

Strong Resilience in Challenging Times



CK ASSET HOLDINGS LIMITED
長江實業集團有限公司
(Incorporated in the Cayman Islands with limited liability)
STOCK CODE: 1113

Interim Report 2025

This interim report 2025 (both English and Chinese versions) ("Interim Report") has been published on the Company's website (<https://www.ckah.com>) and the website of Hong Kong Exchanges and Clearing Limited (<https://www.hkexnews.hk>).

If a shareholder wishes to receive the Company's corporate communications (including but not limited to the Interim Report) from the Company in printed form, please follow the instructions set out in the "Dissemination of Corporate Communications" section under "Investor Relations" on the Company's website, to complete the relevant Request Form and return the completed form to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited.

Any such request from a shareholder will cease to be valid after one year, or such shorter period if the original request is revoked in writing, or superseded by a subsequent written request, by such shareholder, prior to the expiry date of the original request. A shareholder wishing to continue to receive corporate communications in printed form after expiry of the original request must complete and return a fresh Request Form.

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Shareholders who have chosen to receive printed copy of the corporate communications in either English or Chinese version will receive both English and Chinese versions of the Interim Report since both language versions are bound together into one booklet.

In order to receive actionable corporate communications by email, shareholders are also requested to follow the relevant instructions set out in the "Dissemination of Corporate Communications" section under "Investor Relations" on the Company's website, to complete the relevant Request Form and return the completed form to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited.

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Corporate Information and Key Dates

Board of Directors

LI Tzar Kuoi, Victor *Chairman and Managing Director*
 KAM Hing Lam *Deputy Managing Director*
 IP Tak Chuen, Edmond *Deputy Chairman*
 CHUNG Sun Keung, Davy *Executive Director*
 CHIU Kwok Hung, Justin *Executive Director*
 CHOW Wai Kam, Raymond *Executive Director*
 PAU Yee Wan, Ezra *Executive Director*

CHEONG Ying Chew, Henry *Independent Non-executive Director*
 HUNG Siu-lin, Katherine *Independent Non-executive Director*
 Donald Jeffrey ROBERTS *Independent Non-executive Director*
 Stephen Edward BRADLEY *Independent Non-executive Director*
 KWOK Eva Lee *Independent Non-executive Director*
 SNG Sow-mei alias POON Sow Mei *Independent Non-executive Director*
 LAM Siu Hong, Donny *Independent Non-executive Director*
 LEE Wai Mun, Rose *Independent Non-executive Director*
 WONG Yick-ming, Rosanna *Independent Non-executive Director*

Senior Advisor

LI Ka-shing

Audit Committee

CHEONG Ying Chew, Henry *(Chairman)*
 HUNG Siu-lin, Katherine
 Donald Jeffrey ROBERTS
 Stephen Edward BRADLEY
 LAM Siu Hong, Donny
 LEE Wai Mun, Rose
 WONG Yick-ming, Rosanna

Remuneration Committee

HUNG Siu-lin, Katherine *(Chairperson)*
 LI Tzar Kuoi, Victor
 CHEONG Ying Chew, Henry

Nomination Committee

Stephen Edward BRADLEY *(Chairman)*
 LI Tzar Kuoi, Victor
 Donald Jeffrey ROBERTS
 WONG Yick-ming, Rosanna

Sustainability Committee

IP Tak Chuen, Edmond *(Chairman)*
 CHEONG Ying Chew, Henry
 Stephen Edward BRADLEY
 Eirene YEUNG

Stock Codes

The Stock Exchange of Hong Kong Limited: 1113
 Bloomberg: 1113 HK
 Reuters: 1113.HK

Website

www.ckah.com

Key Dates

Interim Results Announcement 14 August 2025
 Record Date for Interim Dividend 16 September 2025
 Payment of Interim Dividend 25 September 2025

Executive Committee

LI Tzar Kuoi, Victor *(Chairman)*
 KAM Hing Lam
 CHUNG Sun Keung, Davy
 CHOW Wai Kam, Raymond
 YIP Kin Ming, Emmanuel
 SHEN Wai Yee, Grace
 MA Lai Chee, Gerald
 TONG BARNES Wai Che, Wendy
 IP Tak Chuen, Edmond
 CHIU Kwok Hung, Justin
 PAU Yee Wan, Ezra
 MAN Ka Keung, Simon
 Eirene YEUNG
 KOH Poh Chan
 CHIU Yue Seng

Company Secretary

Eirene YEUNG

Authorised Representatives

IP Tak Chuen, Edmond
 Eirene YEUNG

General Manager, Accounts Department

MAN Ka Keung, Simon

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
 DBS Bank Ltd.
 Sumitomo Mitsui Banking Corporation
 Hang Seng Bank Limited
 China Construction Bank (Asia) Corporation Limited
 Bank of China (Hong Kong) Limited
 Oversea-Chinese Banking Corporation Limited
 Mizuho Bank, Ltd.
 MUFG Bank, Ltd.
 Canadian Imperial Bank of Commerce

Auditor

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

Legal Advisers

Woo, Kwan, Lee & Lo

Registered Office

PO Box 309, Ugland House, Grand Cayman,
 KY1-1104, Cayman Islands

Principal Place of Business

7th Floor, Cheung Kong Center,
 2 Queen's Road Central, Hong Kong

Principal Share Registrar and Transfer Office

Maples Fund Services (Cayman) Limited
 PO Box 1093, Boundary Hall, Cricket Square,
 Grand Cayman, KY1-1102, Cayman Islands

Hong Kong Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
 Rooms 1712-1716, 17th Floor, Hopewell Centre,
 183 Queen's Road East, Hong Kong

Chairman's Statement

Strong Resilience in Challenging Times

HIGHLIGHTS

Six months ended 30 June	2025 HK\$ million	2024 HK\$ million	2025 HK\$ per share	2024 HK\$ per share	Change
Profit before investment property revaluation	6,805	6,726	1.94	1.91	+1.6%
Investment property revaluation (net of tax and non-controlling interests)	(503)	1,877	(0.14)	0.53	
Profit attributable to shareholders	6,302	8,603	1.80	2.44	-26.2%
Interim dividend			0.39	0.39	–

PROFIT FOR THE FIRST HALF YEAR

The Group's unaudited profit before investment property revaluation for the period ended 30 June 2025 amounted to HK\$6,805 million (2024 – HK\$6,726 million), representing earnings per share of HK\$1.94 (2024 – HK\$1.91), an increase of 1.6% when compared with the same period last year. The unaudited profit attributable to shareholders for the period ended 30 June 2025 amounted to HK\$6,302 million (2024 – HK\$8,603 million), representing earnings per share of HK\$1.80 (2024 – HK\$2.44), a decrease of 26.2% when compared with the same period last year.

INTERIM DIVIDEND

The Directors have declared an interim dividend for 2025 of HK\$0.39 per share (2024 – HK\$0.39 per share) to shareholders whose names appear on the Register of Members of the Company at the close of business on Tuesday, 16 September 2025. The interim dividend will be paid on Thursday, 25 September 2025. As at the date hereof, the Company does not hold any treasury shares whether in the Central Clearing and Settlement System, or otherwise.

Chairman's Statement (*continued*)

PROSPECTS

Business Review

In a changing economic landscape marked by heightened uncertainty and rising geopolitical tensions, the Group continued to maintain stringent financial discipline and a prudent management philosophy. The expansion of its social infrastructure portfolio and its recent investments in several infrastructure and utility assets increased the diversification and resilience of its recurring income base. The Group remains focused on strengthening the quality of its balance sheet, assets and earnings to generate long-term sustainable growth and stable returns for shareholders.

Property Sales

The residential property market in Hong Kong remained challenging during the first half of 2025. The Hong Kong Government announced a reduction of stamp duty for certain properties in the beginning of 2025 and mortgage interest rates fell during the period, but market sentiment remained cautious. On the Mainland, the Central Government promulgated plans to support real estate demand and stimulate consumption.

The Group maintained a proactive and market-focused sales strategy during the period. The sale campaigns for Blue Coast and Blue Coast II in Wong Chuk Hang, The Greenwich in Beijing, Noble Hills in Guangzhou, and Emerald Cove in Huizhou have progressed steadily. The pre-sale for Victoria Blossom at Kai Tak is expected to be launched in the second half of 2025.

The Group recorded an increase in property sales revenue but a decrease in contribution when compared with the same period in 2024. It included profit contributions from The Coast Line in Yau Tong, Regency Garden in Shanghai, and The Greenwich in Beijing. The profit contribution from Perfect Ten in Singapore is expected to be recognised when contracted sales are completed in the second half of 2025. The Group will continue with its prudent strategy on land bank replenishment in assessing prime sites for future development.

Property Rental

The retail and commercial property sector in Hong Kong remained weak in the first half of 2025. Contributions from the Civitas social infrastructure portfolio in the UK alleviated the prevailing market challenges in Hong Kong. The Group recorded a modest decrease in revenue and contribution from property rental during the period when compared with the same period in 2024. An active marketing and leasing campaign has been launched for Cheung Kong Center II, the Group's latest flagship Grade A office building, which enjoys a strategic location in Central and a panoramic view of Victoria Harbour.

Hotel and Serviced Suite Operation

The Hong Kong Government and industry leaders stepped up efforts to support and implement various initiatives to promote the tourism sector. The sector faced ongoing cost pressures and a decline in average room rates, despite a rise in both visitor arrivals and overnight visitors in the first half of 2025. The Group's hotel and serviced suite operation recorded a mild increase in revenue but a slight decrease in contribution when compared with the same period in 2024. The Group will continue to focus on optimising the business and its hotel and serviced suite portfolio in line with market demand to maximise revenue income streams from both hotel visitors and long-stay guests. The hotel and serviced suite operation is committed to embracing digital transformation and innovation to improve operational efficiency and elevate the guest experience.

Pub Operation

Market conditions for the pub sector in the UK remained tough with an uncertain outlook for the hospitality industry compounded by higher annual cost pressures from the UK Government's budget measures and changing drinking and social habits. During the period, Greene King's pub operation remained stable and recorded an increase in revenue and contribution when compared with the same period in 2024 despite continuing headwinds. Pub culture is an integral part of the British way of life and the industry has shown resilience amid economic pressures. With the support of the Group and a portfolio of excellent freehold properties and strong brands that showcase its rich heritage, Greene King is committed to deliver on its recent investments in new digital capabilities to enhance market share and customer spend to secure long-term growth.

Infrastructure and Utility Asset Operation

The infrastructure and utility assets operation recorded a solid increase in revenue and contribution during the period when compared with the same period in 2024. The Group's growing portfolio is anchored by businesses in the regulated utilities segment and the contracted infrastructure segment, which consistently provide stable and recurring income. The revenues and asset bases of these businesses are resilient to changes in macroeconomic conditions including inflation, and are protected against high interest rates given prudent gearing. For businesses in the regulated utilities segment, the allowed cost of debt is also periodically adjusted to reflect the actual prevailing interest rates, which mitigates interest rate risk.

Chairman's Statement (*continued*)

In July 2025, a joint venture between the respective wholly owned subsidiaries of the Company, CK Infrastructure Holdings Limited, Power Assets Holdings Limited and CK Hutchison Holdings Limited, agreed to dispose of its entire interests in Eversholt UK Rails. The Company has an indirect interest of 20% in the joint venture. The transaction will allow the joint venture to unlock the underlying value of the asset. Completion of the transaction, which is expected to take place in a few months, is subject to the fulfilment of certain conditions under the sale and purchase agreement.

Sustainability Initiatives

The World Meteorological Organization has confirmed that 2024 was the warmest year on record. As the severity and frequency of extreme weather events increase, the Group recognises the importance of stepping up the sustainability and climate resilience of its operations and value chain. In December last year, the Group's near-term and net-zero targets were validated by the SBTi. In May this year, SBTi approved Greene King's 2040 net-zero target and re-verified its near-term target to halve greenhouse gas emissions by 2030. As part of its decarbonisation commitment, the Group will accelerate efforts to implement its net zero transition plan. In its upcoming 2025 sustainability report, the Group aims to enhance the transparency of its sustainability reporting with a view to early compliance with the new mandatory climate-related disclosure requirements of the HKEX ESG Code, which is in line with the IFRS S2 Climate-related Disclosures.

As a conglomerate with property development as one of its key business activities, the Group's decarbonisation initiatives include pragmatic sustainable building practices and green building design. During the period, it received several important green building accreditations. Notably, Cheung Kong Center II received a final platinum rating under BEAM Plus New Buildings (V2.0). Perfect Ten, a luxury residential development by the Group, was honoured with the Best Apartment/Condominium Development award in Singapore at the 2025-2026 Asia Pacific Property Awards. These accolades underscore the Group's commitment to sustainable development and environmental stewardship.

Outlook

The global economic landscape has become increasingly complex and uncertain. Ongoing geopolitical conflicts, policy shifts and trade tensions continue to shape the direction of investment, business growth and consumer confidence.

The Mainland recorded a positive real GDP year-on-year growth of 5.3% in the first half of 2025 with improved economic indicators. China continues to be a key leader and contributor to global economic growth. The Central Government's recent measures to stabilise the real estate sector, boost consumption, and pursue strategic advances in technological innovation, advanced manufacturing and the green transition, are part of its broader efforts to bolster the economy.

Hong Kong reported a year-on-year real GDP growth of approximately 3% in the first half of 2025. The city has elevated its global competitiveness and attracted international capital and high-calibre talent. Hong Kong stands to benefit from its unique position as a super-connector between the Mainland and the world, and the strong support of the Central Government to maintain its role as an international financial, trade and shipping centre. The Hong Kong Government has introduced various measures to support the real estate market and improve investor sentiment. Housing and land policies and interest rate movements will continue to be determining factors for the property market.

The Group, as a multinational conglomerate, continues to prioritise a resilient and well diversified portfolio of high-quality investments and assets in its core strategy. It is well-positioned to cope with any unforeseen challenges with a proven track record of navigating effectively through market turbulence with caution. The Group remains committed to pursue long-term business growth and provide stable shareholder returns. It has the ability to draw on the strength of its balance sheet and low gearing ratio to invest in quality assets globally that generate recurrent income in line with its investment and sustainability strategies.

As at 30 June 2025, the Group had a net debt to net total capital ratio of approximately 5.0%. The Group has maintained “A/Stable” and “A2 Stable” credit ratings from Standard & Poor’s and Moody’s respectively, demonstrating its stable financial profile.

Acknowledgement

My colleagues on the Board join me in thanking our team of diligent employees around the world for their hard work, adaptability and contributions during the period. I also take this opportunity to express my sincere gratitude to our board members for their unwavering dedication and to our stakeholders for their continued support.

Victor T K Li
Chairman

Hong Kong, 14 August 2025

Management Discussion and Analysis

BUSINESS REVIEW

Major Business Activities

1. Developments Completed and Scheduled for Completion in 2025:

Name	Location	Gross Floor Area (sq.ft.)	Group's Interest
The Coast Line II	The Remaining Portion of Yau Tong Inland Lot No. 45	304,884	100%
Blue Coast and Blue Coast II	Aberdeen Inland Lot No. 467, Site C	999,976	Joint Venture
Perfect Ten	Singapore	219,518	100%
Upper West Shanghai Phase 3 Tender 2 (T1) Phase 4 Tender 2 (T14)	Putuo District, Shanghai	1,648,685	60%
Regency Hills Land No. 4B	Yangjiashan, Nanan District, Chongqing	1,056,689	95%
Laguna Verona Phase G2b Zone 2 (Townhouse)	Henggang Reservoir, Dongguan	383,647	99.8%
The South Bay Phase 5A	Jinzhou New Area, Dalian	969,537	100%
Noble Hills Phase 4A	Zengcheng, Guangzhou	198,351	100%
Emerald Cove Phase 2	Daya Bay, Huizhou	1,216,988	100%
Regency Garden Phase 5B-2a	Pudong New District, Shanghai	261,480	85%
Regency Cove Phase 3A	Caidian District, Wuhan	283,127	100%
Chelsea Waterfront Powerhouse (Stages 2 & 3), The Rotunda, East Tower, Block KC4 and Block KC2A	Chelsea/Fulham, London	431,501	95%

2. New Acquisitions and Joint Developments and Other Major Events:

June 2025: A wholly owned subsidiary of the Group updated the existing US\$5,000,000,000 Euro Medium Term Note Programme (the "Programme") guaranteed by the Company for the purpose of issuing notes which may be denominated in any currency as agreed with the dealer(s) from time to time. The Programme was listed on 23 June 2025 on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and notes issued under the Programme may be listed on the Stock Exchange or such other stock exchange(s) as may be agreed with the relevant dealer(s).

Property Sales

Revenue of property sales (including share of joint ventures) recognised for the period was HK\$7,366 million (2024 – HK\$4,635 million), comprising sales of residential projects completed in Hong Kong – The Coast Line I in Yau Tong, and on the Mainland – Regency Garden Phase 5B-2a in Shanghai and The Greenwich Phase 2 in Beijing. Revenue of property sales is summarised by location as follows:

Location	2025 HK\$ Million	2024 HK\$ Million
Hong Kong	2,803	2,601
The Mainland	3,827	1,761
Overseas	736	273
	7,366	4,635

Contribution for the period was HK\$1,768 million (2024 – HK\$1,821 million) and is summarised by location as follows:

Location	2025 HK\$ Million	2024 HK\$ Million
Hong Kong	74	1,044
The Mainland	1,469	710
Overseas	225	67
	1,768	1,821

Management Discussion and Analysis (*continued*)

Revenue of property sales for the period increased but sales contribution decreased when compared with the same period last year. Contribution margin was lower for the period mainly due to discounts allowed for sales promotion of the projects undertaken in weak market conditions.

During the period, the development of The Coast Line II, Blue Coast and Blue Coast II were completed in Hong Kong, and about half of the completed units of The Coast Line I had been handed over to the purchasers before the period end date. The consents for presale of residential units of Victoria Blossom Phases 1 and 2 in Kai Tak runway area have been obtained and presale of units will be launched soon.

On the Mainland, the sales of all the residential units of Regency Garden Phase 5B-2a in Shanghai were completed during the period, and the sales of residential units of The Greenwich Phase 2 in Beijing are ongoing.

The development of Perfect Ten, a residential project in Singapore, is scheduled for completion in the second half year. All the units have been presold and profit contribution will be recognised upon completion of the development and property sales.

Property sales contracted but not yet recognised at 30 June 2025 are as follows:

Location	Schedule for Sales Recognition		
	2025 HK\$ Million	After 2025 HK\$ Million	Total HK\$ Million
Hong Kong	16,474	5,628	22,102
The Mainland	2,153	27	2,180
Overseas	4,271	–	4,271
	22,898	5,655	28,553

At the interim period end date, the Group had a development land bank (including developers' interests in joint development projects but excluding agricultural land and completed properties) of approximately 67 million sq.ft., of which 6 million sq.ft., 58 million sq.ft. and 3 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

Property Rental

Revenue of property rental (including share of joint ventures) for the period was HK\$3,002 million (2024 – HK\$3,118 million) and comprised rental income derived from leasing of properties as follows:

Use of Property	2025 HK\$ Million	2024 HK\$ Million
Retail	859	971
Office	871	890
Industrial	386	385
Social infrastructure	671	648
Others	215	224
	3,002	3,118

Contribution for the period was HK\$2,315 million (2024 – HK\$2,444 million), and is summarised by location as follows:

Location	2025 HK\$ Million	2024 HK\$ Million
Hong Kong	1,745	1,816
The Mainland	78	139
Overseas	492	489
	2,315	2,444

Revenue and contribution of property rental for the period decreased, when compared with the same period last year, as Shanghai Westgate Mall and Tower on the Mainland ceased to provide rental income upon expiry of the joint venture and leasing of retail and office properties in Hong Kong remained stagnant.

The Group's investment properties in Hong Kong comprise mainly retail, office and industrial properties including Cheung Kong Center, Cheung Kong Center II and China Building in Central, 1881 Heritage in Tsimshatsui, The Whampoa in Hunghom, OP Mall in Tsuen Wan and Hutchison Logistics Centre in Kwai Chung.

Management Discussion and Analysis (*continued*)

At the interim period end date, the Group had an investment property portfolio of approximately 22.4 million sq.ft. (including share of joint ventures but excluding car parking spaces) as follows:

Location	Retail Million sq.ft.	Office Million sq.ft.	Industrial Million sq.ft.	Social Infrastructure Million sq.ft.	Total Million sq.ft.
Hong Kong	3.3	3.9	5.9	–	13.1
The Mainland	3.0	1.6	–	–	4.6
Overseas	0.1	0.2	–	4.4	4.7
	6.4	5.7	5.9	4.4	22.4

A decrease of HK\$542 million (2024 – increase of HK\$1,420 million) in fair value of investment properties was recorded at 30 June 2025 based on a professional valuation using capitalisation rates ranging from approximately 4% to 8%.

Hotel and Serviced Suite Operation

The Group's hotel and serviced suite properties are mostly located in Hong Kong including Harbour Grand Hotels, Harbour Plaza Hotels & Resorts, Horizon Hotels & Suites, Sheraton Hong Kong Hotel & Towers, Hotel Alexandra and a few others.

During the period, the number of visitor arrivals in Hong Kong continued to increase, whereas the average per capita spending decreased from last year. The Group's hotel and serviced suite operation reported a mild increase in revenue and a slight decrease in contribution when compared with the same period last year.

Revenue of hotel and serviced suite operation (including share of joint ventures) for the period was HK\$2,192 million (2024 – HK\$2,130 million), and the average occupancy rates of hotels and serviced suites for the period were 89% and 88% respectively.

Contribution for the period was HK\$794 million (2024 – HK\$823 million) and is summarised by location as follows:

Location	2025 HK\$ Million	2024 HK\$ Million
Hong Kong	816	853
The Mainland	(22)	(30)
	794	823

Property and Project Management

Revenue of property and project management (including share of joint ventures) for the period was HK\$444 million (2024 – HK\$445 million) and mainly comprised management fees received for provision of property management and related services.

Contribution for the period (including share of joint ventures) was HK\$182 million (2024 – HK\$180 million) and is summarised by location as follows:

Location	2025 HK\$ Million	2024 HK\$ Million
Hong Kong	134	143
The Mainland	22	20
Overseas	26	17
	182	180

At the interim period end date, the Group provided property management and related services to approximately 248 million sq.ft. of properties located mainly in Hong Kong and on the Mainland. The Group is committed to providing high quality services to the properties under its management.

Pub Operation

The Group's pub businesses comprise 2 breweries and about 2,600 pubs, restaurants and hotels operated by Greene King across England, Wales and Scotland. Pub businesses in the United Kingdom continue to struggle with operational and cost challenges driven by low consumer confidence and high labour costs.

Revenue of pub operation for the period was HK\$12,524 million (2024 – HK\$11,823 million), an increase of HK\$701 million when compared with the same period last year, mainly due to price adjustments and local currency appreciation.

Management Discussion and Analysis (*continued*)

Profit contribution for the period was HK\$629 million (2024 – HK\$597 million), and the results by division of pub operation are as follows:

Division	2025		2024	
	Revenue HK\$ Million	Contribution HK\$ Million	Revenue HK\$ Million	Contribution HK\$ Million
Pub Company – operates food-led and drink-led destination pubs and restaurants and community-focused local pubs	10,392	403	9,743	310
Pub Partners – owns a portfolio of mainly drink-led pubs which are run as franchised or leased pubs	1,003	247	926	250
Brewing & Brands – sells and distributes a wide range of beers including ale brands brewed in own breweries	1,129	(21)	1,154	37
	12,524	629	11,823	597

Infrastructure and Utility Asset Operation

At the interim period end date, the Group's infrastructure and utility asset businesses were operated through joint ventures as follows:

	Principal Activity	Interest in Joint Venture
CK William JV	Owner and operator of energy utility assets in Australia, the United Kingdom, the United States and Canada	40%
CKP (Canada) JV	A building equipment and service provider under the consumer brand identity of "Reliance Home Comfort" in Canada	75%
ista JV	A fully integrated energy management service provider operated by ista Group in Europe	65%
UK Power Networks JV	A power distributor that serves London, the South East and East of England	20%
Northumbrian Water JV	A regulated water and sewerage company in England and Wales	27%
Dutch Enviro Energy JV	An operator of energy-from-waste business in the Netherlands	24%
Wales & West Utilities JV	A gas distributor that serves Wales and the South West of England	22%
UK Rails JV	A rolling stock operating company in the United Kingdom	20%

The Group also held interests in the economic benefits of other infrastructure and utility asset businesses as follows:

	Principal Activity	Interest in Economic Benefit
Park'N Fly	An off-airport car park provider in Canada	20%
Australian Gas Networks	A distributor of natural gas in Australia	11%

Management Discussion and Analysis (continued)

Revenue of the joint venture operations was shared by the Group for the period as follows:

	2025 HK\$ Million	2024 HK\$ Million
CK William JV	2,482	2,366
CKP (Canada) JV	2,356	2,325
ista JV	3,791	3,467
UK Power Networks JV	2,028	1,835
Northumbrian Water JV	1,536	1,337
Dutch Enviro Energy JV	397	342
Wales & West Utilities JV	668	590
UK Rails JV	340	314
	13,598	12,576

Profit contribution for the period amounted to HK\$4,576 million (2024 – HK\$4,098 million), and is summarised by locations as follows:

	Australia HK\$ Million	Europe HK\$ Million	North America HK\$ Million	2025 Total HK\$ Million	2024 Total HK\$ Million
CK William JV	589	159	(6)	742	720
CKP (Canada) JV	–	–	694	694	708
ista JV	–	1,027	–	1,027	894
UK Power Networks JV	–	1,071	–	1,071	959
Northumbrian Water JV	–	496	–	496	360
Dutch Enviro Energy JV	–	64	–	64	(54)
Wales & West Utilities JV	–	297	–	297	310
UK Rails JV	–	167	–	167	177
Others	–	–	18	18	24
	589	3,281	706	4,576	4,098

Interests in Real Estate Investment Trusts

The Group's interests in listed real estate investment trusts at the interim period end date were as follows:

	Principal Activity	Interest
Hui Xian REIT	Investment in hotels and serviced suites, office and retail properties on the Mainland	35.4%
Fortune REIT	Investment in retail properties in Hong Kong and Singapore	25.7%
Prosperity REIT	Investment in office, retail and industrial properties in Hong Kong	17.6%

Hui Xian REIT is an associate. During the period, the Group shared a net profit of HK\$77 million (2024 – loss of HK\$4 million) and received a distribution of HK\$3 million (2024 – HK\$3 million).

Distributions received from Fortune REIT and Prosperity REIT during the period amounted to HK\$107 million (2024 – HK\$113 million) and were recognised as investment income. An increase of HK\$475 million (2024 – a decrease of HK\$634 million) in fair value of the Group's investments in Fortune REIT and Prosperity REIT was recorded based on the market closing price at 30 June 2025.

Management Discussion and Analysis (*continued*)

FINANCIAL REVIEW

Liquidity and Financing

The Group monitors its liquidity requirements on a short to medium term basis and arranges its financing accordingly.

At the interim period end date, the Group's bank and other loans amounted to HK\$54.4 billion, an increase of HK\$1.7 billion when compared with bank and other loans at 31 December 2024. The maturity profile was spread over a period of 11 years, with HK\$11.0 billion repayable within 1 year, HK\$37.5 billion within 2 to 5 years and HK\$5.9 billion beyond 5 years.

Taking into account the bank balances and deposits of HK\$33.0 billion at 30 June 2025, the Group carried a net debt of HK\$21.4 billion at the interim period end date. The net debt to net total capital ratio was approximately 5%.

With plenty of cash on hand as well as available banking facilities, the Group's liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

Treasury Policies

The Group adopts a conservative approach on foreign exchange risk management and maintains an appropriate mix of floating and fixed rate borrowings to mitigate interest rate risk. The Group's exposure to foreign exchange fluctuations and interest rate changes are reviewed regularly. Hedging instruments including swaps and forwards are used in the management of foreign exchange and interest rate risks.

At the interim period end date, the Group's borrowings were 32% in HK\$/US\$ and 68% in foreign currencies (including AUD, GBP and RMB); and about 54% were on a floating interest rate basis and 46% were on a fixed interest rate basis, after taking into account of the effective swaps in place. Foreign currencies borrowings have been arranged for investments and operations in Australia, the United Kingdom and on the Mainland.

The Group derives its revenue from property businesses mainly in HK\$ and RMB, and maintains bank balances and deposits substantially in HK\$, RMB and US\$. Income in foreign currencies is generated by overseas investments and operations, and cash in foreign currencies is maintained for business requirements.

Charges on Assets

At the interim period end date, (i) properties amounting to HK\$7,430 million (31 December 2024 – HK\$6,414 million) were charged to secure bank loans arranged for property development and investment; and (ii) properties amounting to HK\$27,475 million (31 December 2024 – HK\$24,760 million) were charged to secure other loans arranged for pub operation.

Contingent Liabilities

At the interim period end date, the Group provided guarantees for (i) revenue shared by land owner of a hotel project amounting to HK\$427 million (31 December 2024 – HK\$443 million); and (ii) mortgage loans provided by banks to purchasers of properties developed by the Group on the Mainland amounting to HK\$1,395 million (31 December 2024 – HK\$439 million).

Employees

At the interim period end date, the Group employed approximately 55,000 employees. The related employees' costs for the period (excluding directors' emoluments) amounted to approximately HK\$6,878 million. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group does not have any share option scheme for employees.

Directors' Biographical Information

LI Tzar Kuoi, Victor, aged 61, **Chairman and Managing Director**, joined the CK Group in 1985, has been a Director of the Company since January 2015. Mr. Li was designated as Executive Director, Managing Director and Deputy Chairman in February 2015 and has been re-designated as Chairman and Managing Director since May 2018. He has been the Chairman of the Executive Committee, and a member of the Remuneration Committee and Nomination Committee of the Company, since June 2015, May 2018 and January 2019 respectively. Mr. Li is the Chairman and Executive Director of CK Hutchison Holdings Limited. He is also the Chairman of CK Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc., a Non-executive Director of Power Assets Holdings Limited and HK Electric Investments Manager Limited ("HKEIM") as the trustee-manager of HK Electric Investments, and a Non-executive Director and the Deputy Chairman of HK Electric Investments Limited. Except for HKEIM, all the companies/investment trust mentioned above are listed companies/investment trust. Mr. Li is also the Deputy Chairman of Li Ka Shing Foundation Limited and Li Ka Shing (Global) Foundation, and the Member Deputy Chairman of Li Ka Shing (Canada) Foundation. Mr. Li is a member of the 14th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He is also Vice Chairman of the Hong Kong General Chamber of Commerce. Mr. Li is the Honorary Consul of Barbados in Hong Kong and is awarded the Grand Officer of the Order of the Star of Italy. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Civil Engineering and a degree of Doctor of Laws, honoris causa (LL.D.). Mr. Li is the elder son of Mr. Li Ka-shing, the Senior Advisor of the Company and a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), and a nephew of Mr. Kam Hing Lam, Deputy Managing Director and an Executive Committee Member of the Company. Mr. Li is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company.

KAM Hing Lam, aged 78, **Deputy Managing Director**, joined the CK Group in 1993, and has been an Executive Director and Deputy Managing Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. He is Deputy Managing Director of CK Hutchison Holdings Limited, the Group Managing Director of CK Infrastructure Holdings Limited, and the President of CK Life Sciences Int'l., (Holdings) Inc. All the companies mentioned above are listed companies. Mr. Kam is also the Chairman of Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong). He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. Mr. Kam is the brother-in-law of Mr. Li Ka-shing, the Senior Advisor of the Company and a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and an uncle of Mr. Li Tzar Kuoi, Victor, the Chairman and Managing Director of the Company and the Chairman of the Executive Committee of the Company.

IP Tak Chuen, Edmond, aged 73, **Deputy Chairman**, joined the CK Group in 1993, and has been a Director of the Company since January 2015. Mr. Ip was designated as Executive Director and Deputy Managing Director in February 2015 and has been re-designated as the Deputy Chairman since April 2024. He has been an Executive Committee Member and the Chairman of the Sustainability Committee of the Company since June 2015 and December 2020 respectively. Mr. Ip is Deputy Managing Director of CK Hutchison Holdings Limited. He is also an Executive Director and Deputy Chairman of CK Infrastructure Holdings Limited, and the Senior Vice President and Chief Investment Officer of CK Life Sciences Int'l., (Holdings) Inc. All the companies mentioned above are listed companies. Mr. Ip is also a Non-executive Director of Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong). He holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration.

CHUNG Sun Keung, Davy, aged 74, **Executive Director**, joined the CK Group in 1978, and has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. Mr. Chung is a Registered Architect. He was a member of the 11th Guangzhou Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. Mr. Chung is a director of certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Directors' Biographical Information (*continued*)

CHIU Kwok Hung, Justin, 75, **Executive Director**, joined the CK Group in 1997, and has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. Dr. Chiu is the Chairman of ESR Asset Management (Prosperity) Limited as the manager of Prosperity REIT (listed in Hong Kong); a Non-executive Director of ESR Asset Management (Fortune) Limited as the manager of Fortune REIT (listed in Hong Kong); and an Independent Non-executive Director of Star Shine Holdings Group Limited (listed in Hong Kong). Dr. Chiu has more than 40 years of international experience in real estate in Hong Kong and overseas. He is a Fellow of The Royal Institution of Chartered Surveyors, a member of Advisory Board and a Fellow of The Hong Kong Institute of Directors, a Fellow of Hong Kong Institute of Real Estate Administrators, the Vice Chairman of the Board of Governors of Hong Kong Baptist University Foundation, an Honorary Associate Member of Business of Trent University, Canada, a member of the Singapore Management University International Advisory Council in China, the Chairman of the Advisory Committee and an Adjunct Professor of the School of Business of Hong Kong Baptist University, a Senior Departmental Fellow of the Department of Land Economy at University of Cambridge, the United Kingdom and an Adjunct Professor of Changzhou University. Dr. Chiu was previously an Honorary Professor of School of Pharmaceutical Sciences of Sun Yat-sen University and a member of the Standing Committee of the 12th Shanghai Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He holds a Bachelor of Arts degree in Sociology and Economics from Trent University, Canada and a degree of Doctor of Business Administration from Hong Kong Baptist University, and was conferred with the degree of Doctor of Social Sciences, *honoris causa* by Hong Kong Baptist University and the degree of Doctor of Laws, *honoris causa* by Trent University, Canada. Dr. Chiu is a director of certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

CHOW Wai Kam, Raymond, JP, aged 77, **Executive Director**, has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. He joined the Hutchison Group in July 1995 and before his appointment on the Board, he was previously the Group Managing Director of the property and hotels divisions of the Hutchison Group. Mr. Chow is currently the Group Managing Director of Hutchison Property Group Limited, a wholly owned subsidiary of the Company. He is also a Non-executive Director of Continental Aerospace Technologies Holding Limited (listed in Hong Kong). He has over 40 years of experience in project management and architectural design for various developments, including hotel, residential, commercial, industrial and school projects in Hong Kong, the Mainland and overseas. He holds a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree from The University of Hong Kong. He is an Authorised Person (List of Architects) and a Registered Architect. He has been admitted as a Fellow of The Hong Kong Institute of Architects since August 2001.

PAU Yee Wan, Ezra, aged 69, **Executive Director**, joined the CK Group in 1982, and has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. Ms. Pau is a director of certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and a director of certain companies controlled by certain substantial shareholders of the Company.

CHEONG Ying Chew, Henry, aged 77, **Independent Non-executive Director**, has been an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company since February 2015, and a member of the Sustainability Committee of the Company since December 2020. Mr. Cheong is also an Independent Non-executive Director of CK Infrastructure Holdings Limited, New World Department Store China Limited and Skyworth Group Limited, and an Independent Director of BTS Group Holdings Public Company Limited. Mr. Cheong is an Executive Director and Deputy Chairman of Worldsec Limited. All companies mentioned above are listed companies. Mr. Cheong holds a Bachelor of Science degree in Mathematics and a Master of Science degree in Operational Research and Management.

HUNG Siu-lin, Katherine, aged 77, **Independent Non-executive Director**, joined the CK Group in March 1972, and has been an Independent Non-executive Director, the Chairperson of the Remuneration Committee and a member of the Audit Committee of the Company since February 2015. Ms. Hung is a Governing Committee Member of The Hong Kong Polytechnic University Foundation, an Honorary Court Member of The Hong Kong Polytechnic University, a member of the Precise Advisory Committee of the CR-PolyU Joint Research Institute for Carbon Neutral New Materials, an Honorary Court Member of Lingnan University, Honorary Advisor of The Education University of Hong Kong Foundation, President Consultant of Tianjin University and Honorary Vice Chairman of Chinese Academy of Governance (Hong Kong) Industrial and Commercial Professionals Alumni Association Limited. She was a member of the Tianjin Committee of the 12th and 13th Chinese People's Political Consultative Conference of the People's Republic of China from January 2008 to January 2018, a Court Member of The Hong Kong University of Science and Technology from June 2010 to May 2016, an Executive Committee Member of Hong Kong Housing Society from September 2008 to August 2014 and a member of the Supervisory Board of Hong Kong Housing Society from September 2014 to August 2020, a member of Estate Agents Authority from November 2006 to October 2012, and a Steering Committee Member of the Institute for Enterprise of The Hong Kong Polytechnic University from April 2000 to August 2011. Ms. Hung is a University Fellow of The Hong Kong Polytechnic University.

Directors' Biographical Information (*continued*)

Donald Jeffrey ROBERTS, aged 74, **Independent Non-executive Director**, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since March 2017, and a member of the Nomination Committee of the Company since January 2019. He is also an Independent Non-executive Director of CK Life Sciences Int'l., (Holdings) Inc. (listed in Hong Kong); an Independent Non-executive Director of HK Electric Investments Manager Limited, which is the trustee-manager of HK Electric Investments ("HKEI"), and HK Electric Investments Limited, a company listed together with HKEI in Hong Kong; and an Independent Non-executive Director of Queen's Road Capital Investment Ltd. (listed in Canada). He is also a Director of The Hongkong Electric Company, Limited, and an Independent Non-executive Director of Welab Bank Limited and Welab Capital Limited. He joined Hutchison Whampoa Limited ("HWL") in 1988 and was the Group Deputy Chief Financial Officer of HWL from 2000 until his retirement in 2011. Mr. Roberts was a member of the Listing Committee of the Main Board and GEM of The Stock Exchange of Hong Kong Limited from July 2015 to July 2020. He was previously a member of the Executive Committee of The Canadian Chamber of Commerce (the "Chamber") in Hong Kong and is currently Governor of the Chamber. He previously served as a Governor of the Canadian International School of Hong Kong for the periods from 1998 to 2004, and from 2006 to 2012 and also a member on its Finance & Administration Committee. Mr. Roberts has served as a member, including as the Deputy Chairman, of the Professional Conduct Committee of the Hong Kong Institute of Certified Public Accountants ("HKICPA") for 9 years. Mr. Roberts holds a Bachelor of Commerce degree. He is a Chartered Accountant with the Chartered Professional Accountants of Canada, Alberta and British Columbia, and also a Fellow of the HKICPA.

Stephen Edward BRADLEY, aged 67, **Independent Non-executive Director**, has been an Independent Non-executive Director, a member of the Audit Committee and a member of the Nomination Committee of the Company since November 2020, the Chairman of the Nomination Committee of the Company since December 2020, and a member of the Sustainability Committee of the Company since December 2022. He is also an Independent Non-executive Director of Power Assets Holdings Limited (listed in Hong Kong), and an Independent Director of Cenovus Energy Inc. (listed in Canada and U.S.A.). Mr. Bradley was previously a Director of CNEX (Shanghai CFETS-NEX International Money Broking Co., Ltd.) and Senior Advisor of CME Group. Mr. Bradley entered the British Diplomatic Service in 1981 and retired from the British Diplomatic Service in 2009. He served in various capacities including: Director of Trade & Investment Promotion (Paris) from 1999 to 2002; Minister, Deputy Head of Mission & Consul-General (Beijing) from 2002 to 2003; and HM Consul-General (Hong Kong) from 2003 to 2008. Mr. Bradley also worked in the private sector as Marketing Director, Guinness Peat Aviation (Asia) and Associate Director, Lloyd George Management (a part of BMO Global Asset Management). Mr. Bradley holds a Bachelor of Arts degree from Balliol College, University of Oxford, England and a post-graduate diploma from Fudan University, Shanghai.

KWOK Eva Lee, aged 83, **Independent Non-executive Director**, has been an Independent Non-executive Director of the Company since May 2022. She is also an Independent Non-executive Director of CK Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc., and a Director of Li Ka Shing (Canada) Foundation ("LKS Canada Foundation"). She currently serves as the Chair and Chief Executive Officer of Amara Holdings Inc. ("Amara"). Mrs. Kwok also acts as an Independent Director of Cenovus Energy Inc. Except for LKS Canada Foundation and Amara, all the companies mentioned above are listed companies. She is a director of a company controlled by a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. In addition, she was an Independent Director of Bank of Montreal, a listed company, and previously sat on the Compensation Committee, the Corporate Governance Committee and the Audit Committee of Husky Energy Inc., the Nominating and Governance Committee of Shoppers Drug Mart Corporation, the Independent Committee of Directors and Human Resources Committee of Telesystems International Wireless (TIW) Inc., the Independent Committee of Directors and the Corporate Governance Committee of Fletcher Challenge Canada Ltd., the Audit and Corporate Governance Committees of Clarica Life Insurance Company, the Corporate Governance Committee of Air Canada, the Innovation Saskatchewan (IS) Board of Directors and the Saskatchewan-Asia Advisory Council of Saskatchewan.

Directors' Biographical Information (*continued*)

SNG Sow-mei alias POON Sow Mei, aged 84, **Independent Non-executive Director**, has been an Independent Non-executive Director of the Company since May 2022. She is an Independent Non-executive Director of CK Infrastructure Holdings Limited (listed in Hong Kong and the United Kingdom). She is also an Independent Non-executive Director of ESR Asset Management (Prosperity) Limited, which manages Prosperity Real Estate Investment Trust, a real estate investment trust listed in Hong Kong. Mrs. Sng was previously an Independent Non-executive Director and the Lead Independent Director of Hutchison Port Holdings Management Pte. Limited as the trustee manager of Hutchison Port Holdings Trust, a business trust listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"), an Independent Director and a member of the Audit Committee of ESR Trust Management (Suntec) Limited, which manages Suntec Real Estate Investment Trust, a real estate investment trust listed on SGX-ST, and an Independent Non-executive Director and a member of the Audit Committee of ESR Asset Management (Fortune) Limited, which manages Fortune Real Estate Investment Trust, a real estate investment trust listed in Hong Kong. Mrs. Sng was also previously a Director of INFA Systems Ltd. and the Senior Consultant (International Business) of Singapore Technologies Electronics Ltd. Prior to her appointment with Singapore Technologies Pte Ltd. where Mrs. Sng was the Director, Special Projects (North East Asia) in 2000 and a Consultant in 2001, Mrs. Sng was the Managing Director of CapitaLand Hong Kong Ltd. for investments in Hong Kong and the region including Japan and Taiwan. In Hong Kong from 1983 to 1997, Mrs. Sng was the Centre Director and then as Regional Director of the Singapore Economic Development Board and Trade Development Board respectively. Mrs. Sng was Singapore's Trade Commissioner in Hong Kong from 1990 to 1997. Mrs. Sng holds a Bachelor of Arts degree from the Nanyang University in Singapore and has wide experience in various fields of industrial investment, business development, strategic and financial management, especially in property investment and management. In 1996, Mrs. Sng was conferred the title of PPA(P) – Pingat Pentadbiran Awam (Perak), the Singapore Public Administration Medal (Silver) by the Republic of Singapore.

LAM Siu Hong, Donny, aged 61, **Independent Non-executive Director**, has been an Independent Non-executive Director of the Company since October 2022 and a member of the Audit Committee of the Company since December 2022. He is Partner of DL Holdings Group and Chairman of DL Family Office (HK) Limited ("DL Family Office"). Mr. Lam has over 30 years of experience in the financial services and capital market industry. Prior to joining DL Family Office in 2014, Mr. Lam served as Managing Director, specialised in global and Hong Kong investments, of J.P. Morgan Private Bank in Asia from 2009 to 2014. Mr. Lam was previously Managing Director, Investment Counseling, of HSBC Private Bank from 2001 to 2009. Mr. Lam also previously held various positions with Citibank Private Bank, Union Bank of Switzerland, HG Asia Limited and Citibank (Hong Kong). Mr. Lam is an Adjunct Associate Professor at the Faculty of Business and Economics of The University of Hong Kong. Mr. Lam holds Bachelor's and Master's degrees in Business Administration from The Chinese University of Hong Kong.

LEE Wai Mun, Rose, JP, aged 72, **Independent Non-executive Director**, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since December 2023. She is also a Vice Patron of The Community Chest of Hong Kong, a member of the Board of Governors of Saint Francis University and Caritas Bianchi College of Careers, and a Co-opted Member of Investment Committee of the West Kowloon Cultural District Authority. Ms. Lee is a Fellow of The Hong Kong Institute of Bankers. Ms. Lee was previously the Vice-Chairman and Chief Executive of Hang Seng Bank Limited, Group General Manager of HSBC Holdings plc, Director of The Hongkong and Shanghai Banking Corporation Limited, Chairman of the Board of Governors of The Hang Seng University of Hong Kong, Vice President of The Hong Kong Institute of Bankers, a Board Member of the West Kowloon Cultural District Authority, and an Independent Non-executive Director of Swire Pacific Limited (listed in Hong Kong). Ms. Lee holds a Bachelor's degree in Business Administration. She was conferred Doctorate of Social Science, *honoris causa*, by The Hang Seng University of Hong Kong in 2021.

WONG Yick-ming, Rosanna, DBE, JP, aged 72, **Independent Non-executive Director**, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since June 2024, and a member of the Nomination Committee of the Company since March 2025. Dr. Wong is also an Independent Non-executive Director of The Hongkong and Shanghai Hotels, Limited (listed in Hong Kong) and Institute of Philanthropy Limited, Senior Adviser of The Hong Kong Federation of Youth Groups ("HKFYG"), an Honorary Steward of The Hong Kong Jockey Club, a member of the Board of Governors of Our Hong Kong Foundation and Chairperson of Asia International School Limited. She was previously the Executive Director of HKFYG, Non-executive Chairperson of the Advisory Committee of The Hongkong Bank Foundation, an Independent Non-executive Director of The Hongkong and Shanghai Banking Corporation Limited, Chairperson and a member of the Consultation Panel of the West Kowloon Cultural District Authority. Dr. Wong was also a member of the Executive Council of the Hong Kong Special Administrative Region, Chairperson of the Housing Authority, a member of the 13th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China, and a member of The Hong Kong University of Science and Technology Business School Advisory Council. Dr. Wong holds a Doctor of Philosophy degree in Sociology from the University of California (Davis), U.S.A. and has been awarded Honorary Doctorates by The Chinese University of Hong Kong, The Hong Kong Polytechnic University, The University of Hong Kong, The Education University of Hong Kong and the University of Toronto, Canada. Dr. Wong is an Honorary Fellow of the London School of Economics and Political Science.

Disclosure of Interests

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company ("Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

Long Positions in Shares

(a) The Company

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding (Note 6)
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Tzar Kuoi, Victor	Beneficial owner, interest of child or spouse, interest of controlled corporations & beneficiary of trusts	220,000	405,200	381,060,448 (Note 1)	1,328,696,745 (Note 2)	1,710,382,393	48.87%
Kam Hing Lam	Beneficial owner & interest of child or spouse	51,040	57,360	–	–	108,400	0.003%
Ip Tak Chuen, Edmond	Beneficial owner	900,000	–	–	–	900,000	0.02%
Hung Siu-lin, Katherine	Beneficial owner	43,256	–	–	–	43,256	0.0012%
Donald Jeffrey Roberts	Interests held jointly	–	–	–	10,396 (Note 3)	10,396	0.0002%
Lam Siu Hong, Donny	Interest of spouse & interests held jointly	–	5,472	–	5,420 (Note 4)	10,892	0.0003%

Long Positions in Shares *(continued)*

(b) Associated Corporations

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Precise Result Global Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	15 (Note 5)	15	15%
Jabrin Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	2,000 (Note 5)	2,000	20%
Mightycity Company Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	168,375 (Note 5)	168,375	1.53%

Notes:

(1) The 381,060,448 shares of the Company comprise:

- (a) 2,272,350 shares held by certain companies of which Mr. Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.
- (b) 378,788,098 shares held by Li Ka Shing Foundation Limited ("LKSF"). By virtue of the terms of the constituent documents of LKSF, Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.

(2) The 1,328,696,745 shares of the Company comprise:

- (a) 1,171,881,779 shares of the Company held by Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-Shing Unity Trust ("UT1") and its related companies in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT1 related companies"). Mr. Li Ka-shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust ("DT1") and another discretionary trust ("DT2"). Each of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1", which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited ("TDT2", which is the trustee of DT2) holds units in UT1 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard.

Disclosure of Interests (*continued*)

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

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

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

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

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

- (c) 84,427,246 shares of the Company held by a company controlled by TDT3 as trustee of DT3.
- (3) Such 10,396 shares are jointly held by Mr. Donald Jeffrey Roberts and his wife.
 - (4) Such 5,420 shares are jointly held by Mr. Lam Siu Hong, Donny and his son.
 - (5) These companies are subsidiaries of the Company and such shares are held through TUT1 as trustee of UT1. By virtue of Mr. Li Tzar Kuoi, Victor's deemed interests as described in Note (2)(a) above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to such shares under the SFO as a Director of the Company.
 - (6) The approximate percentages of shareholding were based on the issued share capital of the Company as at 30 June 2025 (i.e. 3,499,778,333 shares). As at 30 June 2025, the Company did not hold any treasury shares.

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 30 June 2025, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at 30 June 2025, shareholders of the Company (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Positions of Substantial Shareholders in the Shares of the Company

Name of Shareholder	Capacity	Number of Ordinary Shares	Total	Approximate % of Shareholding (Note 3)
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	1,171,881,779	1,171,881,779 (Note 1)	33.48%
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee & beneficiary of a trust	1,171,881,779	1,171,881,779 (Note 1)	33.48%
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	1,171,881,779	1,171,881,779 (Note 1)	33.48%
Li Ka-shing	(i) Interest of a controlled corporation (ii) Founder of discretionary trusts	378,788,098) 1,328,696,745)	1,707,484,843 (Note 2)	48.78%
Li Ka Shing Foundation Limited	Beneficial owner	378,788,098	378,788,098	10.82%

Disclosure of Interests (*continued*)

Notes:

- (1) The three references to 1,171,881,779 shares relate to the same block of shares in the Company. Of these 1,171,881,779 shares of the Company, 913,378,704 shares of the Company are held by TUT1 as trustee of UT1 and 258,503,075 shares of the Company are held by companies controlled by TUT1 as trustee of UT1. Each of TUT1 as trustee of UT1, TDT1 as trustee of DT1 and TDT2 as trustee of another discretionary trust is taken to have a duty of disclosure under the SFO in relation to the same 1,171,881,779 shares of the Company as described in Note (2)(a) under the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above.
- (2) The 1,707,484,843 shares of the Company comprise:
 - (a) 378,788,098 shares held by LKSF. By virtue of the terms of the constituent documents of LKSF, Mr. Li Ka-shing may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.
 - (b) 1,328,696,745 shares of the Company as described in Note (2) under the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above. As Mr. Li Ka-shing may be regarded as a founder of each of DT1, DT2, DT3 and DT4 for the purpose of the SFO, Mr. Li Ka-shing is taken to have a duty of disclosure under the SFO as a substantial shareholder in relation to the same 1,328,696,745 shares of the Company after his retirement from the directorship of the Company.
- (3) The approximate percentages of shareholding were based on the issued share capital of the Company as at 30 June 2025 (i.e. 3,499,778,333 shares). As at 30 June 2025, the Company did not hold any treasury shares.

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Corporate Governance

The Board of Directors (the “Board”) and the management of the Company are committed to the maintenance of good corporate governance practices and procedures of the Company and its subsidiaries (the “Group”). The Company acknowledges that a good corporate governance framework is essential for effective management, a healthy corporate culture, business growth and shareholder value enhancement. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders.

The Company has applied the principles and complied with all code provisions (except code provision C.2.1 as further elucidated below) and, where applicable, the recommended best practices of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the six months ended 30 June 2025.

In respect of code provision C.2.1 of the CG Code, the positions of the Chairman of the Board (the “Chairman”) and Managing Director are held by the same individual, namely, Mr. Victor T K Li. Although the positions of Chairman and Managing Director are not separately held, the Board is of the view that this is the most appropriate arrangement in the interest of the shareholders as a whole at present. All major decisions are made, in accordance with current practice, in consultation with members of the Board and relevant Board Committees and key personnel of the Group after thorough discussions. As at 30 June 2025 and as at the date of this Interim Report, the Board has a majority of Independent Non-executive Directors. These nine Independent Non-executive Directors have a balance of expertise, skills, experience and diversity of perspectives appropriate to the requirements of the Group’s business. The Company’s Independent Non-executive Directors will continue to provide views and comments to Mr. Victor T K Li as Chairman and Managing Director as they have done so over the years.

The Group adheres to high corporate governance standards and conducts its businesses with ethics and integrity. The Group’s vision, values and strategy are inextricably linked to its purpose and business operations. In compliance with the CG Code, the Company has adopted, and regularly reviews its comprehensive set of corporate governance policies such as Anti-Fraud and Anti-Bribery Policy, Anti-Money Laundering Policy, Employee Code of Conduct, Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing, and Whistleblowing Policy – Procedures for Reporting Possible Improprieties. The Group maintains a robust corporate governance framework and internal control systems to uphold its accountability with support from internal and external auditors and other professional advisors.

Corporate Governance (*continued*)

BOARD COMPOSITION AND BOARD PRACTICES

The Board, accountable to the shareholders under the leadership of the Chairman, leads, directs and supervises the Company's affairs to enable the long-term success of the Company. The Board is responsible for shaping and monitoring the corporate culture, setting long-term strategic objectives, policies and directions of the Company with appropriate focus on values creation and risk management. The Board evaluates the Group's operating, financial and sustainability performance and oversees the executive management of the Company with the support of various standing committees and ensures the Company maintains effective communication with shareholders and appropriate engagement with other key stakeholders.

As at 30 June 2025 and as the date of this Interim Report, the Board consists of 16 Directors, comprising seven Executive Directors and nine Independent Non-executive Directors. Throughout the six months ended 30 June 2025 and up to the date of this Interim Report, more than half of the Board are Independent Non-executive Directors and more than one of them have appropriate professional qualifications, or accounting or related financial management expertise. All Directors (including Independent Non-executive Directors) are subject to retirement by rotation at least once every three years. Retiring Directors are eligible for re-election by shareholders at general meetings in accordance with the Company's Amended and Restated Articles of Association and the CG Code.

The positions of Chairman and Managing Director are currently held by the same individual. All major decisions are made in consultation with members of the Board and relevant Board Committees and key personnel of the Group after thorough discussions.

The Chairman encourages and solicits opinions from the Directors and urges for Directors' active contribution to the Board's affairs, and takes the lead to ensure that the Board acts in the best interest of the Company. The Chairman promotes a culture of openness and a constructive relationship between Executive and Non-executive Directors, and encourages Directors with different views to voice their concerns. The Chairman allows sufficient time for discussion of issues and ensures that Board decisions fairly reflect Board consensus. Led by the Chairman, the Board and the management of the Company have taken appropriate steps to facilitate effective communication with shareholders and engagement with other stakeholders, and have put in place good corporate governance practices and procedures. In addition to regular Board meetings, the Chairman meets with the Independent Non-executive Directors without the presence of other Directors twice every year, providing an exclusive platform for Independent Non-executive Directors to raise concerns, exchange views and discuss issues about the Company or its business, such as corporate governance enhancement, efficiency of the Board and any other matters they may wish to discuss without the presence of the Executive Directors and the management.

Reporting to the Chairman, the Company Secretary advises the Board on corporate governance and other regulatory compliance matters and is responsible for keeping the Board abreast of developments in the law, rules and regulations that may affect the Company's business and operations. The Company Secretary also assists the Board in monitoring the Company's compliance with Board procedures and the requirements under the Listing Rules and other applicable law, rules and regulations.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standards set out in the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules (the "Model Code"). The Company will review and revise its code regarding directors' securities transactions to reflect any amendments to Appendix C3 to the Listing Rules from time to time. All Directors have confirmed that they have complied with the required standards set out in the Model Code regarding their dealings in securities of the Company during the six months ended 30 June 2025.

The Board has established written guidelines no less exacting than the Model Code for relevant employees in respect of their dealings in the Company's securities. The Company has adopted a policy on handling of confidential information, information disclosure and securities dealing, applicable to the Group's employees when they are in possession of confidential or inside information in relation to the Group. The policy satisfies the requirements under Part XIVA of the Securities and Futures Ordinance. The policy is available on the Company's intranet and disseminated to the employees.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company has an internal audit function in place to conduct ongoing independent assessment of the Group's risk management (including significant risks relating to Environment, Social and Governance ("ESG")) and internal control systems and review their effectiveness in accordance with the CG Code. The Internal Audit Department carries out risk assessments of the Group's operations. Its audit plans are formulated on the basis of the risk ratings of various auditable areas. The audit plans are reviewed and endorsed, before execution, by the Audit Committee of the Company. The audit work primarily involves reviewing the effectiveness of the Group's financial, operational and compliance controls and identifying and assessing key risk (including ESG risk) issues in the Group's activities.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group for the six months ended 30 June 2025.

Corporate Governance (*continued*)

AUDIT COMMITTEE

The Audit Committee comprises seven members, all of whom are Independent Non-executive Directors, with more than one of the members possessing appropriate professional qualifications, or accounting or related financial management expertise. The Audit Committee is chaired by Mr. Cheong Ying Chew, Henry, with Ms. Hung Siu-lin, Katherine, Mr. Donald Jeffrey Roberts, Mr. Stephen Edward Bradley, Mr. Lam Siu Hong, Donny, Ms. Lee Wai Mun, Rose and Dr. Wong Yick-ming, Rosanna as members. The Audit Committee is responsible for overseeing the Group's financial reporting, risk management and internal control systems, monitoring the integrity of the Group's financial information, overseeing the relationship with the external auditor of the Company, reviewing the arrangements that the Company's employees may use, in confidence and anonymity, to raise concerns about possible improprieties and ensuring proper arrangements are in place for fair and independent investigations and follow-up actions, and performing corporate governance functions delegated by the Board.

The Group's interim report for the six months ended 30 June 2025 has been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

A majority of the members of the Company's Remuneration Committee are Independent Non-executive Directors. The Remuneration Committee is chaired by Ms. Hung Siu-lin, Katherine, an Independent Non-executive Director, with another Independent Non-executive Director, Mr. Cheong Ying Chew, Henry and the Chairman and Managing Director, Mr. Victor T K Li, as members. The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration packages of all Directors and the management, making recommendations on the remuneration of Independent Non-executive Directors and, with delegated responsibility, determining the remuneration packages of individual Executive Directors and the management, with reference to the corporate goals and objectives of the Board resolved from time to time.

NOMINATION COMMITTEE

A majority of the members of the Company's Nomination Committee are Independent Non-executive Directors. The Nomination Committee is chaired by Mr. Stephen Edward Bradley, an Independent Non-executive Director, with two other Independent Non-executive Directors, Mr. Donald Jeffrey Roberts and Dr. Wong Yick-ming, Rosanna, and the Chairman and Managing Director, Mr. Victor T K Li, as members. The principal responsibilities of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge, experience and diversity profile) of the Board at least annually, assisting the Board in maintaining a Board skills matrix, assessing the independence of the Independent Non-executive Directors, making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, reviewing and assessing each Director's time commitment and contribution to the Board as well as the Director's ability to discharge his or her responsibilities effectively, supporting the regular evaluation of the performance of the Board, and reviewing the Director Nomination Policy and the Board Diversity Policy of the Company periodically.

SUSTAINABILITY COMMITTEE

The Sustainability Committee comprises three Directors, a majority of whom are Independent Non-executive Directors, and the Company Secretary. The Sustainability Committee is chaired by Mr. Ip Tak Chuen, Edmond, Deputy Chairman. Other members include two Independent Non-executive Directors, Mr. Cheong Ying Chew, Henry and Mr. Stephen Edward Bradley, and the Company Secretary, Ms. Eirene Yeung. The principal responsibilities of the Sustainability Committee include overseeing management, and advising the Board, on the development and implementation of the sustainability initiatives of the Group. To discharge these responsibilities, the Sustainability Committee reviews the related sustainability and ESG policies and practices, and assesses and makes recommendations on matters concerning the Group's sustainability development, and sustainability and ESG risks and opportunities.

Corporate Governance (continued)

INVESTOR RELATIONS AND SHAREHOLDERS ENGAGEMENT

The Company's Shareholders Communication Policy is available on the Company's website. The policy is subject to review on a regular basis to ensure its implementation and effectiveness.

The Company commits to engaging stakeholders in ongoing dialogues to understand their evolving needs, concerns and expectations. The Company establishes different forms of engagement for different groups of stakeholders to keep consistent interactions and maintains different communication channels for shareholders and investors to communicate their views on matters regarding the Company's businesses and affairs. These channels include (i) corporate communications¹ published on the websites of the Company and Hong Kong Exchanges and Clearing Limited (and, in the case of actionable corporate communications², further disseminated to shareholders in accordance with the Listing Rules); (ii) general meetings which provide a forum for shareholders to raise comments and exchange views with the Board; (iii) updated and key information regarding the Group available on the website of the Company; (iv) the Company's website which offers a communication platform between the Company and its shareholders and stakeholders; (v) press conferences and briefing meetings with analysts held from time to time, where applicable, to provide updates on the performance of the Group; (vi) the Company's Hong Kong Share Registrar who deals with shareholders for share registration and related matters; (vii) the Corporate Affairs Department of the Company handling enquiries from shareholders and investors generally; and (viii) other dedicated communication channels, activities and events operated or organised by designated business units and departments at various levels engaging different groups of stakeholders.

Notes:

1. "Corporate Communications" refer to any documents issued or to be issued by the Company for the information or action of holders of any of the Company's shares or securities or the investing public, including but not limited to directors' reports, annual accounts and auditor's reports, interim reports, notices of meetings, listing documents, circulars and proxy forms.
2. "Actionable Corporate Communications" refer to any Corporate Communications that seek instructions from holders of the shares in or other securities of the Company on how they wish to exercise their rights or make an election as holders of the shares in or other securities of the Company.

Other Information

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares). As at 30 June 2025, the Company and its subsidiaries did not hold any treasury shares whether in the Central Clearing and Settlement System, or otherwise.

RISK FACTORS

The Group's businesses, financial conditions, results of operations and growth prospects may be affected by risks and uncertainties directly or indirectly pertaining to the Group's businesses. The risk factors set out below are those that could result in the Group's businesses, financial conditions, results of operations or growth prospects differing materially from expected or historical results. Such factors are by no means exhaustive or comprehensive, and 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. In addition, this Interim Report does not constitute a recommendation or advice to invest in the shares or other securities of the Company and investors are advised to make their own judgment or consult their own investment advisers before making any investment in the shares or other securities of the Company.

Global Economy

Heightened trade tensions and policy uncertainty, fluctuation of major currencies, supply chain disruptions, diverging fiscal policy and monetary policy, fluctuation of commodity prices and energy costs, continuing geopolitical tensions and increasing climate risks have created uncertainties and volatility in the global economy and financial markets. Continued slowdown in global economic growth could lead to economic contractions in certain markets, commercial and consumer delinquencies, weakened consumer confidence, increased market volatility and decline in the value of the assets.

The Group is a leading multinational corporation with businesses presently in Hong Kong, the Mainland, Singapore, Continental Europe, Australia, Canada and the United Kingdom ("UK"). Any adverse economic, social and/or political conditions in those countries and places in which the Group operates may potentially impact the Group's businesses, financial conditions, results of operations or growth prospects.

Other Information (*continued*)

Industry Trends and Interest Rates

The trends in the industries in which the Group operates, including the market sentiment and conditions, asset values, the mark to market value of investment securities, the currency environment and interest rate cycles, may pose significant risks to the Group's businesses, financial conditions, results of operations or growth prospects. There can be no assurance that the combination of industry trends and interest rates the Group experiences in the future will not adversely affect its businesses, financial conditions, results of operations or growth prospects.

The interest rate cycle has impact on the aggregate demand from all sectors, which may in turn affect the businesses of the Group. While the Group regularly reviews its exposure to interest rate fluctuations and may manage such exposure using hedging instruments, there can be no guarantee that the Group will not be affected by the interest rate exposure.

In particular, certain businesses of the Group are subject to regulatory regimes in which local interest rates are taken into account in the calculation of the regulated cost of capital, which flows through to allowed revenue. There can be no assurance that any changes in the regulated cost of capital can be fully mitigated by the businesses. Furthermore, income from finance and treasury operations is dependent upon the capital markets, interest rate and currency environment, and the worldwide economic and market conditions, and therefore there can be no assurance that changes in these conditions will not adversely affect the Group's businesses, financial conditions, results of operations or growth prospects. The volatility in the financial markets may also adversely affect the income to be derived by the Group from its finance and treasury activities.

Currency Fluctuations

The Group is a leading multinational corporation with businesses presently in Hong Kong, the Mainland, Singapore, Continental Europe, Australia, Canada and the UK, and is exposed to potential currency fluctuations in these countries and places in which the Group operates. The results of the Group are reported in Hong Kong dollars but its various subsidiaries, associates and joint ventures may receive revenue and incur expenses in other currencies. Any currency fluctuations on translation of the accounts of these subsidiaries, associates and joint ventures and also on the repatriation of earnings, equity investments and loans may therefore impact the Group's financial conditions, results of operations, asset values or liabilities.

To minimise currency risk exposure in respect of its investments in other countries, the Group generally hedges those investments with (a) currency swaps and (b) appropriate level of borrowings denominated in the local currencies. The Group has not entered into any speculative derivative transaction.

Although currency exposures have been managed by the Group, a depreciation or fluctuation of the currencies in which the Group conducts operations relative to the Hong Kong dollars could adversely affect its businesses, financial conditions, results of operations or growth prospects.

Impact of Local, National and International Regulations

The local business risks in different countries and cities in which the Group operates could have a material impact on the businesses, financial conditions, results of operations or growth prospects. The Group has investments in different countries and cities around the world and the Group is, and may increasingly become, exposed to different and changing political, social, legal, tax, regulatory and environmental requirements at the local, national or international level. Also, new guidelines, directives, policies or measures by governments, whether fiscal, tax, regulatory, environmental or other competitive changes, may lead to an increase in additional or unplanned operating expenses and capital expenditures, increase in market capacity, reduction in government subsidies, may pose a risk to the overall investment return of the Group's businesses and may delay or prevent the commercial operation of a business, which may result in loss of revenue and profit and adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Other Information (*continued*)

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

Governments and multinational organisations (including but not limited to the State Department and the Department of the Treasury's Office of Foreign Assets Control of the United States, His Majesty's Treasury, the Office of Financial Sanctions Implementation or other UK government agency, the European Union ("EU") or any member state thereof and the United Nations), from time to time administer certain laws and regulations that impose restrictions with respect to activities, transmission of funds 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, or any of the Group's business partners, suppliers, customers 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 discontinuation 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. If any of the Group's customers is affected by sanctions or restrictions, the Group may be forced to discontinue the provision of services or goods to such customers and the Group will suffer losses in that regard. If any of the Group's assets is in the possession of such customers, there can be no assurance that such assets can be repossessed by the Group especially if such assets are located in countries or regions subject to sanctions or restrictions and no assurance that any compensation recoverable from such customers or insurers for the Group's failure to repossess such assets will be available. Any of these factors could have a material adverse effect on the Group's financial condition and results of operations.

Compliance with Personal Data Protection Legislation

In the ordinary course of its operations, various businesses of the Group collect, store and use data that is protected by personal 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 personal data collection and use within the Group's businesses are expected to intensify.

In the event that any relevant business of the Group is unable to meet its obligations under applicable data protection laws, it may be subject to regulatory actions or civil claims. The expenses on remediation, costs of regulatory or legal actions, and monetary damages and/or reputational damage suffered as a result of such actions, could have a material adverse effect on the Group's financial conditions and results of operations.

Cybersecurity

With the rapid expansion of internet, networking, information and operational technology, coupled with swift development of artificial intelligence (AI) technology, the incidence and severity of cyber fraud, cyber attacks and security breaches are escalating globally. The Group's critical technology, data and information assets are not immune from attack, damage or unauthorised access. Cybersecurity risks could significantly impact the operational and business performance, as well as the business reputation of the Group. The Group continuously strives to enhance the cybersecurity protection of its businesses.

There can be no assurance that the Group will be free from cyber fraud, cyber attacks or security breaches or that it will not experience any major damage to its assets or activities. Cyber fraud, cyber attacks or security breaches suffered by the Group's systems could result in significant impact on the Group's business reputation, businesses, financial conditions, results of operations or growth prospects.

Impact of New Accounting Standards

The International Accounting Standards Board has from time to time issued new and revised IFRS Accounting Standards. As accounting standards continue to develop, the International Accounting Standards Board may in the future issue more new and revised IFRS Accounting Standards and the Group may be required to adopt new accounting policies which might or could have a significant impact on the Group's financial position or results of operations.

Other Information (*continued*)

Social Incidents, Terrorist Threats and Geopolitical Tensions

The Group is a leading multinational corporation with businesses presently in Hong Kong, the Mainland, Singapore, Continental Europe, Australia, Canada and the UK. In recent years, a series of social incidents, terrorist activities and geopolitical tensions occurred across the globe that resulted in economic losses, multiple deaths, casualties, persistent supply chain disruptions and volatility in commodity markets. There can be no assurance that countries in which the Group operates will not have any social incidents or they will be immune from terrorist threats or geopolitical tensions, and if these events occur, they may have an adverse impact on the Group's businesses, financial conditions, results of operations or growth prospects.

Risks arising from Climate Change

Some of the Group's assets and businesses, and many of the Group's customers and suppliers are located in areas that would be affected in the medium to long term by climate change. Climate change may increase the frequency and intensity of extreme weather events, and some of which can result in natural disasters. It could disrupt supply chains, interrupt business operations and cause financial and physical damages. Alteration in weather patterns, such as typhoons, droughts, or rainfall amount may cause shortage of crops for food and other natural resources. The harsher temperatures in some locations may also pose an increased risk for staff working in those locations. Changes in microclimates for certain locations may render certain businesses obsolete. Some governments are also introducing legislation or requirements to restrict emissions and other environmental protective measures. Some regulators have issued mandatory disclosure requirements in relation to climate-related financial risk disclosures. Regulations, new disclosure requirements, disruption and damage arising from climate change could have a material impact on the Group's businesses and adversely affect the Group's financial conditions and results of operations.

There can be no assurance that climate change and its impact including rising sea levels, prolonged droughts, heat waves, severe storms or flooding and other extreme weather patterns will not occur and result in major disruption or damage to the Group's assets and businesses, which could materially and adversely affect the Group's businesses, financial conditions, results of operations and growth prospects.

Transition risks

Many countries where the Group has material business operations seek to transition to low carbon economies. Governments are introducing legislation and taking policy actions to restrict emissions and implementing measures which would incentivise environmental protection activities. There is increasing pressure on the Group's businesses to support transition to low-carbon economy.

In the journey to a low-carbon economy, the use of resources of low-carbon emission are encouraged or made compulsory over time, while the consumption of conventional resources of high carbon emission are progressively reduced, replaced or prohibited. Changes to governmental policy, legal and regulatory requirements, opinions of the investment community, financial markets, technology, supply chain and consumer behaviour as a result of the transition may occur in ways unexpected by or faster than the anticipation of the Group's businesses, which could have a material impact on the Group's businesses and adversely affect the Group's financial conditions, results of operations and business reputation.

Natural Disasters

Some of the Group's assets and businesses, and many of the Group's customers and suppliers are located in areas at risk of damage from earthquakes, floods, storms, drought, bushfires, frost and similar disasters and the occurrence of any of these disasters could disrupt the Group's businesses and materially and adversely affect the Group's businesses, financial conditions, results of operations or growth prospects. There can be no assurance that earthquakes, floods, storms, drought, bushfires, extreme weather or other natural disasters will not occur and result in major damage to the Group's property development projects, infrastructure and utility assets, properties, assets or facilities, or to the general supporting infrastructure facilities in the vicinity, which could adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Public Health Emergency

Although COVID-19 no longer constitutes a public health emergency of international concern, there can be no assurance that there will not be another significant global outbreak of a severe communicable disease, and if such an outbreak were to occur, it could have an adverse impact on the operations of the Group and its results of operations might suffer. The potential impact on the Group's businesses, financial conditions, results of operations or growth prospects will depend on a range of factors, including the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity globally, the possibility of resurgence and variants, and the measures adopted by governments.

Other Information (*continued*)

Potential Risks in relation to Brexit

The UK left the EU on 31 January 2020. The Trade and Cooperation Agreement between the UK and the EU, which was signed on 30 December 2020 and applied provisionally as from 1 January 2021, entered into force on 1 May 2021. It sets out preferential arrangements in various aspects such as trade, security, areas on ongoing collaboration/cooperation and governance. The Group has significant presence in the UK through investments in the property, infrastructure, pub and social infrastructure businesses, and is, and may increasingly become, exposed to changes in the local political, economic, and regulatory conditions. While the long term implication of Brexit remains to be fully seen and understood, the continuing uncertainties following Brexit could adversely affect the UK economy and the strength of the British pound, which may in turn potentially impact the Group's businesses, asset values and reported profits derived from its operations in the UK.

Property Developments

There exist general risks inherent in property developments and in the ownership of properties, including, among other things, (a) rising construction costs; (b) financing for developments may not be available on favourable terms; (c) construction may not be completed on schedule or within budget especially due to issues such as inclement weather, aging workforce, labour shortage, skills mismatch and succession gap as well as the escalation of material prices; (d) long-term financing may not be available on completion of construction; (e) developed properties may not be sold or leased on profitable terms; (f) intense competition from other developers or property owners may lead to vacant properties or an inability to sell or rent properties on favourable terms; (g) purchasers or tenants may default; (h) products may face recall or loss in customer confidence due to contractor's failure in meeting product quality requirement; (i) properties held for rental purpose will need to be renovated, repaired and re-let on a periodic basis; (j) it may not be possible to renew leases or re-let spaces when existing leases expire; and (k) the property market conditions are subject to changes in environmental laws and regulations and zoning laws and other governmental rules and fiscal policies. Property values and rental values are also affected by factors such as the changes in the relationships between countries or sovereign states, the state of the local economy, political and societal developments, governmental regulations and changes in planning or tax laws, levels of interest rates and consumer prices, the overall supply of properties, and the imposition of governmental measures to dampen property prices. Taxes, levies, stamp duties and similar taxes or charges payable for the vacancy of first-hand private residential units, the property management services, the sale or transfer of residential properties, as well as policies and rules on profit repatriation may be imposed by the relevant authorities from time to time.

Investment in property is generally illiquid, which may limit the ability of the Group to timely monetise property assets.

Supply of land is subject to the development of land policies in different markets. Acquisition of land in Hong Kong, the Mainland and overseas markets may be subject to various regulatory requirements or restrictions as well as changes in demand and supply dynamics. Future growth prospects of the property development business are therefore affected by the availability and price levels of prime sites in Hong Kong, the Mainland and overseas markets.

The Group may be subject to fines or sanctions if it does not pay land premiums or does not develop properties according to the terms of the land grant documents. Under the Mainland laws and regulations relating to idle land, if a developer fails to develop land according to the terms of the land use rights grant contracts (including but not limited to, the payment of fees, the designated uses of land and the time for commencement and completion of development of the land), the relevant authorities may issue a warning to or impose a fine on the developer or require the developer to forfeit the land use rights. Any violation of the terms of the land use rights grant contracts may also restrict a developer's ability to participate, or prevent it from participating, in future land bidding. Furthermore, there are specific requirements regarding idle land and other aspects of land use rights grant contracts in many cities on the Mainland, and the local authorities are expected to enforce such rules in accordance with the instructions from the central government of the Mainland.

Circumstances leading to the repossession of land or delays in the completion of a property development may arise, in particular, in view of the increasing complications in governmental approval process and if the Group's land is repossessed, the Group will not be able to continue its property development on the forfeited land, recover the costs incurred for the initial acquisition of the repossessed land or recover development costs and other costs incurred up to the date of the repossession. Furthermore, regulations relating to idle land or other aspects of land use rights may become more restrictive or punitive in the future. If the Group does not comply with the terms of any land use rights grant contracts as a result of delays in project development, or as a result of other factors, the Group may lose the opportunity to develop the project, as well as its past investments in the land, which may materially and adversely impact its businesses, financial conditions, results of operations or growth prospects.

Other Information (*continued*)

Properties could suffer physical damage by fire or other causes and the Group may be exposed to potential risks associated with public liability claims, resulting in losses (including loss of rent and value of properties) which may not be fully compensated for by insurance proceeds, and such events may in turn affect the Group's financial conditions or results of operations. There is also the possibility of other losses for which the Group may not obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur, payment of compensation may be required and this may affect the returns on capital invested in that property. The Group would also remain liable for any debt or other financial obligation, such as committed capital expenditures, related to that property. In addition, insurance policies will have to be renewed every year and acceptable terms for coverage will have to be negotiated, thus exposing the Group to the volatility of the insurance markets, including the possibility of rate increases. Any such factors may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Social Infrastructure

Government Funding Policy

The social infrastructure investments assist governments to meet their legal and committed obligations to those individuals with specific care, housing or education needs and therefore rental income is ultimately backed by the government through various delivery channels. Changes to underlying legislation or government policy or priorities could lead to a restriction on such funding which might have a material adverse effect on the income streams and value of the Group's social infrastructure portfolio. Government budgets remain under continued pressure from multiple demands and there is a need to balance the increasing requirement for care and support services with fiscal policy objectives and competing political priorities.

Regulatory Compliance

The care, housing and education services that are delivered by tenants within the Group's investments are governed by a range of regulatory bodies that reflect the essential nature of the services being provided. Issues resulting from poor regulatory compliance by tenants could have a negative impact reputationally on the sectors in which the Group is invested.

Underlying Tenant Performance

Rental income received in respect of the Group's social infrastructure portfolio is usually routed via tenant lease counterparties that operate across housing, care and education and deliver services within the portfolio. Whilst originated ultimately from government or mandatory insurance sources, the efficient and timely payment of rental income might be negatively impacted by poor operational and financial performance of the tenants.

Real Estate Condition and Design

The Group's social infrastructure portfolio benefits from triple net leases that place the responsibility for various maintenance and capital obligations on the tenants. Failure to satisfy these obligations could result in the deterioration of specific assets and their failure to meet the requirements for use within the sector. The required specification of assets may also change over time such that remedial works that are required are above and beyond the tenant's lease obligations on budgeted cost. The Group may incur the costs of capital works in these circumstances that has the effect of reducing the overall return generated.

The Hotel Industry

The hotel industry has been cyclical and may be affected by various factors which are beyond the Group's control, including (a) supply of and demand for accommodation properties; (b) the rate of economic growth; (c) interest rates; (d) political environment and economic developments; (e) introduction of or increase in taxes and levies on hotel accommodation; (f) seasonal factors; and (g) weather conditions. Furthermore, hotel guests are mostly short-term occupants of the hotel rooms and as a result, hotel occupancy rates and room rates are subject to a high degree of fluctuation. Consumer's confidence, desire, willingness and ability to travel may also be affected by the availability of transportation and travel disruptions caused by extreme weather conditions, natural disasters or epidemics. Any such factors may result in reduced demand for our hospitality services and downward pressure on the daily room rates, and may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Other Information (*continued*)

The UK Pub Industry

Market Conditions and Change of Consumer Demand

The protracted Russia-Ukraine conflict and the instability in the Middle East have continued to impact global supply chains and cast a shadow on the market over inflation and increasing prices and costs for consumers and businesses, particularly in energy, labour and food. There is no certainty in how long the conflicts may last and the full extent of the impact from the conflicts and their spill-over effects on inflation, interest rates and the cost of living in the UK. These effects have a negative bearing on consumer confidence and disposable income. Any escalation in the conflicts may have a significant and adverse impact on the UK pub industry and UK economy, and the Group's pub business, financial conditions, results of operations or growth prospects.

The Group's pub business operates in a market where consumer behaviour may change from time to time. The use of digital media and the expanding food delivery market also add to the competition. Failure to respond to increased competition, to refine segmentation and adopt branding effectively, to price products appropriately, and to align the portfolio of product offerings to meet the demand of consumers could all lead to reduced revenue, profitability and lower than anticipated market share and growth rates.

In relation to non-recourse debt financing, the Group obtained waivers from the relevant creditors in respect of historical covenant breaches as a result of COVID-19. There is no assurance that such waivers will be obtained in the future if the financial conditions deteriorate again.

Supply Chain and Distribution

The Group's pub operations cover England, Scotland and Wales. The Group manages the supply chain by a combination of internal logistic resources and relying on a number of key suppliers and third party distributors to supply and deliver goods, including food and drinks. These suppliers also provide raw materials to the breweries operated by the Group to produce and package beer under the brands owned by the Group. Short term or prolonged disruption of such supply chains and distributions caused by events such as epidemic and pandemic outbreaks, sanctions or strikes could lead to interruptions of the supply and delivery of goods or services to customers, resulting in a loss of revenue. Long term failure or withdrawal of key suppliers or distributors could also lead to significantly increased costs in procuring alternatives. Moreover, the failure to brew, package and distribute beer for extended periods of time could have a long term adverse effect on revenue and profitability.

Mounting Cost Pressures

The Group continues to face mounting cost pressures and significant increases in operating costs and expenditure for pubs managed by the Group, particularly in energy costs, food prices, employee wages, national insurance contributions and business rates. Many of these cost factors are beyond the control of the Group. Failure to mitigate effectively against them could lead to reduced revenue, profitability and lower growth rates. Aside from pubs managed by the Group, any difficulties faced by the licensees in tenanted pubs and franchisees in franchised pubs may also impact their ability to keep up with their payment obligations.

The sector has been particularly hit by labour shortages and pay inflation. There has been a reduction in the migration of workers from the EU to the UK. This could add to the cost and challenges in recruiting and retaining enough skilled and qualified employees and securing adequate resource from our contractors and other service providers. Similar issues are faced by the licensees in tenanted pubs and franchisees in franchised pubs.

Health, Safety, Employment and Data Protection Regulations

Failure to comply with food safety and health and safety legislation that results in the occurrence of serious injury or loss of life to any customers, employees or tenants in the pubs managed by the Group or pubs occupied by licensees and franchisees, offices or breweries, could have a significant and adverse impact on the business reputation of the Group. It could further lead to investigations by relevant authorities and potentially significant financial loss. Any issue in the food supply chain that leads to serious illness or loss of life to any customers, including the provision of incorrect allergen information, could also lead to a significant and adverse impact on the business reputation of the Group, restrictions in supply, potential increases in the cost of goods, reduced sales revenue and profitability.

Failure to comply with the requirements of employment-related legislation could lead to regulatory fines and penalties, additional expenses, reduced profitability, and an adverse impact on the Group's business reputation and ability to recruit and retain skilled and qualified employees.

The Group's tenanted pubs business in England and Wales is subject to legislation known as the Pubs Code. The Scottish Pubs Code also came into effect on 31 March 2025. Failure to comply with such codes could impact the Group's business reputation and ability to retain and recruit quality tenants.

Other Information (*continued*)

A significant personal data breach or other non-compliance with data protection legislation may impact the Group's business reputation and ability to do business, and may lead to loss of revenue and financial risk of fines, compensation and other damages.

Infrastructure Market

Some of the investments owned by the Group (for example, water, gas and electricity) are subject to regulatory pricing and strict adherence must be made to the licence requirements, codes and guidelines established by the relevant regulatory authorities from time to time. Failure to comply with these licence requirements, codes or guidelines may lead to penalties, or, in extreme circumstances, amendment, suspension or cancellation of the relevant licences by the authorities. Interest and inflation rates, high energy cost, energy windfall tax, cap on the energy retail prices in certain markets as well as tougher stances adopted by regulators may affect the returns of the Group's infrastructure businesses. Any operational practices that are significantly out of step with community expectations can lead to concerns with regulators or local or national governments, and may ultimately lead to more stringent regulatory resets, regulatory oversight as well as negative publicity that could also have a reputational impact. Infrastructure projects are capital intensive, and, with only a few major players in the market, there can be no assurance of ready buyers on disposal.

The distribution and transmission networks of the Group's utilities investments are also exposed to supply interruptions. If an extreme weather and climate event, earthquake, storm, flood, fire, sabotage, terrorist attack, outbreak of an epidemic or any other unplanned event interrupts service, the loss of cash flow resulting from the interruption and the cost of recovery from network damage could be considerable and potentially cause poor customer perceptions and may also lead to claims and litigation. Moreover, some losses from events such as terrorist attacks may not be recoverable. The Russia-Ukraine conflict and the instability in the Middle East may continue to impact energy supply and cause price volatility. Increases in the number or duration of supply interruptions could result in material increases in the costs associated with the operation of the distribution and transmission networks. All of these uncertain factors could have a material adverse effect on the businesses, financial conditions, results of operations or growth prospects of the Group.

Highly Competitive Markets

The Group's businesses face significant competition across the diverse markets in which they operate. New market entrants and intensified price competition among existing market players could adversely affect the Group's businesses, financial conditions, results of operations or growth prospects. Competition risks faced by the Group include (a) an increasing number of developers undertaking property investment and development in Hong Kong, the Mainland and in other overseas markets, which may affect the market share and returns of the Group; and (b) significant competition and pricing pressure from other competitors which may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

New Business Ventures and Investments

To balance and mitigate the inherent risks associated with the cyclical nature of property development, or generally, the Group is committed to balancing and strengthening its business portfolio through global quality investments to enhance its recurrent income base and quality of earnings. The Group has taken steps to create and will continue to explore ways to create new sources of recurring revenue by investing into new business sectors and geographical regions if appropriate in respect of investments that meet its criteria. However, there can be no assurance that the Group will implement its business expansion strategies successfully or that its strategies will be able to deliver the results as anticipated. In pursuit of new business opportunities, the Group is experiencing more intense competition where competing bidders are more aggressive in the valuation of the assets on the back of abundant market liquidity and lower return requirements. Also, expansion into new sectors and markets may expose the Group to new uncertainties including but not limited to risks relating to insufficient operating experience in certain sectors and markets, changes in governmental policies and regulations and other adverse developments affecting such sectors and markets. There is also no assurance that all investors would favour the new ventures or investments that may be made by the Group.

Other Information (*continued*)

Acquisitions and Disposals

As in the past the Group may from time to time undertake acquisitions and disposals if appropriate acquisition or disposal opportunities arise in the market. Although due diligence and detailed analyses will be conducted in advance, there can be no assurance that these can fully expose all hidden problems, potential liabilities and unresolved disputes that target companies may have in cases of acquisitions. In addition, valuations and analyses on target companies conducted by the Group or by professionals alike are based on numerous assumptions, and there can be no assurance that those assumptions are correct or appropriate or that they will materialise. Relevant facts and circumstances used in the analyses could have changed over time, and new facts and evolving circumstances may come to light as to render the previous assumptions and the valuations and analyses based thereon obsolete.

Acquisition and disposal 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 acquisition, anti-trust, national security, foreign investment, foreign subsidy and other regulatory approvals by the competent authorities which may only approve the transactions subject to conditions, or prohibit the transactions. There can be no assurance that any such transactions or 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 expenses, such as legal, accounting and other costs in connection with the transaction, without realising its anticipated benefits, such as increased earnings, scale, competitive strength and market share. There might be longer and more complicated foreign investment approval processes in particular for “critical” infrastructure assets such as electricity and gas networks, and assets that handle data. Geopolitical tensions and trade protectionism have accelerated these trends as governments have responded with additional foreign investment regulations to protect local enterprises from foreign acquisitions and also to protect strategic assets from foreign control. The Group may not necessarily be able to successfully integrate the target business into the Group and may not be able to derive any synergy from the acquisition, leading to an increase in costs, time and resources. For acquisition and disposal activities undertaken overseas, the Group may also be exposed to different and changing political, social, legal and regulatory requirements at the local, national and international levels. The Group may also need to face different cultural issues when dealing with local employees, customers, governmental authorities and pressure groups.

Strategic Partners

Certain businesses of the Group are conducted through non-wholly owned subsidiaries, associates and joint ventures in which the Group shares control (in whole or in part) and strategic alliances have been formed by the Group with strategic or business partners. There can be no assurance that any of these strategic or business partners will maintain their relationships with the Group. The Group may not be able to pursue its stated strategies with respect to its non-wholly owned subsidiaries, associates and joint ventures. Furthermore, the joint venture partners may (a) have economic or business interests or goals that are inconsistent with those of the Group; (b) take actions contrary to the Group's policies or objectives; (c) undergo a change of control; (d) experience financial and other difficulties; or (e) be unable or unwilling to fulfil their obligations under the joint ventures, which may affect the Group's businesses, financial conditions, results of operations or growth prospects.

Connected Transactions

CK Hutchison Holdings Limited ("CK Hutchison") has been deemed by The Stock Exchange of Hong Kong Limited ("Stock Exchange") to be a connected person of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). CK Hutchison is also listed on the Stock Exchange. Although the Group believes that its relationship with CK Hutchison provides it with significant business advantages, any transactions entered into between the Group and CK Hutchison or its subsidiaries are connected transactions under the Listing Rules, which, unless one of the exemptions is available, will be subject to compliance with the applicable requirements of the Listing Rules, including the issuance of announcements, the obtaining of independent shareholders' approval at general meetings and disclosure in annual reports and financial statements. Independent shareholders' approval requirements may also lead to unpredictable outcomes causing disruption to as well as increase in the risks of the Group's business activities. Independent shareholders may also take actions that are in conflict with the interests of the Group.

Past Performance and Forward-Looking Statements

The past performance and the results of operations of the Group as contained in this Interim Report are historical in nature and past performance can be no guarantee of future results of the Group. This Interim Report may contain forward-looking statements and opinions that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. Neither the Group nor the directors, employees or agents of the Group assume (a) any obligation to correct or update the forward-looking statements or opinions contained in this Interim Report; and (b) any liability in the event that any of the forward-looking statements or opinions does not materialise or turns out to be incorrect.

Interim Financial Statements

Consolidated Income Statement

For the six months ended 30 June 2025

	Note	(Unaudited)	
		2025 \$ Million	2024 \$ Million
Group revenue		25,386	22,008
Share of revenue of joint ventures		13,740	12,719
	(2)	39,126	34,727
Group revenue		25,386	22,008
Interest from joint ventures		480	752
Investment and others		930	956
Operating costs			
Property and related costs		(6,146)	(3,260)
Pub operation and related costs		(6,646)	(6,449)
Salaries and related expenses		(5,828)	(5,455)
Interest and other finance costs		(1,000)	(770)
Depreciation		(1,060)	(938)
Other expenses		(252)	(283)
		(20,932)	(17,155)
Gain (loss) on financial instruments		1,115	(207)
Increase (decrease) in fair value of investment properties		(542)	1,420
Share of profit of joint ventures		2,061	1,445
Share of profit (loss) of associates		77	(4)
Profit before taxation	(3)	8,575	9,215
Taxation	(4)	(2,017)	(608)
Profit for the period		6,558	8,607
Non-controlling interests		(113)	137
Perpetual capital securities		(143)	(141)
Profit attributable to shareholders		6,302	8,603
Earnings per share	(6)	\$1.80	\$2.44

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	(Unaudited)	
	2025 \$ Million	2024 \$ Million
Profit for the period	6,558	8,607
Other comprehensive income to be reclassified to income statement		
Exchange gain (loss) on translation of financial statements of operations outside Hong Kong	15,501	(2,223)
Exchange gain (loss) on translation of bank loans for hedging	(756)	180
Gain (loss) on derivative financial instruments		
Net investment hedges	(9,209)	1,955
Cash flow hedges	(170)	235
Share of other comprehensive income of joint ventures	(313)	93
Other comprehensive income not to be reclassified to income statement		
Share of other comprehensive income of joint ventures	12	(471)
Other comprehensive income, net of tax	5,065	(231)
Total comprehensive income	11,623	8,376
Non-controlling interests	(187)	137
Perpetual capital securities	(143)	(141)
Total comprehensive income attributable to shareholders	11,293	8,372

Interim Financial Statements (continued)

Consolidated Statement of Financial Position

As at 30 June 2025

	(Unaudited) 30/6/2025 \$ Million	(Audited) 31/12/2024 \$ Million
Non-current assets		
Fixed assets	76,013	70,209
Investment properties	152,857	150,708
Joint ventures	88,349	78,998
Associates	7,073	6,999
Investments	5,600	4,545
Goodwill	2,791	2,516
Derivative financial instruments	2,059	6,940
Other non-current assets	5,305	4,949
	340,047	325,864
Current assets		
Properties for sale	131,781	129,776
Debtors, prepayments and others	8,433	7,901
Loan receivables	2,330	2,171
Bank balances and deposits	33,005	36,069
	175,549	175,917
Current liabilities		
Creditors, accruals and others	18,303	18,713
Bank and other loans	10,966	11,139
Customers' deposits received	11,820	10,766
Provision for taxation	1,681	714
	42,770	41,332
Net current assets	132,779	134,585
Non-current liabilities		
Bank and other loans	43,385	41,577
Deferred tax liabilities	14,782	13,791
Lease liabilities	5,039	4,648
Derivative financial instruments	2,775	223
Pension liabilities	11	10
	65,992	60,249
Net assets	406,834	400,200
Representing:		
Share capital and share premium	236,471	236,471
Reserves	157,772	151,204
Shareholders' funds	394,243	387,675
Perpetual capital securities	7,929	7,929
Non-controlling interests	4,662	4,596
Total equity	406,834	400,200

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Shareholders' funds				Perpetual capital securities \$ Million	Non-controlling interests \$ Million	(Unaudited) Total equity \$ Million
	Share capital \$ Million	Share premium \$ Million	Reserves ^(Note) \$ Million	Total \$ Million			
Balance at 1 January 2024	3,549	234,522	147,773	385,844	7,929	5,663	399,436
Total comprehensive income	–	–	8,372	8,372	141	(137)	8,376
Change in non-controlling interests	–	–	–	–	–	(101)	(101)
Buy-back and cancellation of issued shares	(38)	(1,543)	38	(1,543)	–	–	(1,543)
Distribution of perpetual capital securities	–	–	–	–	(141)	–	(141)
Dividend paid to non-controlling interests	–	–	–	–	–	(23)	(23)
Dividend paid to shareholders 2023 final dividend \$1.62 per share	–	–	(5,688)	(5,688)	–	–	(5,688)
Balance at 30 June 2024	3,511	232,979	150,495	386,985	7,929	5,402	400,316
Balance at 1 January 2025	3,500	232,971	151,204	387,675	7,929	4,596	400,200
Total comprehensive income	–	–	11,293	11,293	143	187	11,623
Change in non-controlling interests	–	–	–	–	–	(13)	(13)
Distribution of perpetual capital securities	–	–	–	–	(143)	–	(143)
Dividend paid to non-controlling interests	–	–	–	–	–	(108)	(108)
Dividend paid to shareholders 2024 final dividend \$1.35 per share	–	–	(4,725)	(4,725)	–	–	(4,725)
Balance at 30 June 2025	3,500	232,971	157,772	394,243	7,929	4,662	406,834

Note: Reserves

	Business combination reserve \$ Million	Capital redemption reserve \$ Million	Exchange reserve \$ Million	Hedging reserve \$ Million	Retained profits \$ Million	Total \$ Million
Balance at 1 January 2024	(69,014)	644	(4,072)	1,915	218,300	147,773
Total comprehensive income	–	–	165	75	8,132	8,372
Buy-back and cancellation of issued shares	–	38	–	–	–	38
Dividend paid to shareholders 2023 final dividend \$1.62 per share	–	–	–	–	(5,688)	(5,688)
Balance at 30 June 2024	(69,014)	682	(3,907)	1,990	220,744	150,495
Balance at 1 January 2025	(69,014)	693	(5,831)	917	224,439	151,204
Total comprehensive income	–	–	3,666	1,313	6,314	11,293
Dividend paid to shareholders 2024 final dividend \$1.35 per share	–	–	–	–	(4,725)	(4,725)
Balance at 30 June 2025	(69,014)	693	(2,165)	2,230	226,028	157,772

Interim Financial Statements (continued)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	(Unaudited)	
	2025 \$ Million	2024 \$ Million
Net cash from operating activities	4,297	1,471
Net cash from (used in) investing activities		
Investment in/loan advance to joint ventures	(6)	(1,306)
Acquisition of investment properties	(141)	(1,407)
Other investing activities	218	(556)
	71	(3,269)
Net cash used in financing activities		
Net borrowing (repayment) of bank and other loans	(1,651)	1,529
Dividend paid to shareholders	(4,725)	(5,688)
Buy-back of issued shares	–	(1,543)
Other financing activities	(1,687)	(1,862)
	(8,063)	(7,564)
Net decrease in cash and cash equivalents	(3,695)	(9,362)
Translation differences	606	(205)
Cash and cash equivalents at 1 January	34,182	40,986
Cash and cash equivalents at 30 June	31,093	31,419

Note: Cash and cash equivalents

	30/6/2025 \$ Million	30/6/2024 \$ Million
Bank balances and deposits	33,005	32,783
Less: restricted bank balances	(576)	(383)
bank deposits maturing over three months	(1,336)	(981)
	31,093	31,419

Restricted bank balances represent property sale proceeds placed with banks in accordance with the requirements of property development on the Mainland and are restricted for use until certain conditions are fulfilled.

Notes to Interim Financial Statements

1. Basis of Preparation

The interim financial statements are presented in Hong Kong dollars and have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. The material accounting policies used in the preparation of the interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2024.

The application of the revised IFRS Accounting Standards effective for annual accounting periods beginning on 1 January 2025 has no significant impact on the Group’s results and financial position. For the new and revised IFRS Accounting Standards which are not yet effective, the Group is in the process of assessing their impact on the Group’s results and financial position.

2. Revenue and Profit Contribution

The principal activities of the Group are property development and investment, hotel and serviced suite operation, property and project management, pub operation and investment in infrastructure and utility asset operation.

Revenue by principal activities is as follows:

	Six months ended 30 June					
	Group		Joint ventures		Total	
	2025 \$ Million	2024 \$ Million	2025 \$ Million	2024 \$ Million	2025 \$ Million	2024 \$ Million
Property sales	7,363	4,633	3	2	7,366	4,635
Property rental	2,937	3,044	65	74	3,002	3,118
Hotel and serviced suite operation	2,180	2,119	12	11	2,192	2,130
Property and project management	382	389	62	56	444	445
Pub operation	12,524	11,823	–	–	12,524	11,823
Infrastructure and utility asset operation	–	–	13,598	12,576	13,598	12,576
	25,386	22,008	13,740	12,719	39,126	34,727

and is summarised by location as follows:

	Six months ended 30 June					
	Group		Joint ventures		Total	
	2025 \$ Million	2024 \$ Million	2025 \$ Million	2024 \$ Million	2025 \$ Million	2024 \$ Million
Hong Kong	7,196	6,993	21	23	7,217	7,016
The Mainland	4,165	2,175	52	58	4,217	2,233
The United Kingdom	13,778	12,733	4,987	4,301	18,765	17,034
Others	247	107	8,680	8,337	8,927	8,444
	25,386	22,008	13,740	12,719	39,126	34,727

Interim Financial Statements (*continued*)2. Revenue and Profit Contribution (*continued*)

Profit contribution by principal activities after allocation of operating costs is as follows:

	Six months ended 30 June					
	Group		Joint ventures		Total	
	2025 \$ Million	2024 \$ Million	2025 \$ Million	2024 \$ Million	2025 \$ Million	2024 \$ Million
Property sales	1,772	1,826	(4)	(5)	1,768	1,821
Property rental	2,268	2,387	47	57	2,315	2,444
Hotel and serviced suite operation	793	824	1	(1)	794	823
Property and project management	156	163	26	17	182	180
Pub operation	629	597	–	–	629	597
Infrastructure and utility asset operation	–	24	4,576	4,074	4,576	4,098
	5,618	5,821	4,646	4,142	10,264	9,963
Bank and other loan finance costs	(883)	(666)	(1,336)	(1,260)	(2,219)	(1,926)
	4,735	5,155	3,310	2,882	8,045	8,037
Gain on financial instruments					726	439
Interests in real estate investment trusts					184	109
Change in fair values						
Real estate investment trusts					475	(634)
Investment properties (net of tax)					(520)	1,645
Others					600	533
Taxation						
Group					(2,039)	(833)
Joint ventures					(913)	(689)
Non-controlling interests					(113)	137
Perpetual capital securities					(143)	(141)
Profit attributable to shareholders					6,302	8,603

Information on profit contribution by principal activities is set out in management discussion and analysis on pages 8 to 19 of the interim report.

3. Profit before Taxation

	Six months ended 30 June	
	2025	2024
	\$ Million	\$ Million
Profit before taxation is arrived at after charging:		
Interest and other finance costs		
Bank and other loans	1,049	1,195
Less: amount capitalised	(166)	(529)
	883	666
Lease liabilities	117	104
Costs of properties sold	3,779	2,362
Costs of pub products sold	3,414	3,350
Provision for properties for sale	1,100	–

4. Taxation

	Six months ended 30 June	
	2025	2024
	\$ Million	\$ Million
Current tax		
Hong Kong	431	254
Outside Hong Kong	1,404	98
Deferred tax	182	256
	2,017	608

5. Interim Dividend

An interim dividend of \$0.39 (2024 – \$0.39) per share, amounting to \$1,365 million (2024 – \$1,365 million), was declared by the Directors on 14 August 2025.

6. Earnings Per Share

The calculation of earnings per share is based on profit attributable to shareholders and on 3,499,778,333 shares (2024 – the weighted average of 3,529,123,152 shares) in issue during the period.

Interim Financial Statements (*continued*)**7. Ageing Analysis**

Ageing analysis of debtors with reference to terms of agreements is as follows:

	30/6/2025 \$ Million	31/12/2024 \$ Million
Current to one month	1,183	1,803
Two to three months	73	101
Over three months	230	210
	1,486	2,114

Ageing analysis of creditors with reference to invoice dates and credit terms is as follows:

	30/6/2025 \$ Million	31/12/2024 \$ Million
Current to one month	4,058	3,658
Two to three months	30	30
Over three months	34	27
	4,122	3,715

8. Fair Value of Financial Assets and Financial Liabilities

Investments and derivative financial instruments are measured at fair value using value inputs in the following categories:

Level 1: quoted prices in active markets

Level 2: inputs other than quoted prices that are observable either directly or indirectly

Level 3: inputs which are not observable market data including discounted cash flow on projections and estimates based on assumptions

8. Fair Value of Financial Assets and Financial Liabilities *(continued)*

The fair values of investments and derivative financial instruments are summarised by level as follows:

	Level 1		Level 2		Level 3	
	30/6/2025 \$ Million	31/12/2024 \$ Million	30/6/2025 \$ Million	31/12/2024 \$ Million	30/6/2025 \$ Million	31/12/2024 \$ Million
Investments						
Listed securities	3,317	2,831	–	–	–	–
Unlisted securities	–	–	–	–	1,351	810
Investment in a hotel project	–	–	–	–	932	904
Derivative financial instruments						
– assets	–	–	2,234	8,651	–	–
– liabilities	–	–	(3,549)	(268)	–	–

For fair value measurement of investments using level 3 value inputs, fair value is determined using valuation techniques with reference to projected cash flow, price of recent transaction and other specific inputs relevant to the particular investment. Change of value inputs reasonably to possible alternatives would not have material effect on the Group's results and financial position.

Movement of investments using level 3 value inputs is as follows:

	2025 \$ Million	2024 \$ Million
At 1 January	1,714	3,032
Fair value gain recognised through income statement	77	–
Investments during the period	271	42
Translation differences	221	–
At 30 June	2,283	3,074

Except for other loan liabilities in the carrying amount of \$13,073 million which had a fair value of \$12,243 million based on bond price quoted at the period end date, the carrying amounts of other financial assets and financial liabilities (excluding lease liabilities) approximated their fair values at the period end date.

Interim Financial Statements (*continued*)

9. Commitments

At the period end date, the Group had capital commitments for the development of investment properties and others amounting to \$1,475 million.

10. Review of Interim Financial Statements

The unaudited interim financial statements have been reviewed by the Audit Committee.