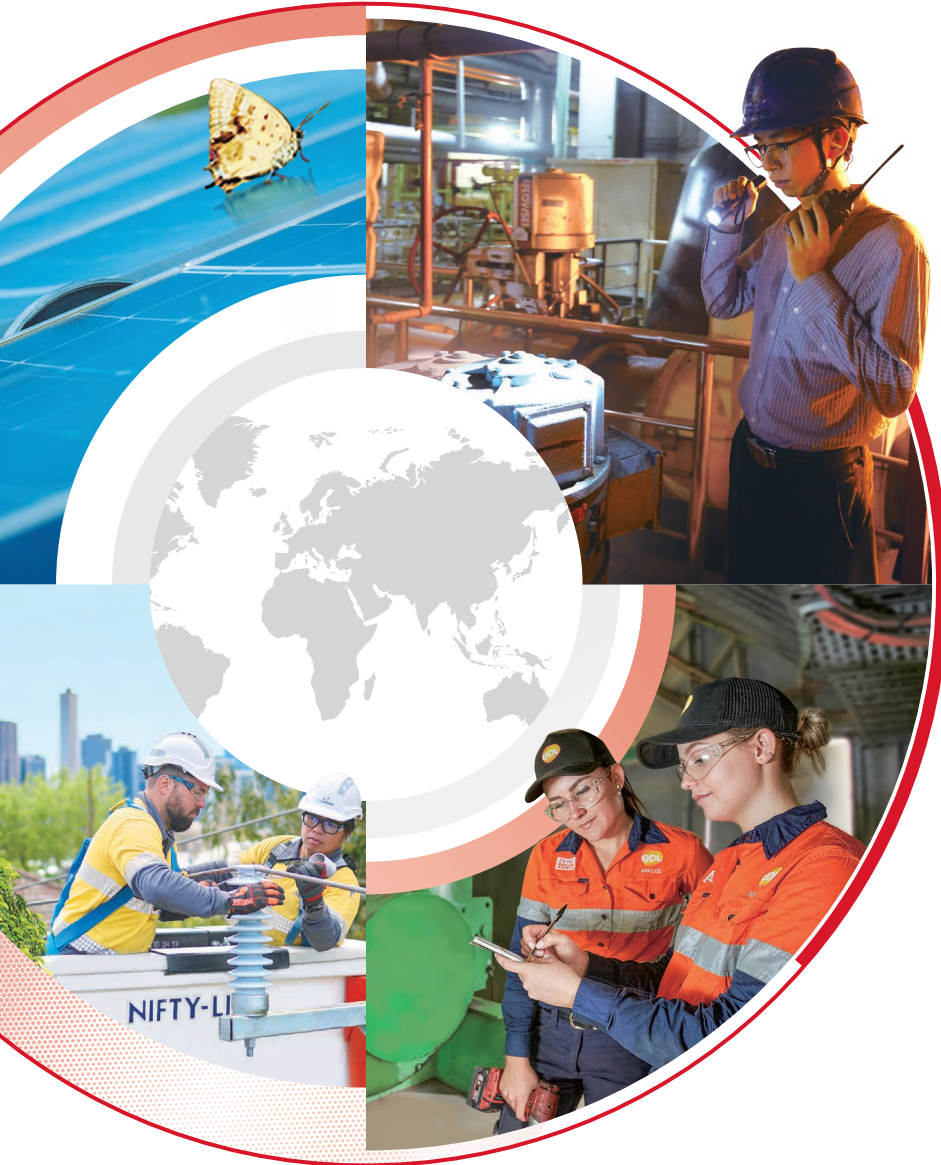




Power Assets Holdings Ltd.
電能實業有限公司

(Stock Code : 6)



Interim Report **2024**

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2024	2023
	HK\$	HK\$
Profit attributable to shareholders (<i>million</i>)	3,006	2,959
Earnings per share	1.41	1.39
Interim dividend per share	0.78	0.78

This Interim Report has been posted in both the English and Chinese languages on the Company's website at www.powerassets.com and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. If, for any reason, shareholders who have chosen (or are deemed to have consented) to receive corporate communications through the Company's website have difficulty in gaining access to the Interim Report, they may request that a printed copy of this Interim Report be sent to them free of charge by mail.

Shareholders may at any time choose to receive all future corporate communications either in printed form or through the Company's website, by writing to the Company at Unit 2005, 20th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong or to the share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or by emailing to the Company at mail@powerassets.com.



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CORPORATE INFORMATION

Board of Directors

Executive Directors

Andrew John HUNTER (*Chairman*)

TSAI Chao Chung, Charles
(*Chief Executive Officer*)

CHAN Loi Shun

CHENG Cho Ying, Francis

Neil Douglas MCGEE

Non-executive Directors

LEUNG Hong Shun, Alexander

LI Tzar Kuoi, Victor

Independent Non-executive Directors

Stephen Edward BRADLEY

IP Yuk-keung, Albert

KOH Poh Wah

KWAN Chi Kin, Anthony

WU Ting Yuk, Anthony

Audit Committee

IP Yuk-keung, Albert (*Chairman*)

KOH Poh Wah

WU Ting Yuk, Anthony

Remuneration Committee

KOH Poh Wah (*Chairman*)

Andrew John HUNTER

KWAN Chi Kin, Anthony

Nomination Committee

IP Yuk-keung, Albert (*Chairman*)

Stephen Edward BRADLEY

LI Tzar Kuoi, Victor

Sustainability Committee

TSAI Chao Chung, Charles (*Chairman*)

CHAN Loi Shun

IP Yuk-keung, Albert

Company Secretary

Alex NG

Principal Bankers

Bank of China (Hong Kong) Limited

Hang Seng Bank Limited

The Hongkong and Shanghai
Banking Corporation Limited

MUFG Bank, Ltd.

Auditor

KPMG

Website

www.powerassets.com

Registered Office

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Cheung Kong Center,
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Telephone: (852) 2122 9122

Facsimile: (852) 2180 9708

Email: mail@powerassets.com

Share Registrar

Computershare Hong Kong Investor
Services Limited

Shops 1712–1716,
17th Floor, Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

Website: www.computershare.com/hk/contact

ADR (Level 1 Programme) Depository

Citibank, N.A.

Shareholder Services

P.O. Box 43077, Providence,
Rhode Island 02940-3077, U.S.A.

Website: www.citi.com/dr

Email: citibank@shareholders-online.com

Investor Relations

For institutional investors, please contact:
CHAN Loi Shun (*Executive Director*) or
Ivan CHAN (*Chief Financial Officer*)

For other investors, please contact:
Alex NG (*Company Secretary*)

Email: mail@powerassets.com

Telephone: (852) 2122 9122

Facsimile: (852) 2180 9708

Postal Address: G.P.O. Box 338, Hong Kong

Address: Unit 2005, 20th Floor,
Cheung Kong Center,
2 Queen's Road Central,
Hong Kong

KEY DATES AND SHARE INFORMATION

Key Dates

Interim Results Announcement	14 August 2024
Ex-dividend Date	11 September 2024
Record Date for Interim Dividend	12 September 2024
Payment of Interim Dividend (HK\$0.78 per share)	24 September 2024
Financial Year End	31 December 2024

Share Information

Board Lot	500 shares
Market Capitalisation as at 30 June 2024	HK\$90,039 million
Ordinary Share to ADR Ratio	1:1
Stock Codes	
The Stock Exchange of Hong Kong Limited	6
Bloomberg	6 HK
Refinitiv	0006.HK
ADR Ticker Symbol	HGKGY
CUSIP Number	739197200

CHAIRMAN'S STATEMENT

Half Year Results

I am delighted to deliver my first statement as Chairman of Power Assets Holdings Limited and express my gratitude to Mr. Fok Kin Ning, Canning, my predecessor, for his strategic vision and invaluable contributions. Mr. Fok retired from the position of Chairman and Executive Director of the company with effect from 1 April 2024. During his tenure, Power Assets has undergone a period of unprecedented growth, establishing it as a global investor in energy and utility-related businesses, with a presence spanning nine markets around the world.

The Group reported unaudited profits of HK\$3,006 million (2023: HK\$2,959 million) for the six months ended 30 June 2024, an increase of 2% over the same period of last year. Despite the high interest rates in global markets and the impact of new price control on UK Power Networks (UKPN), our businesses demonstrated resilience and delivered stable results.

Interim Dividend

The board of directors has declared an interim dividend of HK\$0.78 (2023: HK\$0.78) per share, payable on 24 September 2024 to shareholders whose names appear in the Company's Register of Members on 12 September 2024.

New Acquisitions in the United Kingdom

The period under review saw the Group complete two strategic acquisitions of low-carbon energy businesses in the UK. In April 2024, the Group acquired a 20% stake in Phoenix Energy, Northern Ireland (NI)'s largest natural gas distribution network. This regulated business assures steady revenue streams and significant decarbonisation potential, supporting NI government's net-zero targets. The acquisition was completed in partnership with CK Infrastructure Holdings Limited (CKI) and CK Asset Holdings Limited (CKA).

This was followed by the acquisition of UU Solar via our operating company, UKPN, in May 2024. UU Solar owns and operates 70 renewable power-generation assets, including solar, wind, and hydro plants across the UK. With 90% of its revenue assured through long-term agreements and Government backed renewable energy subsidies, it is expected to yield immediate returns, consistent profit contributions, and steady cash flows for the Group.

Maintaining a Solid Financial Foundation

We strive to maintain a solid financial foundation to respond to new growth opportunities.

Our strong financial position and low gearing, illustrated by an “A/Stable” credit rating by S&P and a net debt to net total capital ratio of 2% (45% on a look-through basis by sharing net debt of the international investment portfolio), position us advantageously for further growth.

International Energy Investment Portfolio

United Kingdom Portfolio

The UK remains our largest market of operation. UKPN completed a year of operations under the RIIO-ED2 new price control period, which incorporates stricter price caps, increased transparency, and new incentives for renewable energy, to ensure a more sustainable energy landscape. Lower finance costs partly offset the impact of price control on UKPN, which allowed our UK businesses to achieve a total contribution of HK\$1,550 million (2023: HK\$1,398 million).

UKPN surpassed multiple operational performance targets. The company maintained its status as the UK’s best-performing distribution network operator for customer service, securing an average customer satisfaction score of 94.3% for 2024. This high performance earned the company an incentive award under the RIIO-ED2 framework.

Northern Gas Networks (NGN) also retained market leadership in customer satisfaction and continued to invest in support of the UK’s 2050 net zero goals.

Wales & West Utilities (WWU) met all of its regulatory targets and led the industry in emergency response, an important metric for the gas distribution industry as a whole.

Seabank Power Station operated at a higher load factor than projected. Average operational availability, efficiency, and start-up performance have met or exceeded expectations.

CHAIRMAN'S STATEMENT *(Continued)*

Australian Portfolio

The Australian portfolio delivered a profit contribution of HK\$601 million (2023: HK\$558 million), thanks to strong consumption from both residential and business customers. Following regulatory resets, our operating companies have a stable framework in which to operate. They are focused on supporting major infrastructure projects, strengthening grid agility and resilience to address accelerating uptake of renewable energy and extreme weather events.

SA Power Networks (SAPN) was recognised for its excellent response during a major flood of the Murray River in 2023, impacting homes, businesses, and infrastructure.

CitiPower, a subsidiary of Victoria Power Networks, initiated the first phase of a significant power upgrade to Melbourne's underground network, addressing the growing demand from population increase, greater electrification, and more electric vehicles (EVs).

United Energy moved to a new state-of-the-art facility in Glen Waverley, co-locating over 200 employees with a partner company to streamline operations and meet evolving business needs. This significant investment features a purpose-built operational control room, the first in-house security capability, rooftop solar, and EV charging stations.

Australian Gas Networks continued work on the design of the Gawler Gate station project in South Australia to enhance the security of gas supply. HyP Murray Valley 10-MW electrolyser project is progressing well and will blend 10% hydrogen into the Albury-Wodonga gas network, serving 40,000 homes and businesses upon completion. Multinet Gas Networks continued with its upgrade of mains across the network, replacing 80.5 km of cast iron and unprotected steel pipelines with polyethylene pipes.

Dampier Bunbury Pipelines achieved 99.96% reliability at its compressor stations, surpassing the target of 99%. Energy Developments Pty Ltd (EDL) progressed several renewable and hybrid projects. These included enhancements to performance and capacity at its Limestone and Lorain renewable natural gas plants and the first stage of expansion of the Agnew plant.

Other Portfolios

The Group's other worldwide businesses delivered satisfactory performance.

In China, Jinwan Power Plant maintained safe operations while also benefiting from additional contributions provided by ancillary energy storage services commissioned in late 2023. The renewable energy generated by the wind farms in Dali and Laoting over the six months significantly reduced carbon emissions within their respective provinces.

In the Netherlands, AVR produced electricity, heat and steam by incinerating waste, selling electricity and steam to a large network of national and international customers. Following a fire at the Rozenburg incineration plant in 2023, repair activities are currently underway.

Canadian Power reported lower earnings compared to 2023 due to softer power market prices in Alberta driven by increases in supply. In the first half of 2024, Husky Midstream maintained safe and reliable operations of its midstream pipeline and terminal assets in Alberta and Saskatchewan, and gas infrastructure assets in Alberta.

In New Zealand, Wellington Electricity Lines Limited delivered high levels of safety, supply reliability, and customer service. Network assets exceeded their reliability targets.

In Thailand, Ratchaburi Power Company generated steady revenues under a long-term offtake contract with the Electricity Generating Authority of Thailand.

Hong Kong Portfolio

In Hong Kong, HK Electric Investments and its sole operating company, HK Electric, recorded an increase in electricity sales of 1.8% compared to the same period in 2023, driven mainly by exceptionally warm weather, with record-breaking high temperatures in April and an additional leap day in February.

Following the successful completion of its 2019-2023 Development Plan, the company moved forward with a new HK\$22 billion Development Plan covering the period 2024-2028. Planned projects include constructing a new gas-fired combined-cycle unit and three new open-cycle gas turbines, improving grid intelligence and automation, strengthening the power grid, and enhancing system resilience.

CHAIRMAN'S STATEMENT *(Continued)*

In March 2024, L12, a new 380-MW gas-fired combined-cycle generating unit was commissioned, bringing the gas-fired generation to around 70% of total output since then. As part of its commitment to reducing coal-fired generation, HK Electric retired two old coal-fired units during the period.

Progressing the sustainability roadmap

The Group's operating companies explored a range of avenues and projects to expand support for green electricity and gas, while investing to assure reliable electricity for greener consumer-side technologies such as EVs.

A top priority among our electricity network businesses is to support unpredictable two-way energy flows from renewable connections as well as accommodate increased demand.

Our companies are unwavering in their support for green and renewable gas. EDL upgraded landfill gas-to-electricity power plants to renewable natural gas facilities, using otherwise fugitive gas captured from landfill waste. On the same front, Australian Gas Infrastructure Group is committed to delivering at least 10% renewable gas across its networks by 2030. Currently, it supplies blended renewable hydrogen to nearly 4,000 homes and businesses in South Australia.

In the UK, NGN supported the country's net-zero transition by blending hydrogen with natural gas for 668 customers in the HyDeploy22 project. WWU partnered with a global hydrogen company to produce electrolyser prototypes that use less water, thus reducing costs and expanding green hydrogen production locations.

Climate change poses urgent challenges to the day-to-day operations of all our operating companies. They are prioritising investments to assure resilient operations during extreme weather. HK Electric will invest in improving its system resilience against extreme weather events, including flood control and flood monitoring at its facilities.

Subsequent Event

On 13 August 2024, a consortium comprising CKI, CKA and the Group, which will own 40%, 40% and 20% interests in the portfolio, respectively, had entered into an agreement to acquire a portfolio of operating onshore wind farms in the United Kingdom for a purchase price of approximately £350 million (approximately HK\$3.5 billion). This marks the Group's third acquisition in 2024. The transaction is expected to be completed in September. The portfolio comprises 32 wind farms located in England, Scotland and Wales, totalling 175 MW in installed capacity and 137 MW in net attributable capacity. The portfolio will provide immediate returns, stable cashflows and recurring profit contributions. Revenues are generated from (i) government subsidies, which are inflation-linked; and (ii) power revenue, including from power purchase agreements as well as from selling power to the market.

Outlook

We remain focused on seeking suitable global investment opportunities that meet our criteria, prioritising high-quality investments in mature, well-regulated energy markets, and will continue to work in partnership with CKI to achieve this goal.

With most regulatory resets for our operating companies finalised, we are assured of a stable operating environment with predictable revenue streams over the medium term.

I extend my personal gratitude to our outgoing Chairman Mr. Fok, the board of directors, and all employees for their diligence and commitment. I also deeply appreciate the steadfast and long-term support of our shareholders and stakeholders.

Andrew John Hunter

Chairman

Hong Kong, 14 August 2024

FINANCIAL REVIEW

Capital Expenditure, Liquidity and Financial Resources

The Group's capital expenditure and investments were primarily funded by cash from operations, dividends and other repatriation from investments. Total unsecured bank loans outstanding at 30 June 2024 were HK\$2,863 million (31 December 2023: HK\$3,097 million). In addition, the Group had bank deposits and cash of HK\$1,480 million (31 December 2023: HK\$4,201 million) and no undrawn committed bank facility at 30 June 2024 (31 December 2023: HK\$ Nil).

Treasury Policy, Financing Activities and Debt Structure

The Group manages its financial risks in accordance with guidelines laid down in its treasury policy, which is approved by the Board. The treasury policy is designed to manage the Group's currency, interest rate and counterparty risks. Surplus funds, which arise mainly from dividends and other repatriation from investments, are generally placed in short-term deposits denominated primarily in Australian dollars, Canadian dollars, Hong Kong dollars, pounds sterling and United States dollars. The Group aims to ensure that adequate financial resources are available for refinancing and business growth, whilst maintaining a prudent capital structure.

The Group's financial profile remained strong during the period. On 20 February 2024, Standard & Poor's reaffirmed the "A" long-term issuer credit rating and the "Stable" outlook of the Company, unchanged since September 2018.

As at 30 June 2024, the net debt position of the Group was HK\$1,383 million (31 December 2023: net cash position of HK\$1,104 million) with a net debt to net total capital ratio of 2% (2023: Nil). The net debt to net total capital ratio was 45% by sharing net debt of the international investment portfolio on a look-through basis, which was based on HK\$70,521 million of net debt and HK\$157,084 million of net total capital. This ratio was slightly higher than that of 43% at the year end of 2023.

The profile of the Group's external borrowings as at 30 June 2024, after taking into account interest rate swaps, was as follows:

- (1) 100% were in Australian dollars;
- (2) 100% were bank loans;
- (3) 100% were repayable between 2 and 5 years; and
- (4) 95% were in fixed rate and 5% were in floating rate.

The Group's policy is to maintain at least a significant portion of its debt at fixed interest rates. Interest rate risk is managed by either securing fixed rate borrowings or by using interest rate derivatives.

Currency and interest rate risks are actively managed in accordance with the Group's treasury policy. Derivative financial instruments are used primarily for managing interest rate and foreign currency risks and not for speculative purposes. Treasury transactions are only executed with counterparties with acceptable credit ratings to control counterparty risk exposure.

The Group's principal foreign currency exposures arise from its investments outside Hong Kong. Foreign currency exposure also arises from settlement to vendors which is not material and is managed mainly through purchases in the spot market or utilisation of foreign currency receipts of the Group. Currency exposures arising from investments outside Hong Kong are, where considered appropriate, mitigated by financing those investments in local currency borrowings or by entering into forward foreign exchange contracts or cross currency swaps. The fair value of such borrowings at 30 June 2024 was HK\$2,863 million (31 December 2023: HK\$3,097 million). The fair value of forward foreign exchange contracts and cross currency swaps at 30 June 2024 was an asset of HK\$1,657 million (31 December 2023: an asset of HK\$1,185 million). Foreign currency fluctuations will affect the translated value of the net assets of investments outside Hong Kong and the resultant translation difference is included in the Group's reserve account. Income received from the Group's investments outside Hong Kong which is not denominated in Hong Kong dollars is, unless otherwise placed as foreign currency deposits, converted into United States dollars on receipt.

The contractual notional amounts of derivative financial instruments outstanding at 30 June 2024 amounted to HK\$32,402 million (31 December 2023: HK\$32,223 million).

Contingent Liabilities

As at 30 June 2024, the Group had given guarantees and indemnities totalling HK\$68 million (31 December 2023: HK\$142 million).

Employees

The Group continues its policy of pay-for-performance and the pay levels are monitored to ensure competitiveness is maintained. The Group's total remuneration costs for the six months ended 30 June 2024, excluding directors' emoluments, amounted to HK\$14 million (2023: HK\$13 million). As at 30 June 2024, the Group employed 13 (31 December 2023: 13) employees. No share option scheme is in operation.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

(Expressed in Hong Kong dollars)

	Note	2024 \$ million	2023 \$ million
Revenue	5	454	662
Other operating income		<u>35</u>	<u>88</u>
Operating profit		489	750
Finance costs		(80)	(76)
Share of results of joint ventures		2,014	1,777
Share of results of associates		<u>711</u>	<u>610</u>
Profit before taxation	6	3,134	3,061
Income tax	7	<u>(128)</u>	<u>(102)</u>
Profit for the period attributable to equity shareholders of the Company		<u>3,006</u>	<u>2,959</u>
Earnings per share			
Basic and diluted	8	<u>\$1.41</u>	<u>\$1.39</u>

The notes on pages 17 to 29 form part of these unaudited interim financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the period are set out in note 19.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

(Expressed in Hong Kong dollars)

	2024 \$ million	2023 \$ million
Profit for the period attributable to equity shareholders of the Company	3,006	2,959
Other comprehensive income for the period		
Items that will not be reclassified to profit or loss		
Share of other comprehensive income of joint ventures and associates	(861)	87
Income tax relating to items that will not be reclassified to profit or loss	214	(21)
	(647)	66
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translating operations outside Hong Kong, including joint ventures and associates	(926)	2,551
Net investment hedges	443	(273)
Cost of hedging	8	(12)
Cash flow hedges: Net movement in hedging reserve	(13)	5
Share of other comprehensive income of joint ventures and associates	384	655
Income tax relating to items that may be reclassified subsequently to profit or loss	(96)	(168)
	(200)	2,758
	(847)	2,824
Total comprehensive income for the period attributable to equity shareholders of the Company	2,159	5,783

The notes on pages 17 to 29 form part of these unaudited interim financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

(Expressed in Hong Kong dollars)

	Note	(Unaudited) 30 June 2024 \$ million	(Audited) 31 December 2023 \$ million
Non-current assets			
Property, plant and equipment and leasehold land	9	17	19
Interest in joint ventures	10	61,946	61,669
Interest in associates	11	26,763	27,028
Other non-current financial assets		1,100	1,100
Derivative financial instruments	16	1,726	1,521
Employee retirement benefit assets		6	6
		<u>91,558</u>	<u>91,343</u>
Current assets			
Other receivables	12	78	158
Bank deposits and cash	13(a)	1,480	4,201
		<u>1,558</u>	<u>4,359</u>
Current liabilities			
Other payables	14	(3,181)	(3,018)
Current tax payable		(18)	(231)
		<u>(3,199)</u>	<u>(3,249)</u>
Net current (liabilities)/assets		<u>(1,641)</u>	<u>1,110</u>
Total assets less current liabilities		<u>89,917</u>	<u>92,453</u>
Non-current liabilities			
Bank loans and other interest-bearing borrowings	15	(2,863)	(3,097)
Lease liabilities		(1)	(1)
Derivative financial instruments	16	(63)	(199)
Deferred tax liabilities		(323)	(301)
Employee retirement benefit liabilities		(104)	(103)
		<u>(3,354)</u>	<u>(3,701)</u>
Net assets		<u>86,563</u>	<u>88,752</u>
Capital and reserves			
Share capital	17	6,610	6,610
Reserves		79,953	82,142
Total equity attributable to equity shareholders of the Company		<u>86,563</u>	<u>88,752</u>

The notes on pages 17 to 29 form part of these unaudited interim financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

(Expressed in Hong Kong dollars)

\$ million	Attributable to equity shareholders of the Company					Total
	Share capital	Exchange reserve	Hedging reserve	Revenue reserve	Proposed/ declared dividend	
Balance at 1 January 2023	6,610	(7,320)	1,304	81,916	4,347	86,857
Changes in equity for the six months ended 30 June 2023:						
Profit for the period	–	–	–	2,959	–	2,959
Other comprehensive income	–	2,266	502	56	–	2,824
Total comprehensive income	–	2,266	502	3,015	–	5,783
Final dividend in respect of the previous year approved and paid	–	–	–	–	(4,347)	(4,347)
Interim dividend (see note 19)	–	–	–	(1,662)	1,662	–
Balance at 30 June 2023	<u>6,610</u>	<u>(5,054)</u>	<u>1,806</u>	<u>83,269</u>	<u>1,662</u>	<u>88,293</u>
Balance at 1 January 2024	6,610	(5,542)	1,252	82,084	4,348	88,752
Changes in equity for the six months ended 30 June 2024:						
Profit for the period	–	–	–	3,006	–	3,006
Other comprehensive income	–	(475)	275	(647)	–	(847)
Total comprehensive income	–	(475)	275	2,359	–	2,159
Final dividend in respect of the previous year approved and paid	–	–	–	–	(4,348)	(4,348)
Interim dividend (see note 19)	–	–	–	(1,662)	1,662	–
Balance at 30 June 2024	<u>6,610</u>	<u>(6,017)</u>	<u>1,527</u>	<u>82,781</u>	<u>1,662</u>	<u>86,563</u>

The notes on pages 17 to 29 form part of these unaudited interim financial statements.

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2024

(Expressed in Hong Kong dollars)

	Note	2024 \$ million	2023 \$ million
Operating activities			
Cash (used in)/generated from operations	13(b)	(69)	48
Interest paid		(94)	(57)
Interest received		556	658
Tax paid for operations outside Hong Kong		(214)	(36)
Net cash generated from operating activities		179	613
Investing activities			
Payment for the purchase of property, plant and equipment		–	(1)
Decrease in bank deposits with more than three months to maturity when placed		1,712	714
Investment in joint ventures		(567)	(121)
New loan to a joint venture		(156)	–
Repayment of loan from a joint venture		–	144
Repayment of loan from an associate		155	–
Net cash received on hedging instruments		222	6
Dividends received from joint ventures		1,386	1,049
Dividends received from associates		564	668
Net cash generated from investing activities		3,316	2,459
Financing activities			
Repayment of bank loans		(155)	–
Capital element of lease rentals paid		(1)	(1)
Dividends paid to equity shareholders of the Company		(4,348)	(4,347)
Net cash used in financing activities		(4,504)	(4,348)
Net decrease in cash and cash equivalents		(1,009)	(1,276)
Cash and cash equivalents at 1 January		2,456	2,883
Effect of foreign exchange rate changes		–	3
Cash and cash equivalents at 30 June	13(a)	1,447	1,610

The notes on pages 17 to 29 form part of these unaudited interim financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1. Review of unaudited interim financial statements

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

2. Basis of preparation

These unaudited consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of these changes in accounting policies are set out in note 3.

The preparation of the interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial statements and selected explanatory notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

2. Basis of preparation *(Continued)*

The Company's auditor has reported on the financial statements of the Company for the year ended 31 December 2023. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

3. Changes in accounting policies

The HKICPA has issued a number of amended HKFRSs that are first effective for the current accounting period of the Group.

None of these developments have had a material effect on how the Group's result and financial position for the current or prior periods have prepared or presented in this financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. Segment reporting

The analyses of the principal activities of the operations of the Group during the period are as follows:

\$ million	2024						Total
	Investment in HKEI	Investments				All other activities	
		United Kingdom	Australia	Others	Sub-total		
For the six months ended 30 June							
Reportable segment revenue	<u>-</u>	<u>205</u>	<u>208</u>	<u>41</u>	<u>454</u>	<u>-</u>	<u>454</u>
Results							
Segment earnings	-	205	208	39	452	(65)	387
Depreciation and amortisation	-	-	-	-	-	(2)	(2)
Bank deposit interest income	-	-	-	-	-	104	104
Operating profit	-	205	208	39	452	37	489
Finance costs	-	-	(80)	-	(80)	-	(80)
Share of results of joint ventures and associates	<u>316</u>	<u>1,345</u>	<u>486</u>	<u>579</u>	<u>2,410</u>	<u>(1)</u>	<u>2,725</u>
Profit before taxation	<u>316</u>	<u>1,550</u>	<u>614</u>	<u>618</u>	<u>2,782</u>	<u>36</u>	<u>3,134</u>
Income tax	-	-	(13)	(115)	(128)	-	(128)
Reportable segment profit	<u><u>316</u></u>	<u><u>1,550</u></u>	<u><u>601</u></u>	<u><u>503</u></u>	<u><u>2,654</u></u>	<u><u>36</u></u>	<u><u>3,006</u></u>
2023							
\$ million	Investment in HKEI	Investments				All other activities	Total
		United Kingdom	Australia	Others	Sub-total		
For the six months ended 30 June							
Reportable segment revenue	<u>-</u>	<u>299</u>	<u>316</u>	<u>47</u>	<u>662</u>	<u>-</u>	<u>662</u>
Results							
Segment earnings	-	299	316	45	660	(36)	624
Depreciation and amortisation	-	-	-	-	-	(1)	(1)
Bank deposit interest income	-	-	-	-	-	127	127
Operating profit	-	299	316	45	660	90	750
Finance costs	-	14	(101)	11	(76)	-	(76)
Share of results of joint ventures and associates	<u>328</u>	<u>1,085</u>	<u>352</u>	<u>620</u>	<u>2,057</u>	<u>2</u>	<u>2,387</u>
Profit before taxation	<u>328</u>	<u>1,398</u>	<u>567</u>	<u>676</u>	<u>2,641</u>	<u>92</u>	<u>3,061</u>
Income tax	-	-	(9)	(93)	(102)	-	(102)
Reportable segment profit	<u><u>328</u></u>	<u><u>1,398</u></u>	<u><u>558</u></u>	<u><u>583</u></u>	<u><u>2,539</u></u>	<u><u>92</u></u>	<u><u>2,959</u></u>

5. Revenue

Group revenue represents interest income from loans granted to joint ventures and associates and dividends from other financial assets.

	Six months ended 30 June	
	2024	2023
	\$ million	\$ million
Interest income	<u>454</u>	<u>662</u>
Share of revenue of joint ventures	<u>9,258</u>	<u>9,502</u>

6. Profit before taxation

	Six months ended 30 June	
	2024	2023
	\$ million	\$ million
Profit before taxation is arrived at after charging/(crediting):		
Finance costs – interest on borrowings and other finance costs	80	76
Depreciation	2	1
Interest income on financial assets measured at amortised cost	<u>(104)</u>	<u>(127)</u>

7. Income tax

	Six months ended 30 June	
	2024	2023
	\$ million	\$ million
Current tax	91	52
Deferred tax	<u>37</u>	<u>50</u>
	<u>128</u>	<u>102</u>

Taxation is provided for at the applicable tax rate on the estimated assessable profits less available tax losses. Deferred taxation is provided on temporary differences under the liability method using tax rates applicable to the Group's operations in different countries.

8. Earnings per share

The calculation of earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$3,006 million for the six months ended 30 June 2024 (2023: \$2,959 million) and 2,131,105,154 ordinary shares (2023: 2,131,105,154 ordinary shares) in issue throughout the period.

There were no dilutive potential ordinary shares in existence during the six months ended 30 June 2024 and 2023.

9. Property, plant and equipment and leasehold land

\$ million	Ownership interests in buildings held for own use	Plant, machinery and equipment	Sub-total	Ownership interests in leasehold land held for own use	Other properties leased for own use	Total
Net book value at 1 January 2024	1	3	4	12	3	19
Depreciation and amortisation	-	(1)	(1)	-	(1)	(2)
Net book value at 30 June 2024	1	2	3	12	2	17
Cost	1	9	10	13	9	32
Accumulated depreciation and amortisation	-	(7)	(7)	(1)	(7)	(15)
Net book value at 30 June 2024	1	2	3	12	2	17

10. Interest in joint ventures

	30 June 2024 \$ million	31 December 2023 \$ million
Share of net assets of unlisted joint ventures	53,685	52,079
Loans to unlisted joint ventures	8,058	9,451
Amounts due from unlisted joint ventures	203	139
	61,946	61,669
Share of total assets of unlisted joint ventures	145,566	146,620

11. Interest in associates

	30 June 2024 \$ million	31 December 2023 \$ million
Share of net assets		
– Listed associate	16,422	16,572
– Unlisted associates	9,116	7,300
	25,538	23,872
Loans to unlisted associates	1,211	3,108
Amounts due from associates	14	48
	26,763	27,028

12. Other receivables

	30 June 2024 \$ million	31 December 2023 \$ million
Interest and other receivables	29	129
Derivative financial instruments (see note 16)	45	24
Deposits and prepayments	4	5
	78	158

Receivables are carried out on credit and invoices are normally due within one month after issued.

13. Bank deposits and cash and other cash flow information

(a) Bank deposits and cash comprise:

	30 June 2024 \$ million	31 December 2023 \$ million
Deposits with banks and other financial institutions with 3 months or less to maturity when placed	1,410	2,394
Cash at bank and on hand	37	62
	<hr/>	<hr/>
Cash and cash equivalents in the consolidated cash flow statement	1,447	2,456
Deposits with banks and other financial institutions with more than 3 months to maturity when placed	33	1,745
	<hr/>	<hr/>
Bank deposits and cash in the consolidated statement of financial position	1,480	4,201
	<hr/> <hr/>	<hr/> <hr/>

(b) Reconciliation of profit before taxation to cash (used in)/generated from operations:

	Six months ended 30 June 2024 \$ million	2023 \$ million
Profit before taxation	3,134	3,061
Adjustments for:		
Share of results of joint ventures	(2,014)	(1,777)
Share of results of associates	(711)	(610)
Interest income	(558)	(789)
Finance costs	80	76
Depreciation	2	1
Exchange gains	(37)	(1)
Changes in working capital:		
Decrease in other receivables	80	76
(Decrease)/increase in other payables	(50)	12
Decrease/(increase) in amounts due from joint ventures/associates	4	(3)
Increase in net employee retirement benefit liabilities	1	2
	<hr/>	<hr/>
Cash (used in)/generated from operations	(69)	48
	<hr/> <hr/>	<hr/> <hr/>

13. Bank deposits and cash and other cash flow information

(Continued)

(c) Funds from operations

	Six months ended 30 June	
	2024 \$ million	2023 \$ million
Net cash generated from operating activities	179	613
Repayment of loan from a joint venture	–	144
Repayment of loan from an associate	155	–
Dividends received from joint ventures	1,386	1,049
Dividends received from associates	564	668
	<u>2,284</u>	<u>2,474</u>

14. Other payables

	30 June 2024 \$ million	31 December 2023 \$ million
Creditors measured at amortised cost	3,157	2,896
Lease liabilities	2	3
Derivative financial instruments (see note 16)	22	119
	<u>3,181</u>	<u>3,018</u>

All of the other payables are expected to be settled within one year.

15. Bank loans and other interest-bearing borrowings

	30 June 2024 \$ million	31 December 2023 \$ million
Bank loans – non-current	<u>2,863</u>	<u>3,097</u>

16. Derivative financial instruments

	30 June 2024		31 December 2023	
	Assets \$ million	Liabilities \$ million	Assets \$ million	Liabilities \$ million
Derivative financial instruments used for hedging:				
Cash flow hedges				
Interest rate swaps	29	–	42	–
Net investment hedges				
Cross currency swaps	589	–	443	–
Forward foreign exchange contracts	1,153	(85)	1,060	(318)
	<u>1,771</u>	<u>(85)</u>	<u>1,545</u>	<u>(318)</u>
Analysed as:				
Current	45	(22)	24	(119)
Non-current	1,726	(63)	1,521	(199)
	<u>1,771</u>	<u>(85)</u>	<u>1,545</u>	<u>(318)</u>

17. Share capital

	Number of Shares	30 June 2024 \$ million	31 December 2023 \$ million
<i>Issued and fully paid:</i>			
Voting ordinary shares	2,131,105,154	6,610	6,610

There were no movements in the share capital of the Company during the period.

18. Fair value measurement

(a) Recurring fair value measurements

\$ million	Fair value measurement at 30 June 2024 categorised into		
	Level 2	Level 3	Total
Financial assets			
Other non-current financial assets	–	1,100	1,100
Derivative financial instruments:			
– Interest rate swaps	29	–	29
– Cross currency swaps	589	–	589
– Forward foreign exchange contracts	1,153	–	1,153
	<u>1,771</u>	<u>1,100</u>	<u>2,871</u>
Financial liabilities			
Derivative financial instruments:			
– Forward foreign exchange contracts	(85)	–	(85)
	<u>(85)</u>	<u>–</u>	<u>(85)</u>
	Fair value measurement at 31 December 2023 categorised into		
\$ million	Level 2	Level 3	Total
Financial assets			
Other non-current financial assets	–	1,100	1,100
Derivative financial instruments:			
– Interest rate swaps	42	–	42
– Cross currency swaps	443	–	443
– Forward foreign exchange contracts	1,060	–	1,060
	<u>1,545</u>	<u>1,100</u>	<u>2,645</u>
Financial liabilities			
Derivative financial instruments:			
– Forward foreign exchange contracts	(318)	–	(318)
	<u>(318)</u>	<u>–</u>	<u>(318)</u>

(b) Valuation techniques and inputs in fair value measurements

Level 2: The fair value of forward foreign exchange contracts is measured using forward exchange market rates at the end of the reporting period. The fair values of interest rate swaps and cross currency swaps are measured by discounting the future cash flows of the contracts at the current market interest rates.

Level 3: Other non-current financial assets consist of investments in unlisted equity securities and other investments.

The unlisted equity securities are not traded in an active market. Their fair values have been determined using dividend discounted model. The significant unobservable inputs include cost of equity of 13.65% and growth rate of 2.5%. It is estimated that a 0.5% increase/decrease in cost of equity, with other variable held constant, would have decreased/increased the Group's profit for the period and revenue reserve by approximately \$13 million/\$14 million (31 December 2023: decreased/increased by \$13 million/\$14 million). A 0.5% increase/decrease in growth rate, with other variable held constant, would have increased/decreased the Group's profit for the period and revenue reserve by approximately \$14 million/\$13 million (31 December 2023: increased/decreased by \$14 million/\$13 million).

Other investments were measured at fair value based on value inputs that are not observable market data but change of these inputs to reasonable alternative assumptions would not have material effect on the Group's results and financial position.

(c) Fair values of financial assets and liabilities carried at other than fair value

Amounts due from joint ventures and associates, other receivables, other payables and external borrowings are carried at cost or amortised cost which are not materially different from their fair values as at 30 June 2024 and 31 December 2023.

19. Interim dividend

The interim dividend declared by the Board of Directors is as follows:

	Six months ended 30 June	
	2024	2023
	\$ million	\$ million
Interim dividend of \$0.78 per ordinary share (2023: \$0.78 per ordinary share)	<u>1,662</u>	<u>1,662</u>

20. Capital commitments

The Group's outstanding capital commitments not provided for in the financial statements were as follows:

	30 June 2024 \$ million	31 December 2023 \$ million
Authorised but not contracted for: Capital expenditure for property, plant and equipment	<u><u>1</u></u>	<u><u>1</u></u>

21. Contingent liabilities

	30 June 2024 \$ million	31 December 2023 \$ million
Guarantees given in respect of a joint venture	<u><u>68</u></u>	<u><u>142</u></u>

22. Material related party transactions

The Group had the following material transactions with related parties during the period:

(a) Joint ventures

Interest income received/receivable from joint ventures in respect of the loans to joint ventures amounted to \$384 million for the six months ended 30 June 2024 (2023: \$483 million). The outstanding balances with joint ventures are disclosed in note 10.

(b) Associates

- (i) Interest income received/receivable from associates in respect of the loans to associates amounted to \$70 million for the six months ended 30 June 2024 (2023: \$179 million). The outstanding balances with associates are disclosed in note 11.
- (ii) Other operating income included support service charge recovered by an associate amounting to \$22 million (2023: \$22 million) for the total costs incurred in the provision or procurement of the general office administration and other support services and office facilities. The outstanding balance at 30 June 2024 with the associate was \$4 million (31 December 2023: \$6 million).

23. Events after the reporting period

In August 2024, a consortium comprising CK Infrastructure Holdings Limited, CK Asset Holdings Limited and the Group, which will own 40%, 40% and 20% interests in the portfolio, have entered into an agreement to acquire a portfolio of operating onshore wind farms in the United Kingdom for approximately £350 million (approximately HK\$3.5 billion), subject to certain closing adjustments. The portfolio comprises 32 wind farms located in England, Scotland and Wales, totalling 175 MW in installed capacity and 137 MW in net attributable capacity. The transaction is expected to be completed in September.

CORPORATE GOVERNANCE

Corporate Governance Practices

The Board is committed to maintaining high standards of corporate governance, and recognises that sound and effective corporate governance practices are fundamental to the smooth, effective and transparent operation of the Company and its ability to attract investment, protect the rights of shareholders and other stakeholders, and enhance shareholder value. The Group's corporate governance practices are designed to achieve these objectives and are maintained through a framework of processes, policies and guidelines.

The Company has complied with the applicable code provisions in the Corporate Governance Code set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2024.

The Group is committed to achieving and maintaining standards of openness, probity and accountability. In line with this commitment and in compliance with the Corporate Governance Code, the Audit Committee has reviewed the procedures for reporting possible improprieties in financial reporting, internal control or other matters. In addition, the Company has established the Policy on Inside Information and Securities Dealing for compliance by all employees of the Group.

Board of Directors

The Board, led by the Chairman, is collectively responsible for the management and operations of the Company. Its responsibilities include approval and monitoring of Group-wide strategies and policies, approval of annual budgets and business plans, evaluation of the performance of the Group, and oversight of the management. Management, led by the Chief Executive Officer, is responsible for the day-to-day operations of the Group. The senior management of the Company, comprising the Executive Directors, is accountable to the Board, and ultimately to the shareholders.

As at 30 June 2024, the Board consists of a total of twelve Directors, comprising five Executive Directors, two Non-executive Directors and five Independent Non-executive Directors. The number of Independent Non-executive Directors meets the one-third requirement under the Listing Rules, among which more than one of them have appropriate professional qualifications or accounting or related financial management expertise. All Directors are required to retire from office by rotation and are subject to re-election by shareholders at the annual general meeting once every three years pursuant to the articles of association of the Company.

The Board has four regular meetings each year at approximately quarterly intervals and additional meetings will be held when warranted. Directors also consider and approve matters by way of written resolutions, which are circulated to Directors together with explanatory briefings from the Chief Executive Officer or the Company Secretary as required.

The positions of the Chairman and the Chief Executive Officer are held by separate individuals. The Chairman is responsible for providing leadership to, and overseeing the functioning and effective running of, the Board to ensure that the Board acts in the best interests of the Group. In addition to board meetings, the Chairman holds meetings annually with Independent Non-executive Directors without the presence of other Directors to encourage them to voice out their independent views and promote an open and constructive dialogue. The Chief Executive Officer is responsible for managing the businesses of the Group and assuming full accountability to the Board for all Group operations, and attending to the formulation and successful implementation of Group policies.

The Company Secretary of the Company supports the Board by ensuring good information flow within the Board and that board policy and procedures are followed. He is responsible for ensuring that the Board is briefed on all legislative, regulatory and corporate governance developments and that the Board has regard to them when making decisions. He is also directly responsible for the Group's compliance with all obligations of the Listing Rules, Codes on Takeovers and Mergers and Share Buy-backs, Companies Ordinance, Securities and Futures Ordinance and other related laws, rules and regulations.

Directors' Securities Transactions

The Board has adopted the Model Code for Securities Transactions by Directors (the "Model Code") set out in Appendix C3 of the Listing Rules as the code of conduct regulating directors' securities transactions. In addition, senior managers, and other nominated managers and staff who, because of their respective positions in the Company, are likely to be in possession of inside information regarding the Company and its securities, are also required to comply with the Model Code.

All Directors have confirmed, following specific enquiry, that they have complied with the Model Code throughout the six months ended 30 June 2024.

CORPORATE GOVERNANCE *(Continued)*

Change in Information of Directors

The change in the information of Directors since the publication of the annual report 2023 and up to 26 August 2024 (the latest practicable date prior to the printing of this interim report) is set out below pursuant to Rule 13.51B(1) of the Listing Rules:

Name of Director

Stephen Edward Bradley

Appointed as an Independent Director of Cenovus Energy Inc., the shares of which are listed on the Toronto Stock Exchange and the New York Stock Exchange

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Audit Committee

The Audit Committee comprises three Independent Non-executive Directors. It is chaired by Mr. Ip Yuk-keung, Albert, and the other members are Ms. Koh Poh Wah and Mr. Wu Ting Yuk, Anthony.

The Audit Committee reports directly to the Board, and acts as the key representative body for overseeing relations with the external auditor. Its principal responsibilities are to assist the Board in fulfilling its duties through the review and supervision of the Group's financial reporting, the review of financial information, the consideration of issues relating to external auditor and their appointment, the review and the development of corporate governance functions and risk management and internal control systems. The Audit Committee also oversees the Company's whistleblowing procedure. The Audit Committee meets regularly with the Company's external auditor KPMG to discuss the audit process and various accounting matters.

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2024 have been reviewed by the Audit Committee.

The terms of reference of the Audit Committee are published on the Company's website and the website of Hong Kong Exchanges and Clearing Limited ("HKEX").

Nomination Committee

The Nomination Committee comprises three members, a majority of which are Independent Non-executive Directors. It is chaired by Mr. Ip Yuk-keung, Albert (an Independent Non-executive Director), and the other members are Mr. Stephen Edward Bradley (an Independent Non-executive Director) and Mr. Victor T K Li (a Non-executive Director).

The Nomination Committee reports directly to the Board. Its principal responsibilities are to review the structure, size, diversity profile and skills matrix of the Board, to facilitate the selection and nomination process, to assess the independence of Independent Non-executive Directors having regard to the criteria under the Listing Rules, and to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, as guided by the process and criteria in Director Nomination Policy and Board Diversity Policy. The terms of reference of the Nomination Committee are published on the Company's website and HKEX's website.

Remuneration Committee

The Remuneration Committee comprises three members, a majority of which are Independent Non-executive Directors. It is chaired by Ms. Koh Poh Wah (an Independent Non-executive Director), and the other members are Mr. Andrew John Hunter (Chairman of the Board) and Mr. Kwan Chi Kin, Anthony (an Independent Non-executive Director).

The Remuneration Committee reports directly to the Board. Its principal responsibilities include the review and consideration of the Company's policy for remuneration of Directors and management team, and the determination of their individual remuneration packages. The terms of reference of the Remuneration Committee are published on the Company's website and HKEX's website.

Sustainability Committee

The Sustainability Committee comprises three members. It is chaired by Mr. Tsai Chao Chung, Charles (Chief Executive Officer), and the other members are Mr. Chan Loi Shun (an Executive Director) and Mr. Ip Yuk-keung, Albert (an Independent Non-executive Director).

CORPORATE GOVERNANCE *(Continued)*

The Sustainability Committee reports directly to the Board. Its principal responsibilities are to oversee management of, and advise the Board on, the development and implementation of the sustainability initiatives of the Group, review the related policies and practices, and assess and make recommendations on matters concerning the Group's sustainability development and risks. The terms of reference of the Sustainability Committee are published on the Company's website and HKEX's website.

Risk Management and Internal Control

The Board has overall responsibility for evaluating and determining the nature and extent of the risks, including Environmental, Social and Governance risks that they are willing to take in achieving corporate strategic objectives, and overseeing the risk management and internal control systems. The Audit Committee assists the Board in reviewing the effectiveness of the risk management and internal control systems to ensure that appropriate and effective systems are in place.

The Group's internal audit function, which is shared with that of HK Electric Investments Limited, an associate of the Company, and reports to the Audit Committee and an Executive Director, provides independent assurance as to the existence and effectiveness of the risk management activities and internal controls in the operations of the Group's business units. Staff members are from disciplines including accounting, engineering and information technology. Internal audit prepares its annual audit plan by using risk assessment methodology, and taking into account the scope and nature of the Group's activities and changes in operating environment. The audit plan is reviewed and approved by the Audit Committee. Depending on the business nature and risk exposure of the Group's business units, the scope of work on the Group's business units performed by internal audit includes financial, operations and information technology reviews, recurring and ad hoc audits, fraud investigations, productivity efficiency reviews and laws and regulations compliance reviews. Internal audit follows up audit recommendations on implementation by business units and the progress is reported to the Audit Committee regularly.

The Audit Committee has reviewed the effectiveness of the risk management and internal control systems of the Group for the six months ended 30 June 2024, and considered the systems effective and adequate.

Communications with Shareholders

The Company has established the Shareholder Communication Policy, which is published on the website of the Company, to lay down the framework and put in place a range of communication channels between the Company and shareholders and investors to promote effective communication. These include the annual general meetings and other general meetings, financial results, annual and interim reports, sustainability reports, notices, announcements and circulars, press releases, and meetings, briefings and roadshows with investors and analysts from time to time as appropriate. All shareholders may put enquiries to the Board at general meetings, whether they attend the meetings physically or through online access, and at other times by writing to the Company.

A wide range of information on the Group is also available to shareholders through the Company's website at www.powerassets.com, including details of the arrangements of corporate communications and for requesting printed copies of corporate communications (under "Arrangements For Dissemination of Corporate Communications" in the "Investor Information" section of the website). Shareholders may at any time notify the Company or the Company's share registrar by mail or email of any change in their choice of language (English or Chinese or both) and/or means of receiving (printed version or access through the Company's website) corporate communications.

The Company handles share registration and related matters for shareholders through Computershare Hong Kong Investor Services Limited, the Company's share registrar.

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 (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executives of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

CORPORATE GOVERNANCE *(Continued)*

Long Positions in Shares of the Company

Name of Director	Capacity	Nature of Interests	Number of Shares Held	Approximate% of Shareholding ^(Note)
Leung Hong Shun, Alexander	Beneficial owner	Personal	180,000	0.01%
Tsai Chao Chung, Charles	Beneficial owner	Personal	24,022	≈0%
Cheng Cho Ying, Francis	Beneficial owner	Personal	17,000	≈0%

Note: The approximate percentages of shareholding in this table were computed based on the number of issued shares of the Company as at 30 June 2024, being 2,131,105,154 shares.

Long Positions in Shares of Associated Corporation HK Electric Investments and HK Electric Investments Limited

Name of Director	Capacity	Nature of Interests	Number of Share Stapled Units Held	Total	Approximate % of Issued Share Stapled Units
Li Tzar Kuoi, Victor	Interest of controlled corporation	Corporate	5,170,000) (Note 1))	7,870,000	0.08%
	Beneficiary of trusts	Other	2,700,000) (Note 2))		
Tsai Chao Chung, Charles	Beneficial owner	Personal	880	880	≈0%

Notes:

- (1) *Such share stapled units of HK Electric Investments and HK Electric Investments Limited ("SSUs") are held by Li Ka Shing Foundation Limited ("LKSF"). By virtue of the terms of the constituent documents of LKSF, Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.*
- (2) *Such SSUs are held by Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-Shing Unity Trust ("UT1"). Each of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1", which is the trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1")) and Li Ka-Shing Unity Trustcorp Limited ("TDT2", which is the trustee of another discretionary trust ("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 SSUs by reason only of its obligation and power to hold interests in those SSUs in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the SSUs 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 SSUs held by TUT1 as trustee of UT1 under the SFO as a Director of the Company.

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

CORPORATE GOVERNANCE *(Continued)*

Interests and Short Positions of Shareholders

As at 30 June 2024, shareholders (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 under section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange were as follows:

Substantial Shareholders

Long Positions in Shares of the Company

Name	Capacity	Number of Shares Held	Approximate% of Shareholding ⁽⁴⁾
Venniton Development Inc.	Beneficial owner	153,797,511 <i>(Note 1)</i>	7.22%
Interman Development Inc.	Beneficial owner	186,736,842 <i>(Note 1)</i>	8.76%
Univest Equity S.A.	Beneficial owner	279,011,102 <i>(Note 1)</i>	13.09%
Monitor Equities S.A.	Beneficial owner & interest of controlled corporation	287,211,674 <i>(Note 1)</i>	13.48%
Hyford Limited	Interest of controlled corporations	767,499,612 <i>(Note 2)</i>	36.01%
CK Infrastructure Holdings Limited	Interest of controlled corporations	767,499,612 <i>(Note 2)</i>	36.01%
Hutchison Infrastructure Holdings Limited	Interest of controlled corporations	767,499,612 <i>(Note 3)</i>	36.01%
CK Hutchison Global Investments Limited	Interest of controlled corporations	767,499,612 <i>(Note 3)</i>	36.01%
CK Hutchison Holdings Limited	Interest of controlled corporations	767,499,612 <i>(Note 3)</i>	36.01%

Notes:

- (1) *These are direct or indirect wholly-owned subsidiaries of Hyford Limited ("Hyford") and their interests are duplicated in the same 767,499,612 shares of the Company held by Hyford described in Note (2) below.*
- (2) *CK Infrastructure Holdings Limited ("CKI") is deemed to be interested in the 767,499,612 shares of the Company as referred to in Note (1) above as it holds more than one-third of the issued share capital of Hyford indirectly. Its interests are duplicated in the interest of CK Hutchison Holdings Limited ("CK Hutchison") in the Company described in Note (3) below.*
- (3) *CK Hutchison is deemed to be interested in the 767,499,612 shares of the Company as referred to in Note (2) above as it holds more than one-third of the issued share capital of CK Hutchison Global Investments Limited ("CKHGI"). Certain subsidiaries of CKHGI hold more than one-third of the issued voting shares of Hutchison Infrastructure Holdings Limited which in turn holds more than one-third of the issued share capital of CKI.*
- (4) *The approximate percentages of shareholding in this table were computed based on the number of issued shares of the Company as at 30 June 2024, being 2,131,105,154 shares.*

Save as disclosed above, as at 30 June 2024, there was no other person (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

OTHER INFORMATION

Interim Dividend

The Board of Directors has declared an interim dividend for 2024 of HK\$0.78 per share. The dividend will be payable on Tuesday, 24 September 2024 to shareholders whose names appear in the register of members of the Company at the close of business on Thursday, 12 September 2024, being the record date for determination of entitlement to the interim dividend. To qualify for the interim dividend, all transfers accompanied by the relevant share certificates should be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 12 September 2024.

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2024.

Disclosure under Rule 13.22 of Chapter 13 of the Listing Rules

In relation to the provision of financial assistance by the Group to certain affiliated companies, a combined statement of financial position of the affiliated companies as at 30 June 2024 required to be disclosed under Rule 13.22 of Chapter 13 of the Listing Rules is set out below:

Combined statement of financial position of the affiliated companies as at 30 June 2024	HK\$ million
Non-current assets	400,709
Current assets	23,630
Current liabilities	(48,018)
Non-current liabilities	<u>(241,060)</u>
Net assets	<u><u>135,261</u></u>
Share capital	48,280
Reserves	<u>86,981</u>
Capital and reserves	<u><u>135,261</u></u>

As at 30 June 2024, the consolidated attributable interest of the Group in these affiliated companies amounted to HK\$54,256 million.