

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 2024

This interim report 2024 (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" under the "Investor Relations" section of 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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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" under the "Investor Relations" section of 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

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 15 August 2024
 Record Date for Interim Dividend 16 September 2024
 Payment of Interim Dividend 26 September 2024

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., Hong Kong Branch
 Sumitomo Mitsui Banking Corporation Limited
 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	2024 HK\$ million	2023 HK\$ million	2024 HK\$ per share	2023 HK\$ per share	Change
Profit before investment property revaluation	6,726	7,576	1.91	2.11	-9.5%
Investment property revaluation (net of tax and non-controlling interests)	1,877	2,755	0.53	0.77	
Profit attributable to shareholders	8,603	10,331	2.44	2.88	-15.3%
Interim dividend			0.39	0.43	-9.3%

PROFIT FOR THE FIRST HALF YEAR

The Group's unaudited profit before investment property revaluation for the period ended 30 June 2024 amounted to HK\$6,726 million (2023 – HK\$7,576 million), representing earnings per share of HK\$1.91 (2023 – HK\$2.11), a decrease of 9.5% when compared with the same period last year. The unaudited profit attributable to shareholders for the period ended 30 June 2024 amounted to HK\$8,603 million (2023 – HK\$10,331 million), representing earnings per share of HK\$2.44 (2023 – HK\$2.88), a decrease of 15.3% when compared with the same period last year.

INTERIM DIVIDEND

The Directors have declared an interim dividend for 2024 of HK\$0.39 per share (2023 – HK\$0.43 per share) to shareholders whose names appear on the Register of Members of the Company at the close of business on Monday, 16 September 2024. The interim dividend will be paid on Thursday, 26 September 2024. As at the date hereof, the Company does not hold any treasury shares (whether in the Central Clearing and Settlement System, or otherwise). All the shares bought back by the Company pending cancellation will not receive the interim dividend for 2024.

Chairman's Statement (*continued*)

PROSPECTS

Business Review

In the first half of 2024, the Group remained resilient and continued to pursue a prudent and disciplined investment strategy focusing on quality assets with growth potential and stable returns over the long term. Its recent investments in Phoenix Energy Holdings Limited, UU Solar and a portfolio of operating onshore wind farms in the UK, through joint ventures with CK Infrastructure Holdings Limited and Power Assets Holdings Limited, together with the acquisition of Civitas Social Housing Limited last year, have strengthened the recurrent income base of its portfolio of high-quality assets and further enhanced the diversification across geographies and sectors. During the period, the Group bought back 48,656,000 shares. The buybacks reflect the Group's commitment to increase shareholder value by drawing on the strength of its balance sheet. Since the beginning of 2023 up to the end of the period, the Group deployed over HK\$3.5 billion to repurchase shares, demonstrating confidence in the future development and growth prospects of its businesses.

Property Sales

Transaction volume for the residential property market in Hong Kong increased and peaked in April following the cancellation of all demand-side management measures in February, but the high interest rate environment continued to affect the overall market sentiment. On the Mainland, the Central Government reinforced its housing policy to support the real estate market.

By adopting a proactive sales strategy and launching residential projects at opportune times to navigate the challenging market conditions, the Group was able to record an increase in contract sales during the period. The pre-sale launch of the Blue Coast project in Wong Chuk Hang in April received a positive market response. During the period under review, Perfect Ten in Singapore was sold out and sales of The Coast Line in Yau Tong and Grand Jeté in Tuen Mun progressed steadily.

Profit contributions from #LYOS in Hung Shui Kiu, Grand Jeté Phase 1 in Tuen Mun, and Laguna Verona in Dongguan were recognised in the first half upon the completion of contracted sales. The Group recorded a decrease in contribution from property sales during the period when compared with the same period in 2023. It will continue with its prudent strategy on land bank replenishment in assessing prime sites for future development.

Property Rental

The Group recorded an increase in contribution from property rental during the period when compared with the same period in 2023. Locally, office space demand remained compressed amid a challenging macroeconomic cycle, while the retail sector was impacted by a northbound spending shift by residents and the changes in visitor consumption patterns. The Civitas social infrastructure portfolio in the UK, which benefited from inflation adjusted long-term leases, continued to deliver stable rental income contributions as well as significant and quantifiable social impact. Cheung Kong Center II, the Group's latest flagship building in Central, has received its first batch of tenants. The Group remains confident in the flight-to-quality and the demand for premium Grade A buildings in the city's central business district in the long term as the recentralisation trend persists.

Hotel and Serviced Suite Operation

Hong Kong's inbound tourism improved in the first half of 2024, and local hotel occupancy and room rates remained stable. The Group's hotel and serviced suite operation recorded an increase in revenue and contribution during the period as compared with the same period in 2023. The Group will continue to optimise its hotel and serviced suite portfolio in line with market demand to maximise the revenue income streams from both short-term visitors and long stay guests.

Pub Operation

The trading environment for the UK hospitality sector remained tough despite signs of inflationary pressure moderating. Consumer confidence weakened due to high interest rates and cost of living. Greene King continued to improve sales growth and cash generation through strategic initiatives such as price optimisation and prudent management of costs and capital expenditure. Greene King's sales revenue and contribution both recorded a slight increase during the period when compared with the same period in 2023. With the support of the Group, a dedicated team and a portfolio of excellent freehold properties and strong brands that showcase its rich heritage, Greene King is well poised to achieve sustainable growth and returns.

Infrastructure and Utility Asset Operation

The infrastructure and utility assets operation stayed resilient in a high interest environment due to its stable nature. The revenues and asset bases of these regulated businesses are inflation-linked. They are also protected against high interest rates, given they are appropriately geared, and the allowed cost of debt is regularly adjusted to reflect the actual prevailing interest rates. The Group recorded an increase in contribution during the period when compared with the same period in 2023.

Chairman's Statement (*continued*)

During the period, the Group acquired through joint ventures a 40% interest in Phoenix Energy in April and a 20% stake in UU Solar in May. The Group also entered into an agreement in August through joint venture to acquire a 40% interest in a portfolio of operating onshore wind farms, the completion of which is expected to take place in September. These investments are expected to generate immediate returns and recurring cashflows. The Group will continue to source new investment opportunities in high-quality global infrastructure and utility assets.

Sustainability Initiatives

The Group continues to make significant progress in its efforts to combat climate change. The Company has committed to the SBTi net-zero standard and submitted near-term and net-zero emissions reduction targets. Initial screening under the SBTi target validation protocol was completed during the period and a desk review is underway. Its business units are actively strategising a roadmap for meaningful operational decarbonisation and a concrete action plan for energy efficiency and emissions reduction to fulfil its commitment to net zero.

As a leading property developer, the Group embraces sustainability and sustainable building considerations in its new and existing property development projects and property management businesses. In line with its Sustainable Building Guidelines, the Group seeks to put in place targets by 2030 to obtain BEAM Plus platinum ratings for all of its wholly owned new commercial projects and for its new development projects, where appropriate, with a view to complementing its current commercial considerations and creating greater benefit for the Group, its customers and the community at large. During the period under review, Cheung Kong Center achieved a LEED operations and maintenance platinum rating for existing building and Cheung Kong Center II achieved a BEAM Plus new buildings provisional platinum rating. In July, the Group's proposed composite development at Kai Tak waterfront area also achieved provisional platinum rating under BEAM Plus new buildings.

The Group understands the critical importance of the global low-carbon transition and its recent investments in Phoenix Energy, UU Solar and onshore wind farms are testimony to its commitment to implement the transition. Phoenix Energy is supportive of the energy transition by enabling the delivery of renewable gas to replace natural gas through its network in the short to medium term. The UU Solar portfolio comprises renewable generation assets in the UK that supply renewable electricity through solar, wind, mini-hydro and other technologies. The portfolio of onshore wind assets comprises of wind farms located in England, Scotland and Wales. The Group has also been assessing regenerative soil management projects with a view to reducing carbon emissions and advancing carbon neutrality by improving ecosystem performance and driving transformative change.

Outlook

The world economic outlook in 2024 remains challenging due to ongoing geopolitical tensions and trade conflicts. Divergence in growth momentum, monetary policies, and interest rate movements across major economies is expected to continue for the remainder of the year. The global business environment will be shaped by the changing economic and political landscape.

The Mainland recorded a positive real GDP year-on-year growth of 5% in the first half of 2024 indicating its steady economic recovery. High-quality development remains a top priority for the Central Government and is expected to drive growth in line with the full year target. In view of the persistent challenges in the real estate sector, the Central Government has implemented additional supportive measures in various cities to restore confidence and stabilise the market.

Hong Kong posted a moderate year-on-year growth of 3.3% in the second quarter. The city has undergone a series of stress tests in the past few years. Its status as an international financial centre and the property sector underscore the financial stability and vitality of the economy. Hong Kong's pivotal role in connecting the Greater Bay Area and the Mainland with the rest of the world is expected to foster long-term economic development of the city. Housing policies and interest rate movements will continue to be determining factors for the property market.

The Group has demonstrated resilience in a high interest rate environment and is committed to maintaining stability and the progress of its businesses through stringent financial discipline and prudent management. It will continue to pursue long-term business growth and enhance shareholder value through strategic investments in quality assets globally that yield attractive returns and recurring income in line with its investment and sustainability strategies. By leveraging on its low gearing ratio and strong financial position, the Group is well-positioned to capture new investments in different asset classes and sustainability-related opportunities worldwide.

As at 30 June 2024, the Group had a net debt to net total capital ratio of approximately 5.5%. 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, 15 August 2024

Management Discussion and Analysis

BUSINESS REVIEW

Major Business Activities

1. Developments Completed and Scheduled for Completion in 2024:

Name	Location	Gross Floor Area (sq.ft.)	Group's Interest
The Coast Line Phases 1 and 2	The Remaining Portion of Yau Tong Inland Lot No. 45	418,325	100%
Grand Jeté Phase 2	The Remaining Portion of Tuen Mun Town Lot No. 463	175,505	40.94%
Cheung Kong Center II	Central	504,341	100%
Upper West Shanghai Phase 3 Tender 2 (T1) Phase 4 Tender 2 (T14)	Putuo District, Shanghai	1,648,685	60%
The Greenwich Phase 2 (Regency Park)	Chaoyang District, Beijing	2,814,114	100%
Regency Hills Land No. 4	Yangjiashan, Nanan District, Chongqing	1,347,769	95%
Laguna Verona Phase F (House on House)	Henggang Reservoir, Dongguan	289,517	99.8%
Noble Hills Phase 4A	Zengcheng, Guangzhou	190,693	100%
Emerald Cove Phase 2	Daya Bay, Huizhou	1,216,988	100%
Regency Garden Phase 5B-2a	Pudong New District, Shanghai	261,367	85%
Regency Cove Phase 3A	Caidian District, Wuhan	282,003	100%
Chelsea Waterfront Powerhouse (Stage 1), The Rotunda, East Tower, Block KC4 and Block KC2A	Chelsea/Fulham, London	262,164	95%

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

- (1) March to July 2024: The Company bought back a total of 48,656,000 shares of HK\$1.00 each in the capital of the Company (the "Shares") from March to June 2024 on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with the aggregate consideration (before expenses) amounting to HK\$1,538,294,825.00. All the Shares bought back from March to June 2024 were cancelled. Subsequent to June 2024, the Company bought back 250,000 Shares on the Stock Exchange on 8 July 2024 with the aggregate consideration (before expenses) amounting to HK\$7,270,000.00, and such Shares were not yet cancelled.
- (2) March 2024: A joint venture company (owned as to 40%, 40% and 20% by the Company, CK Infrastructure Holdings Limited ("CKI") and Power Assets Holdings Limited ("PAH") respectively), through its wholly owned subsidiary (as purchaser), entered into a sale and purchase agreement in March 2024 in relation to the acquisition of Phoenix Energy Holdings Limited and its subsidiaries ("Phoenix Energy") for a total consideration of approximately GBP312 million (equivalent to approximately HK\$3,049 million). Phoenix Energy is a gas distribution network operator in Northern Ireland. Such acquisition was completed in April 2024.
- (3) May 2024: A joint venture company (owned as to 20%, 40% and 40% by the Company, CKI and PAH respectively), through its wholly owned subsidiary (as purchaser), entered into a sale and purchase agreement in May 2024 in relation to the acquisition of SEEIT Sol Limited ("UU Solar") for a total consideration of approximately GBP88 million (equivalent to approximately HK\$859 million). UU Solar owns and operates a portfolio of renewable power generation assets (including solar, wind and hydro assets) in the United Kingdom. Such acquisition was completed on the date of signing of the aforesaid sale and purchase agreement.
- (4) August 2024: A joint venture company (owned as to 40%, 40% and 20% by the Company, CKI and PAH respectively), through its wholly owned subsidiary (as purchaser), entered into a sale and purchase agreement ("SPA") in August 2024 in relation to the acquisition of a portfolio of operating onshore wind farms in the United Kingdom for a total consideration of approximately GBP350 million (equivalent to approximately HK\$3,506 million) (subject to certain closing adjustments). Completion of such acquisition is expected to take place in September, subject to fulfilment of certain terms and conditions under the SPA.

Management Discussion and Analysis (continued)

Property Sales

Revenue of property sales (including share of joint ventures) recognised for the period was HK\$4,635 million (2023 – HK\$8,246 million), comprising mainly sales of two residential projects completed in Hong Kong last year – #LYOS in Hung Shui Kiu and Grand Jeté Phase 1 in Tuen Mun; and sales of the remaining units of various completed projects on the Mainland, and is summarised by location as follows:

Location	2024 HK\$ Million	2023 HK\$ Million
Hong Kong	2,601	4,316
The Mainland	1,761	3,542
Overseas	273	388
	4,635	8,246

Contribution for the period was HK\$1,821 million (2023 – HK\$3,530 million) and is summarised by location as follows:

Location	2024 HK\$ Million	2023 HK\$ Million
Hong Kong	1,044	1,666
The Mainland	710	1,677
Overseas	67	187
	1,821	3,530

Revenue and contribution of property sales for the period decreased, when compared with the same period last year, as the economic environment and property market sentiment remained weak in Hong Kong and on the Mainland.

In Hong Kong, the development of Grand Jeté Phase 2 was completed during the period. Most of the residential units have been sold and profit contribution will be recognised upon completion of property sales in the second half year. The presale of residential units of Blue Coast at Wong Chuk Hang MTR Station has been launched since April 2024 and HK\$10.8 billion of property sales have been contracted. The development of Blue Coast is scheduled for completion by the end of 2025.

On the Mainland, the development of Regency Garden Phase 5B-2a in Shanghai and The Greenwich Phase 2 in Beijing are scheduled for completion in the second half year. All residential units of Regency Garden Phase 5B-2a have been sold and the sale of residential units of The Greenwich Phase 2 will soon be launched. Profit contribution will be recognised in the second half year upon completion of these developments and handover of the properties contracted for sale.

Property sales contracted but not yet recognised at 30 June 2024 are as follows:

Location	Schedule for Sale Recognition		
	2024 HK\$ Million	After 2024 HK\$ Million	Total HK\$ Million
Hong Kong	2,195	18,971	21,166
The Mainland	2,908	142	3,050
Overseas	304	3,920	4,224
	5,407	23,033	28,440

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 74 million sq.ft., of which 7 million sq.ft., 63 million sq.ft. and 4 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\$3,118 million (2023 – HK\$2,862 million) and comprised rental income derived from leasing of properties as follows:

Use of Property	2024 HK\$ Million	2023 HK\$ Million
Retail	971	1,051
Office	890	964
Industrial	385	385
Social infrastructure	648	239
Others	224	223
	3,118	2,862

Management Discussion and Analysis (continued)

Contribution for the period was HK\$2,444 million (2023 – HK\$2,316 million), and is summarised by location as follows:

Location	2024 HK\$ Million	2023 HK\$ Million
Hong Kong	1,816	1,937
The Mainland	139	172
Overseas	489	207
	2,444	2,316

Contribution from overseas for the period increased, when compared with the same period last year, as the social infrastructure properties held by Civitas in the United Kingdom made rental contribution to the Group. Civitas was acquired by the Group in July 2023.

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

The redevelopment of CKC II, a Super Grade A office property with approximately 560,000 sq.ft. of lettable gross floor area, was completed in May 2024. CKC II will provide recurrent rental income and cashflow to the Group when it is filled up with tenants.

At the interim period end date, the Group had an investment property portfolio of approximately 22.2 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	–	4.2	4.5
	6.4	5.7	5.9	4.2	22.2

An increase of HK\$1,420 million (2023 – HK\$2,690 million) in fair value of investment properties was recorded at 30 June 2024 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, visitor arrivals in Hong Kong increased year-on-year but the average number of overnight stays was fewer than last year, the Group's hotel operation in Hong Kong remained challenging. The results of hotel and serviced suite operation on the Mainland improved but is yet to make a positive contribution.

Revenue of hotel and serviced suite operation (including share of joint ventures) for the period was HK\$2,130 million (2023 – HK\$1,950 million), an increase of HK\$180 million when compared with the same period last year. The average hotel occupancy rate for the period was 81%, slightly higher than the average occupancy rate in 2023, and the average occupancy rate of serviced suites for the period was 88%.

Contribution for the period was HK\$823 million (2023 – HK\$637 million), an increase of HK\$186 million when compared with the same period last year, and is summarised by location as follows:

Location	2024 HK\$ Million	2023 HK\$ Million
Hong Kong	853	717
The Mainland	(30)	(80)
	823	637

Management Discussion and Analysis (*continued*)

Property and Project Management

Revenue of property and project management (including share of joint ventures) for the period was HK\$445 million (2023 – HK\$454 million) and mainly comprised management fees received for provision of property management and related services to properties developed by the Group.

Contribution for the period was HK\$180 million (2023 – HK\$198 million) and is summarised by location as follows:

Location	2024 HK\$ Million	2023 HK\$ Million
Hong Kong	143	130
The Mainland	20	22
Overseas	17	46
	180	198

At the interim period end date, approximately 264 million sq.ft. of completed properties were managed by the Group and this is expected to grow steadily following gradual completion of property development projects in the years ahead. 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. During the period, the trading conditions for pub businesses in the United Kingdom continued to be difficult with rising costs while consumer confidence remained stagnant.

Revenue of pub operation for the period was HK\$11,823 million (2023 – HK\$11,264 million), an increase of HK\$559 million when compared with the same period last year, as prices were raised during the period to maintain profit margin.

Profit contribution for the period was HK\$597 million (2023 – HK\$586 million), and the results by division of pub operation are as follows:

Division	2024		2023	
	Revenue HK\$ Million	Profit Contribution HK\$ Million	Revenue HK\$ Million	Profit Contribution HK\$ Million
Pub Company – operates food-led and drink-led destination pubs and restaurants and community-focused local pubs	9,743	310	9,333	344
Pub Partners – owns a portfolio of mainly drink-led pubs which are run as franchised or leased pubs	926	250	860	192
Brewing & Brands – sells and distributes a wide range of beers including ale brands brewed in own breweries	1,154	37	1,071	50
	11,823	597	11,264	586

Management Discussion and Analysis (*continued*)

Infrastructure and Utility Asset Operation

Upon completion of the reorganisation of equity interests of UK Rails in December 2023, the Group's infrastructure and utility asset businesses, including UK Rails, are operated through joint ventures as follows:

	Principal Activity	Interest in Joint Venture
CK William JV	An owner and operator of energy utility assets in Australia, the United States, Canada and the United Kingdom	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 holds 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%

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

	2024	2023
	HK\$ Million	HK\$ Million
CK William JV	2,366	2,157
CKP (Canada) JV	2,325	2,291
ista JV	3,467	3,254
UK Power Networks JV	1,835	1,818
Northumbrian Water JV	1,337	1,244
Dutch Enviro Energy JV	342	369
Wales & West Utilities JV	590	607
UK Rails JV	314	–
	12,576	11,740

Profit contribution for the period amounted to HK\$4,098 million (2023 – HK\$4,008 million), and is summarised by locations as follows:

	Australia	Europe	North America	2024	2023
	HK\$ Million	HK\$ Million	HK\$ Million	Total	Total
				HK\$ Million	HK\$ Million
CK William JV	670	61	(11)	720	645
CKP (Canada) JV	–	–	708	708	678
ista JV	–	894	–	894	846
UK Power Networks JV	–	959	–	959	1,065
Northumbrian Water JV	–	360	–	360	313
Dutch Enviro Energy JV	–	(54)	–	(54)	65
Wales & West Utilities JV	–	310	–	310	326
UK Rails JV	–	177	–	177	–
Others	–	24	–	24	70
	670	2,731	697	4,098	4,008

During the period, CK William JV acquired Phoenix Energy, a gas distribution network operator in Northern Ireland, for a consideration of approximately GBP312 million (equivalent to approximately HK\$3,049 million) and UK Power Networks JV acquired UU Solar, an owner and operator of a portfolio of renewable power generation assets in the United Kingdom, for a consideration of approximately GBP88 million (equivalent to approximately HK\$859 million).

Management Discussion and Analysis (*continued*)

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	34.5%
Fortune REIT	Investment in retail properties in Hong Kong and Singapore	26.0%
Prosperity REIT	Investment in office, retail and industrial properties in Hong Kong	18.0%

Hui Xian REIT is an associate. The Group shared a net loss of HK\$4 million for the period, taking into account of net rental for the period and exchange loss realised on bank loan repayment. A net rental of HK\$74 million was shared by the Group for the same period last year. During the period, a distribution of HK\$3 million (2023 – HK\$73 million) was received from Hui Xian REIT.

Distributions received from Fortune REIT and Prosperity REIT during the period amounted to HK\$113 million (2023 – HK\$132 million) and were recognised as investment income. A decrease of HK\$634 million (2023 – HK\$431 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 2024.

FINANCIAL REVIEW

Liquidity and Financing

The Group monitors its liquidity requirements on a short to medium term basis and arranges its financing accordingly. During the period, notes of HK\$3,790 million and US\$250 million were redeemed upon maturity in April 2024 and June 2024 respectively.

At the interim period end date, the Group's bank and other loans amounted to HK\$56.1 billion, an increase of HK\$1.2 billion when compared with bank and other loans at 31 December 2023. The maturity profile was spread over a period of 12 years, with HK\$14.9 billion repayable within 1 year, HK\$34.9 billion within 2 to 5 years and HK\$6.3 billion beyond 5 years.

Taking into account the bank balances and deposits of HK\$32.8 billion at 30 June 2024, the Group carried a net debt of HK\$23.3 billion at the interim period end date. The net debt to net total capital ratio was approximately 5.5%.

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. For investments in foreign currencies and at times of financial uncertainty or volatility, hedging instruments including swaps and forwards are used in the management of exposure to foreign exchange and interest rate fluctuations.

At the interim period end date, the Group's borrowings were 38% in HK\$ or US\$, and 62% in other currencies (including AUD, GBP and RMB) which had been arranged for investments and operations in Australia, the United Kingdom and on the Mainland; and about 57% of the Group's borrowings were on a floating interest rate basis and 43% were on a fixed interest rate basis, after taking into account of effective swaps in place. The Group derives its revenue mainly from property businesses 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 these currencies is maintained for business requirements.

Management Discussion and Analysis (*continued*)

Charges on Assets

At the interim period end date, (i) properties amounting to HK\$7,806 million (31 December 2023 – HK\$9,420 million) were charged to secure bank loans arranged for property development and investment; and (ii) properties amounting to HK\$25,851 million (31 December 2023 – HK\$25,978 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\$443 million (31 December 2023 – HK\$458 million); and (ii) mortgage loans provided by banks to purchasers of properties developed by the Group on the Mainland amounting to HK\$545 million (31 December 2023 – HK\$646 million).

Employees

At the interim period end date, the Group employed approximately 58,000 employees. The related employees' costs for the period (excluding directors' emoluments) amounted to approximately HK\$6,547 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 60, **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 serves as a member of the 14th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China and a member of the Chief Executive's Council of Advisers of the Hong Kong Special Administrative Region. He is also Vice Chairman of the Hong Kong General Chamber of Commerce. Mr. Li is the Honorary Consul of Barbados in Hong Kong and is awarded the Grand Officer of the Order of the Star of Italy. 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.

Directors' Biographical Information (*continued*)

KAM Hing Lam, aged 77, **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 72, **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. Mr. Ip 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.

CHUNG Sun Keung, Davy, aged 73, **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.

CHIU Kwok Hung, Justin, aged 74, **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 (formerly known as ARA Asset Management (Prosperity) Limited) as the manager of Prosperity REIT (listed in Hong Kong); a Non-executive Director of ESR Asset Management (Fortune) Limited (formerly known as ARA 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 was previously a Non-executive Director of ESR 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 and a Senior Departmental Fellow of the Department of Land Economy at University of Cambridge, the United Kingdom. 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 76, **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 was also admitted as a Fellow of The Hong Kong Institute of Architects since August 2001.

Directors' Biographical Information (*continued*)

PAU Yee Wan, Ezra, aged 68, **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 76, **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 76, **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 2011 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.

Donald Jeffrey ROBERTS, aged 73, **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 was previously an Independent Non-executive Director of NexGen Energy Ltd. (listed in U.S.A., Canada and Australia). He joined the Hutchison Whampoa Limited ("HWL") Group 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.

Directors' Biographical Information (*continued*)

Stephen Edward BRADLEY, aged 66, **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), an Independent Director of Cenovus Energy Inc. (listed in Canada and U.S.A.), a Director of CNEX (Shanghai CFETS-NEX International Money Broking Co., Ltd.) and Broad Lea Group 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 82, **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.

SNG Sow-mei alias POON Sow Mei, aged 83, **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 (formerly known as ARA 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 (formerly known as ARA 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 (formerly known as ARA 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 60, **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.

Directors' Biographical Information (*continued*)

LEE Wai Mun, Rose, JP, aged 71, **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 an Independent Non-executive Director of Swire Pacific Limited (listed in Hong Kong), a Board Member of the West Kowloon Cultural District Authority, a Vice Patron of The Community Chest of Hong Kong, and a member of the Board of Governors of Saint Francis University and Caritas Bianchi College of Careers. 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, and an Independent Non-executive Director of MTR Corporation Limited (listed in Hong Kong). Ms. Lee is a Fellow of The Hong Kong Institute of Bankers. 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. 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, a member of The Hong Kong University of Science and Technology Business School Advisory Council, and an Independent Non-executive Director of CK Hutchison Holdings Limited and Hutchison Telecommunications Hong Kong Holdings Limited (both listed in Hong Kong). 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 2024, 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
		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	368,467,448 (Note 1)	1,328,696,745 (Note 2)	1,697,789,393	48.35%
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%

Disclosure of Interests (*continued*)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 368,467,448 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) 366,195,098 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.

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.

Disclosure of Interests (*continued*)

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 30 June 2024, 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 2024, 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
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)	33.37% (Note 3)
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)	33.37% (Note 3)
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)	33.37% (Note 3)
Li Ka-shing	(i) Interest of a controlled corporation (ii) Founder of discretionary trusts	366,195,098) 1,328,696,745)	1,694,891,843 (Note 2)	48.27% (Note 3)
Li Ka Shing Foundation Limited	Beneficial owner	366,195,098	366,195,098	10.43% (Note 3)

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 1,694,891,843 shares of the Company comprise:
 - (a) 366,195,098 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 2024 (i.e. 3,510,828,333 shares).

Save as disclosed above, as at 30 June 2024, 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 (“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 (“Group”). The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholder value. The corporate governance principles of the Company emphasize 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 of the Corporate Governance Code (“CG Code”) as further elucidated below) and, where applicable, the recommended best practices of the CG Code as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) throughout the six months ended 30 June 2024.

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 2024 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 requirement 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.

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.

As at 30 June 2024 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 2024 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.

All Directors make active contribution to the affairs of the Board and the Board acts in the best interests of the Group. 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.

The Company Secretary, reporting to the Chairman, 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.

Corporate Governance (*continued*)

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 standard set out in the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules ("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 2024.

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 2024.

AUDIT COMMITTEE

The Audit Committee comprises seven members, all of whom are Independent Non-executive Directors. 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 (appointed on 1 June 2024) 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 2024 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 another Independent Non-executive Director, Mr. Donald Jeffrey Roberts 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, diversity profile and skills matrix of the Board and 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 and reviewing the Director Nomination Policy and the Board Diversity Policy of the Company periodically.

Corporate Governance (continued)

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, including reviewing the related sustainability and ESG policies and practices, and assessing and making recommendations on matters concerning the Group's sustainability development and sustainability and ESG risks and opportunities.

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 THE COMPANY'S LISTED SECURITIES

CK Property Finance (MTN) Limited ("CPFM"), a wholly-owned subsidiary of the Company, redeemed the US\$250,000,000 0.75% guaranteed senior fixed rate notes due 2024 (listed on the Stock Exchange) under the US\$5 billion Euro Medium Term Note Programme at principal amount upon maturity on 30 June 2024.

During the six months ended 30 June 2024, the Company bought back a total of 48,656,000 Shares on the Stock Exchange with an aggregate consideration of HK\$1,538,294,825.00 (before expenses). All such Shares bought back were subsequently cancelled. As at 30 June 2024, (i) the total number of Shares in issue was 3,510,828,333^(Note); and (ii) the Company did not hold any treasury shares.

Particulars of the Share buy-backs are as follows:

Month	Number of Shares bought back	Purchase price per Share		Aggregate consideration (before expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
March 2024	18,070,000	33.50	32.05	585,050,375.00
April 2024	19,786,000	32.65	30.70	629,767,825.00
June 2024	10,800,000	30.50	29.10	323,476,625.00
	48,656,000			1,538,294,825.00

Note: This does not reflect the 10,800,000 Shares bought back during the period from 7 June 2024 to 21 June 2024 which were cancelled on 8 July 2024. Subsequent to 30 June 2024, the Company bought back additional 250,000 Shares and such Shares were not yet cancelled. As at the date of this report, (i) the total number of Shares in issue is 3,500,028,333; and (ii) the Company does not hold any treasury shares. All the Shares bought back pending cancellation would not receive the interim dividend for 2024.

The Directors were of the view that the above Share buy-backs would lead to an enhancement of the net assets and/or earnings per Share and benefit the Company and the shareholders.

Save as disclosed above, during the six months ended 30 June 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Other Information (*continued*)

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

Continued trade protectionism, fluctuation of major currencies, supply chain disruptions, persistent high interest rates and inflationary pressure in some countries, tight fiscal policy and monetary policy, high commodity prices and energy costs, cost of living crisis, continuing geopolitical tensions and increasing climate risks have created uncertainties and volatility in the world economy and global 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.

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.

Inflation and interest rates remain high in many countries. 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.

Other Information (*continued*)

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.

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, 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 are 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 are 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 are 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.

Other Information (*continued*)

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 action, could have a material adverse effect on the Group's financial conditions and results of operations.

Cybersecurity

With the fast expanding adoption of internet, networking, information and operational technology, rapid development of artificial intelligence (AI) technology, cyber fraud, cyber attacks and security breaches around the world are occurring at a higher frequency and intensity. The Group's critical utility, data and information assets are not immune from attack, damage or unauthorised access. Cybersecurity risks could have material adverse effect on 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 business.

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 International Financial Reporting Standards ("IFRS"). As accounting standards continue to develop, the International Accounting Standards Board may in the future issue more new and revised IFRS 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.

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 beginning to introduce legislation or requirements to restrict emissions and other environmental protective measures. Some regulators have issued new disclosure requirements in relation to climate-related financial risk disclosures and plan to mandate the 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.

Other Information (*continued*)

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, or assets or facilities or on 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, the repercussions of the pandemic may continue to affect different economies around the world, including the places of businesses in which the Group operates. 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.

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. Brexit has created significant uncertainty about the new economic and social partnership between the UK and the EU, and has impacted trade intensity, labour availability, supply chain, exchange rates and the gross domestic product levels in the UK.

The Group has significant presence in the UK through investments in the property, infrastructure and pub 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.

Other Information (*continued*)

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 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 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.

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.

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) seasonal factors; and (f) 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 business, financial conditions, results of operations or growth prospects.

The pace of post-pandemic recovery of the industry depends on the global economy, tourism recovery, and consumer sentiment. The potential effects on the hotel industry remain unpredictable and may pose significant adverse impact on the Group's business, 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 business, financial conditions, results of operations or growth prospects.

The Group's 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 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.

The new UK government may make changes to labour market policies which may have an impact on some employment terms and conditions that could further increase operating costs in the hospitality industry.

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 expense, 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 the England and Wales is subject to legislation known as the Pubs Code. Implementation of the Scottish Pubs Code is expected in 2025. Failure to comply with such codes could result in an adverse impact on the Group's business reputation and ability to retain and recruit good quality tenants.

Other Information (*continued*)

A significant personal data breach and any other failure to comply with the requirements of data protection legislation could impact the Group's ability to do business and business reputation, and lead to loss of revenue and significant risk of financial damage from fines or compensation.

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. Many of these regulated businesses have recently been undergoing challenging regulatory resets with lower permitted return and restrictions on shareholders' distribution under certain circumstances. 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, outbreaks of epidemics 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 will continue to put energy supply at risk and cause substantial 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 business operations 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 favor the new ventures or investments that may be made by the Group.

Other Information (*continued*)

Acquisitions

The Group has undertaken acquisition activities in the past and may continue to do so if there are appropriate acquisition opportunities in the market. Although due diligence and detailed analysis are conducted before acquisition activities are undertaken, there can be no assurance that these can fully expose all hidden problems, potential liabilities and unresolved disputes that the target company may have. In addition, valuations and analyses on the target company conducted by the Group and 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 receive universal recognition. Relevant facts and circumstances used in the analyses could have changed over time, and new facts and circumstances may come to light as to render the previous assumptions and the valuations and analyses based thereon obsolete.

Some of these acquisition activities are subject to regulatory approvals in overseas countries and there can be no assurance that such approvals will be obtained, and even if granted, that there will be no burdensome conditions attached to such approvals. There might be longer and more complicated foreign investment approval processes in particular for “sensitive” infrastructure assets such as electricity and gas networks. The increasing geopolitical tensions 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 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 level. The Group may also need to face different cultural issues when dealing with local employees, customers, governmental authorities and pressure groups.

Strategic Partners

Some of the 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 had been formed by the Group with other strategic or business partners. There can be no assurance that any of these strategic or business partners will continue their relationships with the Group in the future or that the Group will be able to pursue its stated strategies with respect to its non-wholly owned subsidiaries, associates and joint ventures and the markets in which they operate. Furthermore, 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, the relationship results in various connected transactions under the Listing Rules and accordingly any transactions entered into between the Group and CK Hutchison or its subsidiaries are connected transactions, 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 disruptions to as well as an 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 2024

	Note	(Unaudited)	
		2024 \$ Million	2023 \$ Million
Group revenue		22,008	24,605
Share of revenue of joint ventures		12,719	11,911
	(2)	34,727	36,516
Group revenue		22,008	24,605
Interest from joint ventures		752	871
Investment and others		956	954
Operating costs			
Property and related costs		(3,260)	(5,037)
Pub operation and related costs		(6,449)	(6,215)
Salaries and related expenses		(5,455)	(5,050)
Interest and other finance costs		(770)	(599)
Depreciation		(938)	(955)
Other expenses		(283)	(287)
		(17,155)	(18,143)
Loss on financial instruments		(207)	(4)
Increase in fair value of investment properties		1,420	2,690
Share of profit of joint ventures		1,445	1,321
Share of profit (loss) of associates		(4)	74
Profit before taxation	(3)	9,215	12,368
Taxation	(4)	(608)	(1,867)
Profit for the period		8,607	10,501
Non-controlling interests		137	(28)
Perpetual capital securities		(141)	(142)
Profit attributable to shareholders		8,603	10,331
Earnings per share	(6)	\$2.44	\$2.88

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	(Unaudited)	
	2024 \$ Million	2023 \$ Million
Profit for the period	8,607	10,501
<hr style="border-top: 1px dashed black;"/>		
Other comprehensive income to be reclassified to income statement		
Exchange gain (loss) on translation of financial statements of operations outside Hong Kong	(2,223)	2,463
Exchange gain on translation of bank loans for hedging	180	49
Gain (loss) on derivative financial instruments		
Net investment hedges	1,955	(1,642)
Cash flow hedges	235	364
Share of other comprehensive income of joint ventures	93	81
Other comprehensive income not to be reclassified to income statement		
Share of other comprehensive income of joint ventures	(471)	(8)
Other comprehensive income, net of tax	(231)	1,307
<hr style="border-top: 1px dashed black;"/>		
Total comprehensive income	8,376	11,808
<hr/>		
Non-controlling interests	137	137
Perpetual capital securities	(141)	(142)
<hr/>		
Total comprehensive income attributable to shareholders	8,372	11,803

Interim Financial Statements (continued)

Consolidated Statement of Financial Position

As at 30 June 2024

	(Unaudited) 30/6/2024 \$ Million	(Audited) 31/12/2023 \$ Million
Non-current assets		
Fixed assets	72,805	73,027
Investment properties	150,186	147,223
Joint ventures	80,103	79,992
Associates	6,987	6,961
Investments	5,818	6,422
Goodwill	2,555	2,573
Derivative financial instruments	6,482	4,985
Other non-current assets	5,296	5,236
	330,232	326,419
Current assets		
Properties for sale	131,210	130,101
Debtors, prepayments and others	8,307	7,491
Loan receivables	1,927	2,393
Bank balances and deposits	32,783	42,481
	174,227	182,466
Current liabilities		
Creditors, accruals and others	19,156	23,562
Bank and other loans	14,877	17,799
Customers' deposits received	8,097	7,781
Provision for taxation	573	2,658
	42,703	51,800
Net current assets	131,524	130,666
Non-current liabilities		
Bank and other loans	41,226	37,070
Deferred tax liabilities	14,532	14,041
Lease liabilities	5,366	5,555
Derivative financial instruments	226	895
Pension liabilities	90	88
	61,440	57,649
Net assets	400,316	399,436
Representing:		
Share capital and share premium	236,490	238,071
Reserves	150,495	147,773
Shareholders' funds	386,985	385,844
Perpetual capital securities	7,929	7,929
Non-controlling interests	5,402	5,663
Total equity	400,316	399,436

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	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 2023	3,605	236,497	139,529	379,631	7,929	6,147	393,707
Total comprehensive income	-	-	11,803	11,803	142	(137)	11,808
Change in non-controlling interests	-	-	-	-	-	(7)	(7)
Buy-back and cancellation of issued shares	(12)	(1,362)	12	(1,362)	-	-	(1,362)
Distribution of perpetual capital securities	-	-	-	-	(142)	-	(142)
Dividend paid to non-controlling interests	-	-	-	-	-	(33)	(33)
Dividend paid to shareholders 2022 final dividend \$1.85 per share	-	-	(6,644)	(6,644)	-	-	(6,644)
Balance at 30 June 2023	3,593	235,135	144,700	383,428	7,929	5,970	397,327
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

Note: Reserves

	Business combination reserve	Capital redemption reserve	Exchange reserve	Hedging reserve	Retained profits	Total
	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Balance at 1 January 2023	(69,014)	588	(3,701)	2,634	209,022	139,529
Total comprehensive income	-	-	(594)	2,074	10,323	11,803
Buy-back and cancellation of issued shares	-	12	-	-	-	12
Dividend paid to shareholders 2022 final dividend \$1.85 per share	-	-	-	-	(6,644)	(6,644)
Balance at 30 June 2023	(69,014)	600	(4,295)	4,708	212,701	144,700
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

Interim Financial Statements (continued)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	(Unaudited)	
	2024 \$ Million	2023 \$ Million
Net cash from (used in) operating activities	1,471	(3,634)
Net cash from (used in) investing activities		
Investment in/loan advance to joint ventures	(1,306)	–
Acquisition of investment properties	(1,407)	(641)
Other investing activities	(556)	900
	(3,269)	259
Net cash used in financing activities		
Net borrowing (repayment) of bank and other loans	1,529	(142)
Dividend paid to shareholders	(5,688)	(6,644)
Buy-back of issued shares	(1,543)	(1,261)
Other financing activities	(1,862)	(1,450)
	(7,564)	(9,497)
Net decrease in cash and cash equivalents	(9,362)	(12,872)
Translation differences	(205)	(267)
Cash and cash equivalents at 1 January	40,986	56,657
Cash and cash equivalents at 30 June	31,419	43,518

Note: Cash and cash equivalents

	30/6/2024 \$ Million	30/6/2023 \$ Million
Bank balances and deposits	32,783	43,820
Less: restricted bank balances	(383)	(302)
bank deposits maturing over three months	(981)	–
	31,419	43,518

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 2023.

The application of the revised International Financial Reporting Standards (“IFRSs”) effective for annual accounting periods beginning on 1 January 2024 has no significant impact on the Group’s results and financial position. For the new and revised IFRSs 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	
	2024 \$ Million	2023 \$ Million	2024 \$ Million	2023 \$ Million	2024 \$ Million	2023 \$ Million
Property sales	4,633	8,241	2	5	4,635	8,246
Property rental	3,044	2,786	74	76	3,118	2,862
Hotel and serviced suite operation	2,119	1,941	11	9	2,130	1,950
Property and project management	389	373	56	81	445	454
Pub operation	11,823	11,264	–	–	11,823	11,264
Infrastructure and utility asset operation	–	–	12,576	11,740	12,576	11,740
	22,008	24,605	12,719	11,911	34,727	36,516

and is summarised by location as follows:

	Six months ended 30 June					
	Group		Joint ventures		Total	
	2024 \$ Million	2023 \$ Million	2024 \$ Million	2023 \$ Million	2024 \$ Million	2023 \$ Million
Hong Kong	6,993	8,628	23	25	7,016	8,653
The Mainland	2,175	3,997	58	57	2,233	4,054
The United Kingdom	12,733	11,885	4,301	3,852	17,034	15,737
Others	107	95	8,337	7,977	8,444	8,072
	22,008	24,605	12,719	11,911	34,727	36,516

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	
	2024 \$ Million	2023 \$ Million	2024 \$ Million	2023 \$ Million	2024 \$ Million	2023 \$ Million
Property sales	1,826	3,531	(5)	(1)	1,821	3,530
Property rental	2,387	2,258	57	58	2,444	2,316
Hotel and serviced suite operation	824	638	(1)	(1)	823	637
Property and project management	163	152	17	46	180	198
Pub operation	597	586	–	–	597	586
Infrastructure and utility asset operation	24	70	4,074	3,938	4,098	4,008
	5,821	7,235	4,142	4,040	9,963	11,275
Bank and other loan finance costs	(666)	(502)	(1,260)	(1,290)	(1,926)	(1,792)
	5,155	6,733	2,882	2,750	8,037	9,483
Gain on financial instruments					439	324
Interests in real estate investment trusts					109	206
Change in fair values						
Real estate investment trusts					(634)	(431)
Investment properties (net of tax)					1,645	2,690
Others					533	542
Taxation						
Group					(833)	(1,867)
Joint ventures					(689)	(446)
Non-controlling interests					137	(28)
Perpetual capital securities					(141)	(142)
Profit attributable to shareholders					8,603	10,331

Information on profit contribution by principal activities is set out in management discussion and analysis on pages 8 to 20 of the interim report.

3. Profit before Taxation

	Six months ended 30 June	
	2024	2023
	\$ Million	\$ Million
Profit before taxation is arrived at after charging:		
Interest and other finance costs		
Bank and other loans	1,195	935
Less: amount capitalised	(529)	(433)
	666	502
Lease liabilities	104	97
Costs of properties sold	2,362	4,125
Costs of pub products sold	3,350	3,217

4. Taxation

	Six months ended 30 June	
	2024	2023
	\$ Million	\$ Million
Current tax		
Hong Kong	254	512
Outside Hong Kong	98	1,326
Deferred tax	256	29
	608	1,867

5. Interim Dividend

An interim dividend of \$0.39 (2023 – \$0.43) per share, amounting to \$1,365 million (2023 – \$1,527 million), was declared by the Directors on 15 August 2024.

6. Earnings Per Share

The calculation of earnings per share is based on profit attributable to shareholders and on the weighted average of 3,529,123,152 shares (2023 – 3,589,614,728 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:

	30/6/2024 \$ Million	31/12/2023 \$ Million
Current to one month	1,371	1,291
Two to three months	107	128
Over three months	212	131
	1,690	1,550

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

	30/6/2024 \$ Million	31/12/2023 \$ Million
Current to one month	3,299	4,107
Two to three months	28	36
Over three months	47	33
	3,374	4,176

8. Buy-back and Cancellation of Issued Shares

During the period, the Company bought back 48,656,000 shares on The Stock Exchange of Hong Kong Limited with an aggregate consideration of \$1,538 million and the particulars are as follows:

Month	Number of shares bought back	Purchase price per share		Aggregate consideration
		Highest	Lowest	
March 2024	18,070,000	\$33.50	\$32.05	\$585,050,375
April 2024	19,786,000	\$32.65	\$30.70	\$629,767,825
June 2024	10,800,000	\$30.50	\$29.10	\$323,476,625
	48,656,000			\$1,538,294,825

During the period, the Company cancelled 38,056,000 shares including 200,000 shares bought back in 2023 and 37,856,000 shares bought back in 2024.

9. 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

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

	Level 1		Level 2		Level 3	
	30/6/2024 \$ Million	31/12/2023 \$ Million	30/6/2024 \$ Million	31/12/2023 \$ Million	30/6/2024 \$ Million	31/12/2023 \$ Million
Investments						
Listed securities	2,744	3,390	-	-	-	-
Unlisted securities	-	-	-	-	172	172
Investments in infrastructure businesses	-	-	-	-	2,031	2,031
Investment in a hotel project	-	-	-	-	871	829
Derivative financial instruments						
- assets	-	-	6,971	5,288	-	-
- liabilities	-	-	(674)	(2,089)	-	-

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.

Interim Financial Statements (continued)

9. Fair Value of Financial Assets and Financial Liabilities (continued)

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

	2024 \$ Million	2023 \$ Million
At 1 January	3,032	4,368
Investments during the period	42	50
At 30 June	3,074	4,418

Except for other loan liabilities in the carrying amount of \$12,849 million which had a fair value of \$11,486 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.

10. Commitments

At the period end date, the Group had capital commitments for acquisition and development of investment properties amounting to \$2,296 million.

11. Review of Interim Financial Statements

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