 2024, other assets with a net book value of HK$15,433 million (2023: HK$22,227 million) are assets under construction.

12 Fixed assets (continued)

(b) The analysis of the Group's aggregate future minimum lease receivable under non-cancellable operating leases of fixed assets is as follows:

	2024 **HK$ million**	2023 HK$ million
Within 1 year	**81**	80
Between 1 and 2 years	**18**	13
Between 2 and 3 years	**4**	2
Between 3 and 4 years	**2**	2
Between 4 and 5 years	**2**	6
After 5 years	**4**	1
	111	104

13 Leases

(a) Group as a lessee - amounts recognised in the consolidated statement of financial position

	2024 **HK$ million**	2023 HK$ million
Right-of-use assets		
Container terminals	**14,818**	15,312
Retail stores	**19,924**	20,653
Telecommunications network infrastructure sites	**12,956**	14,688
Leasehold land	**5,443**	5,958
Other assets	**4,448**	4,587
	57,589	61,198
Lease liabilities		
Current	**12,142**	13,616
Non-current	**52,377**	54,307
	64,519	67,923

Additions to the right-of-use assets and lease liabilities during the year ended 31 December 2024 were HK$7,567 million (2023: HK$8,871 million) and HK$7,534 million (2023: HK$8,871 million), respectively.

13 Leases (continued)

(b) Group as a lessee - additional disclosures

	2024 HK$ million	2023 HK$ million
Depreciation charge of right-of-use assets (included in "Depreciation and amortisation")		
Container terminals	**949**	1,080
Retail stores	**6,521**	6,721
Telecommunications network infrastructure sites	**5,585**	5,203
Leasehold land	**348**	348
Other assets	**1,228**	1,299
	14,631	14,651
Interest on lease liabilities (included in "Interest expenses and other finance costs")	**2,757**	2,546
Expenses relating to short-term leases (included in "Other expenses and losses")	**850**	498
Expenses relating to leases of low-value assets that are not short-term leases (included in "Other expenses and losses")	**491**	568
Expenses relating to variable lease payments not included in lease liabilities (included in "Other expenses and losses")	**2,168**	2,253

The total cash outflow for leases in 2024 was HK$20,235 million (2023: HK$20,025 million), of which HK$6,132 million (2023: HK$5,549 million) is included in operating cash flows and HK$14,103 million (2023: HK$14,476 million) is included in financing cash flows (see note 33(e)).

Variable lease payments

Some retail store leases contain variable payment terms that are linked to sales generated from a store. There is a wide range of sales percentages applied to such leases. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

A 1% increase in sales across all stores / operations in the companies with leases containing variable lease payment terms that are linked to sales would increase total lease payments by approximately 0.1% or HK$17 million (2023: approximately 0.1% or HK$20 million).

Extension and termination options

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

As at 31 December 2024, in accordance with the applicable provision in HKFRS 16, potential future cash outflows of HK$7,021 million (2023: HK$8,635 million) (undiscounted) have not been included in calculating the lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated).

13 Leases (continued)

(b) Group as a lessee - additional disclosure (continued)

Residual value guarantees

As at 31 December 2024, no residual value guarantee (2023: HK$15 million) is expected to be payable and include in calculating the lease liabilities.

Leases not yet commenced to which the lessee is committed

At 31 December 2024, the Group is committed to leases that are not yet commenced, and the lease payments payable under which amounted to HK$94 million (2023: HK$19 million). This amount has not been included in calculating the lease liabilities as at 31 December 2024.

Restriction or covenants imposed by leases

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(c) Group as a lessor

	2024 **HK$ million**	2023 HK$ million
Income from subleasing right-of-use assets (included in “Other expenses and losses”)	**116**	182

The analysis of the Group’s aggregate future minimum lease receivable under non-cancellable operating leases from subleasing right-of-use assets is as follows:

	2024 **HK$ million**	2023 HK$ million
Within 1 year	**87**	153
Between 1 and 2 years	**31**	70
Between 2 and 3 years	**21**	49
Between 3 and 4 years	**16**	37
Between 4 and 5 years	**10**	33
After 5 years	**9**	27
	174	369

In addition, the Group has recognised income of HK$244 million (2023: HK$217 million) from leasing of fixed assets for the year ended 31 December 2024.

14 Telecommunications licences

	2024 HK$ million	2023 HK$ million
Net book value		
At 1 January	**64,264**	60,689
Additions	**72**	1,956
Relating to subsidiaries acquired (see note 33(c))	**3,368**	-
Amortisation for the year	**(907)**	(953)
Exchange translation differences	**(2,928)**	2,572
At 31 December	**63,869**	64,264
Cost	**71,600**	71,396
Accumulated amortisation and impairment	**(7,731)**	(7,132)
	63,869	64,264

The Group's telecommunications licences in the UK and Italy are considered to have an indefinite useful life. At 31 December 2024, telecommunications licences with indefinite useful life in the UK and Italy with a carrying value of HK$19,737 million and HK$31,704 million respectively (2023: HK$19,914 million and HK$33,781 million respectively) have been allocated to the Telecommunications segment.

15 Brand names and other rights

	Brand names HK$ million	**Other rights HK$ million**	**Total HK$ million**
Net book value			
At 1 January 2023	66,899	16,795	83,694
Additions	-	1,675	1,675
Amortisation for the year	(11)	(3,251)	(3,262)
Relating to subsidiaries acquired (see note 33(c))	3	6	9
Exchange translation differences	1,163	117	1,280
At 31 December 2023 and 1 January 2024	**68,054**	**15,342**	**83,396**
Additions	**-**	**1,913**	**1,913**
Amortisation for the year	**(11)**	**(3,146)**	**(3,157)**
Relating to subsidiaries acquired (see note 33(c))	**-**	**18**	**18**
Exchange translation differences	**(1,484)**	**(1,445)**	**(2,929)**
At 31 December 2024	**66,559**	**12,682**	**79,241**
Cost	**66,661**	**32,660**	**99,321**
Accumulated amortisation and impairment	**(102)**	**(19,978)**	**(20,080)**
	66,559	**12,682**	**79,241**

Brand names considered to have an indefinite useful life are not subject to amortisation. The carrying value of brand names with indefinite useful life at 31 December 2024 of HK$49,181 million (2023: HK$49,730 million) and HK$17,235 million (2023: HK$18,156 million) has been attributed to Retail segment and the Telecommunications segment respectively.

Other rights, primarily include operating and service content rights, and resource consents and customer lists. These rights are amortised over their finite useful lives. At 31 December 2024, the carrying value of these rights amounted to HK$8,423 million (2023: HK$9,773 million) and HK$4,259 million (2023: HK$5,569 million) respectively.

16 Goodwill

	2024 HK$ million	2023 HK$ million
Net book value		
At 1 January	**271,136**	268,008
Relating to subsidiaries acquired (see note 33(c))	**1,451**	75
Exchange translation differences	**(5,262)**	3,053
At 31 December	**267,325**	271,136
Cost	**291,757**	297,159
Accumulated impairment	**(24,432)**	(26,023)
	267,325	271,136

Goodwill is monitored by the management at the level of the operating segments identified (see note 5). As at 31 December 2024, the carrying amount of goodwill are mainly allocated to Telecommunications segment of HK$81,085 million (2023: HK$84,897 million), Retail segment of HK$114,095 million (2023: HK$114,099 million), and Infrastructure segment of HK$39,129 million (2023: HK$39,123 million).

Management tests whether goodwill and intangible assets that have an indefinite useful life (including certain telecommunications licences and brand names as set out in notes 14 and 15) have suffered any impairment on an annual basis and when there is an indication these assets may be impaired. The annual tests of goodwill and intangible assets with indefinite useful life for impairment were conducted at 31 December 2024. The results of the impairment tests undertaken as of 31 December 2024 indicated no impairment charge was necessary for the Group. Set out below are additional information about the estimates used to measure recoverable amounts in the 31 December 2024 annual impairment tests for the Telecommunications and Retail operations.

16 Goodwill (continued)

The recoverable amounts of the Group's Telecommunications operations at 31 December 2024 were determined based on VIU calculations. VIU is measured using discounted cash flow projections for the next five years and a calculated terminal value at the end of the five-year period. The cash flows are based on the latest approved financial budgets of the relevant telecommunications business for the next five years. Management prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of assumptions and estimates involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Key assumptions, include revenues, service margin, operating costs, growth rates used for the budget periods, and selection of discount rates and the terminal growth rate used to extrapolate cash flow projections to estimate the terminal value at the end of the five-year period. The VIU amount derived from the cash flow projections is sensitive to the discount rate used for the cash flow projections and the growth rate used for extrapolation purposes as well as the 5G revenue expectations. A discount rate (pre-tax) ranging from 4.8% to 9.6% (2023: 5.4% to 11.0%) has been applied. A growth rate, for the purpose of impairment testing calculation, ranging from 1% to 2% p.a. (2023: 1% to 2% p.a.), which is not expected to exceed the anticipated economic growth for the underlying business units, is used to extrapolate cash flow projections to estimate the terminal value of the underlying business units at the end of the five-year period.

The recoverable amounts of the Group's Retail operations at 31 December 2024 were determined based on fair value less costs of disposal ("FVLCD") calculation. Fair value is measured using discounted cash flow projections for the next five years and a calculated terminal value at the end of the five-year period (a Level 3 fair value hierarchy). The cash flows are based on the latest approved financial budgets for the next five years. Management prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of assumptions and estimates involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Key assumptions, include the expected growth in revenues and gross margin, inventory level, volume and operating costs, timing of future capital expenditures, growth rates used for the budget periods, and selection of discount rates and the terminal growth rate used to extrapolate cash flow projections to estimate the terminal value at the end of the five-year period. The FVLCD amount derived from the cash flow projections is sensitive to the discount rate used for the discounted cash flow projections and the growth rate used for extrapolation purposes. A discount rate (post-tax) of 7.0% (2023: 8.4%) has been applied. In estimating the terminal value at the end of the five-year period, a growth rate, for the purpose of impairment testing calculation, of 2.6% p.a. (2023: 3.9% p.a.), which is not expected to exceed the anticipated economic growth for the business, has been used to extrapolate cash flow projections.

The results of the impairment tests undertaken as at 31 December 2024 and 2023 indicated no impairment charge was necessary for goodwill and intangible assets of the Group. In performing the impairment tests for these assets, the management has considered and assessed reasonably possible changes for key assumptions and has not identified any instance that could cause the recoverable amount to fall below the carrying value.

Please refer to note 45(b)(i) for the significant accounting judgement applied, estimates and assumptions made in assessing whether goodwill has suffered any impairment.

17 Associated companies

	2024 HK$ million	2023 HK$ million
Unlisted shares	**11,193**	9,071
Listed shares, Hong Kong	**62,919**	62,919
Listed shares, outside Hong Kong	**80,612**	80,837
Share of undistributed post acquisition reserves	**(16,005)**	(12,081)
	138,719	140,746
Amounts due from (net with amounts due to) associated companies [(a)]	**1,136**	2,892
	139,855	143,638

The market value of the above listed investments at 31 December 2024 was HK$111,361 million (2023: HK$112,390 million), inclusive of HK$37,292 million (2023: HK$41,370 million) and HK$41,598 million (2023: HK$34,614 million) for Cenovus Energy and Power Assets Holdings Limited ("Power Assets") respectively.

There are no material contingent liabilities relating to the Group's interests in associated companies, save for those disclosed in note 36.

(a) Amounts due from (net with amounts due to) associated companies

	2024 HK$ million	2023 HK$ million
Amounts due from associated companies [(i)]		
Interest free	**428**	410
Interest bearing at fixed rates [(ii)]	**839**	2,618
Interest bearing at floating rates [(iii)]	**404**	407
	1,671	3,435
Amounts due to associated companies [(iv)]		
Interest free	**535**	543
Amounts due from (net with amounts due to) associated companies	**1,136**	2,892

(i) At 31 December 2024 and 2023, the amounts due from associated companies are unsecured and have no fixed terms of repayment.

Amounts due from associated companies are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of the amounts due from associated companies. The expected credit loss was minimal as the amounts were due from companies which the Group has significant influence, and where applicable, including participation in their financial and operating policies, and which are subject to the Group's financial and investment requirements. These amounts had no recent history of default. The Group is not aware of any unfavourable current conditions and forecast future economic conditions existed at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets.

(ii) At 31 December 2024, HK$839 million (2023: HK$2,618 million) bear interests at fixed rates ranging from approximately 4.7% to 11.2% (2023: 4.7% to 11.2%) per annum.

(iii) At 31 December 2024, HK$404 million (2023: HK$407 million) bear interests at floating rates ranging from approximately 5.0% to 5.8% (2023: 6.0% to 6.4%) per annum with reference to Euro Interbank Offered Rate ("EURIBOR") and Hong Kong Interbank Offered Rate ("HIBOR"), where applicable.

(iv) At 31 December 2024 and 2023, the amounts due to associated companies are unsecured and have no fixed terms of repayment.

17 Associated companies (continued)

(b) Material associated companies

Set out below are additional information in respect of the Group's material associated companies:

	2024 Cenovus Energy HK$ million	**2024** Power Assets HK$ million	2023 Cenovus Energy HK$ million	2023 Power Assets HK$ million
Dividends received from associated companies	**1,465**	**2,164**	964	2,164
Gross amount of the following items of the associated companies [(i)]:				
Total revenue	**309,396**	**919**	304,130	1,292
EBITDA	**54,433**	**18,747**	60,278	18,733
EBIT	**26,321**	**12,577**	33,224	13,077
Other comprehensive income (losses)	**(17,735)**	**(1,785)**	3,706	1,901
Total comprehensive income (losses)	**(2,315)**	**4,334**	25,882	7,904
Current assets	**56,344**	**3,488**	57,898	4,359
Non-current assets	**347,556**	**128,219**	367,380	128,973
Current liabilities	**39,755**	**4,077**	36,763	3,249
Non-current liabilities	**104,803**	**2,924**	112,439	3,701
Net assets (net of preferred shares and non-controlling interests)	**257,274**	**124,706**	272,773	126,382
Reconciliation to the carrying amount of the Group's interests in associated companies:				
Group's interest	**17.4%**	**36.0%**	16.9%	36.0%
Group's share of net assets	**44,677**	**44,912**	46,180	45,515
Carrying amount	**44,677**	**44,912**	46,180	45,515

The carrying amount of the Group's interests in all individually immaterial associated companies that are accounted for using the equity method of accounting is HK$50,266 million (2023: HK$51,943 million).

	2024 Cenovus Energy HK$ million	**2024** Power Assets HK$ million	**2024** Other associated companies HK$ million	**2024** Total HK$ million	2023 Cenovus Energy HK$ million	2023 Power Assets HK$ million	2023 Other associated companies HK$ million	2023 Total HK$ million
Group's share of the following items of the associated companies [(i)]:								
Profits less losses after tax	**3,041**	**2,204**	**1,658**	**6,903**	3,963	2,161	2,014	8,138
Other comprehensive income (losses)	**(3,080)**	**(643)**	**(2,030)**	**(5,753)**	627	685	17	1,329
Total comprehensive income (losses)	**(39)**	**1,561**	**(372)**	**1,150**	4,590	2,846	2,031	9,467

(i) After translation into Hong Kong dollar and consolidation adjustments.

Particulars regarding the principal associated companies are set forth on pages 133 to 135.

18 Interests in joint ventures

	2024 HK$ million	2023 HK$ million
Unlisted shares	**133,389**	127,116
Share of undistributed post acquisition reserves	**4,136**	7,154
	137,525	134,270
Amounts due from (net with amounts due to) joint ventures [(a)]	**16,683**	22,067
	154,208	156,337

There are no material contingent liabilities relating to the Group's interests in the joint ventures, save for those disclosed in note 36.

(a) Amounts due from (net with amounts due to) joint ventures

	2024 HK$ million	2023 HK$ million
Amounts due from joint ventures [(i)]		
Interest free	**2,525**	2,239
Interest bearing at fixed rates [(ii)]	**5,972**	7,972
Interest bearing at floating rates [(iii)]	**8,456**	12,166
	16,953	22,377
Amounts due to joint ventures [(iv)]		
Interest free	**270**	310
Amounts due from (net with amounts due to) joint ventures	**16,683**	22,067

(i) At 31 December 2024 and 2023, the amounts due from joint ventures are unsecured and have no fixed terms of repayment except for HK$322 million which are repayable within one year (2023: HK$32 million which are repayable within one to two years).

Amounts due from joint ventures are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of the amounts due from joint ventures. The expected credit loss was minimal as the amounts were due from companies which the Group has joint control, and where applicable, including participation in their financial and operating policies, and which are subject to the Group's financial and investment requirements. These amounts had no recent history of default. The Group is not aware of any unfavourable current conditions and forecast future economic conditions existed at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets.

(ii) At 31 December 2024, HK$5,972 million (2023: HK$7,972 million) bear interests at fixed rates ranging from approximately 4.2% to 10.0% (2023: 4.4% to 11.0%) per annum.

(iii) At 31 December 2024, HK$8,456 million (2023: HK$12,166 million) bear interests at floating rates ranging from approximately 3.7% to 7.7% (2023: 4.1% to 8.3%) per annum with reference to Australian Bank Bill Swap Reference Rate, EURIBOR and HIBOR, where applicable.

(iv) At 31 December 2024 and 2023, the amounts due to joint ventures are unsecured and have no fixed terms of repayment.

(b) Set out below are the aggregate amount of the Group's share of the following items of joint ventures:

	2024 HK$ million	2023 HK$ million
Profits less losses after tax	**9,757**	7,990
Other comprehensive income (losses)	**(6,256)**	3,997
Total comprehensive income	**3,501**	11,987
Capital commitments	**3,929**	13,880

As at 31 December 2024 and 2023, no interests in joint ventures are individually material to the Group. Particulars regarding the principal joint ventures are set forth on pages 133 to 135.

19 Deferred tax

	2024 HK$ million	2023 HK$ million
Deferred tax assets	**18,140**	21,074
Deferred tax liabilities	**17,974**	19,572
Net deferred tax assets	**166**	1,502

Movements in net deferred tax assets are summarised as follows:

	2024 HK$ million	2023 HK$ million
At 1 January	**1,502**	(781)
Relating to subsidiaries acquired	**(354)**	3
Relating to subsidiaries disposed	**35**	-
Transfer to current tax	**(15)**	6
Net credit (charge) to other comprehensive income	**(85)**	380
Net credit (charge) to the consolidated income statement		
Tax losses	**(1,184)**	1,617
Accelerated depreciation allowances	**(1,005)**	(62)
Fair value adjustments arising from acquisitions	**(154)**	(551)
Withholding tax on undistributed profits	**49**	(48)
Other temporary differences	**1,766**	160
Exchange translation differences	**(389)**	778
At 31 December	**166**	1,502

Analysis of net deferred tax assets:

	2024 HK$ million	2023 HK$ million
Tax losses	**15,289**	16,865
Accelerated depreciation allowances	**(3,365)**	(2,425)
Fair value adjustments arising from acquisitions	**(12,492)**	(12,268)
Revaluation of investment properties and other investments	**24**	20
Withholding tax on undistributed profits	**(842)**	(912)
Other temporary differences	**1,552**	222
	166	1,502

The Group is subject to income taxes in numerous jurisdictions and significant judgement is required in determining the provision for income taxes. To the extent that dividends distributed from investments in subsidiaries, branches and associated companies, and interests in joint ventures are expected to result in additional taxes, appropriate amounts have been provided for. No deferred tax has been provided for the temporary differences arising from undistributed profits of these companies to the extent that the undistributed profits are considered permanently employed in their businesses and it is probable that such temporary differences will not reverse in the foreseeable future.

The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same fiscal authority.

At 31 December 2024, the Group has recognised accumulated deferred tax assets amounting to HK$18,140 million (2023: HK$21,074 million) of which HK$14,269 million (2023: HK$16,973 million) relates to **3** Group Europe.

Note 45(b)(v) contains information about the estimates, assumptions and judgements relating to the recognition of deferred tax assets for unutilised tax losses carried forward.

19 Deferred tax (continued)

The amounts of unutilised tax losses and deductible temporary differences for which no deferred tax assets is recognised in the consolidated statement of financial position at 31 December 2024 were HK$502,204 million (2023: HK$531,915 million) and HK$25,794 million (2023: HK$27,472 million), respectively, totalling HK$527,998 million (2023: HK$559,387 million). The current year's amounts included balances that are subject to agreement by relevant tax authorities.

These unutilised tax losses and deductible temporary differences can be carried forward against future taxable income. Of the total amounts unrecognised, HK$166,087 million (2023: HK$174,454 million) has no expiry date, HK$8,008 million (2023: HK$8,269 million) is expected to expire within 10 years and the remaining balances is expected to expire after 10 years.

20 Liquid funds and other listed investments

	2024 HK$ million	2023 HK$ million
Financial assets at amortised cost		
Managed funds - cash and cash equivalents, outside Hong Kong [(c)]	**34**	50
Financial assets at fair value through other comprehensive income (“FVOCI”) [(d)]		
Listed equity securities, Hong Kong [(e)]	**536**	608
Listed equity securities, outside Hong Kong [(e)]	**747**	8,589
Managed funds - listed debt securities, outside Hong Kong [(b)] [(f)]	**6,825**	6,539
	8,142	15,786

(a) At 31 December, liquid funds and other listed investments totalling HK$8,142 million (2023: HK$15,786 million) are denominated in the following currencies:

	2024		2023	
	Financial assets at amortised cost Percentage	**Financial assets at FVOCI Percentage**	Financial assets at amortised cost Percentage	Financial assets at FVOCI Percentage
HK dollar	**-**	**7%**	-	4%
US dollar	**100%**	**84%**	100%	42%
Other currencies	**-**	**9%**	-	54%
	100%	**100%**	100%	100%

See note 40(a) for further analysis.

20 Liquid funds and other listed investments (continued)

(b) At 31 December, listed debt securities totalling HK$6,825 million (2023: HK$6,539 million) presented above are analysed as follows:

	2024	2023
	Financial assets at FVOCI Percentage	Financial assets at FVOCI Percentage
Credit ratings		
Aaa / AAA	**15%**	14%
Aa1 / AA+	**85%**	86%
	100%	100%
Sectorial		
US Treasury notes	**74%**	72%
Government and government guaranteed notes	**22%**	25%
Others	**4%**	3%
	100%	100%
Weighted average maturity	**1.1 years**	1.8 years
Weighted average effective yield	**2.73%**	1.61%

(c) “Managed funds - cash and cash equivalents” are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of the “Managed funds - cash and cash equivalents”. These amounts were held with reputable financial institutions. The Group controls the credit risk to non-performance by the counterparties, where applicable, through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed. Accordingly, these assets are considered to be of low credit risk.

(d) The fair values are based on quoted market prices.

(e) These equity securities are not investments held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at FVOCI. As at 31 December 2024, the Group has collar agreements with banks to hedge fair values of certain of these listed equity securities. Fair value surplus of HK$14 million at 31 December 2024 of these collar arrangements are included in current assets (see note 24). For the comparative balance as at 31 December 2023, fair value deficits of HK$297 million and HK$59 million are included in current and non-current liabilities (see notes 26 and 30, respectively).

(f) “Managed funds - listed debt securities” comprised predominately US Treasury notes and government and government guaranteed notes. All (2023: All) of the carrying amount of these assets at 31 December 2024 were rated at Aaa / AAA or Aa1 / AA+. These assets are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was required at the reporting date in respect of these assets.

21 Other non-current assets

	2024 **HK$ million**	2023 HK$ million
Investment properties (see note 22)	**389**	408
Customer acquisition and retention costs [(a)]	**4,231**	4,290
Contract assets (see note 24(b))	**3,202**	3,826
Unlisted investments		
Financial assets at FVOCI - equity securities [(b)]	**1,933**	2,189
Financial assets at fair value through profit or loss - equity securities	**366**	369
Financial assets at fair value through profit or loss - debt securities	**414**	604
Pension assets (see note 29)	**2,239**	1,428
Derivative financial instruments		
Cash flow hedges		
Interest rate swaps	**-**	52
Cross currency interest rate swaps	**227**	150
Net investment hedges		
Cross currency swaps	**1,281**	572
Other non-current assets [(c)]	**5,921**	5,974
	20,203	19,862

(a) Customer acquisition and retention costs primarily relate to incremental commission costs incurred to obtain telecommunications contracts with customers. The amount of customer acquisition and retention costs shown above is after deducting the amortisation charged to the current year's consolidated income statement of HK$3,903 million (2023: HK$3,667 million). Further, there was no impairment loss in relation to the cost capitalised. The Group applies the practical expedient in paragraph 94 of HKFRS 15, and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the costs that the Group otherwise would have recognised is one year or less.

(b) These equity securities are not investments held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at fair value through other comprehensive income. The Group considered this FVOCI category to be an appropriate classification. Fair value for these investments are determined by using valuation techniques, including discounted cashflow analysis.

(c) Amount included lease receivables of HK$875 million (2023: HK$507 million), which are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of lease receivables. The expected credit loss was minimal as lease receivables are from entities which are subject to the Group's lease acceptance requirements. There was no unfavourable current conditions and forecast future economic conditions at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets. The remaining balances are mainly prepayments of telecommunications annual licences fee.

22 Investment properties

Investment properties are included in "Other non-current assets" (see note 21) in the consolidated statement of financial position.

	2024	2023
	HK$ million	HK$ million
Valuation		
At 1 January	**408**	408
Decrease in fair value of investment properties	**(19)**	-
At 31 December	**389**	408

At 31 December 2024, investment properties amounting to HK$389 million (2023: HK$408 million) were measured at fair value based on value inputs, other than quoted prices, that were observable either directly or indirectly. The fair values of the investment properties at 31 December 2024 and 2023 were determined based on a valuation carried out by Cushman & Wakefield Limited, professional valuers. The valuation which reflected the highest and best use was arrived at by reference to comparable market transactions and also took reference of capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential of the properties. There were no transfers among Level 1, Level 2 and Level 3 during the year. The Group's policy is to recognise transfers into / out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

At 31 December 2024 and 2023, the Group's aggregate future minimum lease receivable under non-cancellable operating leases is not material.

23 Cash and cash equivalents

	2024	2023
	HK$ million	HK$ million
Cash at bank and in hand	**26,734**	34,000
Short term bank deposits	**94,569**	93,323
	121,303	127,323

The carrying amounts of cash and cash equivalents approximate their fair values.

Cash and cash equivalents were held with reputable financial institutions. The Group controls the credit risk to non-performance by the counterparties, where applicable, through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed. Accordingly, cash and cash equivalents are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of these assets.

See note 40(a) for further analysis.

24 Trade receivables and other current assets

	2024 HK$ million	2023 HK$ million
Trade receivables [(a)]	**18,825**	20,264
Less: loss allowance provision	**(3,498)**	(3,967)
	15,327	16,297
Other current assets		
Derivative financial instruments		
Fair value hedges - collar agreements	**14**	-
Cash flow hedges		
Interest rate swaps	**7**	-
Forward foreign exchange contracts	**5**	-
Other contracts	**1**	26
Net investment hedges		
Forward foreign exchange contracts	**436**	201
Cross currency swaps	**79**	336
Contract assets [(b)]	**3,919**	3,754
Prepayments	**13,908**	16,361
Other receivables [(c)]	**12,169**	13,491
Current tax receivables	**102**	124
	45,967	50,590

(a) Trade receivables are stated at the expected recoverable amount, net of any provision for estimated impairment losses where it is deemed that a receivable may not be fully recoverable. The carrying amounts of these assets approximate their fair values.

Trade receivables exposures are managed locally in the operating units where they arise and credit limits are set as deemed appropriate for the customer. The Group's operating units have established credit policies for customers. The average credit period granted for trade receivables ranges from 30 to 60 days. Trade receivables which are past due at the end of the reporting period are stated at the expected recoverable amount, after netting of provision for estimated impairment losses. Given the profile of the Group's customers and the Group's different types of businesses, the Group generally does not hold collateral over these balances.

The Group's five largest customers contributed less than 5% of the Group's revenue for the year ended 31 December 2024 (2023: less than 5%).

At 31 December, the ageing analysis of the trade receivables presented based on the invoice date, is as follows:

	2024 HK$ million	2023 HK$ million
Less than 31 days	**11,532**	11,996
Within 31 to 60 days	**1,655**	1,874
Within 61 to 180 days	**1,504**	1,523
Over 180 days	**4,134**	4,871
	18,825	20,264

Movements on the loss allowance provision for trade receivables are as follows:

	2024 HK$ million	2023 HK$ million
At 1 January	**3,967**	3,705
Additions	**717**	653
Utilisations	**(936)**	(492)
Write back	**(32)**	(41)
Exchange translation differences	**(218)**	142
At 31 December	**3,498**	3,967

24 Trade receivables and other current assets (continued)

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for trade receivables. The expected credit loss provision rates for trade receivables are based on historical payment profiles and historical credit loss experience, adjusted to reflect, where relevant and appropriate, current and information specific to the debtors, future economic and market conditions and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables that the Group considers are reasonable and appropriate. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The gross carrying amount of the trade receivables and the loss allowance provision analysed by ageing bands are set out below.

	2024			2023		
	Gross carrying amount HK$ million	**Loss allowance provision HK$ million**	**Expected loss rate Percentage**	Gross carrying amount HK$ million	Loss allowance provision HK$ million	Expected loss rate Percentage
Not past due	**9,674**	**106**	**1%**	9,965	89	1%
Past due less than 31 days	**3,114**	**81**	**3%**	3,501	67	2%
Past due within 31 to 60 days	**817**	**29**	**4%**	787	70	9%
Past due within 61 to 180 days	**1,215**	**229**	**19%**	1,291	380	29%
Past due over 180 days	**4,005**	**3,053**	**76%**	4,720	3,361	71%
	18,825	**3,498**		20,264	3,967	

(b) As at 31 December 2024, contract assets of HK$3,919 million (2023: HK$3,754 million) and HK$3,202 million (2023: HK$3,826 million) are included in "Trade receivables and other current assets" (see above) and "Other non-current assets" (see note 21) respectively. These assets are stated at the expected recoverable amount, after netting of provision for estimated impairment losses of HK$1,926 million (2023: HK$1,637 million). The Group measures the loss allowance for its contract assets at an amount equal to the lifetime expected credit losses. Movement on the provision for estimated impairment losses are as follows:

	2024 HK$ million	2023 HK$ million
At 1 January	**1,637**	1,525
Additions	**1,018**	927
Utilisations	**(595)**	(823)
Write back	**(54)**	(55)
Exchange translation differences	**(80)**	63
At 31 December	**1,926**	1,637

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The Group's historical credit loss experience does not indicate a substantial different loss pattern for contract assets as compared to trade receivables for similar customer bases. The Group makes reference to the expected credit loss provision rates for trade receivables to measure the contract assets' expected credit losses. The rates are adjusted to reflect information specific to the contract assets that may affect the recovery of the carrying amount of the contract assets.

(c) Other receivables are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of other receivables.

25 Bank and other debts

	2024			2023		
	Current portion 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	**24,896**	**62,944**	**87,840**	24,484	65,036	89,520
Other loans	**4**	**64**	**68**	154	72	226
Notes and bonds	**6,068**	**162,072**	**168,140**	33,755	147,900	181,655
	30,968	**225,080**	**256,048**	58,393	213,008	271,401
Unamortised fair value adjustments arising from acquisitions	**-**	**1,955**	**1,955**	18	2,275	2,293
Subtotal before the following items	**30,968**	**227,035**	**258,003**	58,411	215,283	273,694
Unamortised loan facilities fees and premiums or discounts related to debts	**(12)**	**(1,599)**	**(1,611)**	(87)	(1,685)	(1,772)
	30,956	**225,436**	**256,392**	58,324	213,598	271,922

25 Bank and other debts (continued)

Details of the bank and other debts by principal amounts are as follows:

	2024			2023		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans	**24,896**	**62,944**	**87,840**	24,484	65,036	89,520
Other loans	**4**	**64**	**68**	154	72	226
Notes and bonds						
HK$2,413 million notes, 3-mth HIBOR^ + 0.32% due 2024	**-**	**-**	**-**	2,413	-	2,413
HK$260 million notes, 4% due 2027	**-**	**260**	**260**	-	260	260
US$750 million notes, 3.25% due 2024	**-**	**-**	**-**	5,850	-	5,850
US$1,500 million notes, 3.625% due 2024	**-**	**-**	**-**	11,700	-	11,700
US$500 million notes, 1.5% due 2026	**-**	**3,900**	**3,900**	-	3,900	3,900
US$500 million notes, 2.75% due 2026	**-**	**3,900**	**3,900**	-	3,900	3,900
US$309 million notes - Series C, 7.5% due 2027	**-**	**2,410**	**2,410**	-	2,410	2,410
US$500 million notes, 3.25% due 2027	**-**	**3,900**	**3,900**	-	3,900	3,900
US$800 million notes, 3.5% due 2027	**-**	**6,240**	**6,240**	-	6,240	6,240
US$1,250 million notes, 4.75% due 2028	**-**	**9,750**	**9,750**	-	9,750	9,750
US$500 million notes, 2.75% due 2029	**-**	**3,900**	**3,900**	-	3,900	3,900
US$750 million notes, 3.625% due 2029	**-**	**5,850**	**5,850**	-	5,850	5,850
US$1,000 million notes, 5.375% due 2029	**-**	**7,800**	**7,800**	-	-	-
US$500 million notes, 4.375% due 2030	**-**	**3,900**	**3,900**	-	-	-
US$750 million notes, 2.5% due 2030	**-**	**5,850**	**5,850**	-	5,850	5,850
US$850 million notes, 2.5% due 2031	**-**	**6,630**	**6,630**	-	6,630	6,630
US$1,039 million notes, 7.45% due 2033	**-**	**8,107**	**8,107**	-	8,107	8,107
US$1,250 million notes, 4.875% due 2033	**-**	**9,750**	**9,750**	-	9,750	9,750
US$500 million notes, 4.75% due 2034	**-**	**3,900**	**3,900**	-	-	-
US$1,000 million notes, 5.5% due 2034	**-**	**7,800**	**7,800**	-	-	-
US$25 million notes - Series D, 6.988% due 2037	**-**	**196**	**196**	-	196	196
US$650 million notes, 3.125% due 2041	**-**	**5,070**	**5,070**	-	5,070	5,070
US$750 million notes, 3.375% due 2049	**-**	**5,850**	**5,850**	-	5,850	5,850
US$750 million notes, 3.375% due 2050	**-**	**5,850**	**5,850**	-	5,850	5,850
EUR600 million bonds, 1% due 2024	**-**	**-**	**-**	5,172	-	5,172
EUR1,000 million notes, 0.875% due 2024	**-**	**-**	**-**	8,620	-	8,620
EUR750 million notes, 1.25% due 2025	**6,068**	**-**	**6,068**	-	6,465	6,465
EUR1,000 million notes, 0.75% due 2026	**-**	**8,090**	**8,090**	-	8,620	8,620
EUR650 million notes, 2% due 2028	**-**	**5,258**	**5,258**	-	5,603	5,603
EUR1,000 million notes, 1.125% due 2028	**-**	**8,090**	**8,090**	-	8,620	8,620
EUR500 million notes, 0.75% due 2029	**-**	**4,045**	**4,045**	-	4,310	4,310
EUR500 million notes, 2% due 2030	**-**	**4,045**	**4,045**	-	4,310	4,310
EUR750 million notes, 1.5% due 2031	**-**	**6,068**	**6,068**	-	6,465	6,465
EUR500 million notes, 1% due 2033	**-**	**4,045**	**4,045**	-	4,310	4,310
GBP303 million notes, 5.625% due 2026	**-**	**2,981**	**2,981**	-	3,010	3,010
GBP500 million notes, 2% due 2027	**-**	**4,920**	**4,920**	-	4,970	4,970
GBP300 million notes, 2.625% due 2034	**-**	**2,952**	**2,952**	-	2,982	2,982
JPY15,000 million notes, 2.6% due 2027	**-**	**765**	**765**	-	822	822
	6,068	**162,072**	**168,140**	33,755	147,900	181,655
	30,968	**225,080**	**256,048**	58,393	213,008	271,401

^ HIBOR represents the Hong Kong Interbank Offered Rate

25 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below:

(a) By year of repayment

	2024			2023		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans						
Within a year	**24,896**	**-**	**24,896**	24,484	-	24,484
After 1 year, but within 2 years	**-**	**22,683**	**22,683**	-	25,326	25,326
After 2 years, but within 5 years	**-**	**40,261**	**40,261**	-	39,710	39,710
	24,896	**62,944**	**87,840**	24,484	65,036	89,520
Other loans						
Within a year	**4**	**-**	**4**	154	-	154
After 1 year, but within 2 years	**-**	**4**	**4**	-	4	4
After 2 years, but within 5 years	**-**	**10**	**10**	-	10	10
After 5 years	**-**	**50**	**50**	-	58	58
	4	**64**	**68**	154	72	226
Notes and bonds						
Within a year	**6,068**	**-**	**6,068**	33,755	-	33,755
After 1 year, but within 2 years	**-**	**18,871**	**18,871**	-	6,465	6,465
After 2 years, but within 5 years	**-**	**63,188**	**63,188**	-	62,005	62,005
After 5 years	**-**	**80,013**	**80,013**	-	79,430	79,430
	6,068	**162,072**	**168,140**	33,755	147,900	181,655
	30,968	**225,080**	**256,048**	58,393	213,008	271,401

Under the terms of the major bank and other debts, the Group is required to comply with certain financial and non-financial covenants at the end of the reporting period. If the Group were to breach the covenants, the non-current portion of bank and other debts with carrying amount of HK$224,756 million that subject to the fulfilment of the covenants would become repayable within twelve months after the reporting period. The Group has complied with these covenants throughout the reporting period. There are no indications that the Group would have difficulties complying with the covenants when they will be next tested within twelve months of the reporting date.

(b) By secured and unsecured borrowings

	2024			2023		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Secured borrowings	**1,389**	**1**	**1,390**	1	1,558	1,559
Unsecured borrowings	**29,579**	**225,079**	**254,658**	58,392	211,450	269,842
	30,968	**225,080**	**256,048**	58,393	213,008	271,401

25 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below (continued):

(c) By borrowings at fixed and floating interest rate

	2024			2023		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Borrowings at fixed rate	**6,071**	**162,136**	**168,207**	31,496	147,972	179,468
Borrowings at floating rate	**24,897**	**62,944**	**87,841**	26,897	65,036	91,933
	30,968	**225,080**	**256,048**	58,393	213,008	271,401

(d) By borrowings at fixed and floating interest rate (adjusted for the effect of hedging transactions)

	2024			2023		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Borrowings at fixed rate	**9,200**	**162,136**	**171,336**	31,496	151,433	182,929
Borrowings at floating rate	**21,768**	**62,944**	**84,712**	26,897	61,575	88,472
	30,968	**225,080**	**256,048**	58,393	213,008	271,401

Derivative financial instruments are principally utilised by the Group in the management of its foreign currency and interest rate exposures.

The Group has entered into interest rate swap agreements to swap floating interest rate borrowings to fixed interest rate borrowings to mainly mitigate interest rate exposures to certain infrastructure project related borrowings. At 31 December 2024, the notional amount of the outstanding interest rate swap agreements amounted to HK$3,129 million (2023: interest rate swap agreements of HK$3,461 million) (See note 40(i)(ii)).

25 Bank and other debts (continued)

Further analysis of the principal amount of bank and other debts are set out below (continued):

(e) By currency

	2024			2023		
	Current portion Percentage	**Non-current portion Percentage**	**Total Percentage**	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	**7%**	**44%**	**51%**	8%	41%	49%
Euro	**2%**	**28%**	**30%**	11%	22%	33%
HK dollar	**-**	**6%**	**6%**	1%	4%	5%
British Pound	**-**	**5%**	**5%**	1%	4%	5%
Other currencies	**3%**	**5%**	**8%**	1%	7%	8%
	12%	**88%**	**100%**	22%	78%	100%

(f) By currency (adjusted for the effect of hedging transactions)

	2024			2023		
	Current portion Percentage	**Non-current portion Percentage**	**Total Percentage**	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	**7%**	**44%**	**51%**	8%	41%	49%
Euro	**2%**	**30%**	**32%**	11%	23%	34%
HK dollar	**-**	**6%**	**6%**	1%	4%	5%
British Pound	**-**	**3%**	**3%**	1%	3%	4%
Other currencies	**3%**	**5%**	**8%**	1%	7%	8%
	12%	**88%**	**100%**	22%	78%	100%

As at 31 December 2024, the Group had currency swap agreements with banks to swap British Pound principal amount of borrowings equivalent to HK$4,920 million (2023: British Pound principal amount of borrowings equivalent to HK$4,970 million) (see note 40(i)(ii)) to Euro principal amount of borrowings to reflect currency exposures of its underlying businesses.

26 Trade payables and other current liabilities

	2024 HK$ million	2023 HK$ million
Trade payables [a]	**21,861**	23,017
Other current liabilities		
Derivative financial instruments		
Fair value hedges - collar agreements	**-**	297
Cash flow hedges		
Forward foreign exchange contracts	**-**	2
Other contracts	**5**	113
Net investment hedges		
Forward foreign exchange contracts	**155**	1,072
Cross currency swaps	**238**	-
Interest free loans from non-controlling shareholders	**349**	438
Contract liabilities	**5,500**	5,948
Obligations for telecommunications licences and other rights	**861**	621
Provisions (see note 27)	**1,161**	1,552
Expenses and other accruals	**33,411**	36,471
Other payables	**19,104**	16,888
	82,645	86,419

(a) At 31 December, the ageing analysis of the trade payables is as follows:

	2024 HK$ million	2023 HK$ million
Less than 31 days	**14,782**	15,763
Within 31 to 60 days	**3,825**	3,361
Within 61 to 90 days	**1,308**	1,333
Over 90 days	**1,946**	2,560
	21,861	23,017

(b) The Group's five largest suppliers accounted for less than 19% of the Group's cost of purchases for the year ended 31 December 2024 (2023: less than 17%).

27 Provisions

	Provision for commitments, onerous contracts and other guarantees HK$ million	Closure obligations HK$ million	Assets retirement obligations HK$ million	Others HK$ million	Total HK$ million
At 1 January 2023	18,477	80	1,272	1,289	21,118
Additions	-	69	5	444	518
Interest accretion	-	-	54	-	54
Utilisations	(897)	(18)	(63)	(129)	(1,107)
Write back	(41)	(22)	(38)	(115)	(216)
Exchange translation differences	(384)	2	17	49	(316)
At 31 December 2023 and 1 January 2024	**17,155**	**111**	**1,247**	**1,538**	**20,051**
Additions	**-**	**45**	**187**	**227**	**459**
Interest accretion	**-**	**-**	**33**	**-**	**33**
Utilisations	**(390)**	**(11)**	**(65)**	**(392)**	**(858)**
Write back	**-**	**(49)**	**-**	**(28)**	**(77)**
Exchange translation differences	**(1,451)**	**(2)**	**(33)**	**(90)**	**(1,576)**
At 31 December 2024	**15,314**	**94**	**1,369**	**1,255**	**18,032**

Provisions are analysed as:

	2024 HK$ million	2023 HK$ million
Current portion (see note 26)	**1,161**	1,552
Non-current portion (see note 30)	**16,871**	18,499
	18,032	20,051

The provision for commitments, onerous contracts and other guarantees represents the unavoidable costs of meeting these commitments and obligations after deducting the associated, expected future benefits and / or estimated recoverable value. The provision for closure obligations represents the estimated costs to execute integration plans and store closures. The provision for assets retirement obligations represents the present value of the estimated future costs of dismantling and removing fixed assets when they are no longer used and restoring the sites on which they are located.

28 Interest bearing loans from non-controlling shareholders

	2024 HK$ million	2023 HK$ million
Interest bearing loans from non-controlling shareholders are analysed as:		
Current portion	**1,874**	-
Non-current portion	**1,597**	3,245
	3,471	3,245

At 31 December 2024 and 2023, these loans mainly bear interest at rates at EURIBOR + 2.0%, Stockholm Interbank Offered Rate + 2.0% and Stockholm Interbank Offered Rate + 0.7% per annum. The carrying amounts of the borrowings approximate their fair values.

29 Pension plans

	2024 HK$ million	2023 HK$ million
Defined benefit assets (see note 21)	**2,239**	1,428
Defined benefit liabilities	**3,197**	3,536
Net defined benefit liabilities	**958**	2,108

The Group operates a number of defined benefit and defined contribution plans, the assets of which are held independently of the Group's assets in trustee administered funds.

(a) Defined benefit plans

The Group's major defined benefit plans are in Hong Kong, the United Kingdom and the Netherlands. The plans are either contributory final salary pension plans, contributory career average pay plans or non-contributory guaranteed return defined contribution plans. No other post-retirement benefits are provided.

The principal actuarial assumptions used for the purpose of the actuarial valuation were as follows:

	2024	2023
Discount rates	**2.8% - 5.5%**	3.2% - 4.7%
Future salary increases	**2.2% - 3.5%**	2.2% - 3.5%
Interest credited on two principal plans in Hong Kong	**5.0% - 6.0%**	5.0% - 6.0%

The amount recognised in the consolidated statement of financial position is determined as follows:

	2024 HK$ million	2023 HK$ million
Present value of defined benefit obligations	**16,585**	17,965
Fair value of plan assets	**15,630**	15,860
	955	2,105
Restrictions on assets recognised	**3**	3
Net defined benefit liabilities	**958**	2,108

29 Pension plans (continued)

(a) Defined benefit plans (continued)

Movements in net defined benefit liabilities and its components are as follows:

	Present value of defined benefit obligations HK$ million	Fair value of plan assets HK$ million	Asset ceiling HK$ million	Net defined benefit liabilities HK$ million
At 1 January 2023	15,163	(13,750)	6	1,419
Net charge (credit) to the consolidated income statement				
Current service cost	360	18	-	378
Past service cost and gains and losses on settlements	70	-	-	70
Interest cost (income)	596	(589)	-	7
	1,026	(571)	-	455
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial gain arising from change in demographic assumptions	(157)	-	-	(157)
Actuarial loss arising from change in financial assumptions	1,232	-	-	1,232
Actuarial loss arising from experience adjustment	339	-	-	339
Return on plan assets excluding interest income	-	19	-	19
Change in asset ceiling	-	-	(3)	(3)
Exchange translation differences	655	(599)	-	56
	2,069	(580)	(3)	1,486
Contributions paid by the employer	-	(1,253)	-	(1,253)
Contributions paid by the employee	113	(113)	-	-
Benefits paid	(805)	805	-	-
Transfer from (to) other liabilities	399	(398)	-	1
At 31 December 2023 and 1 January 2024	**17,965**	**(15,860)**	**3**	**2,108**
Net charge (credit) to the consolidated income statement				
Current service cost	**514**	**19**	**-**	**533**
Past service cost and gains and losses on settlements	**2**	**-**	**-**	**2**
Interest cost (income)	**625**	**(586)**	**-**	**39**
	1,141	**(567)**	**-**	**574**
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial gain arising from change in demographic assumptions	**(77)**	**-**	**-**	**(77)**
Actuarial gain arising from change in financial assumptions	**(1,143)**	**-**	**-**	**(1,143)**
Actuarial loss arising from experience adjustment	**118**	**-**	**-**	**118**
Return on plan assets excluding interest income	**-**	**419**	**-**	**419**
Exchange translation differences	**(658)**	**401**	**-**	**(257)**
	(1,760)	**820**	**-**	**(940)**
Contributions paid by the employer	**-**	**(766)**	**-**	**(766)**
Contributions paid by the employee	**118**	**(118)**	**-**	**-**
Benefits paid	**(849)**	**849**	**-**	**-**
Relating to subsidiaries acquired (see note 33(c))	**32**	**-**	**-**	**32**
Relating to subsidiaries disposed (see note 33(d))	**(45)**	**-**	**-**	**(45)**
Transfer from (to) other liabilities	**(17)**	**12**	**-**	**(5)**
At 31 December 2024	**16,585**	**(15,630)**	**3**	**958**

29 Pension plans (continued)

(a) Defined benefit plans (continued)

The net defined benefit liabilities presented above represent the deficit calculated in accordance with Hong Kong Accounting Standard 19 "Employee Benefits" ("HKAS 19") and is the difference between the present value of the defined benefit obligation and the fair value of plan assets. Management appointed actuaries to carry out a valuation of these pension plans to determine the pension obligation and the fair value of the plan assets that are required to be disclosed and accounted for in the financial statements in accordance with HKAS 19 (the "accounting actuarial valuations"). The realisation of the deficit disclosed above is contingent upon the realisation of the actuarial assumptions made which is dependent upon a number of factors including the market performance of plan assets. The accounting actuarial valuations are not used for the purposes of determining the funding contributions to the defined benefit pension plans. Contributions to fund the obligations are based upon the recommendations of independent qualified actuaries for each of the Group's pension plans to fully fund the relevant schemes on an ongoing basis. Funding requirements of the Group's major defined benefit pension plans are detailed below.

The Group operates two principal pension plans in Hong Kong. One plan, which has been closed to new entrants since 1994, provides pension benefits based on the greater of the aggregate of the employee and employer vested contributions plus a minimum interest thereon of 6% per annum, and pension benefits derived by a formula based on the final salary and years of service. An independent actuarial valuation, undertaken for funding purposes under the provision of Hong Kong's Occupational Retirement Schemes Ordinance ("ORSO"), at 30 June 2024 reported a funding level of 169% of the accrued actuarial liabilities on an ongoing basis. The valuation used the attained age valuation method and the main assumptions in the valuation are an investment return of 5% per annum, salary increases of 3.5% per annum and interest credited to balances of 6% per annum. The valuation was prepared by Tian Keat Aun - Director, Retirement Hong Kong (a Fellow of The Institute and Faculty of Actuaries), and Michael Lee - Consultant, Retirement Hong Kong of Towers Watson Hong Kong Limited. The second plan provides benefits equal to the employer vested contributions plus a minimum interest thereon of 5% per annum. As at 31 December 2024, vested benefits under this plan are fully funded in accordance with the ORSO funding requirements. During the year, forfeited contributions totalling HK$14 million (2023: HK$16 million) were used to reduce the current year's level of contributions and HK$1 million forfeited contribution was available at 31 December 2024 (2023: HK$1 million) to reduce future years' contributions.

The Group operates three contributory defined benefit pension plans for its ports operation in the United Kingdom. The plans are all final salary in nature and they are not open to new entrants. Of the three plans, the Port of Felixstowe Pension Plan ("Felixstowe Scheme") is the principal plan. An independent actuarial valuation, undertaken for funding purposes under the provision of the Pensions Act 2004, at 31 December 2021 reported a funding level of 93% of the accrued actuarial liabilities on an ongoing basis. The sponsoring employer has since made additional contributions of GBP9.5 million in both 2022 and 2023 and a further contributions of GBP5.7 million in 2024 to eliminate the shortfall. The valuation used the projected unit credit method and the main assumptions in the valuation are a pre-retirement discount rate of 4.7% per annum; post-retirement discount rate of 1.7% per annum; pensionable earnings increases of 3.15% per annum; Retail Price Index ("RPI") inflation of 3.5% per annum; Consumer Price Index ("CPI") inflation of 2.9% per annum; and pension increases of 2.1% to 3.4% per annum. The valuation was prepared by Rhidian Williams FIA, a Fellow of the Institute and Faculty of Actuaries, of Quantum Advisory.

The Group's defined benefit pension plans for its ports and retail operations in the Netherlands are guaranteed contracts undertaken by insurance companies to provide defined benefit payable under the plans in return for actuarially determined contributions based on tariffs and conditions agreed for the term of the contracts. As the risk of providing past pension benefits is underwritten by the insurance companies, the Group does not carry funding risk relating to past service. The annual contribution to provide current year benefits varies in accordance with annual actuarial calculations.

The Group operates a defined benefit pension plan for certain of its retail operation in the United Kingdom. It is not open to new entrants. With effect from 28 February 2010, accrual of future defined benefits for all active members was ceased and the final salary linkage was also severed. The last triennial valuation was undertaken on 31 March 2024. This was an independent actuarial valuation, undertaken for funding purposes under the provision of the Pensions Act 2004, at 31 March 2024 which reported a funding level of 107% of the accrued actuarial liabilities on an ongoing basis. The plan was in a surplus position as at 31 March 2024 and as a result there is no requirement for the trustee to agree a recover plan. The company will continue to pay quarterly contributions to fund the scheme expenses of GBP175,000 per quarter. The valuation used the projected unit credit method and the main assumptions in the valuation are investment returns of 3.69% to 5.63% per annum and pension increases of 2.66% to 4.39% per annum for pension tranches increasing at Retail Price Inflation capped at 5% per annum. However, not all pension tranches are subject to the same level of pension increase and following an exercise completed in 2024, there are other pension tranches that increase at either fixed 4% per annum or fixed 0% per annum. The valuation was prepared by Tracey McManus, a Fellow of the Institute and Faculty of Actuaries, of Barnett Waddingham LLP.

29 Pension plans (continued)

(a) Defined benefit plans (continued)

(i) Plan assets

Fair value of the plan assets are analysed as follows:

	2024 Percentage	2023 Percentage
Equity instruments		
Consumer markets and manufacturing	**5%**	4%
Energy and utilities	**1%**	1%
Financial institutions and insurance	**4%**	3%
Telecommunications and information technology	**5%**	5%
Units trust and equity instrument funds	**3%**	4%
Others	**7%**	6%
	25%	23%
Debt instruments		
Government and government guaranteed notes	**22%**	22%
Financial institutions notes	**6%**	5%
Others	**5%**	7%
	33%	34%
Qualifying insurance policies	**30%**	31%
Other assets	**12%**	12%
	100%	100%

The debt instruments are analysed by issuers' credit rating as follows:

	2024 Percentage	2023 Percentage
Aaa / AAA	**7%**	6%
Aa1 / AA+	**16%**	12%
Aa2 / AA	**48%**	52%
Aa3 / AA-	**2%**	1%
A1 / A+	**3%**	2%
A2 / A	**5%**	4%
Other investment grades	**16%**	18%
No investment grades	**3%**	5%
	100%	100%

The fair value of the above equity instruments and debt instruments are determined based on quoted market prices.

Fair value of plan assets of HK$15,630 million (2023: HK$15,860 million) includes investments in the Company's shares with a fair value of HK$7 million (2023: HK$10 million).

The long term strategic asset allocations of the plans are set and reviewed from time to time by the plans' trustees taking into account the membership and liability profile, and the liquidity requirements of the plans.

(ii) Defined benefit obligation

The average duration of the defined benefit obligation as at 31 December 2024 is 17 years (2023: 18 years).

The Group expects to make contributions of HK$819 million (2023: HK$958 million) to the defined benefit plans next year.

HKAS 19 "Employee Benefits" requires the disclosure of a sensitivity analysis for the significant actuarial assumptions, used to determine the present value of the defined benefit obligations, that shows the effects of a hypothetical change in the relevant actuarial assumption at the end of the reporting period on defined benefit obligations.

29 Pension plans (continued)

(a) Defined benefit plans (continued)

(ii) Defined benefit obligation (continued)

The effect that is disclosed in the following assumes that (a) a hypothetical change of the relevant actuarial assumption had occurred at the end of the reporting period and had applied to the relevant actuarial assumption in existence on that date; and (b) the sensitivity analysis for each type of actuarial assumption does not reflect inter-dependencies between different assumptions.

The preparation and presentation of the sensitivity analysis for significant actuarial assumptions is solely for compliance with HKAS 19 disclosure requirements in respect of defined benefit obligations. The sensitivity analysis measures changes in the defined benefit obligations from hypothetical instantaneous changes in one actuarial assumption (e.g. discount rate or future salary increase), the amount so generated from the sensitivity analysis are "what-if" forward-looking estimates. The sensitivity analysis are for illustration purposes only and it should be noted that in practice actuarial assumptions rarely change in isolation. Actual results in the future may differ materially from the sensitivity analysis due to developments in the markets which may cause fluctuations in actuarial assumptions (e.g. discount rate or future salary increase) to vary and therefore it is important to note that the hypothetical amounts so generated do not present a projection of likely future events and profits or losses.

If the discount rate is 0.25% higher or lower, the defined benefit obligation would decrease by 3.5% or increase by 3.8% respectively (2023: decrease by 2.9% or increase by 3.1% respectively).

If the future salary increase is 0.25% higher or lower, the defined benefit obligation would increase by 0.5% or decrease by 0.5% respectively (2023: increase by 0.6% or decrease by 0.5% respectively).

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the consolidated statement of financial position.

(b) Defined contribution plans

The Group's cost in respect of defined contribution plans for the year amounted to HK$1,354 million (2023: HK$1,505 million) which has been charged to the profit or loss for the year. Forfeited contributions of HK$15 million (2023: HK$15 million) were used to reduce the current year's level of contributions and no forfeited contribution was available at 31 December 2024 (2023: nil) to reduce future years' contributions.

30 Other non-current liabilities

	2024 HK$ million	2023 HK$ million
Derivative financial instruments		
Fair value hedges - collar agreements	**-**	59
Cash flow hedges		
Other contracts	**-**	1
Net investment hedges		
Cross currency swaps	**2**	465
Other derivative financial instruments	**91**	-
Obligations for telecommunications licences and other rights	**3,122**	3,994
Other non-current liabilities	**6,132**	6,387
Liabilities relating to the economic benefits agreements	**2,166**	2,166
Provisions (see note 27)	**16,871**	18,499
	28,384	31,571

31 Share capital, share premium, perpetual capital securities and capital management

(a) Share capital and share premium

	Number of shares	Share capital HK$ million	Share premium HK$ million	Total HK$ million
Authorised:				
Ordinary shares of HK$1 each	**8,000,000,000**	**8,000**	-	**8,000**
Issued and fully paid:				
Ordinary shares				
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	**3,830,044,500**	**3,830**	**242,972**	**246,802**

(b) Perpetual capital securities

	2024 HK$ million	2023 HK$ million
EUR500 million issued in 2018	-	4,566

In December 2018, a wholly owned subsidiary company of the Group issued perpetual capital securities with nominal amount of EUR500 million for cash. The Group has fully redeemed these perpetual capital securities in June 2024.

31 Share capital, share premium, perpetual capital securities and capital management (continued)

(c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue to provide returns for shareholders and to support the Group's stability and growth. The Group regularly reviews and manages its capital structure to ensure optimal capital structure to maintain a balance between higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

At 31 December 2024, total equity amounted to HK$652,592 million (2023: HK$670,549 million), and consolidated net debt of the Group, excluding loans from non-controlling shareholders which are viewed as quasi equity, was HK$128,558 million (2023: HK$130,585 million). The Group's net debt to net total capital ratio increased to 16.4% from 16.2% at the end of last year.

As additional information, the following table shows the net debt to net total capital ratios calculated on the basis of including loans from non-controlling shareholders and also with the Group's investments in its listed subsidiaries and associated companies marked to market value at the end of the reporting period.

Net debt / Net total capital ratios (i) at 31 December:

	2024	2023
A1 - excluding interest-bearing loans from non-controlling shareholders from debt	**16.4%**	16.2%
A2 - as in A1 above and investments in listed subsidiaries and associated companies marked to market value	**17.5%**	18.0%
B1 - including interest-bearing loans from non-controlling shareholders as debt	**16.8%**	16.6%
B2 - as in B1 above and investments in listed subsidiaries and associated companies marked to market value	**18.0%**	18.4%

(i) Net debt is defined in the consolidated statement of cash flows. Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions. Net total capital is defined as total bank and other debts plus total equity and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments.

32 Reserves

	2024				
	Attributable to ordinary shareholders				
	Retained profit HK$ million	Exchange reserve HK$ million	Hedging reserve HK$ million	Others [a] HK$ million	Total HK$ million
At 1 January 2024	669,173	(29,260)	2,618	(345,298)	297,233
Profit for the year	17,088	-	-	-	17,088
Other comprehensive income (losses) [b]					
Changes in fair value of equity instruments at fair value through other comprehensive income	-	-	-	(528)	(528)
Changes in fair value of debt instruments at fair value through other comprehensive income	-	-	-	126	126
Remeasurement of defined benefit obligations	646	-	-	-	646
Exchange losses on translation of foreign operations	-	(8,156)	-	-	(8,156)
Losses on cash flow hedges	-	-	(122)	-	(122)
Gains on net investment hedges	-	1,123	-	-	1,123
Losses in other reserves related to subsidiaries disposed during the year transferred directly to retained profits	(24)	-	-	24	-
Share of other comprehensive income (losses) of associated companies	(68)	(5,101)	(130)	(21)	(5,320)
Share of other comprehensive income (losses) of joint ventures	(721)	(4,489)	241	-	(4,969)
Tax relating to components of other comprehensive income (losses)	(71)	-	4	-	(67)
Other comprehensive income (losses), net of tax	(238)	(16,623)	(7)	(399)	(17,267)
Transfer of losses on disposal of equity securities at FVOCI to retained profit	(682)	-	-	682	-
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2023	(6,798)	-	-	-	(6,798)
Dividends paid relating to 2024	(2,635)	-	-	-	(2,635)
Unclaimed dividends write back	9	-	-	-	9
Relating to purchase of non-controlling interests	-	-	-	(37)	(37)
Relating to partial disposal of subsidiary companies	-	-	-	320	320
At 31 December 2024	675,917	(45,883)	2,611	(344,732)	287,913

32 Reserves (continued)

	2023				
	Attributable to ordinary shareholders				
	Retained profit HK$ million	Exchange reserve HK$ million	Hedging reserve HK$ million	Others [(a)] HK$ million	Total HK$ million
At 1 January 2023	657,443	(40,203)	5,332	(345,861)	276,711
Profit for the year	23,500	-	-	-	23,500
Other comprehensive income (losses) [(b)]					
Changes in fair value of equity instruments at fair value through other comprehensive income	-	-	-	718	718
Changes in fair value of debt instruments at fair value through other comprehensive income	-	-	-	120	120
Remeasurement of defined benefit obligations	(1,108)	-	-	-	(1,108)
Exchange gains on translation of foreign operations	-	7,457	-	-	7,457
Exchange losses reclassified to profit or loss	-	339	-	-	339
Losses on cash flow hedges	-	-	(1,033)	-	(1,033)
Losses on net investment hedges	-	(1,308)	-	-	(1,308)
Reclassification adjustments for hedging gains included in profit or loss	-	-	(1,735)	-	(1,735)
Share of other comprehensive income (losses) of associated companies	(578)	1,785	(132)	108	1,183
Share of other comprehensive income of joint ventures	194	2,670	183	18	3,065
Tax relating to components of other comprehensive income (losses)	284	-	3	-	287
Other comprehensive income (losses), net of tax	(1,208)	10,943	(2,714)	964	7,985
Impact of hyperinflation	82	-	-	-	82
Transfer of gains on disposal of equity securities at FVOCI to retained profit	226	-	-	(226)	-
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2022	(7,989)	-	-	-	(7,989)
Dividends paid relating to 2023	(2,896)	-	-	-	(2,896)
Recognition of put option liabilities arising from business combinations	-	-	-	(148)	(148)
Unclaimed dividends write back	15	-	-	-	15
Relating to purchase of non-controlling interests	-	-	-	(34)	(34)
Relating to partial disposal of subsidiary companies	-	-	-	7	7
At 31 December 2023	669,173	(29,260)	2,618	(345,298)	297,233

(a) Other reserves comprise revaluation reserve and other capital reserves. As at 31 December 2024, revaluation reserve deficit amounted to HK$2,526 million (1 January 2024: HK$2,835 million and 1 January 2023: HK$3,472 million), and other capital reserves deficit amounted to HK$342,206 million (1 January 2024: HK$342,463 million and 1 January 2023: HK$342,389 million). Revaluation surplus (deficit) arising from revaluation to market value of listed debt securities and listed equity securities are included in the revaluation reserve. Included in the other capital reserves account is a deficit of HK$341,336 million, relating to the fair value of shares of Cheung Kong (Holdings) Limited, the former holding company of the Group, cancelled as part of the reorganisation completed in 2015.

32 Reserves (continued)

(b) Set out below are before and after related tax effects of other comprehensive income (losses) for the years:

	2024		
	Before-tax amount HK$ million	**Tax effect HK$ million**	**Net-of-tax amount HK$ million**
Changes in fair value of equity instruments at fair value through other comprehensive income	**(528)**	**-**	**(528)**
Changes in fair value of debt instruments at fair value through other comprehensive income	**126**	**-**	**126**
Remeasurement of defined benefit obligations	**810**	**(90)**	**720**
Exchange losses on translation of foreign operations	**(9,543)**	**-**	**(9,543)**
Losses on cash flow hedges	**(132)**	**5**	**(127)**
Gains on net investment hedges	**1,484**	**-**	**1,484**
Share of other comprehensive income (losses) of associated companies	**(5,753)**	**-**	**(5,753)**
Share of other comprehensive income (losses) of joint ventures	**(6,256)**	**-**	**(6,256)**
	(19,792)	**(85)**	**(19,877)**

	2023		
	Before-tax amount HK$ million	Tax effect HK$ million	Net-of-tax amount HK$ million
Changes in fair value of equity instruments at fair value through other comprehensive income	718	-	718
Changes in fair value of debt instruments at fair value through other comprehensive income	120	-	120
Remeasurement of defined benefit obligations	(1,470)	376	(1,094)
Exchange gains on translation of foreign operations	7,771	-	7,771
Exchange losses reclassified to profit or loss	342	-	342
Losses on cash flow hedges	(1,059)	4	(1,055)
Losses on net investment hedges	(1,641)	-	(1,641)
Reclassification adjustments for hedging gains included in profit or loss	(1,735)	-	(1,735)
Share of other comprehensive income of associated companies	1,329	-	1,329
Share of other comprehensive income of joint ventures	3,997	-	3,997
	8,372	380	8,752

33 Notes to the consolidated statement of cash flows

(a) Reconciliation of profit after tax to cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital

	2024 HK$ million	2023 HK$ million
Profit after tax	**23,853**	30,209
Less: share of profits less losses of		
Associated companies	**(6,903)**	(8,138)
Joint ventures	**(9,757)**	(7,990)
	7,193	14,081
Adjustments for:		
Current tax charge	**4,189**	4,119
Deferred tax charge (credit)	**528**	(1,116)
Interest expenses and other finance costs	**13,392**	12,227
Depreciation and amortisation	**40,460**	40,083
EBITDA of Company and subsidiaries (i)	**65,762**	69,394
Dividends received from associated companies and joint ventures	**11,509**	11,388
Impairment loss on telecommunications business in Vietnam (see note 7(e))	**1,859**	-
Loss on disposal of fixed assets	**97**	169
Gains on disposals of unlisted investments	**(78)**	-
Gains on disposals of interests in associated companies and joint ventures (see note 7)	**-**	(228)
Loss on disposal of associated companies and joint ventures (see note 7)	**14**	70
A gain on disposal of financial instruments (see note 7)	**-**	(1,829)
Losses (gains) on disposal of subsidiaries (see note 7)		
Italian network business	**-**	250
Ports businesses	**(364)**	-
Customer acquisition and retention costs capitalised in the year	**(4,057)**	(4,143)
Other non-cash items	**388**	345
	75,130	75,416

(i) Reconciliation of EBITDA:

	2024 HK$ million	2023 HK$ million
EBITDA of Company and subsidiaries	**65,762**	69,394
Share of EBITDA of associated companies and joint ventures		
Share of profits less losses of		
Associated companies	**6,903**	8,138
Joint ventures	**9,757**	7,990
Adjustments for:		
Depreciation and amortisation	**26,159**	24,724
Interest expenses and other finance costs	**10,658**	11,973
Current tax charge	**4,594**	3,582
Deferred tax charge	**1,613**	1,806
Non-controlling interests	**571**	482
	60,255	58,695
EBITDA (see note 5(b)(ii))	**126,017**	128,089

33 Notes to the consolidated statement of cash flows (continued)

(b) Changes in working capital

	2024 HK$ million	2023 HK$ million
Increase in inventories	**(1,536)**	(1,005)
Decrease (increase) in trade receivables and other current assets	**1,128**	(5,022)
Decrease in trade payables and other current liabilities	**(1,535)**	(3,767)
Other non-cash items	**(1,040)**	1,829
	(2,983)	(7,965)

(c) Purchase of subsidiary companies

The following table summarises the consideration paid and the amounts of the assets acquired and liabilities assumed recognised for acquisitions completed during the years:

	2024 HK$ million	2023 HK$ million
Purchase consideration transferred:		
Cash and cash equivalents paid	**4,167**	127
Fair value		
Fixed assets	**628**	6
Right-of-use assets	**559**	3
Telecommunications licences	**3,368**	-
Brand names and other rights	**18**	9
Deferred tax assets	**4**	3
Cash and cash equivalents	**53**	72
Trade receivables and other current assets	**341**	52
Inventories	**67**	13
Trade payables and other current liabilities and current tax liabilities	**(683)**	(57)
Bank and other debts	**-**	(2)
Lease liabilities	**(1,249)**	(3)
Deferred tax liabilities	**(358)**	-
Pension obligations	**(32)**	(1)
Net identifiable assets acquired	**2,716**	95
Non-controlling interests	**-**	(43)
	2,716	52
Goodwill	**1,451**	75
Total consideration	**4,167**	127
Net cash outflow (inflow) arising from acquisition:		
Cash and cash equivalents paid	**4,167**	127
Cash and cash equivalents acquired	**(53)**	(72)
Total net cash outflow	**4,114**	55

For current year ended 31 December 2024, the completion of the acquisition is within the one year measurement period by the year end date of 31 December 2024. The amounts disclosed above are determined on a provisional basis and are subject to finalisation.

For the year ended 31 December 2024 and 31 December 2023, the acquisition related costs and the contributions to the Group's revenue and profit before tax from the subsidiaries acquired during the year since the respective date of acquisition were not material.

33 Notes to the consolidated statement of cash flows (continued)

(d) Disposal of subsidiary companies

	2024 **HK$ million**	2023 HK$ million
Equity securities received	**736**	2,563
Net cash consideration	**464**	2,563
Carrying amount of net assets disposed	**(836)**	(5,052)
Gains before reclassification of exchange losses	**364**	74
Cumulative exchange losses reclassified to profit or loss	**-**	(324)
Gains (loss) on disposals	**364**	(250)
Analysis of assets and liabilities over which control was lost:		
Fixed assets	**4,713**	-
Right-of-use assets	**730**	-
Trade receivables and other current assets	**91**	-
Inventories	**43**	-
Assets classified as held for sale	**-**	6,202
Trade payables and other current liabilities and current tax liabilities	**(513)**	-
Bank and other debts	**(2,824)**	-
Interest free loans from non-controlling shareholders	**(92)**	-
Lease liabilities	**(820)**	-
Deferred tax liabilities	**(35)**	-
Pension obligations	**(45)**	-
Liabilities directly associated with assets classified as held for sale	**-**	(1,150)
Non-controlling interests	**(543)**	-
Net assets (excluding cash and cash equivalents) disposed	**705**	5,052
Cash and cash equivalents disposed	**131**	-
Net assets disposed	**836**	5,052
Net cash inflow arising from disposal:		
Cash and cash equivalents received	**464**	2,563
Cash and cash equivalents disposed	**(131)**	-
Total net cash inflow	**333**	2,563

Disposal of subsidiary companies for the current year ended 31 December 2024 mainly related to the disposal of the Group's former non-wholly owned subsidiary Abu Qir Container Terminal Company S.A.E., which became a 41% owned associated company in the current year. For the comparative year ended 31 December 2023, the disposals of subsidiary companies mainly related to the disposal of Zefiro Net S.r.l., which became a 50% owned joint venture in the comparative year. The gains (loss) on these disposals are recognised in the consolidated income statement, with the current year's gains on disposals included in the line item titled "Other income and gains" and the comparative year's loss on disposal included in the line item titled "Other expenses and losses" in the consolidated income statement (see note 7).

Saved as disclosed for the effect arising from the gains (loss) on disposals, the effect on the Group's results from the subsidiaries disposed during the year are not material for the years ended 31 December 2024 and 2023.

33 Notes to the consolidated statement of cash flows (continued)

(e) Changes in liabilities arising from financing activities

The following table sets out an analysis of the cash flows and non-cash flows changes in liabilities arising from financing activities:

	Bank and other debts HK$ million	Lease liabilities HK$ million	Interest bearing loans from non-controlling shareholders HK$ million	Interest free loans from non-controlling shareholders HK$ million	Liabilities relating to the economic benefits agreements HK$ million	Total HK$ million
At 1 January 2023	284,326	66,059	2,567	472	2,166	355,590
Financing cash flows						
New borrowings	58,211	-	-	-	-	58,211
Repayment of borrowings	(75,361)	-	-	-	-	(75,361)
Principal elements of lease payments (see note 13(b))	-	(14,476)	-	-	-	(14,476)
Net loans from (to) non-controlling shareholders	-	-	561	(34)	-	527
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 8)	237	-	-	-	-	237
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 8(a))	(341)	-	-	-	-	(341)
Increase in lease liabilities from entering into new leases (see note 13(a))	-	8,871	-	-	-	8,871
Interest on lease liabilities (see note 8)	-	2,546	-	-	-	2,546
Interest element of lease liabilities paid (included in "Net cash from operating activities")	-	(2,412)	-	-	-	(2,412)
Remeasurement / write off of lease liabilities	-	5,739	-	-	-	5,739
Relating to subsidiaries acquired (see note 33(c))	2	3	-	-	-	5
Exchange translation differences	4,848	1,593	117	-	-	6,558
At 31 December 2023 and 1 January 2024	**271,922**	**67,923**	**3,245**	**438**	**2,166**	**345,694**
Financing cash flows						
New borrowings	**54,594**	**-**	**-**	**-**	**-**	**54,594**
Repayment of borrowings	**(60,201)**	**-**	**-**	**-**	**-**	**(60,201)**
Principal elements of lease payments (see note 13(b))	**-**	**(14,103)**	**-**	**-**	**-**	**(14,103)**
Net loans from (to) non-controlling shareholders	**-**	**-**	**485**	**(19)**	**-**	**466**
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 8)	**248**	**-**	**-**	**-**	**-**	**248**
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 8(a))	**(338)**	**-**	**-**	**-**	**-**	**(338)**
Increase in lease liabilities from entering into new leases (see note 13(a))	**-**	**7,534**	**-**	**-**	**-**	**7,534**
Interest on lease liabilities (see note 8)	**-**	**2,757**	**-**	**-**	**-**	**2,757**
Interest element of lease liabilities paid (included in "Net cash from operating activities")	**-**	**(2,739)**	**-**	**-**	**-**	**(2,739)**
Remeasurement / write off of lease liabilities	**-**	**6,087**	**-**	**-**	**-**	**6,087**
Relating to purchase of non-controlling interests	**-**	**-**	**-**	**22**	**-**	**22**
Relating to subsidiaries acquired (see note 33(c))	**-**	**1,249**	**-**	**-**	**-**	**1,249**
Relating to subsidiaries disposed (see note 33(d))	**(2,824)**	**(820)**	**-**	**(92)**	**-**	**(3,736)**
Exchange translation differences	**(7,009)**	**(3,369)**	**(259)**	**-**	**-**	**(10,637)**
At 31 December 2024	**256,392**	**64,519**	**3,471**	**349**	**2,166**	**326,897**

34 Share-based payments

The Company and its subsidiary companies do not have share option scheme as at 31 December 2024 and 31 December 2023. Certain of the Company's associated companies have issued equity-settled and cash-settled share-based payments to certain employees. The aggregate amount of the share-based payments recognised by these companies during the current and comparative years are not material to the Group's results.

35 Pledge of assets

At 31 December 2024, assets of the Group totalling HK$1,449 million (2023: HK$1,533 million) were pledged as security for bank and other debts.

36 Contingent liabilities and guarantees

At 31 December 2024, the Company and its subsidiaries provide guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures of HK$10,753 million (2023: HK$4,560 million).

The amount utilised by its associated companies and joint ventures are as follows:

	2024	2023
	HK$ million	HK$ million
To associated companies	**8,444**	3,661
To joint ventures	**-**	-

At 31 December 2024, the Group had provided performance and other guarantees of HK$4,860 million (2023: HK$4,115 million).

37 Commitments

The Group's outstanding commitments contracted for at 31 December 2024, where material, not provided for in the consolidated financial statements at 31 December 2024 are as follows:

Capital commitments

(a) Ports and Related Services: HK$235 million (2023: HK$462 million)
(b) **3** Group Europe: HK$155 million (2023: HK$181 million)
(c) Telecommunications, Hong Kong and Asia: HK$769 million (2023: HK$149 million)

38 Related parties transactions

Saved as disclosed elsewhere in these financial statements, transactions between the Group and other related parties during the year are not significant to the Group. The outstanding balances with associated companies and joint ventures are disclosed in notes 17 and 18. Transactions between the Company and its subsidiaries have been eliminated on consolidation.

No transactions have been entered with the directors of the Company (being the key management personnel) during the year other than the emoluments paid to them (being the key management personnel compensation).

39 Legal proceedings

As at 31 December 2024 and 2023, the Group is not engaged in any material litigation or arbitration proceedings, and no material litigation or claim is known by the Group to be pending or threatened against it.

40 Financial risk management

The Group's major financial assets and financial liabilities include cash and cash equivalents, liquid funds and other listed investments and borrowings. Details of these financial assets and financial liabilities are disclosed in the respective notes. The Group's treasury function sets financial risk management policies in accordance with policies and procedures that are approved by the Executive Directors, and which are also subject to periodic review by the Group's internal audit function. The Group's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates on the Group's overall financial position and to minimise the Group's financial risks. The Group's treasury function operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks, and for providing cost-efficient funding to the Group and its companies. It manages the majority of the Group's funding needs, interest rate, foreign currency and credit risk exposures. It is the Group's policy not to have credit rating triggers that would accelerate the maturity dates of the Group's borrowings. The Group uses interest rate and foreign currency swaps and forward contracts as appropriate for risk management purposes only, for hedging transactions and for managing the Group's exposure to interest rate and foreign exchange rate fluctuations. The Group generally does not enter into foreign currency hedges in respect of its foreign currency earnings and no derivatives instruments to hedge the Group's earnings were entered during the year or remain outstanding at the end of the year. It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, that have significant underlying leverage or derivative exposure.

(a) Cash management and funding

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

The Group continues to maintain a robust financial position. Cash, liquid funds and other listed investments ("Liquid assets") amounted to HK$129,445 million at 31 December 2024 (2023: HK$143,109 million). The decrease was mainly reflecting dividend payments to ordinary and non-controlling shareholders, redemption of perpetual capital securities, repayment and early repayment of certain borrowings, capital expenditure and investment spending, as well as distributions to perpetual capital securities holders, partly offset by cash arising from positive funds from operations from the Group's businesses and cash from new borrowings. Liquid assets were denominated as to 16% in HK dollar, 45% in US dollar, 3% in Renminbi, 23% in Euro, 5% in British Pound and 8% in other currencies (2023: 17% were denominated in HK dollar, 45% in US dollar, 3% in Renminbi, 23% in Euro, 5% in British Pound and 7% in other currencies).

Cash and cash equivalents represented 94% (2023: 89%) of the liquid assets, US Treasury notes and other listed debt securities 5% (2023: 5%) and listed equity securities 1% (2023: 6%). The US Treasury notes and other listed debt securities, including those held under managed funds, consisted of US Treasury notes of 74% (2023: 72%), government and government guaranteed notes of 22% (2023: 25%) and others of 4% (2023: 3%). All of these US Treasury notes and other listed debt securities (2023: All) are rated at Aaa / AAA or Aa1 / AA+ with an average maturity of 1.1 years (2023: 1.8 years) on the overall portfolio. The Group has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.

(b) Interest rate exposure

The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate, the Group uses derivatives such as interest rate swaps and forward rate agreements to manage its interest rate exposure. The Group's main interest rate exposure relates to US dollar, British Pound, Euro and HK dollar borrowings.

At 31 December 2024, approximately 34% (2023: approximately 34%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 66% (2023: approximately 66%) were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$3,129 million (2023: HK$3,461 million) principal amount of floating interest rate borrowings that were used to finance long term investments to fixed interest rate borrowings. After taking into consideration of these interest rate swaps, approximately 33% (2023: approximately 32%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 67% (2023: approximately 68%) were at fixed rates at 31 December 2024. All of the aforementioned interest rate derivatives are designated as hedges and these hedges are considered highly effective.

40 Financial risk management (continued)

(c) Foreign currency exposure

For subsidiaries, associated companies, joint arrangements, branches and other investments (the activities of which are based or conducted in non-HK dollar or non-US dollar), the Group generally endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. For businesses (the activities of which are based or conducted in non-HK dollar or non-US dollar) that are in the development phase, or where borrowings in local currency are not or are no longer attractive, the Group may not borrow in the local currency or may repay existing borrowings and monitor the development of the businesses' cash flows and the relevant debt markets with a view to refinance these businesses with local currency borrowings in the future when conditions are more appropriate. Exposure to movements in exchange rates for individual transactions (such as major procurement contracts) directly related to its underlying businesses is minimised by using forward foreign exchange contracts and currency swaps where active markets for the relevant currencies exist. The Group generally does not enter into foreign currency hedges in respect of its long-term equity investments in foreign operations, except in relation to certain infrastructure investments. At 31 December 2024, the Group had foreign exchange forward contracts and cross currency swaps with banks to hedge these investments. The total notional amount of the net investment hedges amounted to HK$48,426 million (2023: HK$50,730 million).

The Group has operations in over 50 countries and conducts businesses in around 50 currencies. The Group's functional currency for reporting purposes is Hong Kong dollar and the Group's reported results in Hong Kong dollar are exposed to exchange translation on its foreign currency earnings.

As at 31 December 2024, the Group's total principal amount of bank and other debts are denominated as follows: 51% in US dollar, 30% in Euro, 6% in HK dollar, 5% in British Pound and 8% in other currencies (2023: 49% in US dollar, 33% in Euro, 5% in HK dollar, 5% in British Pound and 8% in other currencies). The Group had currency swap arrangements with banks to swap British Pound principal amount of borrowings equivalent to HK$4,920 million (2023: HK$4,970 million) to Euro principal amount of borrowings to reflect currency exposures of its underlying businesses. The Group's total principal amount of bank and other debts, after the above swaps, were denominated as follows: 51% in US dollar, 32% in Euro, 6% in HK dollar, 3% in British Pound and 8% in other currencies (2023: 49% in US dollar, 34% in Euro, 5% in HK dollar, 4% in British Pound and 8% in other currencies).

(d) Credit exposure

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

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

(e) Market price risk

The Group's main market price risk exposures relate to listed debt and equity securities as described in "liquid assets" above and the interest rate swaps described in "interest rate exposure" above. The Group's holding of listed debt and equity securities represented approximately 6% (2023: approximately 11%) of the liquid assets. The Group controls this risk through active monitoring of price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

(f) Market risks sensitivity analysis

For the presentation of financial assets and financial liabilities market risks (including interest rate risk, currency risk and other price risk) information, HKFRS 7 "Financial Instruments: Disclosures" requires the disclosure of a sensitivity analysis for each type of financial market risk that shows the effects of a hypothetical change in the relevant market risk variable to which the Group is exposed at the end of the reporting period on profit for the year and on total equity.

The effect that is disclosed in the following sections is before the related tax effect and the related amount attributable to non-controlling interests, and assumes that (a) a hypothetical change of the relevant risk variable had occurred at the end of the reporting period and had been applied to the relevant risk variable in existence on that date; and (b) the sensitivity analysis for each type of financial market risk does not reflect inter-dependencies between risk variables, e.g. the interest rate sensitivity analysis does not take into account of the impact of changes in interest rates that would have on the relative strengthening and weakening of the currency with other currencies.

40 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

The preparation and presentation of the sensitivity analysis on financial market risk is solely for compliance with HKFRS 7 disclosure requirements in respect of financial assets and financial liabilities. The sensitivity analysis measures changes in the fair value and / or cash flows of the Group's financial assets and financial liabilities from hypothetical instantaneous changes in one risk variable (e.g. functional currency rate or interest rate), the amount so generated from the sensitivity analysis are "what-if" forward-looking estimates. The sensitivity analysis are for illustration purposes only and it should be noted that, in practice, market rates rarely change in isolation. Actual results in the future may differ materially from the sensitivity analysis due to developments in the global markets which may cause fluctuations in market rates (e.g. exchange or interest rate) to vary and therefore it is important to note that the hypothetical amounts so generated do not represent a projection of likely future events and profits or losses.

(i) Interest rate sensitivity analysis

Interest rate risk as defined by HKFRS 7 arises on interest-bearing financial assets and financial liabilities.

The interest rate sensitivity analysis is based on the following assumptions:

In the cases of non-derivative financial assets and financial liabilities with fixed interest rates, changes in market interest rates only affect profit for the year or total equity if these financial assets and financial liabilities are measured at fair value. Accordingly, all non-derivative financial assets and financial liabilities with fixed interest rates that are carried at amortised cost are excluded from the interest rate sensitivity analysis as they are not subject to interest rate risk as defined in HKFRS 7.

In the cases of derivative financial assets and financial liabilities designated as hedging instruments for hedging interest rate risks, changes in market interest rates affect their fair values. All interest rate hedges are expected to be highly effective. Changes in the fair value of fair value interest rate hedges and changes in the fair value of the hedged items that are attributable to interest rate movements effectively balance out with each other in the consolidated income statement in the same period. Accordingly, these hedging instruments and hedged items are excluded from the interest rate sensitivity analysis as they are not exposed to interest rate risk as defined in HKFRS 7. Changes in the fair value of cash flow interest rate hedges resulting from market interest rate movements affect total equity and are therefore taken into consideration in the sensitivity analysis.

In the cases of derivative financial assets and financial liabilities that are not part of an interest rate risk hedging relationship, changes in their fair values (arising from gain or loss from remeasurement of these interest rate derivatives to fair value) resulting from market interest rate movements affect profit for the year and total equity, and are therefore taken into consideration in the sensitivity analysis.

Major financial assets and financial liabilities for the purpose of the interest rate sensitivity analysis include:
- cash and cash equivalents (see note 23)
- some of the listed debt securities and managed funds (see note 20) carried at fair value that bear interest at fixed rate
- some of the listed debt securities and managed funds (see note 20) that bear interest at floating rate
- some of the bank and other debts (see note 25) that bear interest at floating rate
- interest bearing loans from non-controlling shareholders (see note 28)

Under these assumptions, the impact of a hypothetical 100 basis points (2023: 100 basis points) increase in market interest rate at 31 December 2024, with all other variables held constant:

- profit for the year would increase by HK$327 million (2023: HK$334 million) due to increased interest income offset with increased interest expense;
- total equity would increase by HK$327 million (2023: HK$334 million) due to increased interest income offset with increased interest expense; and
- total equity would increase by HK$4 million (2023: HK$45 million) due to the change in fair value of derivative financial instruments.

(ii) Foreign currency exchange rate sensitivity analysis

Currency risk as defined by HKFRS 7 arises on financial assets and financial liabilities being denominated in a currency that is not the functional currency and being of a monetary nature. Therefore, non-monetary financial assets and financial liabilities, monetary financial assets and financial liabilities denominated in the entity's functional currency and differences resulting from the translation of financial statements of overseas subsidiaries into the Group's presentation currency are not taken into consideration for the purpose of the sensitivity analysis for currency risk.

40 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

(ii) Foreign currency exchange rate sensitivity analysis (continued)

The foreign currency exchange rate sensitivity analysis is based on the following assumptions:

Major non-derivative monetary financial assets and financial liabilities are either directly denominated in the functional currency or are transferred to the functional currency through the use of foreign currency swaps and forward foreign exchange contracts. Exchange fluctuations of these monetary financial assets and financial liabilities therefore have no material effects on profit for the year and total equity.

In the cases of derivative financial assets and financial liabilities designated as hedging instruments for hedging currency risks, changes in foreign exchange rates affect their fair values. All currency hedges are expected to be highly effective. Changes in the fair value of foreign currency fair value hedges and changes in the fair value of the hedged items effectively balance out with each other in the consolidated income statement in the same period. As a consequence, these hedging instruments and hedged items are excluded from the foreign currency exchange rate sensitivity analysis as they are not exposed to currency risk as defined in HKFRS 7. Changes in the fair value of foreign currency cash flow hedges resulting from market exchange rate movements affect total equity and are therefore taken into consideration in the sensitivity analysis.

Major financial assets and financial liabilities for the purpose of the foreign currency exchange rate sensitivity analysis include:
- some of the cash and cash equivalents (see note 23)
- some of the liquid funds and other listed investments (see note 20)
- some of the bank and other debts (see note 25)

Under these assumptions, the impact of a hypothetical 5% weakening of HK dollar against all exchange rates at the end of the reporting period, with all other variables held constant, on the Group's profit for the year and total equity is set out in the table below:

	2024		2023	
	Hypothetical increase (decrease) in profit for the year HK$ million	**Hypothetical increase (decrease) in total equity HK$ million**	Hypothetical increase (decrease) in profit for the year HK$ million	Hypothetical increase (decrease) in total equity HK$ million
Euro	**159**	**(264)**	172	(264)
British Pound	**83**	**(1,118)**	144	(1,078)
Australian dollar	**40**	**(335)**	43	(368)
Renminbi	**45**	**45**	68	68
US dollar	**2,133**	**2,133**	2,182	2,182
Japanese Yen	**(39)**	**(39)**	(83)	(83)

(iii) Other price sensitivity analysis

Other price risk as defined by HKFRS 7 arises from changes in market prices (other than those arising from interest rate risk and currency risk as detailed in "interest rate exposure" and "foreign currency exposure" paragraphs above) on financial assets and financial liabilities.

The other price sensitivity analysis is based on the assumption that changes in market prices (other than those arising from interest rate risk and currency risk) of financial assets and financial liabilities only affect profit for the year or total equity if these financial assets and financial liabilities are measured at fair values. Accordingly, all non-derivative financial assets and financial liabilities carried at amortised cost are excluded from the other price sensitivity analysis as they are not subject to other price risk as defined in HKFRS 7.

Major financial assets and financial liabilities for the purpose of the other price sensitivity analysis include:
- financial assets at FVOCI (see note 20)

Under these assumptions, the impact of a hypothetical 5% increase in the market price of the Group's financial assets at FVOCI at the end of the reporting period, with all other variables held constant:

- no impact to profit for the year (2023: nil), and consequently no impact to total equity for the year (2023: nil); and
- other comprehensive income would increase by HK$405 million (2023: HK$787 million) due to the increase in gains on financial assets at FVOCI, and consequently, total equity would increase by the same amount for both years.

40 Financial risk management (continued)

(g) Contractual maturities of financial liabilities

The following tables detail the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted principal cash flows and the earliest date the Group can be required to pay:

Non-derivative financial liabilities:

	Contractual maturities					
	Within 1 year HK$ million	After 1 year, but within 5 years HK$ million	After 5 years HK$ million	Total undiscounted cash flows HK$ million	Difference from carrying amounts HK$ million	Carrying amounts HK$ million
At 31 December 2024						
Trade payables	21,861	-	-	21,861	-	21,861
Expenses and other accruals	33,411	-	-	33,411	-	33,411
Other payables	19,104	-	-	19,104	-	19,104
Interest free loans from non-controlling shareholders	349	-	-	349	-	349
Lease liabilities	13,649	32,658	34,922	81,229	(16,710)	64,519
Bank loans	24,896	62,944	-	87,840	(150)	87,690
Other loans	4	14	50	68	-	68
Notes and bonds	6,068	82,059	80,013	168,140	494	168,634
Interest bearing loans from non-controlling shareholders	1,874	1,591	6	3,471	-	3,471
Obligations for telecommunications licences and other rights	864	1,527	1,890	4,281	(298)	3,983
Liabilities relating to the economic benefits agreements	-	2,166	-	2,166	-	2,166
Amounts due to associated companies	535	-	-	535	-	535
Amounts due to joint ventures	270	-	-	270	-	270
	122,885	182,959	116,881	422,725	(16,664)	406,061

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK$8,484 million in "within 1 year" maturity band, HK$22,549 million in "after 1 year, but within 5 years" maturity band, and HK$17,587 million in "after 5 years" maturity band. These estimates are calculated assuming the effect of hedging transactions and interest rates with respect to variable rate financial liabilities remain constant and there is no change in the aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

Derivative financial liabilities:

	Contractual maturities			
	Within 1 year HK$ million	After 1 year, but within 5 years HK$ million	After 5 years HK$ million	Total undiscounted cash flows HK$ million
At 31 December 2024				
Cash flow hedges				
Other contracts				
Outflow	(14)	-	-	(14)
Net investment hedges				
Forward foreign exchange contracts				
Inflow	1,914	-	-	1,914
Outflow	(1,969)	-	-	(1,969)
Cross currency swaps				
Inflow	45	3,427	564	4,036
Outflow	-	(3,641)	(540)	(4,181)

40 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

Non-derivative financial liabilities:

	Contractual maturities					
	Within 1 year HK$ million	After 1 year, but within 5 years HK$ million	After 5 years HK$ million	Total undiscounted cash flows HK$ million	Difference from carrying amounts HK$ million	Carrying amounts HK$ million
At 31 December 2023						
Trade payables	23,017	-	-	23,017	-	23,017
Expenses and other accruals	36,471	-	-	36,471	-	36,471
Other payables	16,888	-	-	16,888	-	16,888
Interest free loans from non-controlling shareholders	438	-	-	438	-	438
Lease liabilities	14,951	32,804	38,837	86,592	(18,669)	67,923
Bank loans	24,484	65,036	-	89,520	(240)	89,280
Other loans	154	14	58	226	-	226
Notes and bonds	33,755	68,470	79,430	181,655	761	182,416
Interest bearing loans from non-controlling shareholders	726	2,128	391	3,245	-	3,245
Obligations for telecommunications licences and other rights	624	2,059	2,283	4,966	(351)	4,615
Liabilities relating to the economic benefits agreements	-	2,166	-	2,166	-	2,166
Amounts due to associated companies	543	-	-	543	-	543
Amounts due to joint ventures	310	-	-	310	-	310
	152,361	172,677	120,999	446,037	(18,499)	427,538

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK$9,366 million in "within 1 year" maturity band, HK$21,465 million in "after 1 year, but within 5 years" maturity band, and HK$17,862 million in "after 5 years" maturity band. These estimates are calculated assuming the effect of hedging transactions and interest rates with respect to variable rate financial liabilities remain constant and there is no change in the aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

Derivative financial liabilities:

	Contractual maturities			
	Within 1 year HK$ million	After 1 year, but within 5 years HK$ million	After 5 years HK$ million	Total undiscounted cash flows HK$ million
At 31 December 2023				
Fair value hedges				
Collar agreements				
Outflow	(297)	(59)	-	(356)
Cash flow hedges				
Forward foreign exchange contracts				
Net outflow	(2)	-	-	(2)
Other contracts				
Outflow	(113)	(1)	-	(114)
Net investment hedges				
Forward foreign exchange contracts				
Inflow	25,680	-	-	25,680
Outflow	(26,750)	-	-	(26,750)
Cross currency swaps				
Inflow	45	3,442	-	3,487
Outflow	-	(3,879)	-	(3,879)

40 Financial risk management (continued)

(h) In accordance with the disclosure requirement of HKFRS 7, the Group's financial instruments resulted in the following income, expenses and gains and losses recognised in the consolidated income statement:

	2024 HK$ million	2023 HK$ million
Dividends from equity securities at FVOCI - related to investments held at the end of the reporting period	**114**	142
Interest from debt securities at FVOCI	**111**	104
Interest from cash and cash equivalents held at amortised cost	**5,834**	5,616
Fair value losses on equity securities at fair value through profit or loss ("FVPL")	**-**	(103)
Fair value gains (losses) on debt securities at FVPL	**(15)**	13
Net impairment expense recognised on trade receivables	**(685)**	(612)

(i) Hedge accounting

(i) Fair value hedges

Hedging instruments	**2024** Number of hedged shares in million	Carrying amount of the hedging instrument HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedging instrument is included
Collar agreements	**3.0**	**14**	**69**	**Trade receivables and other current assets**

Hedged items	**2024** Carrying amount of the hedged item HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedged item is included
Listed equity securities, outside Hong Kong	**741**	**(120)**	**Liquid funds and other listed investments**

Hedging instruments	2023 Number of hedged shares in million	Carrying amount of the hedging instrument HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedging instrument is included
Collar agreements	27.3	(356)	(543)	Trade payables and other current liabilities / Other non-current liabilities

Hedged items	2023 Carrying amount of the hedged item HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedged item is included
Listed equity securities, outside Hong Kong	8,391	1,140	Liquid funds and other listed investments

40 Financial risk management (continued)

(i) Hedge accounting (continued)

(ii) Cash flow hedges

Hedging instruments	Receive average contracted interest rate Percentage	Pay average contracted interest rate Percentage	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
	2024				Carrying amount of derivatives included in			
Interest rate swaps								
- receive floating and pay fixed maturing in								
2025	**5.15%**	**3.58%**	**AUD 509**	**2,469**	**7**	**-**	**-**	**-**
2025	**5.68%**	**5.30%**	**NZD 150**	**660**	**-**	**-**	**-**	**-**
				3,129	**7**	**-**	**-**	**-**
Cross currency interest rate swaps								
- receive fixed and pay fixed maturing in								
2027	**2.00%**	**0.05%**	**GBP 500**	**4,920**	**-**	**227**	**-**	**-**
				4,920	**-**	**227**	**-**	**-**

Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
	2024			Carrying amount of derivatives included in			
Forward foreign exchange contracts maturing in							
2025	**1.08**	**US$ 18**	**144**	**5**	**-**	**-**	**-**
			144	**5**	**-**	**-**	**-**

Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
	2024		
Interest rate risk	**46**	**5**	**-**
Foreign exchange risk	**(84)**	**(87)**	**-**

40 Financial risk management (continued)

(i) Hedge accounting (continued)

(ii) Cash flow hedges (continued)

	2023							
					Carrying amount of derivatives included in			
Hedging instruments	Receive average contracted interest rate Percentage	Pay average contracted interest rate Percentage	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Interest rate swaps								
- receive floating and pay fixed maturing in								
2025	5.14%	3.58%	AUD 509	2,718	-	40	-	-
2025	6.45%	5.69%	NZD 150	743	-	12	-	-
				3,461	-	52	-	-
Cross currency interest rate swaps								
- receive fixed and pay fixed maturing in								
2027	2.00%	0.05%	GBP 500	4,970	-	150	-	-
				4,970	-	150	-	-

	2023						
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Forward foreign exchange contracts maturing in							
2024	1.08	US$ 13	98	-	-	(2)	-
			98	-	-	(2)	-

	2023		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Interest rate risk	185	(41)	-
Foreign exchange risk	558	(328)	-

40 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges

	2024						
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Forward foreign exchange contracts maturing in							
2025	**5.69**	**CAD 992**	**5,355**	**209**	**-**	**(25)**	**-**
2025	**5.05**	**AUD 159**	**773**	**31**	**-**	**-**	**-**
2025	**4.66**	**NZD 280**	**1,232**	**-**	**-**	**(73)**	**-**
2025	**9.87**	**GBP 2,487**	**24,476**	**195**	**-**	**(49)**	**-**
2025	**8.29**	**EUR 82**	**666**	**1**	**-**	**(8)**	**-**
			32,502	**436**	**-**	**(155)**	**-**
Cross currency swaps maturing in							
2025 - 2031	**5.83**	**CAD 233**	**1,255**	**79**	**-**	**-**	**(2)**
2025 - 2031	**8.15**	**EUR 965**	**7,807**	**-**	**82**	**(238)**	**-**
2027	**5.86**	**AUD 1,415**	**6,862**	**-**	**1,199**	**-**	**-**
			15,924	**79**	**1,281**	**(238)**	**(2)**

	2024		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in hedging reserve / exchange reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve / exchange reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Foreign investments	**(1,458)**	**(8,428)**	**(716)**

40 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges (continued)

	2023						
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Forward foreign exchange contracts maturing in							
2024	5.76	CAD 792	4,686	10	-	(101)	-
2024	4.99	AUD 159	851	-	-	(58)	-
2024	4.63	NZD 280	1,386	92	-	-	-
2024	9.54	GBP 2,487	24,725	99	-	(906)	-
2024	8.55	EUR 65	560	-	-	(7)	-
			32,208	201	-	(1,072)	-
Cross currency swaps maturing in							
2024 - 2025	4.57	CAD 447	2,649	60	20	-	-
2024 - 2027	8.45	EUR 965	8,318	276	24	-	(465)
2027	5.86	AUD 1,415	7,555	-	528	-	-
			18,522	336	572	-	(465)

	2023		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in hedging reserve / exchange reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve / exchange reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Foreign investments	1,733	(6,970)	(716)

40 Financial risk management (continued)

(j) Carrying amounts and fair values of financial assets and financial liabilities

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows:

	Note	Classification under HKFRS 9	2024 Carrying amounts HK$ million	2024 Fair values HK$ million	2023 Carrying amounts HK$ million	2023 Fair values HK$ million
Financial assets						
Liquid funds and other listed investments						
Cash and cash equivalents (included in Managed funds)	20	Amortised cost	**34**	**34**	50	50
Listed equity securities, Hong Kong	20	FVOCI	**536**	**536**	608	608
Listed equity securities, outside Hong Kong	20	FVOCI	**747**	**747**	8,589	8,589
Listed debt securities (included in Managed funds)	20	FVOCI	**6,825**	**6,825**	6,539	6,539
Unlisted investments						
Unlisted equity securities	21	FVOCI	**1,933**	**1,933**	2,189	2,189
Unlisted equity securities	21	FVPL	**366**	**366**	369	369
Unlisted debt securities	21	FVPL	**414**	**414**	604	604
Derivative financial instruments						
Fair value hedges - collar agreements	24	Fair value - hedges	**14**	**14**	-	-
Cash flow hedges						
Interest rate swaps	21 & 24	Fair value - hedges	**7**	**7**	52	52
Cross currency interest rate swaps	21	Fair value - hedges	**227**	**227**	150	150
Forward foreign exchange contracts	24	Fair value - hedges	**5**	**5**	-	-
Other contracts	24	Fair value - hedges	**1**	**1**	26	26
Net investment hedges						
Forward foreign exchange contracts	24	Fair value - hedges	**436**	**436**	201	201
Cross currency swaps	21 & 24	Fair value - hedges	**1,360**	**1,360**	908	908
Lease receivables	21	Amortised cost	**875**	**875**	507	507
Cash and cash equivalents	23	Amortised cost	**121,303**	**121,303**	127,323	127,323
Trade receivables	24	Amortised cost	**15,327**	**15,327**	16,297	16,297
Other receivables	24	Amortised cost	**12,169**	**12,169**	13,491	13,491
Amounts due from associated companies	17	Amortised cost	**1,671**	**1,671**	3,435	3,435
Amounts due from joint ventures	18	Amortised cost	**16,953**	**16,953**	22,377	22,377
			181,203	**181,203**	203,715	203,715
Financial liabilities						
Bank and other debts [(i)]	25	Amortised cost	**256,392**	**239,786**	271,922	258,853
Trade payables	26	Amortised cost	**21,861**	**21,861**	23,017	23,017
Derivative financial instruments						
Fair value hedges - collar agreements	26 & 30	Fair value - hedges	-	-	356	356
Cash flow hedges						
Forward foreign exchange contracts	26	Fair value - hedges	-	-	2	2
Other contracts	26 & 30	Fair value - hedges	**5**	**5**	114	114
Net investment hedges						
Forward foreign exchange contracts	26	Fair value - hedges	**155**	**155**	1,072	1,072
Cross currency swaps	26 & 30	Fair value - hedges	**240**	**240**	465	465
Other derivative financial instruments	30	FVPL	**91**	**91**	-	-
Interest free loans from non-controlling shareholders	26	Amortised cost	**349**	**349**	438	438
Expenses and other accruals	26	Amortised cost	**33,411**	**33,411**	36,471	36,471
Other payables	26	Amortised cost	**19,104**	**19,104**	16,888	16,888
Lease liabilities	13	Amortised cost	**64,519**	**64,519**	67,923	67,923
Interest bearing loans from non-controlling shareholders	28	Amortised cost	**3,471**	**3,471**	3,245	3,245
Obligations for telecommunications licences and other rights	26 & 30	Amortised cost	**3,983**	**3,983**	4,615	4,615
Liabilities relating to the economic benefits agreements	30	Amortised cost	**2,166**	**2,166**	2,166	2,166
Amounts due to associated companies	17	Amortised cost	**535**	**535**	543	543
Amounts due to joint ventures	18	Amortised cost	**270**	**270**	310	310
			406,552	**389,946**	429,547	416,478

(i) The fair values of the bank and other debts are based on market quotes or estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

40 Financial risk management (continued)

(j) Carrying amounts and fair values of financial assets and financial liabilities (continued)

	2024		2023	
	Carrying amounts HK$ million	**Fair values HK$ million**	Carrying amounts HK$ million	Fair values HK$ million
Representing:				
Financial assets measured at				
Amortised cost	**168,332**	**168,332**	183,480	183,480
FVOCI	**10,041**	**10,041**	17,925	17,925
FVPL	**780**	**780**	973	973
Fair value - hedges	**2,050**	**2,050**	1,337	1,337
	181,203	**181,203**	203,715	203,715
Financial liabilities measured at				
Amortised cost	**406,061**	**389,455**	427,538	414,469
FVPL	**91**	**91**	-	-
Fair value - hedges	**400**	**400**	2,009	2,009
	406,552	**389,946**	429,547	416,478

40 Financial risk management (continued)

(k) Fair value measurements

(i) Financial assets and financial liabilities measured at fair value

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

		2024				2023			
		Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	Note	**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	20	**536**	**-**	**-**	**536**	608	-	-	608
Listed equity securities, outside Hong Kong	20	**747**	**-**	**-**	**747**	8,589	-	-	8,589
Listed debt securities (included in Managed funds)	20	**6,825**	**-**	**-**	**6,825**	6,539	-	-	6,539
Unlisted investments									
Unlisted equity securities - FVOCI	21	**-**	**-**	**1,933**	**1,933**	-	-	2,189	2,189
Unlisted equity securities - FVPL	21	**-**	**46**	**320**	**366**	-	46	323	369
Unlisted debt securities	21	**-**	**-**	**414**	**414**	-	-	604	604
Derivative financial instruments									
Fair value hedges - collar agreements	24	**-**	**-**	**14**	**14**	-	-	-	-
Cash flow hedges									
Interest rate swaps	21 & 24	**-**	**7**	**-**	**7**	-	52	-	52
Cross currency interest rate swaps	21	**-**	**227**	**-**	**227**	-	150	-	150
Forward foreign exchange contracts	24	**-**	**5**	**-**	**5**	-	-	-	-
Other contracts	24	**-**	**1**	**-**	**1**	-	26	-	26
Net investment hedges									
Forward foreign exchange contracts	24	**-**	**436**	**-**	**436**	-	201	-	201
Cross currency swaps	21 & 24	**-**	**1,360**	**-**	**1,360**	-	908	-	908
		8,108	**2,082**	**2,681**	**12,871**	15,736	1,383	3,116	20,235
Financial liabilities									
Derivative financial instruments									
Fair value hedges - collar agreements	26 & 30	**-**	**-**	**-**	**-**	-	-	356	356
Cash flow hedges									
Forward foreign exchange contracts	26	**-**	**-**	**-**	**-**	-	2	-	2
Other contracts	26 & 30	**-**	**5**	**-**	**5**	-	114	-	114
Net investment hedges									
Forward foreign exchange contracts	26	**-**	**155**	**-**	**155**	-	1,072	-	1,072
Cross currency swaps	26 & 30	**-**	**240**	**-**	**240**	-	465	-	465
Other derivative financial instruments	30	**-**	**91**	**-**	**91**	-	-	-	-
		-	**491**	**-**	**491**	-	1,653	356	2,009

The fair value of financial assets and financial liabilities that are not traded in active market is determined by using valuation techniques. Specific valuation techniques used to value financial assets and financial liabilities include discounted cash flow analysis, are used to determine fair value for the financial assets and financial liabilities.

During the year ended 31 December 2024 and 2023, there were no transfer between the Level 1 and Level 2 fair value measurements, and no transfer into or out of Level 3 from or to Level 1 or Level 2 fair value measurements.

40 Financial risk management (continued)

(k) Fair value measurements (continued)

(i) Financial assets and financial liabilities measured at fair value (continued)

Level 3 fair values

The movements of the balance of financial assets and financial liabilities measured at fair value based on Level 3 are as follows:

	2024	2023
	HK$ million	HK$ million
At 1 January	**2,760**	3,593
Total gains (losses) recognised in		
Income statement	**(15)**	(90)
Other comprehensive income	**79**	(796)
Additions	**43**	75
Disposals	**(187)**	(74)
Exchange translation differences	**1**	52
At 31 December	**2,681**	2,760
Total losses recognised in income statement relating to those financial assets and financial liabilities held at the end of the reporting period	**(15)**	(90)

The fair value of financial assets and financial liabilities that are grouped under Level 3 is determined by using valuation techniques including discounted cash flow analysis. In determining fair value, specific valuation techniques are used with reference to inputs such as dividend stream and other specific input relevant to those particular financial assets and financial liabilities.

Changing unobservable inputs used in Level 3 valuation to reasonable alternative assumptions would not have significant impact on the Group's profit or loss.

(ii) Financial assets and financial liabilities that are not measured at fair value but fair value disclosures are required

Except for bank and other debts as detailed in the table 40(j) above, the carrying amounts of the financial assets and financial liabilities recognised in the consolidated statement of financial position approximate their fair values.

Fair value hierarchy

The table below analyses the fair value measurements disclosures for bank and other debts. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used.

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**
At 31 December 2024				
Bank and other debts	**155,857**	**83,929**	**-**	**239,786**
At 31 December 2023				
Bank and other debts	165,755	93,098	-	258,853

The fair value of the bank and other debts included in Level 2 category above are estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

40 Financial risk management (continued)

(l) Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

The following tables set out the carrying amounts of recognised financial assets and recognised financial liabilities that:
(1) are offset in the Group's consolidated statement of financial position; or
(2) are subject to an enforceable master netting arrangements or similar agreements that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

	Gross amounts of recognised financial assets (liabilities) HK$ million	Gross amounts offset in the consolidated statement of financial position HK$ million	Net amounts presented in the consolidated statement of financial position HK$ million	Related amounts not offset in the consolidated statement of financial position: Financial assets (liabilities) HK$ million	Related amounts not offset in the consolidated statement of financial position: Cash collateral pledged (received) HK$ million	Net amounts HK$ million
At 31 December 2024						
Financial assets						
Trade receivables	**47**	**(47)**	**-**	**-**	**-**	**-**
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	**130**	**-**	**130**	**(130)**	**-**	**-**
Other receivables and prepayments	**269**	**(160)**	**109**	**-**	**-**	**109**
	446	**(207)**	**239**	**(130)**	**-**	**109**
Financial liabilities						
Trade payables	**(3,062)**	**47**	**(3,015)**	**-**	**-**	**(3,015)**
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	**(240)**	**-**	**(240)**	**130**	**-**	**(110)**
Other payables and accruals	**(160)**	**160**	**-**	**-**	**-**	**-**
	(3,462)	**207**	**(3,255)**	**130**	**-**	**(3,125)**
At 31 December 2023						
Financial assets						
Trade receivables	43	(43)	-	-	-	-
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	24	-	24	(24)	-	-
Other receivables and prepayments	231	(104)	127	-	-	127
	298	(147)	151	(24)	-	127
Financial liabilities						
Trade payables	(937)	43	(894)	-	-	(894)
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	(465)	-	(465)	24	-	(441)
Other payables and accruals	(104)	104	-	-	-	-
	(1,506)	147	(1,359)	24	-	(1,335)

41 Statement of financial position of the Company, as at 31 December 2024

	2024 HK$ million	2023 HK$ million
Non-current assets		
Subsidiary companies - Unlisted shares [(a)]	**368,139**	355,164
Current assets		
Amounts due from subsidiary companies [(b)]	**21,216**	17,660
Other receivables	**1**	1
Cash	**7**	12
Current liabilities		
Other payables and accruals	**99**	97
Net current assets	**21,125**	17,576
Net assets	**389,264**	372,740
Capital and reserves		
Share capital (see note 31(a))	**3,830**	3,830
Share premium (see note 31(a))	**242,972**	242,972
Reserves - Retained profit [(c)]	**140,462**	125,938
Shareholders' funds	**387,264**	372,740

Frank John Sixt
Director

Lai Kai Ming, Dominic
Director

41 Statement of financial position of the Company, as at 31 December 2024 (continued)

(a) Particulars regarding the principal subsidiary companies are set forth on pages 133 to 135.

(b) Amounts due from subsidiary companies are interest-free, unsecured and repayable on demand.

(c) Reserves - Retained profit

	HK$ million
At 1 January 2023	123,845
Profit for the year	12,963
Unclaimed dividends write back	15
Dividends paid relating to 2022	(7,989)
Dividends paid relating to 2023	(2,896)
At 31 December 2023	**125,938**
Profit for the year	**23,948**
Unclaimed dividends write back	**9**
Dividends paid relating to 2023	**(6,798)**
Dividends paid relating to 2024	**(2,635)**
At 31 December 2024	**140,462**

(d) The Company does not have an option scheme for the purchase of ordinary shares in the Company.

(e) The net profit of the Company is HK$23,948 million (2023: HK$12,963 million) and is included in determining the profit attributable to ordinary shareholders of the Company in the consolidated income statement.

(f) At 31 December 2024, the Company's share premium and retained profit amounted to HK$242,972 million (2023: HK$242,972 million) and HK$140,462 million (2023: HK$125,938 million) respectively, and subject to a solvency test, they are available for distribution to shareholders.

42 Subsequent events

Saved as disclosed, no event occurring up to the date of approval of the Annual Financial Statements has been identified that may require material adjustment of, or disclosure in, these financial statements.

43 US dollar equivalents

Amounts in these financial statements are stated in Hong Kong dollar (HK$), the functional currency of the Company. The translation into US dollar (US$) of these financial statements as of, and for the year ended, 31 December 2024, is for convenience only and has been made at the rate of HK$7.8 to US$1. This translation should not be construed as a representation that the Hong Kong dollar amounts actually represented have been, or could be, converted into US dollar at this or any other rate.

44 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million currency units unless otherwise stated.

45 Significant judgements, estimates and assumptions

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

(a) Significant judgements in applying the Group's accounting policies

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

(i) Basis of consolidation and classification of investee entities

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

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

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

(iii) Determination of lease term

Lease term is the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant:

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

As at 31 December 2024, potential future cash outflows of HK$7,021 million (2023: HK$8,635 million) (undiscounted) have not been included in calculating the lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated).

45 Significant judgements, estimates and assumptions (continued)

(a) Significant judgements in applying the Group's accounting policies (continued)

(iii) Determination of lease term (continued)

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

(iv) Business combinations

As disclosed in note 46(c)(iv), the Group applies the provisions of HKFRS 3 to transactions and other events that meet the definition of a business combination within the scope of HKFRS 3. When the Group completes a business combination, the identifiable assets acquired and the liabilities assumed, including intangible assets, contingent liabilities and commitments, are recognised at their fair value. Judgement is required to determine the fair values of the assets acquired, the liabilities assumed, the date of acquisition, and the purchase consideration, and on the allocation of the purchase consideration to the identifiable assets and liabilities. If the purchase consideration exceeds the fair value of the net assets acquired then the incremental amount paid is recognised as goodwill. If the purchase price consideration is lower than the fair value of the net assets acquired then the difference is recorded as a gain in the consolidated income statement. Allocation of the purchase consideration between finite lived assets and indefinite lived assets such as goodwill affects the subsequent results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised.

(b) Key sources of estimation uncertainty

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

(i) Impairment of goodwill and long-lived assets

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

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

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

45 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(i) Impairment of goodwill and long-lived assets (continued)

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

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

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

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

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

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

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

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

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

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

45 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

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

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

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

The Group has entered into a number of procurement, supply and other contracts related to specific assets in the ordinary course of its business and provided guarantees in respect of bank and other borrowing facilities to associated companies and joint ventures. Where the unavoidable costs of meeting the obligations under these procurement and supply contracts exceed the associated, expected future net benefits, an onerous contract provision is recognised, or where the borrowing of associated companies and joint ventures are assessed to be unable to repay the indebtedness that the Group has guaranteed, a provision is recognised. The calculation of these provisions will involve the use of estimates and assumptions. These onerous provisions are calculated by taking the unavoidable costs that will be incurred under the contract and deducting any estimate revenues or predicted income to be derived from the assets, or by taking the unavoidable costs that will be incurred under the guarantee and deducting any estimated recoverable value from the investment in such associated companies and joint ventures.

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

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

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

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

(vi) Estimation of useful life: Fixed assets

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

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

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

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

45 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

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

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

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

(c) Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

46 Summary of material accounting policies

(a) *Standards adopted during the year ended 31 December 2024*

The Group applied for the first-time certain standards and amendments to HKFRS issued by HKICPA, which are effective for annual periods beginning on or after 1 January 2024. The adoption of these amendments do not have a material impact on the Group's consolidated financial statements.

(i) Classification of Liabilities as Current or Non-current – Amendments to HKAS 1; and
Non-current Liabilities with Covenants – Amendments to HKAS 1

Amendments made to HKAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

(ii) Lease Liability in a Sale and Leaseback – Amendments to HKFRS 16

These are narrow-scope amendments to the requirements for sale and leaseback transactions in HKFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

(iii) Supplier Finance Arrangements – Amendments to HKAS 7 and HKFRS 7

These amendments clarify the characteristics of supplier finance arrangements ("SFAs") and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of SFAs on an entity's liabilities, cash flows and exposure to liquidity risk.

Other than these changes, the accounting policies and methods of computation used in the preparation of the Annual Financial Statements are consistent with those used in the 2023 Annual Financial Statements.

46 Summary of material accounting policies (continued)

(b) *New standards and interpretations not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting year and have not been early adopted by the Group.

These new / amended accounting standards and interpretations are effective for annual periods beginning after 1 January 2024 and include:

(i) Lack of Exchangeability – Amendments to HKAS 21

The HKICPA amended HKAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.

The amendments to HKAS 21 will be effective for annual reporting periods beginning on or after 1 January 2025. The Group does not expect these amendments to have a material impact on its operations or financial statements.

(ii) Amendments to the Classification and Measurement of Financial Instruments – Amendments to HKFRS 9 and HKFRS 7

The HKICPA issued targeted amendments to HKFRS 9 and HKFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income.

The amendments to HKFRS 9 and HKFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026. The Group does not expect these amendments to have a material impact on its operations or financial statements.

(iii) Presentation and Disclosure in Financial Statements – HKFRS 18

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The key new concepts introduced in HKFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The references in HK Interpretation 5 have been updated correspondingly to reflect the requirements in HKFRS 18.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

46 Summary of material accounting policies (continued)

(b) *New standards and interpretations not yet adopted (continued)*

(iv) Annual Improvements to HKFRS Accounting Standards – Volume 11

The HKICPA issued narrow-scope amendments to HKFRS that include clarifications, simplifications, corrections, and changes intended to improve consistency in:

- HKFRS 1 First-time Adoption of International Financial Reporting Standards;
- HKFRS 7 Financial Instruments: Disclosures and Guidance on implementing HKFRS 7;
- HKFRS 9 Financial Instruments;
- HKFRS 10 Consolidated Financial Statements; and
- HKAS 7 Statement of Cash Flows.

These amendments will be effective for annual periods beginning on or after 1 January 2026. The Group does not expect these amendments to have a material impact on its operations or financial statements.

(v) Sale or contribution of assets between an investor and its associate or joint venture – Amendments to HKFRS 10 and HKAS 28

The HKICPA has made limited scope amendments to HKFRS 10 Consolidated Financial Statements and HKAS 28 Investments in Associates and Joint Ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associated companies or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associated company or joint venture constitute a 'business' (as defined in HKFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associated company or joint venture. The amendments apply prospectively.

In December 2015, the HKICPA decided to defer the application date of this amendment until such time as the HKICPA has finalised its research project on the equity method.

(c) *Summary of material accounting policies*

Set out below is a summary of material accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes elsewhere in these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(i) Subsidiary companies

Subsidiaries are entities over which the Group has control. Where an entity is governed by voting rights, the Group consolidates when it holds, directly or indirectly, the necessary voting rights to pass resolutions by the governing body. In other cases, the assessment of control is more complex and requires judgement of other factors, including having exposure to variability of returns, power to direct relevant activities, and whether power is held as agent or principal. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Impairment testing is performed where there is an indication of impairment, by comparing the recoverable amount of the relevant investment to its carrying amount. Indicators of impairment include both external and internal sources of information. Similarly, assessments are made as to whether an impairment loss recognised in prior periods may no longer exist or may have decreased. Where this is the case, such an impairment loss is reversed if there has been a change in the estimate used to determine the relevant recoverable amount since the last impairment loss was recognised, and to the extent that it does not increase the carrying amount above that had no impairment loss been previously recognised.

46 Summary of material accounting policies (continued)

(c) *Summary of material accounting policies (continued)*

(ii) Associated companies and joint arrangements

The Group classifies investments in entities over which it has significant influence, and which are neither subsidiaries nor joint arrangements, as associated companies. This is generally the case where the Group holds between 20% and 50% of the voting rights.

Joint arrangements are investments in which the Group, together with one or more parties, has joint control and over which none of the participating parties has unilateral control. Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. Joint ventures arise where the investors have rights to the net assets of the arrangement.

The Group recognises its share of the assets, liabilities and results in a joint operation. Investments in associated companies and interests in joint ventures are recognised using the equity method. The attributable share of the results and reserves of joint ventures and associated companies is included in the consolidated financial statements based on either financial statements made up to 31 December or pro-rated amounts adjusted for any material transactions or events occurring between the date the financial statements are available and 31 December.

Investments in associated companies and joint ventures are assessed at each reporting date and tested for impairment when there is an indication that the investment may be impaired, by comparing the recoverable amount of the relevant investment to its carrying amount. Goodwill on acquisitions of interests in joint ventures and associated companies is not tested separately for impairment, but is assessed as part of the carrying amount of the investment. Previously recognised impairments are assessed for reversal when there are indicators that they may no longer exist or have decreased. Any reversal, which may arise from changes in estimates used to determine the prior impairment loss, is recognised to the extent that it does not increase the carrying amount above that had no impairment loss been previously recognised.

(iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the ordinary shareholders of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified / permitted by applicable HKFRS.

If the ownership interest in a joint venture or an associated company is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

46 Summary of material accounting policies (continued)

(c) *Summary of material accounting policies (continued)*

(iv) Business combinations

The Group applies the provisions of HKFRS 3, Business combinations, to transactions and other events that meet the definition of a business combination within the scope of HKFRS 3. Where the acquisition method of accounting is used to account for business combinations, the consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the Group to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. This election is made for each business combination. Acquisition-related costs are generally recognised in profit or loss as incurred.

The difference between the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any pre-existing investment in the acquiree over the acquisition-date fair value of assets acquired and the liabilities assumed is recognised as goodwill. If the consideration transferred and the fair value of pre-existing investment in the acquiree is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the Group, the difference is recognised as a gain directly in profit or loss by the Group on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the Group's previously held equity interest in the acquiree.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Business combinations are initially accounted for on a provisional basis. The Group retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period (see above), based on new information obtained about the facts and circumstances that existed as of the acquisition date.

46 Summary of material accounting policies (continued)

(c) *Summary of material accounting policies (continued)*

(v) Goodwill

Goodwill is initially recognised and measured as set out in note 46(c)(iv) Business combinations.

Goodwill is not amortised but is subject to impairment test annually and when there is an indication that the carrying value may not be recoverable. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal (but does not include any attributable goodwill previously eliminated against reserves).

The Group's policy for goodwill arising on the acquisition of an associated company and a joint venture is described in note 46(c)(ii) above.

(vi) Fixed assets

Fixed assets other than freehold lands, are stated at cost less depreciation and any impairment loss. Freehold lands included in land and buildings are not depreciated. Buildings are depreciated on the basis of an expected life of 50 years, or the remainder thereof, or over the remaining period of the lease of the underlying leasehold land, whichever is less. The period of the lease includes the period for which a right to renewal is attached.

Depreciation of other fixed assets is provided on the straight-line basis to write off their costs over their estimated useful lives. The principal annual rates used for these purposes are as follows:

Motor vehicles	20 - 25%
Plant, machinery and equipment	3 1/3 - 20%
Container terminal equipment	3 - 20%
Telecommunications equipment	2.5 - 20%
Leasehold improvements	Over the unexpired period of the lease or 15%, whichever is greater

The gain or loss on disposal or retirement of a fixed asset is the difference between the net sales proceeds and the carrying amount.

(vii) Leases

(I) Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the lease liability and interest on lease liability. The interest on lease liability is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

46 Summary of material accounting policies (continued)

(c) *Summary of material accounting policies (continued)*

(vii) Leases (continued)

(I) Group as a lessee (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- lease payments made at or before the commencement date less any lease incentives received;
- initial direct costs and restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture and certain IT-equipment.

Some leases contain variable payment terms that are linked to sales generated from a store. For individual retail stores, lease payments are on the basis of variable payment terms and there is a wide range of sales percentages applied. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(II) Group as a lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. If this is not the case, the lease is classified as an operating lease.

However, when the Group is an intermediate lessor the sublease are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

(viii) Telecommunications licences, other licences, brand names, trademarks and other rights

Separately acquired telecommunications licences, other licences, brand names, trademarks and other rights are carried at historical cost. Telecommunications licences, other licences, brand names, trademarks and other rights that are considered to have indefinite useful lives to the Group are not amortised and are tested for impairment annually and when there is an indication that they may be impaired. Telecommunications licences, other licences, brand names, trademarks and other rights with a finite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of these assets over their estimated useful lives:

Telecommunications licences and other licences	2 to 20 years
Brand names, trademarks and other rights	2 to 45 years

(ix) Customer acquisition and retention costs

Customer acquisition and retention costs ("CACs") comprise the net costs to acquire and retain customers, which are mainly mobile telecommunication customers. CACs are expensed and recognised in the consolidated income statement in the period in which they are incurred, except (i) the costs are incremental of obtaining a contract and they are expected to be recovered; and (ii) the costs relate directly to the contract, generate resources used in satisfying the contract and are expected to be recovered, then they are capitalised and amortised over the customer contract period. Appropriate allowance are recognised if the carrying amounts of the capitalised costs exceed the remaining amount that the Group expects to receive less any directly related costs that have not been recognised as expenses.

46 Summary of material accounting policies (continued)

(c) *Summary of material accounting policies (continued)*

(x) Liquid funds and other listed investments and unlisted investments

"Liquid funds and other listed investments" are investments in listed debt securities, listed equity securities and cash and cash equivalents. "Unlisted investments", disclosed under other non-current assets, are investments in unlisted debt securities and unlisted equity securities. These investments are recognised and de-recognised on the date the Group commits to purchase or sell the investments or when they expire.

(I) Measurement

Debt instrument financial assets subsequent to initial recognition are measured as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Financial assets at fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses and reversals, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to, and recognised in, profit or loss.

Financial assets at fair value through profit or loss ("FVPL"): Assets that do not meet the criteria for amortised cost or FVOCI, or designated as FVPL using fair value option, are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in the fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established. Where an election is made to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

(II) Impairment

Under the expected loss approach, the Group assesses on a forward looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model under HKFRS 9 applies to debt instruments measured at amortised cost and at FVOCI, contract assets under HKFRS 15, lease receivables, loan commitments and certain financial guarantee contracts. The Group applies the simplified approach to recognise lifetime expected losses for trade receivables due from customers and contract assets. As regards lease receivables, loan commitments, financial guarantee contracts, and certain other financial assets (which are presented under Liquid funds and other listed investments, unlisted investments, and other current assets within Trade receivables and other current assets) the Group considers that they have low credit risk and hence recognises 12-month expected credit losses for such items.

(xi) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

46 Summary of material accounting policies (continued)

(c) *Summary of material accounting policies (continued)*

(xii) Trade and other receivables, and contract assets

Trade receivables are recognised when the Group's right to consideration is unconditional that only the passage of time is required before the payment is due.

Contract assets primarily relate to the Group's rights to consideration for delivered goods or services but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Trade receivables and contract assets are initially recognised at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value, and are subsequently measured at amortised cost using the effective interest rate, less allowance for expected credit losses.

Other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowances for expected credit losses.

(xiii) Borrowings and borrowing costs

Borrowings and debt instruments are initially measured at fair value, net of transaction costs, and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption amount is recognised over the period of the borrowings using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

(xiv) Trade and other payables, and contract liabilities

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Contract liability is recognised in the amount of the prepayment from customers for the Group's performance obligation to transfer, or to stand ready to transfer, goods or services in future. The contract liabilities primarily relate to the advance consideration received from customers, where the Group has the unconditional right to considerations before the goods or services are delivered. They are released and revenues are recognised when the performance obligations are satisfied upon transferring of goods and services to customers.

(xv) Asset impairment

Assets that have an indefinite useful life are tested for impairment annually and when there is an indication that they may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. Such impairment loss is recognised in the consolidated income statement except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that in which case it is treated as a revaluation decrease.

46 Summary of material accounting policies (continued)

(c) *Summary of material accounting policies (continued)*

(xvi) Foreign exchange

Transactions in foreign currencies are converted at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities are translated at the rates of exchange ruling at the end of the reporting period.

The financial statements of foreign operations are translated into Hong Kong dollar using the year end rates of exchange for the consolidated statement of financial position items and the average rates of exchange for the year for the income statement items. Exchange differences are recognised in other comprehensive income and accumulated under the heading of exchange reserve. Exchange differences arising from foreign currency borrowings and other currency instruments designated as hedges of such overseas investments, are recognised in other comprehensive income and accumulated under the heading of exchange reserve.

Exchange differences arising from translation of inter-company loan balances between Group entities are recognised in other comprehensive income and accumulated under the heading of exchange reserve when such loans form part of the Group's net investment in a foreign entity. On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associated company that includes a foreign operation), all of the exchange gains or losses accumulated in exchange reserve in respect of that operation attributable to the owners of the Company are transferred out of the exchange reserve and are recognised in the consolidated income statement.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated income statement. For all other partial disposals (i.e. partial disposals of associated companies or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is transferred out of the exchange reserve and are recognised in the consolidated income statement.

All other exchange differences are recognised in the consolidated income statement.

(xvii) Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

Ports and Related Services

Revenue from the provision of ports and related services is recognised over time when the services are rendered and the Group's performance provides the benefits received and consumed simultaneously by the customer.

Retail

Revenue from the sale of retail goods is recognised at point of sale less an estimate for sales return based on past experience where goods are sold with a right to return. Retail sales are usually settled in cash or by credit card and debit card. The recorded revenue is the gross amount of sales, including credit card fees payable for the transaction.

46 Summary of material accounting policies (continued)

(c) *Summary of material accounting policies (continued)*

(xvii) Revenue recognition (continued)

Infrastructure

Revenue from sales of infrastructure materials is recognised when a performance obligation is satisfied, which is recognised at a point in time, based on the timing of control of the goods underlying the particular performance obligation being transferred to the customer.

Revenue from the provision of waste collection, commercial refuse and recycling services together with refuse transfer station operations and landfill operations is recognised when a performance obligation is satisfied, which is recognised at a point of time, based on the timing of control of the services underlying the particular performance obligation being transferred to the customer.

Telecommunications services

Revenue represents amounts earned for services rendered and for the sale of mobile and related devices. The Group recognises revenue for mobile devices when it transfers the control over the device to the customer which is usually the time the customer signs up to a contract. The Group recognises revenue for mobile telecommunication services as the services are rendered. Monthly recurring charges and additional airtime used by contract customers are invoiced and recorded as part of a periodic billing cycle and recognised as revenue over the related access period. Unbilled revenue resulting from services already provided from the billing cycle date to the end of each period is accrued, and unearned monthly access charges relating to periods after each accounting period are deferred. Products and services may be sold separately or in a bundled transaction. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires.

For bundled transactions under contract comprising the provision of telecommunications services and sale of a device (e.g. handsets), the elements are accounted for separately if they are distinct. A product or service is distinct if they are separately identifiable from other items in the bundled package and if the customer can benefit from it. The revenue is allocated to the respective element in an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services and device, where device revenue is recognised at the inception of the contract upon delivery to the customer and services revenue is recognised throughout the contract period as the services are provided.

Other service income is recognised when the service is rendered. Customer service revenue is mobile telecommunications service revenue, and where a customer is invoiced for a bundled transaction under contract, the invoiced amount less amounts related to accrued device revenue and also less other service income. Total revenue arising from telecommunications services comprises of service revenue, sale of device revenue and other service income.

Finance and investments

Dividend income from investments in securities is recognised when the Group’s right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

46 Summary of material accounting policies (continued)

(d) *Summary of other potentially material accounting policies*

Set out below is a summary of other potentially material accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes elsewhere in these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(i) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated income statement.

(ii) Investment properties

Investment properties are interests in land and buildings that are held to earn rentals or for capital appreciation or both. Such properties are carried in the consolidated statement of financial position at their fair value. Changes in fair values of investment properties are recorded in the consolidated income statement.

(iii) Leasehold land

The acquisition costs and upfront payments made for leasehold land are presented on the face of the consolidated statement of financial position as leasehold land prior to 1 January 2019 and are grouped as part of right-of-use assets with effect from 1 January 2019. Leasehold land are expensed in the consolidated income statement on a straight-line basis over the period of the lease.

(iv) Contractual customer relationships

Separately acquired contractual customer relationships are carried at historical cost. These contractual customer relationships are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method from five to fifteen years over the expected useful life of the customer relationship.

(v) Deferred tax

Deferred tax is recognised, using the liabilities method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilised.

46 Summary of material accounting policies (continued)

(d) *Summary of other potentially material accounting policies (continued)*

(vi) Derivative financial instruments and hedging activities

Derivative financial instruments are utilised by the Group in the management of its foreign currency and interest rate exposures. Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;

- Hedges of a net investment in a foreign operation (net investment hedges).

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 40(i). Movements in the hedging reserve in shareholders' equity are shown in note 32. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss as other expense except when the hedging instrument hedges an equity instrument designated at FVOCI in which case it is recognised in other comprehensive income.
The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item (if applicable) and is also recognised in profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the effective interest rate ("EIR") method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

46 Summary of material accounting policies (continued)

(d) *Summary of other potentially material accounting policies (continued)*

(vi) Derivative financial instruments and hedging activities (continued)

Cash flow hedges

Where a derivative financial instrument is designated as a hedging instrument in a cash flow hedge, the effective portion of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset such as inventory, the associated gain or loss is reclassified from equity to be included in the initial cost of the non-financial asset. For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified from equity to profit or loss in the same period or periods during which the hedged cash flows affect profit or loss (such as when a forecast sale occurs or interest expense is recognised).

If a hedge no longer meets the criteria for hedge accounting (including when the hedging instrument expires or is sold, terminated or exercised), then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, but the hedged forecast transaction is still expected to occur, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the amount that has been accumulated in the hedging reserve is reclassified from equity to profit or loss immediately.

Hedge of net investments in foreign operations

The effective portion of any foreign exchange gain or loss on the derivative financial instruments is recognised in other comprehensive income and accumulated in equity in the exchange reserve until the disposal of the foreign operation, at which time the cumulative gain or loss is reclassified from equity to profit or loss. The ineffective portion is recognised immediately in profit or loss.

(vii) Inventories

Inventories consist mainly of retail goods. The carrying value of retail stock is mainly determined using the weighted average cost method. Inventories are stated at the lower of cost and net realisable value. Cost includes all direct expenditure and other appropriate attributable costs incurred in bringing inventories to their present location and condition.

(viii) Customer loyalty credits

Customer loyalty credits are accounted for as a separate component of the sales transaction in which they are granted.

(ix) Share capital

Share capital issued by the Company are recorded in equity at the proceeds received, net of direct issue costs. Where any group company purchases the company’s equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the ordinary shareholders.

(x) Provisions

Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a present obligation as a result of past events and a reliable estimate can be made of the amount of the obligation.

46 Summary of material accounting policies (continued)

(d) *Summary of other potentially material accounting policies (continued)*

(xi) Pension plans

Pension plans are classified into defined benefit and defined contribution plans. The pension plans are generally funded by the relevant group companies taking into account the recommendations of independent qualified actuaries and by payments from employees for contributory plans.

The Group's contributions to the defined contribution plans are charged to the consolidated income statement in the year incurred.

Pension costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the consolidated income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The liability or asset recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The present value of the defined benefit obligation is measured by discounting the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations.

Remeasurements arising from defined benefit plans are recognised in other comprehensive income in the period in which they occur and reflected immediately in retained profit. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Pension costs are charged to the consolidated income statement within staff costs.

(xii) Share-based payments

The Company and its subsidiary companies do not have share option scheme as at 31 December 2024 and 31 December 2023 but certain of the Company's associated companies have issued equity-settled and cash-settled share-based compensation plans. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the respective group companies' estimate of their shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at the end of the reporting period.

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2024

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital **/ registered capital		Percentage of equity attributable to the Group	Principal activities
	Ports and related services					
#	Abu Qir Container Terminal Company S.A.E.	Egypt	USD	157,000,000	33	Container terminal operating
	Alexandria International Container Terminals Company S.A.E.	Egypt	USD	30,000,000	59	Container terminal operating
	Amsterdam Container Terminals B.V.	Netherlands	EUR	18,400	80	Container terminal operating
	Brisbane Container Terminals Pty Limited	Australia	AUD	34,100,000	80	Container terminal operating
	ECT Delta Terminal B.V.	Netherlands	EUR	18,000	71	Container terminal operating
	Ensenada Cruiseport Village, S.A. de C.V.	Mexico	MXP	145,695,000	80	Cruise terminal operating
	Ensenada International Terminal, S.A. de C.V.	Mexico	MXP	160,195,000	80	Container terminal operating
	Europe Container Terminals B.V.	Netherlands	EUR	45,000,000	75	Holding company
	Euromax Terminal Rotterdam B.V.	Netherlands	EUR	125,000	39	Container terminal operating
	Freeport Container Port Limited	Bahamas	BSD	2,000	41	Container terminal operating
	Gdynia Container Terminal Sp. z o.o.	Poland	PLN	11,379,300	80	Container terminal operating and rental of port real estate
	Harwich International Port Limited	United Kingdom	GBP	16,812,002	80	Container terminal operating
	Hongkong United Dockyards Limited	Hong Kong	HKD	76,000,000	100	Ship repairing and general engineering
✡ +	惠州港業股份有限公司	China	RMB	300,000,000	27	Container terminal operating
	Hutchison Ajman International Terminals Limited - F.Z.E.	United Arab Emirates	AED	60,000,000	80	Container terminal operating
	Hutchison Korea Terminals Limited	South Korea	WON	4,107,500,000	80	Container terminal operating
	Hutchison Laemchabang Terminal Limited	Thailand	THB	1,000,000,000	64	Container terminal operating
	Hutchison Port Holdings Limited	British Virgin Islands / Hong Kong	USD	26,000,000	80	Operation, management and development of ports and container terminals, and investment holding
✧ * #	Hutchison Port Holdings Trust	Singapore / China	USD	8,797,780,935	30	Container port business trust
	Hutchison Port Investments Limited	Cayman Islands / Hong Kong	USD	74,870,807	80	Holding company
	Hutchison Port Jazan Limited	Saudi Arabia	SAR	18,750,000	48	Container terminal operating
	Hutchison Ports Investments S.à r.l.	Luxembourg	USD	14,090	80	Operation, management and development of ports and container terminals, and investment holding
	Hutchison Ports RAK Limited	British Virgin Islands / United Arab Emirates	USD	10,000	48	Container terminal operating
	Hutchison Ports Sweden AB	Sweden	SEK	100,000	80	Container terminal operating
	Hutchison Ports UAQ Limited	British Virgin Islands/ United Arab Emirates	USD	36,320	48	Container terminal operating
	Internacional de Contenedores Asociados de Veracruz, S.A. de C.V.	Mexico	MXP	138,623,200	80	Container terminal operating
✡ ⌘	Jiangmen International Container Terminals Limited	China	USD	14,461,665	40	Container terminal operating
	Karachi International Container Terminal Limited	Pakistan	PKR	1,109,384,220	80	Container terminal operating
	Korea International Terminals Limited	South Korea	WON	45,005,000,000	71	Container terminal operating
	L.C. Terminal Portuaria de Contenedores, S.A. de C.V.	Mexico	MXP	995,760,628	80	Container terminal operating
	Maritime Transport Services Limited	United Kingdom	GBP	13,921,323	64	Container terminal operating
✡ ⌘	Nanhai International Container Terminals Limited	China	USD	42,800,000	40	Container terminal operating
✡ ⌘	寧波北侖國際集裝箱碼頭有限公司	China	RMB	700,000,000	39	Container terminal operating
	Oman International Container Terminal L.L.C.	Oman	OMR	4,000,000	52	Container terminal operating
	Panama Ports Company, S.A.	Panama	USD	10,000,000	72	Container terminal operating
	Port of Felixstowe Limited	United Kingdom	GBP	100,002	80	Container terminal operating
✡ +	PT Jakarta International Container Terminal	Indonesia	IDR	221,450,406,000	39	Container terminal operating
✡	River Trade Terminal Co. Ltd.	British Virgin Islands / Hong Kong	USD	1	40	River trade terminal operation
	Saigon International Terminals Vietnam Limited	Vietnam	USD	80,084,000	56	Container terminal operating
✡ ⌘	上海明東集裝箱碼頭有限公司	China	RMB	4,000,000,000	24	Container terminal operating
	South Asia Pakistan Terminals Limited	Pakistan	PKR	5,763,773,300	72	Container terminal operating
	Star Classic Investments Limited	British Virgin Islands / Hong Kong	USD	22,796	80	Operation, management and development of ports and container terminals, and investment holding

Principal Subsidiary and Associated Companies and Joint Ventures
at 31 December 2024

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital **/ registered capital		Percentage of equity attributable to the Group	Principal activities
	Ports and related services (continued)					
	Sydney International Container Terminals Pty Ltd	Australia	AUD	49,000,001	80	Container terminal operating
	Talleres Navales del Golfo, S.A. de C.V.	Mexico	MXP	143,700,000	80	Marine construction and ship repair yard
	Terminal Catalunya, S.A.	Spain	EUR	2,342,800	80	Container terminal operating
	Thai Laemchabang Terminal Co., Ltd.	Thailand	THB	680,000,000	70	Container terminal operating
	Thamesport (London) Limited	United Kingdom	GBP	2	64	Container terminal operating
* # +	Westports Holdings Berhad	Malaysia	MYR	341,000,000	19	Holding company
# ⌘ +	Xiamen Haicang International Container Terminals Limited	China	RMB	555,515,000	39	Container terminal operating
# ⌘ +	Xiamen International Container Terminals Limited	China	RMB	1,148,700,000	39	Container terminal operating
	Retail					
	AS Watson Holdings Limited	Cayman Islands / Hong Kong	HKD	1,000,000	75	Holding company
	AS Watson (Europe) Retail Holdings B.V.	Netherlands	EUR	18,001	75	Investment holding in retail businesses
	AS Watson Retail (HK) Limited	Hong Kong	HKD	100,000,000	75	Retailing
✡ +	Dirk Rossmann GmbH	Germany	EUR	12,000,000	30	Retailing
	PARKnSHOP (HK) Limited	Hong Kong	HKD	100,000,000	75	Supermarket operating
*	PT Duta Intidaya Tbk	Indonesia	IDR	242,054,702,500	55	Retailing
✡	Rossmann Supermarkety Drogeryjne Polska sp. z o.o.	Poland	PLN	26,442,892	53	Retailing
	Superdrug Stores plc	United Kingdom	GBP	22,000,000	75	Retailing
	Savers Health and Beauty Limited	United Kingdom	GBP	1,400,000	75	Retailing
	Central Watson Company Limited	Thailand	THB	181,692,100	68	Retailing
	Watson's Personal Care Stores Sdn. Bhd.	Malaysia	MYR	6,000,000	75	Retailing
	Infrastructure					
✡	Australian Gas Networks Limited	Australia	AUD	879,082,753	62	Gas distribution
✡ +	AVR-Afvalverwerking B.V.	Netherlands	EUR	1	38	Producing energy from waste
* +	CK Infrastructure Holdings Limited	Bermuda / Hong Kong	HKD	2,519,610,945	76	Holding company
✡ +	CK William UK Holdings Limited	United Kingdom	GBP	5,122,005,121	30	Investment holding in electricity distribution and generation, and gas transmissions and distribution
✡ +	CKP (Canada) Holdings Limited	Canada	CAD	2,243,862,831	19	Water heater and HVAC (heating, ventilation and air conditioning) rentals, sales and services
+	Enviro NZ Services Limited	New Zealand	NZD	84,768,736	76	Waste management services
✡ +	Eversholt UK Rails Group Limited	United Kingdom	GBP	1,100	54	Leasing of rolling stock
✡ +	Northern Gas Networks Holdings Limited	United Kingdom	GBP	71,670,980	36	Gas distribution
✡ +	Northumbrian Water Group Limited	United Kingdom	GBP	40	33	Water supply, sewage and waste water businesses
❖ * # +	Power Assets Holdings Limited	Hong Kong	HKD	6,610,008,417	27	Investment in energy and utility-related businesses
✡	Trionista SE	Germany	EUR	125,000	26	Sub-metering and related services
✡ +	UK Power Networks Holdings Limited	United Kingdom	GBP	610,000,000	30	Electricity distribution
✡	Wales & West Gas Networks (Holdings) Limited	United Kingdom	GBP	29,027	33	Gas distribution
	Telecommunications					
	CK Hutchison Group Telecom Holdings Limited	Cayman Islands / Hong Kong	EUR	64	100	Holding company
	Hi3G Access AB	Sweden	SEK	10,000,000	60	Mobile telecommunications services
	Hi3G Denmark ApS	Denmark	DKK	64,375,000	60	Mobile telecommunications services
	Hutchison 3G UK Limited	United Kingdom	GBP	201	100	Mobile telecommunications services
	Hutchison Drei Austria GmbH	Austria	EUR	34,882,960	100	Mobile telecommunications services
*	Hutchison Telecommunications Hong Kong Holdings Limited	Cayman Islands / Hong Kong	HKD	1,204,774,052	66	Holding company of mobile telecommunications services

Principal Subsidiary and Associated Companies and Joint Ventures
at 31 December 2024

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital **/ registered capital		Percentage of equity attributable to the Group	Principal activities
	Telecommunications (continued)					
	Hutchison Telephone Company Limited	Hong Kong	HKD	2,730,684,340	66	Mobile telecommunications services
✡	Ooredoo Hutchison Asia Pte. Ltd.	Singapore	SGD	435,492	50	Mobile telecommunications services
	Three Ireland (Hutchison) Limited	Ireland	EUR	2	100	Mobile telecommunications services
	Vietnamobile Telecommunications Joint Stock Company	Vietnam	VND	9,348,000,000,000	49	Mobile telecommunications services
	Wind Tre S.p.A.	Italy	EUR	474,303,795	100	Mobile telecommunications services
✡	Zefiro Net S.r.l.	Italy	EUR	20,000	50	Telecommunication network services
	Finance & investments and others					
	Cheung Kong (Holdings) Limited	Hong Kong	HKD	10,488,733,666	100	Holding company
	CK Hutchison Global Investments Limited	British Virgin Islands / Hong Kong	USD	3	100	Holding company
* #	Cenovus Energy Inc.	Canada	CAD	15,659,000,000	17	Oil and gas business
* # +	CK Life Sciences Int'l., (Holdings) Inc.	Cayman Islands / Hong Kong	HKD	961,107,240	45	Holding company of nutraceuticals, pharmaceuticals and agriculture-related businesses
	Hutchison International Limited	Hong Kong	HKD	727,966,526	100	Holding company & corporate
*	Hutchison Telecommunications (Australia) Limited	Australia	AUD	4,204,487,847	88	Holding company
	Hutchison Whampoa (China) Limited	Hong Kong	HKD	15,100,000	100	Investment holding & China businesses
	Hutchison Whampoa Limited	Hong Kong	HKD	29,424,795,590	100	Holding company
* #	HUTCHMED (China) Limited	Cayman Islands / Hong Kong	USD	87,160,109	38	Holding company of biopharmaceutical business
	Marionnaud Parfumeries S.A.S.	France	EUR	947,782,990	100	Investment holding in perfume retailing businesses
#	Metro Broadcast Corporation Limited	Hong Kong	HKD	1,000,452	24	Radio broadcasting
* #	TOM Group Limited	Cayman Islands / Hong Kong	HKD	395,851,056	36	Technology and media
* #	TPG Telecom Limited	Australia	AUD	18,399,043,754	22	Telecommunications services

The above table lists the principal subsidiary and associated companies and joint ventures of the Group which, in the opinion of the directors, principally affect the results and net assets of the Group. To give full details of subsidiary and associated companies and joint ventures would, in the opinion of the directors, result in particulars of excessive length.

Unless otherwise stated, the principal place of operation of each company is the same as its place of incorporation.

Except Cheung Kong (Holdings) Limited and CK Hutchison Global Investments Limited which are 100% directly held by the Company, the interests in the remaining subsidiary and associated companies and joint ventures are held indirectly.

* Company listed on The Stock Exchange of Hong Kong Limited except Hutchison Port Holdings Trust which is listed on the Singapore Stock Exchange, Westports Holdings Berhad which is listed on the Bursa Malaysia Securities Berhad, PT Duta Intidaya Tbk is listed on the Indonesia Stock Exchange, Cenovus Energy Inc. which is listed on the New York Stock Exchange and Toronto Stock Exchange, Hutchison Telecommunications (Australia) Limited which is listed on the Australian Securities Exchange, TPG Telecom Limited which is listed on the Australian Securities Exchange and HUTCHMED (China) Limited which is listed on The Stock Exchange of Hong Kong Limited, AIM market of the London Stock Exchange and in the form of American Depositary Shares on the NASDAQ Global Select Market.

** For Hong Kong incorporated companies, this represents issued ordinary share capital.

\# Associated companies

✡ Joint ventures

⌘ Equity joint venture registered under PRC law

✟ Wholly owned foreign enterprise (WOFE) registered under PRC law

✧ The share capital of Hutchison Port Holdings Trust is in a form of trust units.

❖ Power Assets Holdings Limited indirectly holds 33.37% equity interest in HK Electric Investments and HK Electric Investments Limited, which are listed on The Stock Exchange of Hong Kong Limited.

\+ The accounts of these subsidiary and associated companies and joint ventures have been audited by firms other than PricewaterhouseCoopers. The aggregate revenue (excluding share of associated companies and joint ventures) attributable to shareholders and net assets (excluding share of net assets of associated companies and joint ventures) of these companies not audited by PricewaterhouseCoopers amounted to approximately 4% and 30% of the Group's respective items.

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 year or remain outstanding at the end of the year. It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, that have significant underlying leverage or derivative exposure.

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 cross-currency swaps to manage its interest rate exposure. The Group's main interest rate exposure relates to US dollar, British Pound, Euro and HK dollar borrowings.

At 31 December 2024, approximately 34% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 66% 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$3,129 million principal amount of floating interest rate borrowings that were used to finance long term investments to fixed interest rate borrowings. After taking into consideration these interest rate swaps, approximately 33% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 67% were at fixed rates at 31 December 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 year ended 31 December 2024 is 3.6% (31 December 2023 – 3.2%).

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.

Group Capital Resources and Liquidity

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 2024 was HK$102,600 million, and underlying EBITDA (excluding one-time non-cash impairment and other provisions on the Group's Vietnam telecommunication business) was HK$106,340 million, of which 53% was derived from European operations, including 23% from the UK. At 31 December 2024, of the Group's total principal amount of bank and other debts after currency swap arrangements, 32% and 3% were denominated in Euro and British Pounds respectively, whilst liquid assets comprised 23% Euro and 5% British Pounds denominated cash and cash equivalents. As a result, 41% and 2% of the Group's consolidated net debt (2) of HK$129,614 million were denominated in Euro and British Pounds respectively. Net assets (3) was HK$665,273 million, with 23% attributable to both Continental Europe and UK operations.

At 31 December 2024, the Group's total principal amount of bank and other debts were denominated as follows: 30% in Euro, 51% 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$4,920 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: 32% in Euro, 51% 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 2024, a 10% depreciation of British Pounds would result in a HK$2.5 billion decrease in EBITDA, a HK$0.5 billion decrease in NPAT, HK$0.3 billion decrease in net debt and 0.3%-point increase on net debt to net total capital ratio. Similarly, a 10% depreciation of Euro would result in a HK$2.5 billion decrease in EBITDA, a HK$0.5 billion decrease in NPAT, HK$5.3 billion decrease in net debt and 0.2%-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 local operational management.

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.

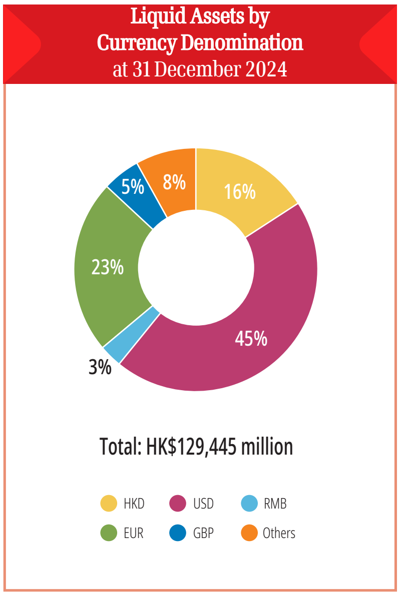
Market Price Risk

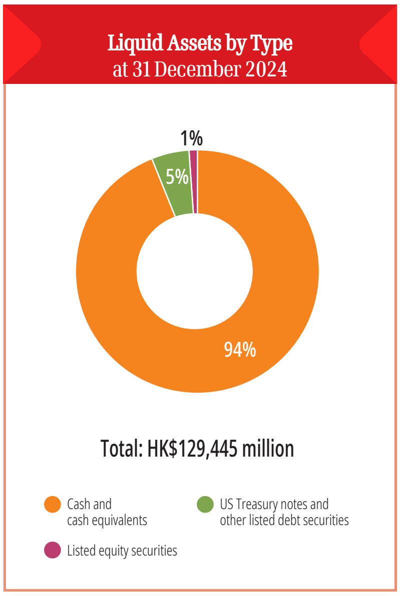
The Group's main market price risk exposures relate to listed debt and equity securities described in "Liquid Assets" below and the interest rate swaps described in "Interest Rate Exposure" above. The Group's holding of listed debt and equity securities represented approximately 6% (31 December 2023 – 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.

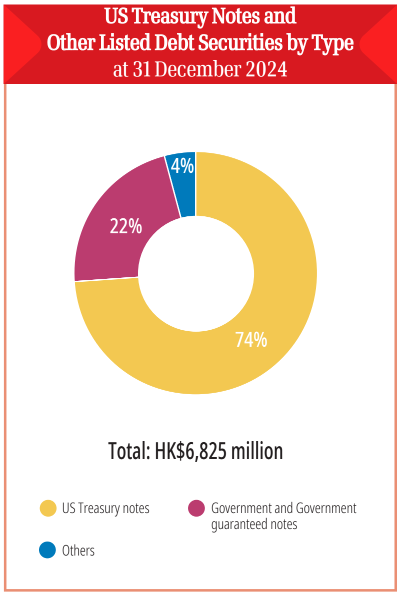
Note 1: Under Post-IFRS 16 basis, Reported EBITDA for 2024 was HK$125,108 million (31 December 2023 – HK$127,309 million).

Note 2: Under Post-IFRS 16 basis, consolidated net debt as at 31 December 2024 was HK$128,558 million (31 December 2023 – HK$130,585 million).

Note 3: Under Post-IFRS 16 basis, net assets as at 31 December 2024 was HK$652,592 million (31 December 2023 – HK$670,549 million).







Liquid Assets

The Group continues to maintain a robust financial position. Liquid assets amounted to HK$129,445 million at 31 December 2024, a decrease of 10% from the balance of HK$143,109 million at 31 December 2023, mainly reflecting dividend payments to ordinary and non-controlling shareholders, redemption of perpetual capital securities, repayment and early repayment of certain borrowings, capital expenditure and investment spending, as well as distributions to perpetual capital securities holders, partly offset by cash arising from positive funds from operations from the Group's businesses and cash from new borrowings. Liquid assets were denominated as to 16% in HK dollars, 45% in US dollars, 3% in Renminbi, 23% in Euro, 5% in British Pounds and 8% in other currencies.

Cash and cash equivalents represented 94% (31 December 2023 – 89%) of the liquid assets, US Treasury notes and other listed debt securities 5% (31 December 2023 – 5%) and listed equity securities 1% (31 December 2023 – 6%). The US Treasury notes and other listed debt securities, including those held under managed funds, consisted of US Treasury notes of 74%, government and government guaranteed notes of 22% and others of 4%. All of these US Treasury notes and other listed debt securities are rated at Aaa/AAA or Aa1/AA+ with an average maturity of 1.1 years on the overall portfolio. The Group has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.

Cash Flow

Underlying EBITDA (excluding one-time non-cash impairment and other provisions on the Group's Vietnam telecommunication business) for 2024 was HK$106,340 million, an increase of 1% compared to HK$104,880 million last year. Reported consolidated funds from operations [(4)] ("FFO") before cash profits from disposals, capital expenditures, investments and changes in working capital was HK$42,708 million for 2024, and on an underlying basis (excluding the one-off item mentioned) was HK$45,087 million, flat against last year of HK$45,067 million, with higher underlying EBITDA mostly offset by higher interests and taxes paid.

The Group's capital expenditures (including licences, brand name and other rights) for 2024 amounted to HK$22,580 million (31 December 2023 – HK$25,510 million). Capital expenditures (including licences, brand name and other rights) for the ports and related services division amounted to HK$3,820 million (31 December 2023 – HK$5,521 million); for the retail division HK$3,240 million (31 December 2023 – HK$2,814 million); for the infrastructure division HK$363 million (31 December 2023 – HK$322 million); for CK Hutchison Group Telecom HK$14,799 million (31 December 2023 – HK$16,533 million); and for the finance and investments and others segment HK$358 million (31 December 2023 – HK$320 million).

Note 4: Under Post-IFRS 16 basis, FFO for 2024 was HK$57,211 million (31 December 2023 – HK$59,402 million).

Group Capital Resources and Liquidity

The Group's dividends received from associated companies and joint ventures for 2024 amounted to HK$11,509 million (31 December 2023 – HK$11,388 million). Dividends received from associated companies and joint ventures for the ports and related services division amounted to HK$1,359 million (31 December 2023 – HK$2,326 million); for the retail division HK$2,386 million (31 December 2023 – HK$2,370 million); for the infrastructure division HK$5,644 million (31 December 2023 – HK$4,976 million); and for the finance and investments and others segment HK$2,120 million (31 December 2023 – HK$1,716 million).

The Group's purchases of and advances to associated companies and joint ventures for 2024 amounted to HK$2,470 million (31 December 2023 – HK$819 million). Purchases of and advances to associated companies and joint ventures for the ports and related services division amounted to HK$228 million (31 December 2023 – HK$39 million); for the infrastructure division HK$2,012 million (31 December 2023 – HK$700 million); for CK Hutchison Group Telecom HK$217 million (31 December 2023 – HK$74 million); and for the finance and investments and others segment HK$13 million (31 December 2023 – HK$6 million).

Net cash inflow before financing activities [5] was HK$20,387 million, a decrease of 5% compared to HK$21,534 million last year, reflecting increased investment in subsidiaries, lower proceeds from the disposal of subsidiaries and joint ventures, proceeds on certain treasury non-core asset disposals in 2023 not recurring in 2024 and lower loan repayment from associated companies and joint ventures, partly offset by favourable working capital movements and lower capital expenditures.

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) and the "Consolidated Statement of Cash Flows" section of this Announcement.

Debt Maturity and Currency Profile

The Group's total bank and other debts, including unamortised fair value adjustments from acquisitions, at 31 December 2024 amounted to HK$259,059 million (31 December 2023 – HK$274,919 million) which comprises principal amount of bank and other debts of HK$257,104 million (31 December 2023 – HK$272,626 million) and unamortised fair value adjustments arising from acquisitions of HK$1,955 million (31 December 2023 – HK$2,293 million). The Group's total principal amount of bank and other debts at 31 December 2024 consist of 65% notes and bonds (31 December 2023 – 67%) and 35% bank and other loans (31 December 2023 – 33%). Interest bearing loans from non-controlling shareholders, which are viewed as quasi-equity, totalled HK$3,471 million as at 31 December 2024 (31 December 2023 – HK$3,245 million).

The maturity profile of the Group's total principal amount of bank and other debts at 31 December 2024 is set out below:

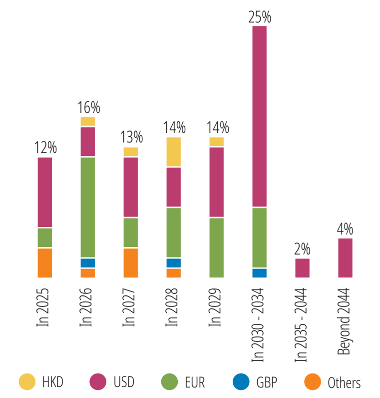
	HK$	US$	Euro	GBP	Others	**Total**
In 2025	–	7%	2%	–	3%	**12%**
In 2026	1%	3%	10%	1%	1%	**16%**
In 2027	1%	6%	3%	–	3%	**13%**
In 2028	3%	4%	5%	1%	1%	**14%**
In 2029	1%	7%	6%	–	–	**14%**
In 2030 – 2034	–	18%	6%	1%	–	**25%**
In 2035 – 2044	–	2%	–	–	–	**2%**
Beyond 2044	–	4%	–	–	–	**4%**
Total	6%	51%	32%	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.

Note 5: Under Post-IFRS 16 basis, net cash inflow before financing activities for 2024 was HK$34,326 million (31 December 2023 – HK$36,022 million).

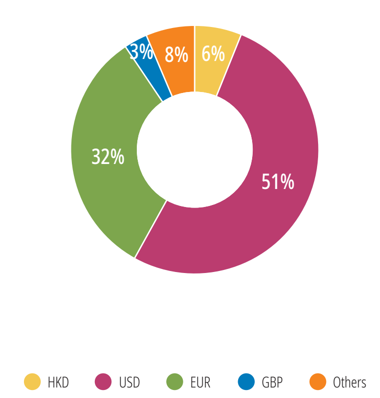
Debt Maturity Profile by Year and Currency Denomination at 31 December 2024

Total principal amount of bank and other debts: HK$257,104 million



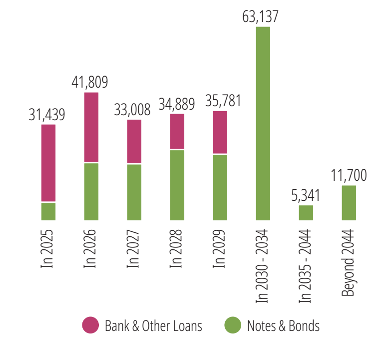
Debt Profile by Currency Denomination at 31 December 2024

Total principal amount of bank and other debts: HK$257,104 million



Debt Maturity Profile by Notes & Bonds and Bank & Other Loans at 31 December 2024

Total principal amount of bank and other debts: HK$257,104 million



Changes in Debt Financing and Perpetual Capital Securities

The significant financing activities for the Group in 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);
- In June, EUR500 million (approximately HK$4,180 million) subordinated guaranteed perpetual capital securities issued were redeemed in full;
- In September, issued US$500 million (approximately HK$3,900 million) guaranteed fixed rate notes due 2030 and US$500 million (approximately HK$3,900 million) guaranteed fixed rate notes due 2034;
- In September, repaid a floating rate term loan facility of EUR1,500 million (approximately HK$12,540 million) on maturity;
- In September, obtained a five year floating rate term loan facility of EUR500 million (approximately HK$4,350 million);
- In September, obtained a three year floating rate term loan facility of EUR350 million (approximately HK$3,045 million);
- In October, repaid HK$2,413 million principal amount of fixed rate notes on maturity;
- In October, repaid EUR1,000 million (approximately HK$8,420 million) principal amount of fixed rate notes on maturity;
- In October, repaid US$1,500 million (approximately HK$11,700 million) principal amount of fixed rate notes on maturity; and
- In December, repaid EUR600 million (approximately HK$4,902 million) principal amount of fixed rate notes on maturity.

Group Capital Resources and Liquidity

Capital, Net Debt and Interest Coverage Ratios

The Group's total ordinary shareholders' funds and perpetual capital securities [6] decreased to HK$543,649 million as at 31 December 2024, compared to HK$557,997 million as at 31 December 2023, mainly reflecting redemption of perpetual capital securities in the first half of 2024, the Group's 2023 final and 2024 interim dividends and distributions paid, as well as exchange losses on translation of foreign operations and other items recognised directly in reserves, partly offset by the profit for 2024.

As at 31 December 2024, the consolidated net debt of the Group, excluding interest bearing loans from non-controlling shareholders which are viewed as quasi-equity, was HK$129,614 million (31 December 2023 – HK$131,810 million), a 2% decrease compared to the net debt at the beginning of the year mainly due to net cash generated from operating activities, partly offset by dividend payments, redemption of perpetual capital securities, capital expenditure and investment spending. The Group's consolidated net debt to net total capital ratio [7] was 16.2% as at 31 December 2024 (31 December 2023 – 16.1%). The Group's consolidated cash and liquid investments as at 31 December 2024 were sufficient to repay all of the Group's outstanding debt maturing before 31 December 2027 and cover 66% of outstanding debt due in 2028.

The Group's consolidated cash interest expenses and other finance costs of subsidiaries, before capitalisation and net of interest income of HK$7,969 million (31 December 2023 – HK$8,448 million) in 2024 was HK$2,584 million (31 December 2023 – HK$1,128 million). Reported EBITDA of HK$102,600 million (31 December 2023 – HK$104,880 million) and FFO excluding net interest [8] of HK$45,292 million (31 December 2023 – HK$46,195 million) for the year covered consolidated net interest expenses and other finance costs 36.6 times (31 December 2023 – 85.5 times) and 17.5 times (31 December 2023 – 41.0 times) respectively.

Secured Financing

At 31 December 2024, assets of the Group totalling HK$1,449 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 as at 31 December 2024 amounted to the equivalent of HK$2,762 million (31 December 2023 – HK$12,730 million).

Contingent Liabilities

At 31 December 2024, the Group provided guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures totalling HK$10,753 million (31 December 2023 – HK$4,560 million), of which HK$8,444 million (31 December 2023 – HK$3,661 million) has been drawn down as at 31 December 2024 and also provided performance and other guarantees of HK$4,860 million (31 December 2023 – HK$4,115 million).

Share Scheme

Neither the Company nor its subsidiaries had any share scheme during the year ended 31 December 2024.

Purchase, Sale or Redemption of Listed Securities

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares, if any) of the Company.

Note 6: Under Post-IFRS 16 basis, total ordinary shareholders' funds and perpetual capital securities as at 31 December 2024 was HK$534,715 million (31 December 2023 – HK$548,601 million).

Note 7: Under Post-IFRS 16 basis, net debt to net total capital ratio for 2024 was 16.4% (31 December 2023 – 16.2%).

Note 8: Under Post-IFRS 16 basis, FFO excluding net interest for 2024 was HK$62,509 million (31 December 2023 – HK$63,037 million).

Compliance with the Corporate Governance Code

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.

The Company has complied throughout the year ended 31 December 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 of Directors (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 year ended 31 December 2024.

Audit Report on the Annual Financial Statements

The consolidated financial statements of the Company and its subsidiary companies for the year ended 31 December 2024 have been audited by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The unqualified auditor's report is set out on pages 12 to 16 of this announcement. The consolidated financial statements of the Company and its subsidiary companies for the year ended 31 December 2024 have also been reviewed by the Audit Committee of the Company.

Annual General Meeting

The Annual General Meeting of the Company (the "AGM") will be held on Thursday, 22 May 2025. Notice of the 2025 AGM will be published and issued to shareholders in due course.

Closure of Register of Members and Record Date for Attending and Voting at 2025 AGM

The record date for determining the eligibility of shareholders (except for holders of treasury shares, if any) to attend and vote at the 2025 AGM is Thursday, 22 May 2025. The register of members of the Company will be closed from Monday, 19 May 2025 to Thursday, 22 May 2025, both days inclusive, during which period no transfer of shares will be effected. To be entitled to attend and vote at the 2025 AGM, 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 Friday, 16 May 2025.

Record Date for Proposed Final Dividend

The record date for determining the entitlement of shareholders (except for holders of treasury shares, if any) to the proposed final dividend is Wednesday, 28 May 2025. In order to qualify for the proposed final dividend payable on Thursday, 12 June 2025, 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 Wednesday, 28 May 2025.

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 geographic areas 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. It 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 Review contained in this announcement and the Operations Analysis posted on the Company'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 annual results announcement 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 annual results announcement 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 annual results announcement; 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.

As at the date of this announcement, the Directors of the Company are:

Executive Directors:
Mr LI Tzar Kuoi, Victor *(Chairman)*
Mr FOK Kin Ning, Canning *(Deputy Chairman)*
Mr Frank John SIXT *(Group Co-Managing Director and Group Finance Director)*
Mr LAI Kai Ming, Dominic *(Group Co-Managing Director)*
Mr IP Tak Chuen, Edmond *(Deputy Managing Director)*
Mr KAM Hing Lam *(Deputy Managing Director)*
Ms Edith SHIH
Mr Andrew John HUNTER

Non-executive Directors:
Mr CHOW Kun Chee, Roland
Mrs CHOW WOO Mo Fong, Susan
Mr LEE Yeh Kwong, Charles
Mr George Colin MAGNUS

Independent Non-executive Directors:
Ms CHOW Ching Yee, Cynthia
Mr Graeme Allan JACK
Mr Philip Lawrence KADOORIE
Mrs LEUNG LAU Yau Fun, Sophie
Mr Paul Joseph TIGHE
Ms TSIM Sin Ling, Ruth
Mr WONG Kwai Lam

Risk Factors

The Group's business, financial condition and results of operations are subject to various business risks and uncertainties. The factors set out below are those that the Group believes could result in the Group's financial condition or results of operations differing materially from expected or historical results. There may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Global Economy

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

In general, volatility in the US and worldwide credit and financial markets, the COVID-19 pandemic, fluctuations in commodity prices and rising energy costs, mounting inflationary pressures, potential interest rate hikes, increasing geopolitical risks and political turbulence, global trade competition, trade conflicts and supply chain disruptions have all contributed to the increased uncertainty of global economic prospects and dampen economic growth.

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

Industry Trends, Interest Rates and Currency Markets

The Group's results are affected by trends in the industries in which it operates, including the ports and related services, retail, infrastructure and telecommunications industries. While the Group believes that its diverse operations, geographical spread and extensive customer base reduce its exposure to particular industry cycles, its results have in the past been adversely affected by industry trends. For example, the Group's results have been negatively impacted by declines in retail consumer sentiment, decline in the value of securities investments, and volatility in currencies and interest rates, as well as increase in inflationary pressures, including energy costs. There can be no assurance that the combination of industry trends, currencies and interest rates experienced by the Group in the future will not adversely affect its financial condition and results of operations.

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

Cash Flow and Liquidity

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

Currency Fluctuations

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

Highly Competitive Markets

The Group's principal business operations face significant competition across the diverse markets in which they operate. New market entrants, intensification of price competition by existing competitors, product innovation or technological advancement could adversely affect the Group's financial condition and results of operations. Competitive risks faced by the Group include:

- continued consolidation and vertical integrations of international shipping lines that are major clients of the Group's ports operations. Shipping lines are increasingly investing in seaports and in their own dedicated terminal facilities and may not require the use of the Group's terminal facilities;
- significant competition and pricing pressure regularly experienced by the retail business of the Group from both online and brick and mortar retail competitors, as well as shifting consumer behaviours to online, are expected to continue, which may materially and adversely affect the financial performance of the Group's retail operations;
- new market entrants and intensified price competition among existing market players of the Group's non-regulated infrastructure businesses could adversely affect the financial performance of the Group's non-regulated infrastructure businesses;
- new entrants, new services, aggressive pricing and tariff plans and customer acquisition and retention strategies by telecommunications competitors may impact the Group's pricing plans, customer acquisition and retention costs, rate of customer growth and retention prospects and hence the revenue it receives as a major provider of telecommunications services; and
- frequent introductions of new or innovative products and services which require the Group to respond to quickly, risk of competition from disruptive alternate telecommunications access technologies and potential competition in the future from substitute telecommunications technologies being developed or to be developed or if the Group fails to develop, or obtain timely access to new technologies and equipment.

Retail Product Liability

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

Widespread Health Epidemic or Other Outbreaks or Natural Disasters

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

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

- reductions or volatility in consumer demand for the Group's products due to quarantine or illness, or other travel restrictions, economic hardship, or retail closures, which may impact the Group's revenue and market share;
- significant volatility in financial markets (including interest rate and foreign currency rate volatilities) and commodities market and measures adopted by governments and central banks, which may limit the Group's access to funds, lead to shortages of cash or increase the cost of raising such funds; and
- an adverse impact on the Group's ability to engage in new, or consummate pending, strategic transactions on the agreed terms and timetable or at all.

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

Strategic Partners

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

In addition, following the disposal of the Group's interests in tower assets supporting the Group's mobile businesses in Austria, Denmark, Ireland, Italy, Sweden and the UK, respectively, to a third party, the Group's ability to provide telecommunications services in such jurisdictions depends, in part, on the relevant third party companies, which through their respective operating subsidiaries have entered into master services agreements with subsidiaries of the Group operating the Group's telecommunications business in the relevant jurisdictions. While each master services agreement provides for the relevant counterparty to provide infrastructure and built-to-suit services to the Group's telecommunication business in such jurisdictions, such agreements may be terminated for cause by either party and may be partially terminated in respect of part of the telecommunications infrastructure services which are affected by any material failure to meet service levels. Should any of these arrangements be terminated, this could result in delays or disruptions to the Group's telecommunications operations in the relevant jurisdictions and could result in the Group incurring additional costs. There can be no assurance that changes in the relationship or rearrangements between the Group and the relevant counterparties will not materially and adversely affect the Group's financial condition and results of operations.

Future Growth

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

The Group has made substantial investments in acquiring telecommunications licences and developing and upgrading its mobile networks and growing its customer bases in Europe, Asia, and Australia. The Group may need to incur more capital expenditure to expand, improve or upgrade its mobile networks, acquire additional spectrum licences, and incur more customer acquisition and retention costs to retain and build its customer bases. There can be no assurance that any additional investments will further increase customer levels and operating margins, and consequently, additional investments may materially and adversely impact the Group's financial condition and results of operations.

As of 31 December 2024, the Group had a total deferred tax asset balance [(1)] of HK$16,423 million, of which HK$14,162 million were attributable to the CK Hutchison Group Telecom mobile operations. The ultimate realisation of deferred tax assets recognised depends principally on these businesses achieving profitability and generating sufficient taxable profits to utilise the underlying unused tax losses. In each of the countries and locations that CK Hutchison Group Telecom operates, taxation losses may be carried forward indefinitely. In addition, in the UK, the Group benefits

Note 1: Under Post-IFRS 16 basis, the Group had a total deferred tax asset balance of HK$18,140 million, of which HK$14,270 million were attributable to the CK Hutchison Group Telecom mobile operations.

from the availability of group relief in relation to taxation losses generated by its telecommunications operations to offset taxable profits from its other businesses in the same period. It may be necessary for some or all of the deferred tax assets recognised to be reduced and charged to the income statement if there is a significant adverse change in the projected performance and resulting projected taxable profits of these businesses. Judgement is required to determine key assumptions adopted in the taxable profit and loss projections and changes to key assumptions used can significantly affect these taxable profit and loss projections. If there is a significant adverse change in taxation rates and legislations, or in the projected performance and resulting cash flow projections of these businesses, some or all of these deferred tax assets may need to be reduced and charged to the income statement, which could have a material adverse effect on the Group's financial condition and results of operations.

Completion Risk of Mergers, Acquisitions and Disposals

The Group may from time to time engage in mergers, acquisitions, joint ventures, other consolidation transactions between its businesses and certain third party companies (including competitors), or disposals. Such transactions are typically subject to negotiations and agreements to be entered into, and even if final agreements are entered into, may still be subject to merger, anti-trust, national security, foreign investment, foreign subsidy and other regulatory approvals by the competent authorities who may only approve the transaction subject to conditions, or who may prohibit the transaction. There can be no assurance that any such transaction and proposals will proceed, or any such approvals or other conditions would be obtained or satisfied and even if such approvals are obtained, third parties may initiate proceedings to appeal against such approvals. If a proposed transaction does not proceed, or is prohibited or the relevant approvals are revoked and the transaction cannot be completed, the Group will have incurred significant resources, such as legal, accounting and other costs in connection with the transaction without realising its anticipated benefits, which may have included increased earnings, scale, competitive strength and market share. As a consequence, the Group's financial position and results of operations could be negatively impacted. In the case of potential mergers or acquisitions, such third party companies may also choose to merge with or be acquired by another of the Group's competitors, which could result in a new competitor with greater scale, financial strength and other resources.

Impact of National, European Union and International Law and Regulatory Requirements

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

- changes in tariffs and trade barriers, including changes which may result from the UK's withdrawal from the EU (see "Risk Factors – UK's Exit from the EU" for further details), as well as government-determined tariff resets of the Group's regulated infrastructure assets;
- changes in taxation regulations and interpretations;
- competition (anti-trust) laws applicable to the Group's activities, including the regulation of monopolies and the conduct of dominant firms, the prohibition of anti-competitive agreements and practices, and merger control, national security, and foreign investment and foreign subsidy laws requiring the approval of certain mergers, acquisitions and joint ventures which could restrict the Group's ability to own or operate subsidiaries or acquire new businesses in certain jurisdictions and/or result in imposition of fines on the relevant operations;
- state aid and/or state subsidy control rules which could require the repayment of grants or other financial support if aid or subsidies have been provided by national governments and/or public authorities to the Group's businesses;
- changes in the process of or the conditions or criteria to obtaining or maintaining licences, permits and governmental approvals necessary to operate certain businesses;
- conditions or criteria to obtaining or maintaining assets that may be viewed by governments or regulatory authorities as critical assets for national security purposes, for example in the telecommunications and ports sectors;
- comprehensive sustainability disclosure requirements for the Group, with the requirements varying from jurisdiction to jurisdiction, for example, the Corporate Sustainability Reporting Directive in the EU ("CSRD"), Task Force on Climate-related Financial Disclosures ("TCFD") recommendations in the UK and the local sustainability disclosure standards in Hong Kong to be developed to align with the International Sustainability Standards Board standards;
- emerging regulation around the development and use of Artificial Intelligence ("AI"), including the introduction of the EU AI Act in August 2024; and
- environmental, safety, employee and consumer protection laws, rules and regulations.

There can be no assurance that the European institutions and/or the regulatory authorities of the countries in which the Group operates will not make decisions or interpret and implement regulations in a manner that materially and adversely affect the Group's financial condition and results of operations in the future.

Ports are often viewed by governments as critical national assets and in many countries are subject to government control and regulations. Regime or sentiment changes in less politically stable countries may affect port concessions granted to foreign international ports operations including the Group's ports operations.

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

New policies or measures by governments, whether fiscal, regulatory or other changes, may pose a risk to the overall investment return of the Group's infrastructure businesses and may delay or prevent the commercial operation of a business with a resulting loss of revenue and profit.

The Group is only permitted to provide telecommunications services and operate networks under licences (including spectrum licences for mobile telecommunications) and/or authorisations granted under the national laws of each country in which it operates. Some spectrum licences have historically been issued for fixed terms and subsequently renewed and/or reauctioned. There can be no assurance, however, that any application for the renewal or participation in any auction of one or more of these licences will be successful or granted on equivalent or satisfactory terms. Governments and/or regulatory authorities may also impose auction rules and/or licence conditions relating to national security, which could result in an operator being denied access to the spectrum and/or revocation of a licence.

In addition, the Group may not be successful in obtaining licences for spectrum bands enabling new mobile technologies that may be developed in the future and will likely face competition for any such licences. Due to changes in legislation, the Group's mobile telecommunications licences in the UK and Italy effectively provide for perpetual renewal rights. Telecommunications licences (including spectrum licences) and authorisations may contain regulatory requirements and carrier obligations regarding the way the operator must conduct its business (such as price controls and non-discrimination obligations), as well as network quality and coverage. Failure to meet these requirements could result in damage awards, fines, penalties, suspensions or other sanctions including, ultimately, revocation of the licences. Decisions by regulators with respect to the granting, amendment or renewal of licences to the Group or other parties (such as spectrum allocation to other parties or relaxation of constraints with respect to the technology or specific service that may be deployed in the given spectrum band), or changes to the process of or the conditions or criteria to, obtaining or maintaining spectrum or other licences necessary for the Group's mobile telecommunications business, could result in the Group facing unforeseen competition and/or could materially and adversely affect the Group's financial condition and results of operations.

Accounting

The Hong Kong Institute of Certified Public Accountants ("HKICPA") is continuing its policy of issuing Hong Kong Financial Reporting Standards ("HKFRS"), amendments and interpretations that fully converge with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). HKICPA has issued and may in the future issue more new and revised standards, amendments and interpretations, including those required to conform to standards, amendments and interpretations issued from time to time by the IASB. Such factors may require adoption of new accounting policies. There can be no assurance that the adoption of new accounting policies or new HKFRS will not have a significant impact on the Group's financial condition and results of operations.

Impact of Regulatory Reviews

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

Climate Change

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

Some of the Group's assets, businesses and supply chain are located in areas that would be affected in the medium to long term by the effects of climate change. Extreme weather events may also pose increased risks for the Group's stakeholders such as the Group's employees, customers and suppliers living and working in those locations. Further, as many countries seek to transition to low carbon economies, governments are increasingly introducing legislations to restrict emissions and incentivise environmental protection measures. Other market changes may also influence the Group's business such as changing consumer preferences in favour of companies that are more sustainable.

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

Political Unrest, Terrorist Attacks and Military Tensions

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

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

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

Cyber Security Risks

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

Any operational impacts caused by cyber attacks to the networks, systems and data base of the Group or its suppliers, vendors and other service providers, even for a limited period of time, may result in costly remedial expenses and/or a loss of business. The costs required to remedy a major cyber attack on the Group could include expensive incentives to certain existing customers and business partners, increased expenditures on cyber security measures and the use of alternate resources. The Group may also suffer a loss of revenue owing to business interruption and claims from regulators and other third parties. The potential costs associated with these attacks could exceed the insurance coverage the Group maintains. In addition, a compromise of security or leakage of data, such as personal data and technical and trade information, could result in third party claims and/or regulatory claims or investigations. Any of these occurrences could damage the Group's reputation, adversely impact customer and investor confidence, and materially and adversely affect the Group's financial condition and results of operations.

Compliance with Data Protection Legislation

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

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

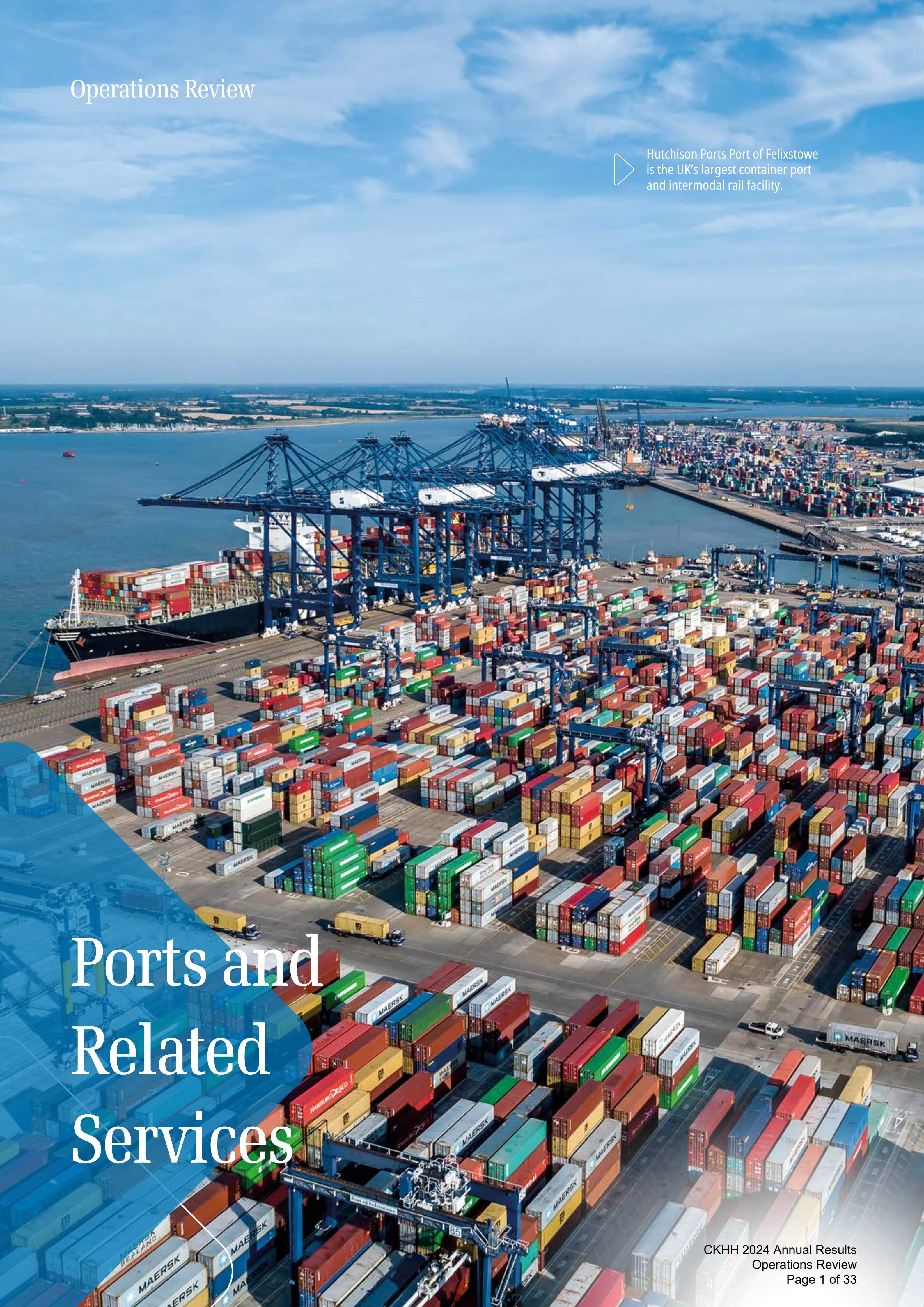
UK's Exit from the EU

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

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

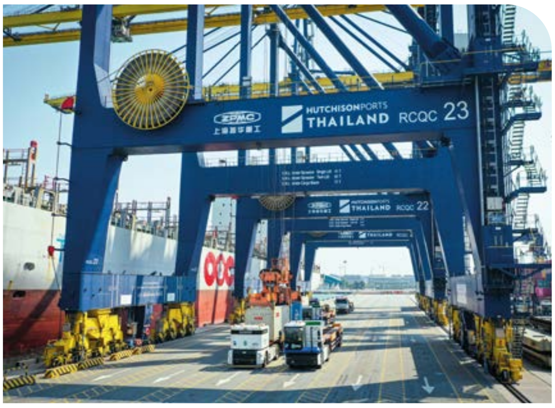
In the UK, the Retained EU Law (Revocation and Reform) Act 2023 which received Royal Assent on 29 June 2023, has been enacted into UK law. Under the Act, certain retained EU laws (listed in Schedule 1 to the Act) were repealed automatically at the end of 2023. The Act further enables the revocation,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

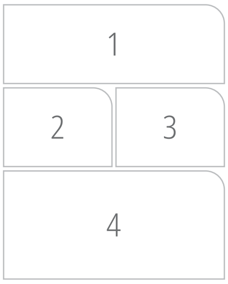
The long-term impact of the UK's decision to leave the EU continues to be unclear and will depend on the implementation of the final terms agreed between the UK and the EU in the TCA as well as on the UK's ability to secure favourable trade and investment terms with countries outside the EU. Following the July 2024 General Election, the UK Government has indicated that it will seek an improved trading relationship with the EU, although few details have yet been made public. There is considerable uncertainty as to the impact of the UK's exit from the EU on the general economic conditions in the UK or its wider impact in the EU. As such, no assurance can be given as to the impact of the UK's departure from the EU and, in particular, no assurance can be given that such matters would not adversely affect the Group's financial condition and results of operations.



Hutchison Ports Port of Felixstowe is the UK's largest container port and intermodal rail facility.

Ports and Related Services





1. Jakarta International Container Terminal is the largest and busiest international container gateway in Indonesia.

2. Hutchison Ports Thailand upgrades operations at Terminal D at Laem Chabang Port with additional remote control Super Post-Panamax Quay Cranes and remote control Rubber-Tyred Gantry Cranes.

3. In China, Hutchison Ports Yantian completes the first dual-ship liquefied natural gas bunkering simultaneously at a single terminal.

4. In Pakistan, Hutchison Ports KICT celebrates its 25th anniversary and the successful handling of 15 million TEU.

Operations Review – Ports and Related Services

This division is the world's leading port network, and has interests in 53 ports comprising 295 operational berths in 24 countries.

Group Performance

The division comprises the Group's 80% interest in the Hutchison Ports group of companies and its 30.07% interest in the HPH Trust, which together handled a total of 87.5 million twenty-foot equivalent units ("TEU") in 2024.

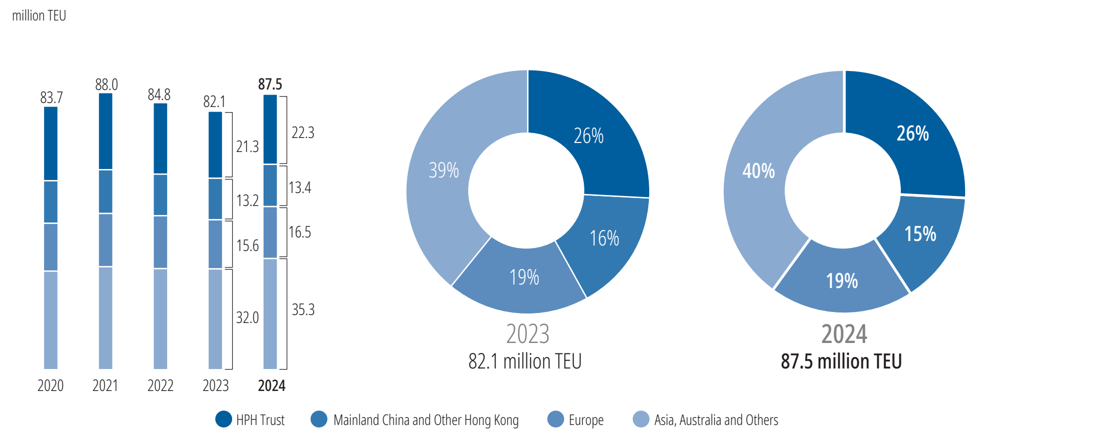
	2024 HK$ million	2023 HK$ million	Change	Local currencies change
Total Revenue (1)	**45,282**	40,851	+11%	+12%
EBITDA (1) (2)	**16,172**	13,628	+19%	+19%
EBIT (1) (2)	**11,873**	9,328	+27%	+27%
Throughput (million TEU)	**87.5**	82.1	+6%	
Number of berths	**295**	293	+2 berths	

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

Note 2: Under Post-IFRS 16 basis, EBITDA was HK$18,848 million (2023: HK$16,415 million); EBIT was HK$13,123 million (2023: HK$10,583 million).

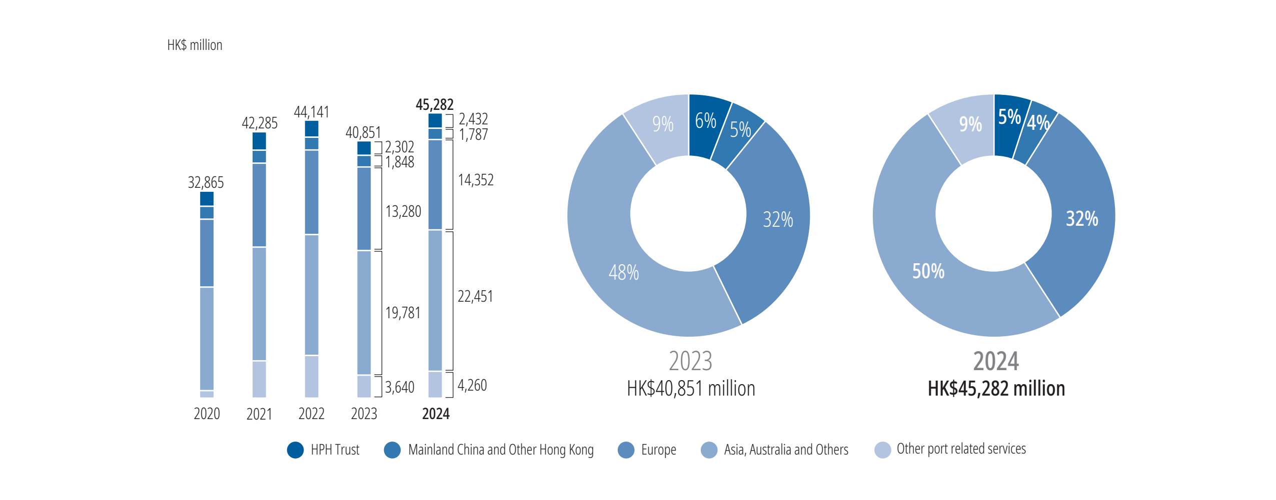
Overall throughput increased 6% to 87.5 million TEU in 2024, with 65% and 35% local and transhipment volume respectively (2023: 65% and 35% local and transhipment volume respectively), primarily due to strong export activities in Yantian driven by solid consumer spending in the US and Europe, supply chain relocations benefiting ports in Asia and Latin America, as well as volume growth in European ports from mild recovery of consumer demand and service reshuffling by shipping lines.

Total Container Throughput by Subdivision (+6%)



Total reported revenue of HK$45,282 million was 11% and 12% higher than last year in reported currency and local currencies respectively mainly attributed to throughput growth, 13% higher storage income year-on-year, together with higher share of revenue from an associated company in the container shipping business primarily resulted from an escalation of market freight rates caused by the Red Sea situation.

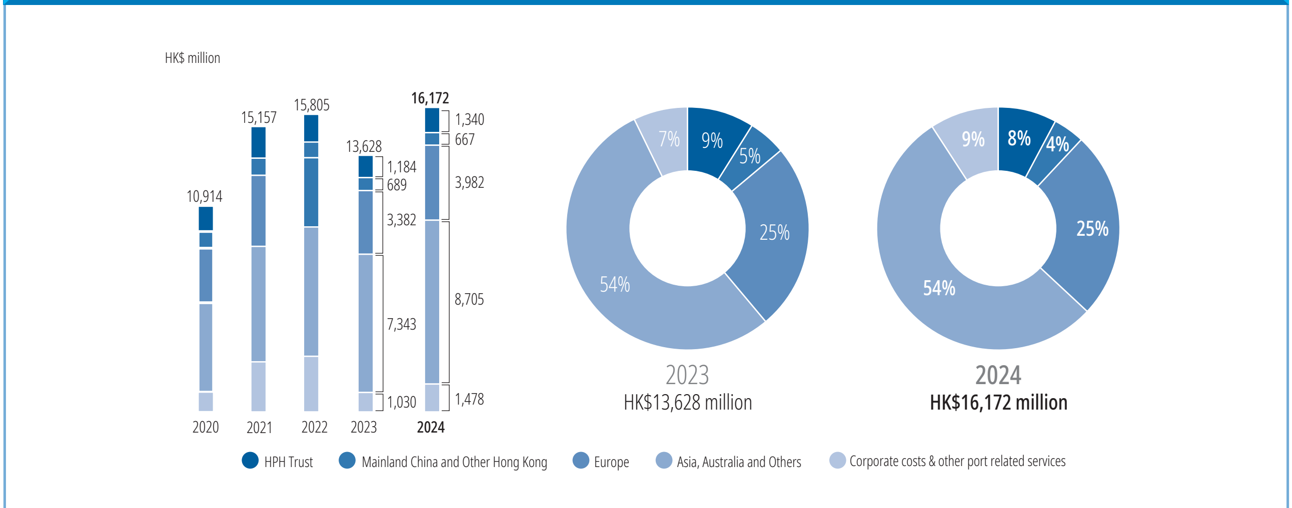
Total Revenue [3] by Subdivision
+11% (+12% in local currencies)



Note 3: Total revenue has been adjusted to exclude non-controlling interests' share of revenue of HPH Trust.

In reported currency, EBITDA increased 19% to HK$16,172 million and EBIT increased 27% to HK$11,873 million against 2023, mainly due to favourable performance in Asia, Australia and Others region from increase in volume and storage income, along with strong throughput growth in Pakistan, as well as surge in cargo demand in Europe and HPH Trust, coupled with higher contribution from the associated company in the container shipping line business as aforementioned, partly offset by slightly lower performance in Mainland China and Hong Kong.

Total EBITDA [4] by Subdivision
+19% (+19% in local currencies)



Note 4: Total EBITDA has been adjusted to exclude non-controlling interests' share of EBITDA of HPH Trust.

As at 31 December 2024, the division had 295 operating berths [5], two berths higher than 2023 from additions of new berths in Laemchabang in Thailand (+1 berth) and Mexico (+1 berth).

Note 5: Based on 300 metres per berth and is computed by dividing the total berth length by 300 metres.

Operations Review – Ports and Related Services

Since obtaining approval from the Science Based Target Initiative, the division has implemented various decarbonising initiatives, such as the application of mandatory "Equipment Electrification Directive", which led to a net increase of 108 electric/hybrid low carbon units and on-site renewable energy generation, ensuring the division's Greenhouse Gas ("GHG") emission reduction roadmap and net zero targets are progressing according to the proposed timeline. As a result, the division has achieved over 5% of reduction in carbon intensity year-on-year, and over 15% of GHG emission reduction in 2024 as compared against its 2021 baseline. In addition, HPH Trust has also conducted a separate climate scenario analysis in accordance with the Taskforce on Climate-Related Financial Disclosure framework and quantified the impacts of climate related risks and opportunities, resulting in the adoption of key initiatives such as expanding the application of remote operations technology and installing low-emissivity glass in office buildings as heat mitigating solution to combat the influence from rising temperature.

Segment Performance

HPH Trust

	2024 HK$ million	2023 HK$ million	Change
Total Revenue [(6)]	**2,432**	2,302	+6%
EBITDA [(6)]	**1,340**	1,184	+13%
EBIT [(6)]	**698**	520	+34%
Throughput (million TEU)	**22.3**	21.3	+5%
Number of berths	**52**	52	–

Note 6: Total revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

HPH Trust's total revenue, EBITDA and EBIT increased by 6%, 13% and 34% respectively mainly attributable to the 5% increase in throughput, driven by notably strong volume growth of 12% in Yantian from escalating outbound cargoes to the United States and European markets, together with stringent cost control.

Mainland China and Other Hong Kong

	2024 HK$ million	2023 HK$ million	Change	Local currencies change
Total Revenue	**1,787**	1,848	-3%	-1%
EBITDA	**667**	689	-3%	-1%
EBIT	**458**	473	-3%	-1%
Throughput (million TEU)	**13.4**	13.2	+1%	
Number of berths	**44**	44	–	

The Mainland China and other Hong Kong segment's revenue, EBITDA and EBIT declined despite moderate throughput growth compared to 2023, mainly attributable to lower storage income and adverse box mix, which more than offset higher throughput in Shanghai.

Europe

	2024 HK$ million	2023 HK$ million	Change	Local currencies change
Total Revenue	**14,352**	13,280	+8%	+8%
EBITDA	**3,982**	3,382	+18%	+17%
EBIT	**2,927**	2,328	+26%	+25%
Throughput (million TEU)	**16.5**	15.6	+6%	
Number of berths	**67**	67	–	

Europe segment's total revenue, EBITDA and EBIT increased by 8%, 18% and 26% respectively in reported currency and increased 8%, 17% and 25% in local currencies respectively, primarily due to volume growth from increased consumer activities mainly in the UK, along with diverted transhipment traffic to Barcelona in Spain, partly offset by decline in throughput volume from Rotterdam in the Netherlands.

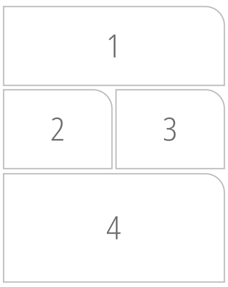
Asia, Australia and Others

	2024 HK$ million	2023 HK$ million	Change	Local currencies change
Total Revenue	**22,451**	19,781	+13%	+15%
EBITDA	**8,705**	7,343	+19%	+19%
EBIT	**6,743**	5,400	+25%	+25%
Throughput (million TEU)	**35.3**	32.0	+10%	
Number of berths	**132**	130	+2 berths	

Asia, Australia and Others' total revenue, EBITDA and EBIT improved by 13%, 19% and 25% respectively in reported currency and increased 15%, 19% and 25% in local currencies respectively, from higher storage income and surge in import laden containers, as well as volume growth from major ports within the segment.

Retail

Superdrug marks 60 years in the health and beauty retail business.



1. Kruidvat operates over 1,200 stores in the Netherlands and Belgium.

2. Watsons celebrates 30 years in Malaysia.

3. Watsons enters the Bahrain market in the Gulf Cooperation Council with three new stores.

4. Watsons operates over 700 stores in Thailand.

Operations Review – Retail

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 170 million loyalty member base.

Group Performance

ASW operated 12 retail brands with 16,951 stores in 30 markets worldwide as of 31 December 2024, providing high quality personal care, health and beauty products; food and fine wines; as well as consumer electronics and electrical appliances. ASW also manufactures and distributes bottled water and other beverages in Hong Kong and the Mainland.

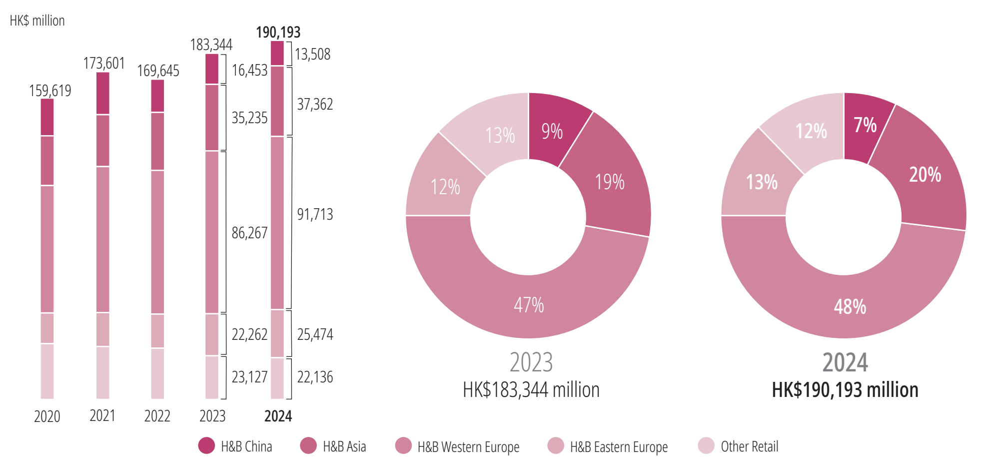
	2024 HK$ million	2023 HK$ million	Change	Local currencies change
Total Revenue	**190,193**	183,344	+4%	+5%
EBITDA [1]	**16,395**	16,226	+1%	+2%
EBIT [1]	**13,018**	12,888	+1%	+2%
Store Numbers	**16,951**	16,491	+3%	

Note 1: Under Post-IFRS 16 basis, EBITDA was HK$25,594 million (2023: HK$25,507 million); EBIT was HK$14,099 million (2023: HK$13,849 million).

Total reported revenue increased by 4% and 5% against last year in reported and local currencies respectively. The higher revenue was primarily due to better overall performance in H&B operations in ASEAN Asia regions and Europe from increase in store traffic, partly offset by adverse results from H&B operations in non-ASEAN Asia markets and Other Retail due to soft consumer sentiment and intense competition.

H&B loyalty members' participation & exclusives sales contribution	**2024**	2023
Total loyalty members in H&B segment (million)	**168**	157
Loyalty members' sales participation in H&B segment (%)	**65%**	63%
Exclusives sales contribution to total H&B sales (%)	**36%**	37%

Total Revenue by Subdivision
+4% (+5% in local currencies)



Total Revenue	2024 HK$ million	2023 HK$ million	Change	Local currencies change
H&B China	**13,508**	16,453	-18%	-16%
H&B Asia	**37,362**	35,235	+6%	+11%
H&B China & Asia Subtotal	**50,870**	51,688	-2%	+3%
H&B Western Europe	**91,713**	86,267	+6%	+6%
H&B Eastern Europe	**25,474**	22,262	+14%	+12%
H&B Europe Subtotal	**117,187**	108,529	+8%	+8%
H&B Subtotal	**168,057**	160,217	+5%	+6%
Other Retail (2)	**22,136**	23,127	-4%	-4%
Total Retail	**190,193**	183,344	+4%	+5%

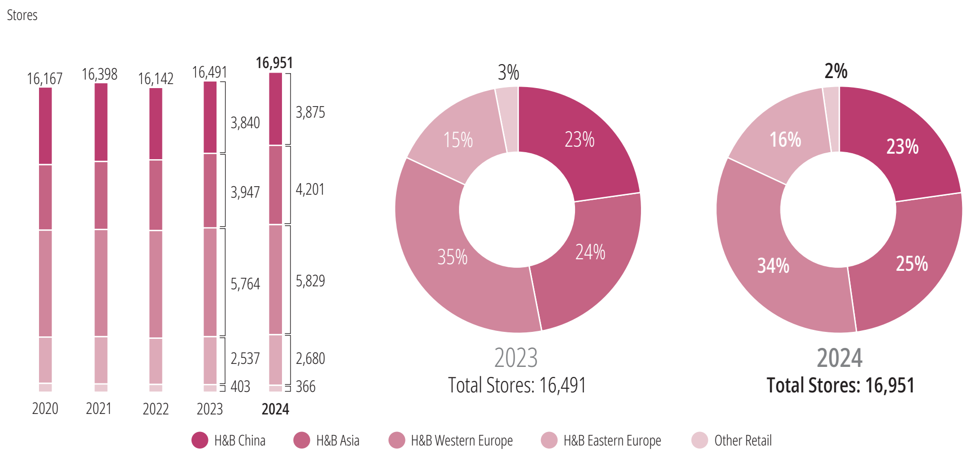
Comparable Stores Sales Growth (%) (3)	2024	2023
H&B China	**-15.3%**	+1.8%
H&B Asia	**+6.5%**	+16.3%
H&B China & Asia Subtotal	**-0.1%**	+11.2%
H&B Western Europe	**+5.7%**	+9.2%
H&B Eastern Europe	**+5.9%**	+12.9%
H&B Europe Subtotal	**+5.7%**	+9.9%
H&B Subtotal	**+3.9%**	+10.3%
Other Retail (2)	**-3.6%**	-13.8%
Total Retail	**+3.1%**	+6.9%

Note 2: Other Retail includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations.

Note 3: 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.

Group Performance (continued)

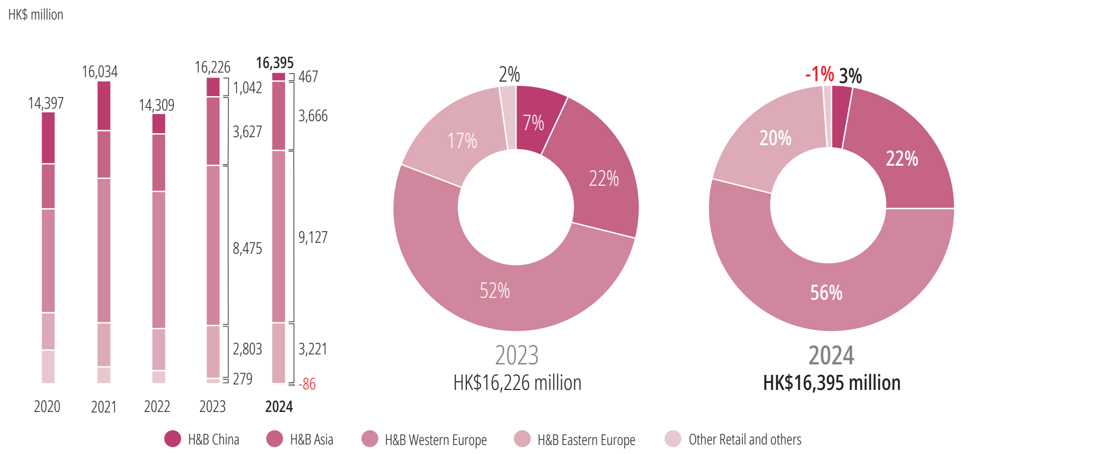
Total Retail Store Numbers by Subdivision (+3%)



Store Numbers	2024	2023	Change
H&B China	**3,875**	3,840	+1%
H&B Asia	**4,201**	3,947	+6%
H&B China & Asia Subtotal	**8,076**	7,787	+4%
H&B Western Europe	**5,829**	5,764	+1%
H&B Eastern Europe	**2,680**	2,537	+6%
H&B Europe Subtotal	**8,509**	8,301	+3%
H&B Subtotal	**16,585**	16,088	+3%
Other Retail (4)	**366**	403	-9%
Total Retail	**16,951**	16,491	+3%

Note 4: Other Retail includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations.

EBITDA by Subdivision
+1% (+2% in local currencies)



EBITDA/(LBITDA)	2024 HK$ million	2023 HK$ million	Change	Local currencies change
H&B China	**467**	1,042	-55%	-54%
H&B Asia	**3,666**	3,627	+1%	+5%
H&B China & Asia Subtotal	**4,133**	4,669	-11%	-8%
H&B Western Europe	**9,127**	8,475	+8%	+8%
H&B Eastern Europe	**3,221**	2,803	+15%	+12%
H&B Europe Subtotal	**12,348**	11,278	+9%	+9%
H&B Subtotal	**16,481**	15,947	+3%	+4%
Other Retail (5)	**(86)**	279	-131%	-131%
Total Retail	**16,395**	16,226	+1%	+2%

Note 5: Other Retail includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations.

The Retail division's EBITDA and EBIT both increased by 1% in reported currency and by 2% in local currencies respectively against 2023. Favourable results are recorded in Europe and ASEAN Asia regions but were largely offset by adverse performance in non-ASEAN Asia region and Other Retail with decreased comparable stores sales. The H&B segment reported EBITDA growth of 4% and EBIT growth of 3% in local currencies against 2023, which was attributable to strong trading performance across most businesses in ASEAN Asia region, the UK, the Benelux counties and the Rossmann joint venture in Poland. In local currencies, H&B Europe improved both its EBITDA and EBIT by 9% year-on-year, while EBITDA and EBIT of H&B Asia grew by 5% and 4% respectively against last year. Despite impact from weak consumer spending and subdued store traffic, H&B China continued to report positive EBITDA and was close to achieving breakeven at EBIT level in 2024. Excluding the weak performance from non-ASEAN Asia regions, the division's EBITDA and EBIT both improved by 10% in local currencies against 2023.

The Retail division continues to drive towards a decarbonised operation. Green initiatives, especially the continuous transition to low carbon vehicle fleet and the purchase of green energy, were implemented in the past year. Impactful results were achieved with over 70% of GHG emission reduction in scope 1 and 2 year-on-year, and over 75% from its baseline year of 2018. The division made significant progress in its Mainland operation, where electric vehicles now account for over 80% of warehouse-to-store deliveries in several cities. Furthermore, the division has purchased renewable energy through Energy Attributes Certificates ("EAC") in selected markets (the Mainland, Hong Kong, Philippines, Malaysia, Thailand, Türkiye, Indonesia) covering almost 100% of 2024 consumption with the purchase of over 580 GWh of RE, bringing positive contribution to the Group's emission reduction targets. Despite the significant achievement, challenges remain for the division to maintain the same level of reductions until 2030, as EACs costs fluctuation, business expansion and the unavailability of electric vehicles in some markets may pose future uncertainties which may slow down the pace of reduction compared to 2024.

Operations Review – Retail

Segment Performance

Health and Beauty China

	2024 HK$ million	2023 HK$ million	Change	Local currency change
Total Revenue	**13,508**	16,453	-18%	-16%
EBITDA	**467**	1,042	-55%	-54%
EBITDA Margin %	***3%***	*6%*		
(LBIT)/EBIT	**(104)**	348	-130%	-130%
EBIT Margin %	***N/A***	*2%*		
Store Numbers	**3,875**	3,840	+1%	
Comparable Stores Sales Growth (%)	**-15.3%**	+1.8%		

Hampered by lacklustre consumer spending and challenging market environment in both the online and offline landscape, H&B China's EBITDA and EBIT decreased by 54% and 130% respectively in local currencies against last year driven by negative comparable stores sales growth of -15.3%.

Aligned with the division's store opening strategies that focus on investment return, total store number only increased mildly to 3,875 stores in over 500 cities in the Mainland as of 31 December 2024.

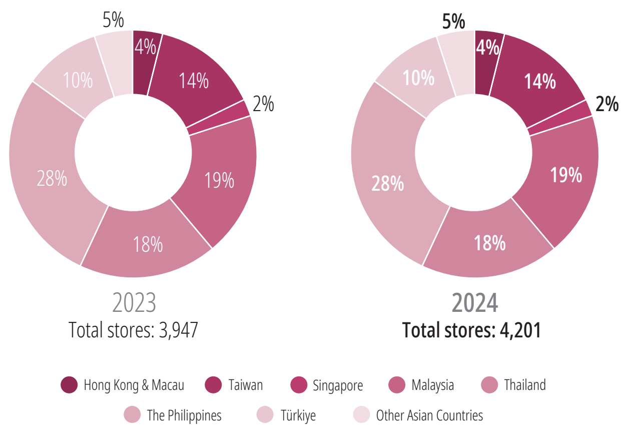
Health and Beauty Asia

	2024 HK$ million	2023 HK$ million	Change	Local currencies change
Total Revenue	**37,362**	35,235	+6%	+11%
EBITDA	**3,666**	3,627	+1%	+5%
EBITDA Margin %	***10%***	*10%*		
EBIT	**3,045**	3,053	–	+4%
EBIT Margin %	***8%***	*9%*		
Store Numbers	**4,201**	3,947	+6%	
Comparable Stores Sales Growth (%)	**+6.5%**	+16.3%		

Watsons is the leading health and beauty retail chain in Asia with strong brand name recognition and extensive geographical coverage. Benefiting from continued store network expansion and steady comparable stores sales growth of 6.5%, H&B Asia's EBITDA and EBIT increased by 5% and 4% respectively in local currencies against last year. The growth in EBITDA and EBIT were primarily attributable to operations in the Philippines, Malaysia and Thailand from higher store footfall as well as incremental margin from the expanding store portfolio. The H&B operation in Türkiye also achieved robust growth in EBITDA and EBIT from effective margin management under high inflation. The favourable results however were partly offset by adverse performance of H&B operations in non-ASEAN Asia regions from weak store traffic amid fierce market competition.

H&B Asia added net 254 stores during the year and had over 4,200 stores in 14 markets as of 31 December 2024, including the division's franchise business which expanded from three stores to 28 stores in UAE, Qatar, Saudi Arabia and Bahrain since market entry into the Middle East in 2020.

H&B Asia - Number of Retail Stores by Market
(+6%)



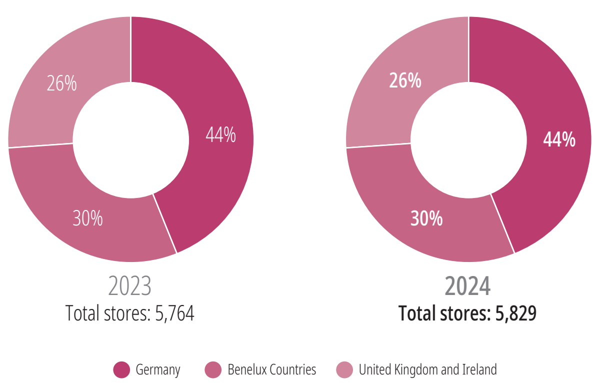
Health and Beauty Western Europe

	2024 HK$ million	2023 HK$ million	Change	Local currencies change
Total Revenue	**91,713**	86,267	+6%	+6%
EBITDA	**9,127**	8,475	+8%	+8%
EBITDA Margin %	***10%***	*10%*		
EBIT	**7,701**	7,151	+8%	+8%
EBIT Margin %	***8%***	*8%*		
Store Numbers	**5,829**	5,764	+1%	
Comparable Stores Sales Growth (%)	**+5.7%**	+9.2%		

H&B Western Europe reported EBITDA and EBIT growth of 8% in reported and local currencies against 2023, driven by growth primarily from H&B operations in the UK and the Benelux countries with solid comparable stores sales growth from increase in store traffic supplemented by good cost control management. The luxury retail businesses also reported improved performance with double digit increase in EBITDA and EBIT in local currencies against last year.

H&B Western Europe added net 65 stores during the year and had more than 5,800 stores as of 31 December 2024.

H&B Western Europe - Number of Retail Stores by Market
(+1%)



Segment Performance (continued)

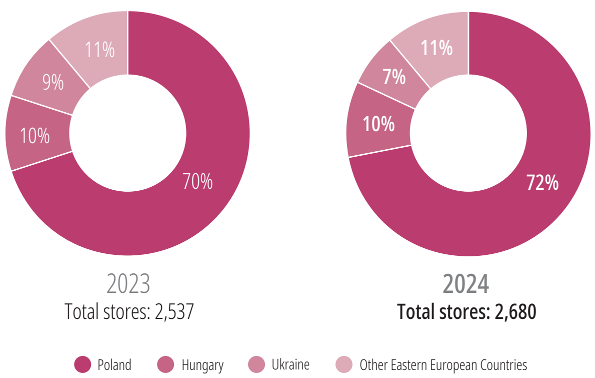
Health and Beauty Eastern Europe

	2024 HK$ million	2023 HK$ million	Change	Local currencies change
Total Revenue	**25,474**	22,262	+14%	+12%
EBITDA	**3,221**	2,803	+15%	+12%
EBITDA Margin %	***13%***	*13%*		
EBIT	**2,784**	2,432	+14%	+12%
EBIT Margin %	***11%***	*11%*		
Store Numbers	**2,680**	2,537	+6%	
Comparable Stores Sales Growth (%)	**+5.9%**	+12.9%		

H&B Eastern Europe reported EBITDA and EBIT growth of 12% in local currencies against 2023 with solid comparable stores sales growth of 5.9%. The favourable performance was mainly attributable to the Rossmann joint venture in Poland as a result of improved sales and steady expansion of store network during the year.

H&B Eastern Europe had more than 2,600 stores as of 31 December 2024, an increase of 6% primarily due to new store additions in Poland, partly offset by fewer stores in Ukraine.

H&B Eastern Europe - Number of Retail Stores by Market (+6%)

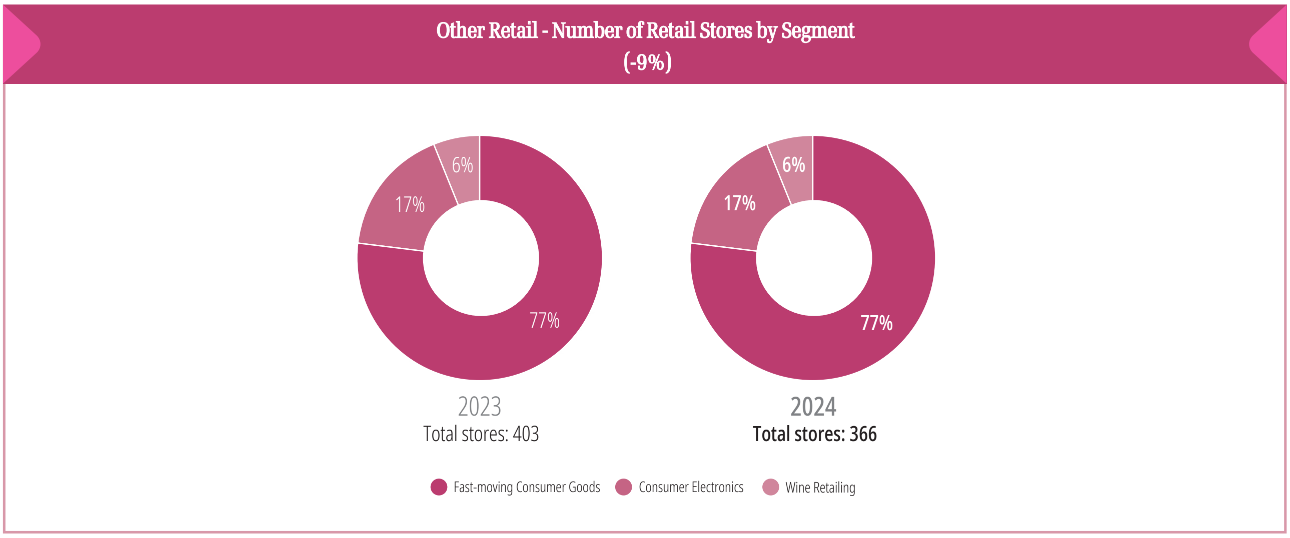


Other Retail

	2024 HK$ million	2023 HK$ million	Change	Local currencies change
Total Revenue	**22,136**	23,127	-4%	-4%
(LBITDA)/EBITDA	**(86)**	279	-131%	-131%
EBITDA Margin %	***N/A***	***1%***		
LBIT	**(408)**	(94)	-334%	-334%
EBIT Margin %	***N/A***	***N/A***		
Store Numbers	**366**	403	-9%	
Comparable Stores Sales Growth (%)	**-3.6%**	-13.8%		

The Other Retail segment reported LBITDA and LBIT in reported and local currencies in 2024. The adverse performance was mainly arising from sluggish sales performance in PARKnSHOP with declined comparable stores sales against last year. Other operations' performance in this segment remained stable.

Other Retail had 366 retail stores in three markets as of 31 December 2024, as well as manufacturing and distributing bottled water and other beverages in Hong Kong and the Mainland.



UK Power Networks Services, a non-regulated business of UK Power Networks, acquires Powerlink Renewable Assets (previously known as UU Solar).

Infrastructure

1. Energy Developments delivers a 4MW expansion for Gold Fields' Agnew Gold Mine in Western Australia.

2. In Western Australia, Dampier Bunbury Pipeline's Tubridgi Gas Storage Expansion project continues to achieve milestones throughout 2024, and commissions two new wells.

3. CKI, alongside strategic partners CK Asset and Power Assets, acquires Phoenix Energy, the largest natural gas distribution network in Northern Ireland.

4. A consortium, including CKI, CK Asset and Power Assets, acquires UK Renewables Energy, a portfolio of operating onshore wind farms in the UK.

Operations Review – Infrastructure

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 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.

	2024 HK$ million	2023 HK$ million	Change	Local currencies change
Total Revenue	**55,324**	54,714	+1%	+1%
EBITDA [1]	**29,614**	29,201	+1%	+1%
EBIT [1]	**19,180**	19,562	-2%	-3%
CKI Reported Net Profit (under Post-IFRS 16 basis)	**8,115**	8,027	+1%	

Note 1: Under Post-IFRS 16 basis, EBITDA was HK$29,953 million (2023: HK$29,526 million); EBIT was HK$19,231 million (2023: HK$19,616 million).

CKI operates in Hong Kong, the Mainland, the UK, Continental Europe, Australia, New Zealand, Canada and the United States.

CKI's profit contributions from operating businesses reported strong growth of 10% year-on-year. However, net profit was impacted by treasury items including higher interest cost and lower foreign exchange gain, resulting in the announced net profit under Post-IFRS 16 basis of HK$8,115 million being 1% higher than last year.

The division's EBITDA of HK$29,614 million was 1% higher than last year in local currencies reflecting good operational performance across the global portfolio of infrastructure businesses, partly offset by lower foreign exchange gain as mentioned, whereas EBIT of HK$19,180 million was 3% lower in local currencies driven by higher depreciation and amortisation from increased asset base.

Share of net profit under Post-IFRS 16 basis from Power Assets ("PAH"), a company listed on the SEHK and in which CKI holds a 36.01% interest as of 31 December 2024, was HK$2,203 million as compared to HK$2,162 million in 2023, reflecting satisfactory operational growth of the international infrastructure portfolio supported by sound underlying energy and utility-related businesses, partly offset by slight decrease in profit contribution from HK Electric due to lower deferred tax credit.

Profit contribution[2] from the UK portfolio was HK$3,981 million in 2024, 31% and 27% higher as compared to 2023 in reported currency and local currency respectively, due to good results reported by all the regulated utility businesses and contribution from the newly acquired Phoenix Energy. Profit contribution[2] from Australian portfolio decreased by 4% and 3% in reported currency and local currency respectively to HK$1,784 million in 2024. The lower performance was due to higher tax charges as a result of amendments to thin capitalisation rules introduced in 2024, excluding which, profit contribution increased by 6% in reported currency. In Continental Europe, profit contribution[2] was HK$607 million in 2024, an increase of 13% and 15% in reported currency and local currency respectively, attributable to strong performance of ista, which reported good organic growth. The reconstruction of Energy-from-Waste facility at Rozenburg plant of Dutch Enviro Energy, which was damaged by a fire in 2023, has made substantial progress and achieved a partial re-start as planned. All seven incineration lines are now operational as of January 2025. In Canada, profit contribution[2] decreased by 19% and 18% in reported currency and local currency respectively to HK$524 million in 2024, due to significant drop in profit of Canadian Power from merchant pool prices falling from prior year's record high level, as well as the impact from the new Excessive Interest and Financing Expenses Limitation rule, partly offset by good performance of Reliance Home Comfort, Canadian Midstream and Park'N Fly. Profit contribution[2] from New Zealand portfolio increased by 10% and 12% in reported currency and local currency respectively to HK$185 million in 2024, attributable to strong performance of Enviro NZ, which successfully retained and won multiple commercial contracts in the year. Hong Kong and the Mainland businesses reported a profit contribution[2] of HK$132 million in 2024, 13% higher against 2023, due to higher profit from the concrete business in Hong Kong.

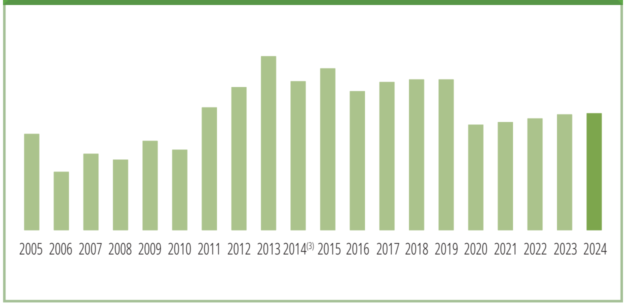
CKI has always been committed to prudent financial management with the underlying financial position closely monitored. CKI's financial strength continues to be solid, with HK$8 billion cash on hand and a net debt to net total capital ratio of 7.8% as at 31 December 2024. Credit rating from Standard & Poor's maintained at "A/Stable".

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

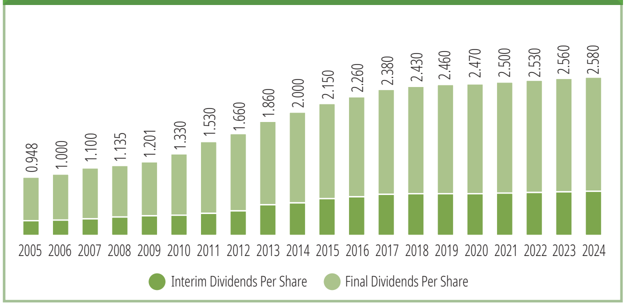
CKI's regulated businesses have received a number of awards and recognitions during 2024. UK Power Networks earned the top spot among utilities in the UK Customer Satisfaction Index, as well as the Energy Network of the Year title at Utility Week's inaugural Flex Awards. Northern Gas Networks achieved an average score of 9.26 out of 10 for overall customer satisfaction in the Ofgem governed gas distribution network customer satisfaction survey. Wales and West Utilities' dedication to the highest safety standards earned it an 11th consecutive Gold RoSPA (Royal Society for the Prevention of Accidents) award. In Australia, the Australian Energy Regulator ranked SA Power Networks, CitiPower, and United Energy first, second and third respectively among the country's 13 electricity distribution networks based on their multilateral total factor productivity in the most recent benchmarking report.

The Infrastructure division continues the pursuit of low carbon and energy transition investment opportunities. In 2024, the division made a number of renewable energy-related capacity expansions, such as the acquisition of UK Renewables Energy, a portfolio of operating onshore wind farms in the United Kingdom, as well as the acquisition by UK Power Networks of Powerlink Renewable Assets, a renewable energy portfolio in the United Kingdom. The overall GHG emissions from the Infrastructure division have reduced by an estimated 5% year on year, which is equivalent to an approximate 15% reduction against its baseline year in 2020.

Earnings Per Share (HK$)

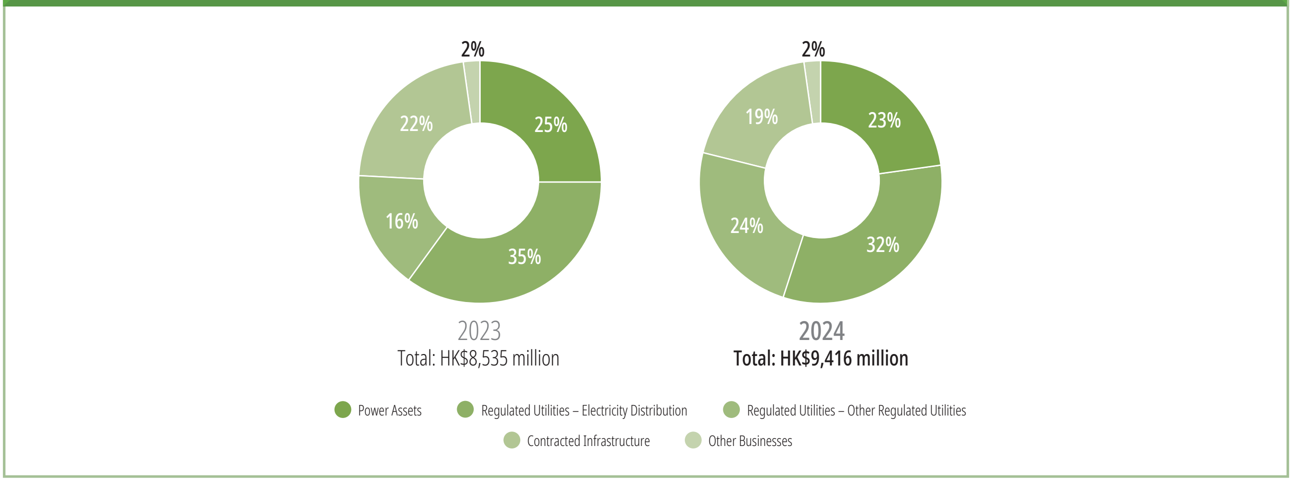


Dividends Per Share (HK$)



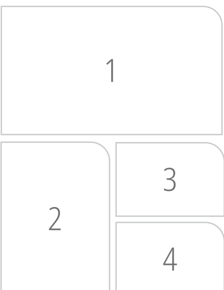
Note 3: Excludes share of one-off gains arising from the spin-off of HK Electric by PAH and privatisation of Envestra.

Profit Contribution (2) by Business Segment



Telecommunications

3 UK and Vodafone's proposed merger receives CMA approval and is expected to complete in the first half of 2025.



1. **3** Sweden nearly doubles its 5G population coverage across more than 250 locations in the country.
2. **3** Ireland is named the fastest 5G network in the country by Ookla Speedtest.
3. Wind Tre moves into its new headquarters in Milan, Italy.
4. **3** Austria introduces "uppi", an AI service chatbot capable of conversing in over 80 languages.

Operations Review – Telecommunications

The Group's telecommunications division consists of CK Hutchison Group Telecom ("CKHGT") which consolidates the **3** Group businesses in Europe ("**3** Group Europe") and a 66.09% interest in Hutchison Telecommunications Hong Kong Holdings ("HTHKH"), which is listed on the SEHK. **3** Group Europe operates in six countries across Europe. HTHKH holds the Group's interests in mobile operations in Hong Kong and Macau.

CK Hutchison Group Telecom

In million	**2024 HK$**	2023 HK$	Change	Local currencies change	**2024 EURO**	2023 EURO
Total Revenue	**88,371**	86,814	+2%	+2%	**10,458**	10,199
Total Margin	**63,626**	61,832	+3%	+3%	**7,531**	7,267
Total CACs	**(15,699)**	(15,473)	-1%		**(1,860)**	(1,818)
Less: Handset revenue	**11,581**	11,403	+2%		**1,372**	1,340
Total CACs (net of handset revenue)	**(4,118)**	(4,070)	-1%		**(488)**	(478)
Operating Expenses	**(35,379)**	(35,421)	–		**(4,188)**	(4,121)
EBITDA (1)	**24,129**	22,341	+8%	+8%	**2,855**	2,668
Depreciation & Amortisation	**(20,644)**	(20,076)	-3%		**(2,450)**	(2,361)
EBIT (1)	**3,485**	2,265	+54%	+51%	**405**	307

3 Group Europe

In million	**2024 HK$**	2023 HK$	Change	Local currencies change
Total Revenue	**81,710**	80,231	+2%	+2%
Total Margin	**59,453**	57,589	+3%	+3%
Total CACs	**(15,251)**	(14,961)	-2%	
Less: Handset revenue	**11,337**	11,091	+2%	
Total CACs (net of handset revenue)	**(3,914)**	(3,870)	-1%	–
Operating Expenses	**(32,417)**	(32,371)	–	–
Opex as a % of total margin	***55%***	*56%*		
EBITDA (2)	**23,122**	21,348	+8%	+8%
EBITDA Margin % (3)	***33%***	*31%*		
Depreciation & Amortisation	**(19,519)**	(18,948)	-3%	-3%
EBIT (2)	**3,603**	2,400	+50%	+48%

Note 1: Under Post-IFRS 16 basis, EBITDA was HK$31,257 million (2023: HK$29,081 million); EBIT was HK$4,490 million (2023: HK$3,191 million).

Note 2: Under Post-IFRS 16 basis, EBITDA was HK$29,824 million (2023: HK$27,675 million); EBIT was HK$4,590 million (2023: HK$3,312 million).

Note 3: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

3 Group Europe 's total revenue of HK$81,710 million and total margin of HK$59,453 million was 2% and 3% higher than last year respectively in local currencies, primarily driven by growth in net customer service revenue due to increase in the customer base and favourable revenue initiatives, coupled with higher MVNO and other wholesale contribution for most operations.

Active customer base as at 31 December 2024 of 40.7 million was 1% higher than 2023, mainly due to growth in customer base reported by most operations, except for Wind Tre which focuses on acquiring and retaining customers with a higher average customer lifetime value, and for Austria due to intense market competition. Average monthly customer churn rate of the contract customer base remained stable at 1.2% for the year (2023: 1.2%). **3** Group Europe's 2024 net ARPU of €12.74 was flat as compared to 2023, as the favourable impact from revenue initiatives was offset by lower incoming mobile termination revenue due to reduction in EU-wide interconnection rates and dilutive impact of higher mix of low value Internet of things (IoT) customers in Ireland. The reduction in mobile termination revenue impact as mentioned was nullified by the corresponding decrease in interconnection cost, and therefore did not adversely impact net AMPU. **3** Group Europe's net AMPU increased by 1% to €11.74 primarily reflected the revenue initiatives upside on net customer service margin.

Majority of **3** Group Europe's operations reported higher net customer service margin driven by inflation-linked adjustment embedded in customer contracts or annual adjustment executed throughout the year, coupled with full year 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 contract base and higher contribution from second brand year-on-year. Italy and Austria's active customer base was lower, reflecting Italy's customer value management initiatives and keen market competition in Austria from aggressive MVNO offerings respectively, which more than offset the favourable revenue initiatives upside on their net customer service margin. Other margin grew across most operations due to price increase, 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 increased by 8% and 48% respectively in local currencies, primarily due to improvement in overall total margin as mentioned, coupled with stable operating expenses as various cost saving initiatives mostly offset higher network costs from expanded networks. Depreciation and amortisation increased by 3% in local currencies due to enlarged network asset base across the footprint and a one-time accelerated depreciation from the swap out of certain network equipment in the Denmark operation, partly offset by the favourable variance from accelerated depreciation on the legacy IT system recognised by **3** UK in 2023 not recurring in 2024.

CKHGT also remains committed to its climate action plan and achieving its Science-Based Targets. Despite challenges in the energy mix in European markets, CKHGT has been able to leverage on technology solution and the purchase of renewable energy to achieve encouraging outcomes. Emissions have been successfully maintained at the same level on a year on year basis, representing approximately 25% reduction against the 2020 baseline. CKHGT increased its use of purchased renewable energy to over 60%. It also continued to invest in energy efficiency of its operations. This includes **3** UK deploying industry leading energy efficient radios, combined with AI and data analytics, to improve network energy efficiency by up to 70% at selected sites. Additionally, **3** Hong Kong implements a 5.5G green strategy by adopting AI energy-saving solution to enhance the overall energy efficiency of its 5G network.

CKHGT - Results by operations

In million	UK GBP 2024	UK GBP 2023	Italy (4) EURO 2024	Italy (4) EURO 2023	Sweden SEK 2024	Sweden SEK 2023	Denmark DKK 2024	Denmark DKK 2023
Total Revenue	**2,748**	2,588	**3,782**	3,838	**8,205**	7,984	**2,485**	2,438
% change	*+6%*		*-1%*		*+3%*		*+2%*	
Total margin	**1,790**	1,671	**2,952**	2,958	**5,447**	5,213	**2,088**	1,990
% change	*+7%*		–		*+4%*		*+5%*	
Total CACs	**(987)**	(964)	**(323)**	(279)	**(737)**	(945)	**(239)**	(257)
Less: Handset Revenue	**751**	715	**219**	190	**324**	538	**67**	80
Total CACs (net of handset revenue)	**(236)**	(249)	**(104)**	(89)	**(413)**	(407)	**(172)**	(177)
Operating Expenses	**(1,013)**	(1,020)	**(1,599)**	(1,627)	**(2,455)**	(2,305)	**(1,165)**	(1,160)
Opex as a % of total margin	*57%*	*61%*	*54%*	*55%*	*45%*	*44%*	*56%*	*58%*
EBITDA	**541**	402	**1,249**	1,242	**2,579**	2,501	**751**	653
% change	*+35%*		*+1%*		*+3%*		*+15%*	
EBITDA margin % (5)	*27%*	*21%*	*35%*	*34%*	*33%*	*34%*	*31%*	*28%*
Depreciation & Amortisation	**(518)**	(519)	**(1,106)**	(1,100)	**(1,848)**	(1,620)	**(913)**	(657)
EBIT	**23**	(117)	**143**	142	**731**	881	**(162)**	(4)
% change	*+120%*		*+1%*		*-17%*		*-3950%*	
Capex (excluding licence)	**(436)**	(454)	**(693)**	(682)	**(1,517)**	(1,455)	**(276)**	(395)
Depreciation & Amortisation (6)	**(433)**	(448)	**(723)**	(736)	**(1,091)**	(873)	**(772)**	(523)
Depreciation & Amortisation (6) less Capex	**(3)**	(6)	**30**	54	**(426)**	(582)	**496**	128
EBITDA less Capex	**105**	(52)	**556**	560	**1,062**	1,046	**475**	258
Licence (7)	–	–	–	–	–	(1,212)	–	–
HK dollar equivalents of EBITDA and EBIT are summarised as follows:								
EBITDA-pre IFRS 16 basis (HK$)	***5,405***	*3,941*	***10,575***	*10,570*	***1,908***	*1,860*	***850***	*746*
EBITDA-post IFRS 16 basis (HK$)	***6,216***	*4,765*	***15,532***	*15,191*	***2,172***	*2,095*	***966***	*858*
EBIT-pre IFRS 16 basis (HK$)	***234***	*(1,140)*	***1,231***	*1,204*	***544***	*660*	***(165)***	*(6)*
EBIT-post IFRS 16 basis (HK$)	***335***	*(1,000)*	***1,955***	*1,821*	***561***	*674*	***(155)***	*2*

In million	Austria EURO 2024	Austria EURO 2023	Ireland EURO 2024	Ireland EURO 2023	3 Group Europe HK$ 2024	3 Group Europe HK$ 2023	HTHKH HK$ 2024	HTHKH HK$ 2023	Corporate and Others (8) HK$ 2024	Corporate and Others (8) HK$ 2023	CKHGT HK$ 2024	CKHGT HK$ 2023	CKHGT EURO 2024	CKHGT EURO 2023
Total Revenue	**957**	976	**630**	615	**81,710**	80,231	**4,782**	4,896	**1,879**	1,687	**88,371**	86,814	**10,458**	10,199
% change	*-2%*		*+2%*		*+2%*		*-2%*		*+11%*		*+2%*		*+3%*	
			Local currencies change %		*+2%*						*+2%*			
Total margin	**727**	704	**484**	462	**59,453**	57,589	**3,322**	3,339	**851**	904	**63,626**	61,832	**7,531**	7,267
% change	*+3%*		*+5%*		*+3%*		*-1%*		*-6%*		*+3%*		*+4%*	
			Local currencies change %		*+3%*						*+3%*			
Total CACs	**(128)**	(168)	**(91)**	(88)	**(15,251)**	(14,961)	**(448)**	(512)	–	–	**(15,699)**	(15,473)	**(1,860)**	(1,818)
Less: Handset Revenue	**112**	151	**86**	83	**11,337**	11,091	**244**	312	–	–	**11,581**	11,403	**1,372**	1,340
Total CACs (net of handset revenue)	**(16)**	(17)	**(5)**	(5)	**(3,914)**	(3,870)	**(204)**	(200)	–	–	**(4,118)**	(4,070)	**(488)**	(478)
Operating Expenses	**(367)**	(345)	**(304)**	(302)	**(32,417)**	(32,371)	**(1,828)**	(1,896)	**(1,134)**	(1,154)	**(35,379)**	(35,421)	**(4,188)**	(4,121)
Opex as a % of total margin	*50%*	*49%*	*63%*	*65%*	*55%*	*56%*	*55%*	*57%*	*N/A*	*N/A*	*56%*	*57%*	*56%*	*57%*
EBITDA	**344**	342	**175**	155	**23,122**	21,348	**1,290**	1,243	**(283)**	(250)	**24,129**	22,341	**2,855**	2,668
% change	*+1%*		*+13%*		*+8%*		*+4%*		*-13%*		*+8%*		*+7%*	
			Local currencies change %		*+8%*						*+8%*			
EBITDA margin % (5)	*41%*	*41%*	*32%*	*29%*	*33%*	*31%*	*28%*	*27%*			*31%*	*30%*	*31%*	*30%*
Depreciation & Amortisation	**(176)**	(166)	**(135)**	(134)	**(19,519)**	(18,948)	**(1,122)**	(1,127)	**(3)**	(1)	**(20,644)**	(20,076)	**(2,450)**	(2,361)
EBIT	**168**	176	**40**	21	**3,603**	2,400	**168**	116	**(286)**	(251)	**3,485**	2,265	**405**	307
% change	*-5%*		*+90%*		*+50%*		*+45%*		*-14%*		*+54%*		*+32%*	
			Local currencies change %		*+48%*						*+51%*			
Capex (excluding licence)	**(225)**	(175)	**(95)**	(95)	**(14,305)**	(14,113)	**(434)**	(481)	**(1)**	(2)	**(14,740)**	(14,596)	**(1,751)**	(1,712)
Depreciation & Amortisation (6)	**(124)**	(115)	**(98)**	(93)	**(13,980)**	(13,662)	**(539)**	(517)	**(3)**	(1)	**(14,522)**	(14,180)	**(1,723)**	(1,669)
Depreciation & Amortisation (6) less Capex	**(101)**	(60)	**3**	(2)	**(325)**	(451)	**105**	36	**2**	(1)	**(218)**	(416)	**(28)**	(43)
EBITDA less Capex	**119**	167	**80**	60	**8,817**	7,235	**856**	762	**(284)**	(252)	**9,389**	7,745	**1,104**	956
Licence (7)	**(7)**	–	–	(129)	**(59)**	(1,937)	–	–	–	–	**(59)**	(1,937)	**(7)**	(231)
HK dollar equivalents of EBITDA and EBIT are summarised as follows:														
EBITDA-pre IFRS 16 basis (HK$)	***2,910***	*2,914*	***1,474***	*1,317*	***23,122***	*21,348*	***1,290***	*1,243*	***(283)***	*(250)*	***24,129***	*22,341*	***€2,855***	*€2,668*
EBITDA-post IFRS 16 basis (HK$)	***3,169***	*3,154*	***1,769***	*1,612*	***29,824***	*27,675*	***1,716***	*1,656*	***(283)***	*(250)*	***31,257***	*29,081*	***€3,699***	*€3,459*
EBIT-pre IFRS 16 basis (HK$)	***1,425***	*1,499*	***334***	*183*	***3,603***	*2,400*	***168***	*116*	***(286)***	*(251)*	***3,485***	*2,265*	***€405***	*€307*
EBIT-post IFRS 16 basis (HK$)	***1,482***	*1,550*	***412***	*265*	***4,590***	*3,312*	***186***	*130*	***(286)***	*(251)*	***4,490***	*3,191*	***€526***	*€417*

	UK 2024	UK 2023	Italy 2024	Italy 2023	Sweden 2024	Sweden 2023	Denmark 2024	Denmark 2023	Austria 2024	Austria 2023	Ireland 2024	Ireland 2023	3 Group Europe 2024	3 Group Europe 2023	HTHKH 2024	HTHKH 2023
Total registered customer base (million)	**11.6**	12.6	**18.8**	19.3	**2.7**	2.6	**1.7**	1.6	**3.1**	3.1	**4.9**	4.5	**42.8**	43.7	**5.8**	4.6
Total active customer base (million)	**10.8**	10.6	**17.8**	18.1	**2.7**	2.6	**1.7**	1.6	**2.8**	2.8	**4.9**	4.5	**40.7**	40.2	**4.6**	4.0
Contract customers as a % of the total registered customer base	**81%**	73%	**49%**	49%	**70%**	70%	**55%**	56%	**78%**	77%	**83%**	81%	**65%**	63%	**25%**	31%
Average monthly churn rate of the total contract registered customer base (%)	**1.6%**	1.4%	**1.3%**	1.4%	**1.3%**	1.2%	**1.8%**	2.0%	**0.5%**	0.5%	**0.4%**	0.4%	**1.2%**	1.2%	**1.0%**	1.0%
Active contract customers as a % of the total contract registered customer base	**99%**	99%	**96%**	96%	**100%**	100%	**100%**	100%	**99%**	100%	**100%**	100%	**98%**	98%	**100%**	100%
Active customers as a % of the total registered customer base	**93%**	84%	**94%**	94%	**100%**	100%	**100%**	100%	**90%**	89%	**100%**	100%	**95%**	92%	**81%**	85%
LTE coverage by population (%)	**97%**	96%	**100%**	100%	**99%**	98%	**100%**	100%	**99%**	98%	**99%**	99%	–	–	**99%**	99%
Full year data usage per active customer (Gigabyte)													**326.4**	286.1	**261.1**	206.1

Note 4: Wind Tre's results include fixed line business revenue of €1,066 million (2023: €1,011 million) and EBITDA of €198 million (2023: €185 million).
Note 5: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).
Note 6: 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: 2024 licence cost for Austria represents investment for 600 MHz of 26 GHz spectrum acquired in March 2024. For 2023, the 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, and the licence cost for Sweden represents investment for 20 MHz of 900 MHz spectrum, 40 MHz of 2.1 GHz spectrum, 20 MHz of 2.6 GHz spectrum and 40 MHz of 2.6 GHz spectrum acquired in September 2023.
Note 8: 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.

Key Business Indicators

	Registered Customer Base								
	Registered Customers at 31 December 2024 ('000)			Registered Customer Growth (%) from 30 June 2024 to 31 December 2024			Registered Customer Growth (%) from 31 December 2023 to 31 December 2024		
	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**
United Kingdom	2,177	9,384	**11,561**	-19%	+1%	**-4%**	-36%	+2%	**-8%**
Italy [9]	9,526	9,310	**18,836**	–	-2%	**-1%**	-3%	-2%	**-3%**
Sweden	819	1,940	**2,759**	+3%	+3%	**+3%**	+7%	+6%	**+6%**
Denmark	743	917	**1,660**	+2%	+2%	**+2%**	+5%	+4%	**+4%**
Austria	666	2,395	**3,061**	-4%	–	**-1%**	-7%	-1%	**-2%**
Ireland	844	4,098	**4,942**	–	+7%	**+5%**	–	+14%	**+11%**
3 Group Europe Total	14,775	28,044	**42,819**	-3%	+1%	**-1%**	-9%	+2%	**-2%**
HTHKH	4,332	1,423	**5,755**	+15%	-1%	**+10%**	+36%	-3%	**+24%**

	Active [10] Customer Base								
	Active Customers at 31 December 2024 ('000)			Active Customer Growth (%) from 30 June 2024 to 31 December 2024			Active Customer Growth (%) from 31 December 2023 to 31 December 2024		
	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**
United Kingdom	1,497	9,310	**10,807**	-11%	+1%	**-1%**	-4%	+3%	**+2%**
Italy [9]	8,803	8,979	**17,782**	+1%	-2%	**–**	-2%	-2%	**-2%**
Sweden	814	1,940	**2,754**	+3%	+3%	**+3%**	+7%	+6%	**+6%**
Denmark	742	917	**1,659**	+2%	+2%	**+2%**	+5%	+4%	**+4%**
Austria	383	2,378	**2,761**	-2%	–	**-1%**	-4%	-1%	**-1%**
Ireland	844	4,098	**4,942**	–	+7%	**+5%**	–	+14%	**+11%**
3 Group Europe Total	13,083	27,622	**40,705**	-1%	+1%	**–**	-1%	+3%	**+1%**
HTHKH	3,217	1,423	**4,640**	+14%	-1%	**+9%**	+29%	-3%	**+17%**

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 (11) ("ARPU") to 31 December 2024

	Non-Contract	Contract	**Blended Total**	% Variance compared to 31 December 2023
United Kingdom	£5.89	£18.53	**£16.68**	-9%
Italy	€9.19	€12.66	**€10.96**	-2%
Sweden	SEK121.93	SEK229.85	**SEK198.02**	-3%
Denmark	DKK94.11	DKK137.61	**DKK118.20**	-1%
Austria	€9.20	€23.50	**€21.49**	+2%
Ireland	€14.48	€8.05	**€9.21**	-12%
3 Group Europe Average	€9.54	€16.78	**€14.44**	-4%
HTHKH	HK$14.41	HK$184.35	**HK$72.24**	-18%

12-month Trailing Net Average Revenue per Active User (12) ("Net ARPU") to 31 December 2024

	Non-Contract	Contract	**Blended Total**	% Variance compared to 31 December 2023
United Kingdom	£5.89	£14.91	**£13.59**	+2%
Italy	€9.19	€11.88	**€10.56**	-2%
Sweden	SEK121.93	SEK207.07	**SEK181.96**	-2%
Denmark	DKK94.11	DKK130.15	**DKK114.07**	-1%
Austria	€9.20	€19.09	**€17.70**	-1%
Ireland	€14.48	€6.30	**€7.78**	-10%
3 Group Europe Average	€9.54	€14.28	**€12.74**	–
HTHKH	HK$14.41	HK$169.73	**HK$67.27**	-17%

12-month Trailing Net Average Margin per Active User (13) ("Net AMPU") to 31 December 2024

	Non-Contract	Contract	**Blended Total**	% Variance compared to 31 December 2023
United Kingdom	£5.27	£13.56	**£12.35**	+2%
Italy	€8.60	€11.20	**€9.93**	–
Sweden	SEK106.60	SEK184.08	**SEK161.23**	-1%
Denmark	DKK82.35	DKK112.98	**DKK99.32**	+1%
Austria	€8.49	€17.96	**€16.63**	+1%
Ireland	€13.52	€5.86	**€7.24**	-9%
3 Group Europe Average	€8.81	€13.14	**€11.74**	+1%
HTHKH	HK$11.00	HK$148.44	**HK$57.77**	-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 year.

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 year.

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 year.

United Kingdom

UK's total margin grew 7% from an increase in the customer base and growth in wholesale business, mitigating higher operating costs from an enlarge network and contributing to 35% and 120% growth in EBITDA and EBIT respectively in local currency. Depreciation and amortisation was stable year-on-year due to increased depreciation from enlarged network fully offset by the impact of accelerated depreciation on a legacy IT system recognised in 2023. The operation was awarded the best network for Business and SIM only by Mobile industry award and the fastest 5G network in 2024 by Ookla.

Italy

Italy's EBITDA and EBIT both increased by 1% against last year in local currency, mainly driven by growth in new revenue streams such as energy, insurance and cybersecurity products, lower operating expenses through stringent cost controls, partly offset by lower net customer service margin due to lower customer base. Depreciation and amortisation was relatively stable as 5G rollout has substantially been completed with Wind Tre achieving over 95% FDD and 75% TDD coverage. In the second half of 2024, Wind Tre acquired OpNet, a wholesale fixed-wireless-access provider, which increases Wind Tre's spectrum holdings to enable network capacity enhancements.

Sweden

Sweden, where the Group has 60% interest, reported EBITDA growth of 3% in local currency compared to last year, primarily driven by 4% increase in total margin from 6% increase in active customer base, partly offset by higher operating costs incurred from enlarged network base and higher bad debt expenses. Despite of the EBITDA improvement, EBIT decreased by 17% compared to last year in local currency due to higher depreciation from enlarged network base. Sweden's 5G population coverage reached over 75% by the end of 2024.

Denmark

The Denmark operation, where the Group has 60% interest, reported 15% increase in EBITDA in local currency mainly driven by total margin growth of 5% with stable operating expenses. Denmark's EBIT decreased compared to last year as a result of higher depreciation from finalising the network asset swap in the second half of 2024, which more than offset the improved EBITDA. Denmark has reached approximately 90% FDD coverage and 70% TDD coverage in 2024.

Austria

Austria's EBITDA increased by 1% against last year in local currency, primarily driven by the strong MVNO performance, partly offset by lower net customer service margin and higher operating costs due to network expansion. EBIT in local currency decreased by 5% compared to 2023, reflecting increased depreciation from an enlarged asset base as 5G network rollout continues. Austria's 5G coverage has reached approximately 95% and 75% FDD and TDD coverage respectively in 2024.

Ireland

Total margin grew by 5% against 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 13% and 90% respectively compared to 2023 driven by better total margin, which more than offset higher operating expenses due to one-off redundancy provision recognised in the year. In 2024, **3** Ireland has reached over 90% 5G coverage.

Hutchison Telecommunications Hong Kong Holdings

Total revenue of HK$4,782 million was 2% lower against last year, primarily due to lower hardware revenue and reduced local service revenue driven by the continued competitive landscape, partly offset by the increase in roaming service revenue from continuous growth in international travel. EBITDA of HK$1,290 million was 4% higher compared to last year mainly due to effective cost control measures. EBIT of HK$168 million was 45% higher than that of 2023 as a result of the aforesaid improvement in EBITDA and stabilised depreciation and amortisation.

HUTCHMED's fruquintinib secures approval in Hong Kong, the European Union, Switzerland, Argentina, Canada, Japan, the UK, Australia, Singapore, Israel and the United Arab Emirates to treat patients with metastatic colorectal cancer.

Finance & Investments and Others

The finance & investments and others segment includes returns earned on the Group's holdings of cash and liquid investments, Hutchison Whampoa (China) Limited ("HWCL"), listed associate TOM Group, the Marionnaud businesses, listed associate CK Life Sciences ("CKLS") 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 ("HTAL"), which has a 25.05% interest in TPG Telecom Limited ("TPG"), also a listed company in Australia.

	2024 HK$ million	2023 [1] HK$ million	Change	Local currencies change
Total Revenue	**97,512**	95,835	+2%	+4%
EBITDA [2]	**16,290**	23,484	-31%	-29%
- Underlying	**20,030**	23,484	-15%	-13%
- One-off items	**(3,740)**	–	N/A	N/A
EBIT [2]	**6,875**	14,525	-53%	-52%
- Underlying	**10,615**	14,525	-27%	-26%
- One-off items	**(3,740)**	–	N/A	N/A

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 year ended 31 December 2023 have been reclassified to the Finance & Investments and Others segment to conform with the year ended 31 December 2024 presentation to enable a better comparison of performance.

Note 2: Under Post-IFRS 16 basis, EBITDA was HK$19,456 million (2023: HK$26,780 million); EBIT was HK$7,815 million (2023: HK$15,531 million).

2024 EBITDA and EBIT included a one-time non-cash impairment and other provisions on the telecommunication business in Vietnam of HK$3.7 billion. Excluding the one-off items, underlying EBITDA and EBIT decreased by 15% and 27% respectively from 2023 in reported currency, primarily due to certain gains on non-core asset disposals in 2023 not recurring in 2024 and share of lower contribution from the energy business mainly due to lower commodity prices.

Finance and Investments

Finance and investments mainly represents returns earned on the Group's holdings of cash and liquid investments, which totalled HK$129,445 million as at 31 December 2024. Further information on the Group's treasury function can be found in the "Group Capital Resources and Liquidity" section of the 2024 annual results announcement.

Other Operations

Indosat Ooredoo Hutchison

IOH is the Group's telecommunications joint venture in Indonesia, with shares listed on the Indonesia stock Exchange.

IOH continued to report robust revenue growth of 9%, driven by increased mobile data usage and strong growth in Information and Communication Technology (ICT) services revenue, resulting in the Group's share of IOH's EBITDA increasing by 4% in reported currency. Excluding net gains from the disposal of tower assets and data centre in 2023 not recurring in 2024, the Group' s share of IOH's underlying EBITDA increased by 12% year-on-year, reflecting revenue growth and disciplined cost control. IOH strengthened its network infrastructure through BTS expansion, bringing the total to over 250,000, which enhances rural connectivity and provides customers with best network experience. As of 31 December 2024, IOH reported an active customer base of 94.7 million.

Vietnamobile

Vietnamobile provides mobile telecommunication services in Vietnam in which the Group holds 49% of the business. As of 31 December 2024, Vietnamobile reported an active customer base of 8.4 million.

Hutch Lanka

Hutch Lanka provides mobile telecommunication services in Sri Lanka in which the Group holds 90.36% of the business. As of 31 December 2024, Hutch Lanka reported an active customer base of 3.8 million.

HTAL, share of TPG Telecom Limited

HTAL, an 87.87% owned subsidiary listed on the Australian Securities Exchange ("ASX"), has 25.05% interest of TPG Telecom Limited (also listed on the ASX).

Hutchison Whampoa (China) Limited

HWCL is engaged in the businesses of manufacturing, service and distribution in the Mainland, Hong Kong and the United Kingdom, and also has 38.15% interest in HUTCHMED (China) Limited ("HUTCHMED"), which is currently listed on the SEHK, the AIM market of the London Stock Exchange in the UK and the Nasdaq Global Select Market in the US. HUTCHMED is an innovative, commercial-stage, biopharmaceutical company committed to the discovery and global development and commercialisation of targeted therapies and immunotherapies for the treatment of cancer and immunological diseases.

Cenovus Energy

Cenovus Energy is a Canadian-based integrated energy company with shares listed on the Toronto and New York stock exchanges. It operates in Canada, the United States and Asia Pacific region, and is one of the largest Canadian oil and natural gas producers, as well as one of the largest Canadian-based refiners and upgraders. As at 31 December 2024, the Group held 17.4% interest in Cenovus Energy.

The Group's share of Cenovus Energy's Post-IFRS 16 EBITDA, EBIT and net earnings were HK$9,311 million, HK$4,491 million and HK$3,041 million, a decrease of 8%, 19% and 23% compared to last year respectively. The lower contribution is primarily due to lower commodity benchmark pricing, partly offset by increased production volume in 2024. The operating results were also impacted by weakened market crack spreads and higher repair and maintenance costs for turnarounds at certain facilities.

TOM Group

TOM, a 36.1% associate, is a technology and media company listed on the SEHK. TOM has technology operations in social network and mobile internet, and investments in e-commerce, fintech and advanced data analytics sectors. In addition, its media businesses cover both publishing and advertising segments.

Marionnaud

Marionnaud had over 720 stores in nine European markets as of 31 December 2024, providing luxury perfumery and cosmetic products.

CK Life Sciences Group

The Group has an approximate 45.32% interest in CKLS, a company listed on the SEHK. CKLS is engaged in the business of research and development, manufacturing, commercialisation, marketing, sale of, and investment in, products and assets which are nutraceuticals, pharmaceuticals and agriculture-related.

Interest Expense, Finance Costs and Tax

The Group's consolidated interest expenses and other finance costs for the year, 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$19,655 million, decreased by 2% when compared to last year, driven mainly by lower share of interest expenses of the Group's associates and joint ventures, partly offset by the increased effective interest rate of consolidated debt. The Group's weighted average cost of debt for 2024 was 3.6% (2023: 3.2%).

The Group recorded current and deferred tax charges of HK$10,986 million in 2024, an increase of 29% from HK$8,500 million in 2023. Excluding the impact of non-cash impairment and other provisions on the telecommunication business in Vietnam in 2024 and certain gains on non-core asset disposal in 2023, the Group generated higher underlying profit before tax and incurred increased tax charges from a higher effective tax rate in 2024.

Frank John Sixt
Group Co-Managing Director and
Group Finance Director

Lai Kai Ming, Dominic
Group Co-Managing Director

Hong Kong, 20 March 2025