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長江和記實業有限公司
CK HUTCHISON HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1)

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

HIGHLIGHTS

	Post-IFRS 16 (1) Basis				
Year ended 31 December	**2023**	2022	**2023**	2022	Change
	HK$ million	HK$ million	**HK$ per share**	HK$ per share	
Total Revenue (2)	**461,558**	457,229			
Total EBITDA (2)	**127,309**	142,132			
Total EBIT (2)	**62,770**	78,261			
Reported earnings (3)					
Underlying	**23,500**	25,741	**6.14**	6.72	**-9%**
One-time items (4)	**-**	10,939	**-**	2.85	
	23,500	**36,680**	**6.14**	**9.57**	**-36%**
Final dividend per share			**1.775**	2.086	**-14.9%**
Full year dividend per share			**2.531**	2.926	**-13.5%**

	Pre-IFRS 16 (1) Basis					
	Reported		Underlying (4)			
Year ended 31 December	**2023**	2022	**2023**	2022	Reported currency change	Local currencies change
	HK$ million	HK$ million	**HK$ million**	HK$ million		
Total Revenue (2)	**461,558**	457,229	**461,558**	457,229	**+1%**	**+1%**
Total EBITDA (2)	**104,880**	119,010	**104,880**	106,207	**-1%**	**-1%**
Total EBIT (2)	**58,568**	72,864	**58,568**	60,061	**-2%**	**-2%**
Reported earnings (3)	**23,243**	34,869	**23,243**	25,140	**-8%**	**-7%**

(1) As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this results announcement interchangeably with the relevant Hong Kong Financial Reporting Standards. The Group believes that the IAS 17 basis ("Pre-IFRS 16 basis") metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 basis ("Post-IFRS 16 basis"), better reflect management's view of the Group's underlying operational performance. IAS 17 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT and Reported earnings prepared under the Pre-IFRS 16 basis relating to the accounting for leases. Unless otherwise specified, the discussion of the Group's operating results in this results announcement is on a Pre-IFRS 16 basis as mentioned above.

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

(3) Reported earnings represent profit attributable to shareholders. Reported earnings per share for the year ended 31 December 2023 and 2022 is calculated based on profit attributable to ordinary shareholders and CKHH's weighted average number of shares outstanding during the periods of 3,830,044,500 and 3,834,106,390 respectively.

(4) Underlying results for the year ended 31 December 2022 exclude one-time net gain of HK$12.8 billion at EBITDA, EBIT and HK$9.7 billion at Reported earnings, under pre-IFRS 16 and HK$10.9 billion at post-IFRS 16 Reported earnings, comprising net gain from the disposal of UK tower assets, the Indonesian telecommunication business merger and non-cash impairments of the Italy and Sri Lanka telecommunication businesses.

CHAIRMAN'S STATEMENT

Operating conditions for the Group's businesses were mixed in the year. General economic trends improved in the second half, with inflation in the US and Europe ebbing although still significantly elevated against central bank targets when food and energy prices are excluded. The US dollar rose significantly in the third quarter and declined in the fourth quarter. Monetary policy remained tight, with the Federal Funds Rate peaking in July at 5.25-5.5% and remaining unchanged throughout the remainder of the year. Significant energy price volatility persisted, particularly in the third quarter, due to an uncertain demand outlook and escalating geo-political risks. Growth was mixed: while the US showed continued resilience, conditions remained challenged in Europe, Hong Kong, and the Mainland.

Overall, headwinds continued to affect the Ports division as well as profit contribution from Cenovus Energy, the latter being significantly impacted by FIFO losses resulting from sharp declines in commodity prices in the fourth quarter, offsetting improving operating performance. The Telecommunications division, although growing revenues, continued to be adversely impacted by cost price inflation. The infrastructure division continued to perform steadily, and the Retail division overall continued to achieve excellent year-on-year growth in the second half despite continued weakness in consumer spending in Hong Kong and the Mainland.

The Group's year-on-year earnings performance was most affected by the absence of one-time gains in 2023. On a post IFRS-16 basis, excluding one-time gains in 2022 from the comparison, the decline in underlying earnings was 9%, whereas on a reported basis, the Group's earnings declined by 36%. Cash generation remained steady, with cash flow from operations excluding proceeds from one-time gains in 2022 declining by less than 5% and Free Cash Flow increasing 12% year-on-year.

The Group continued to pursue value accretive transaction activities. In particular, the UK telecom merger announced in the first half has entered Phase 1 review by the competition authorities in the UK, representing satisfactory progress to date. However, important conditions precedent to the agreements relating to a proposed network joint venture in Italy were not met and accordingly these agreements were terminated in February 2024.

Profit attributable to ordinary shareholders on a pre-IFRS 16 basis of HK$23,243 million, excluding the one-time net gain in 2022, declined by 8% in reported currency and 7% in local currencies against last year. On a reported basis, the decrease was 33% in reported and local currencies when compared to 2022.

Reported earnings per share were HK$6.14 for the year ended 31 December 2023 (31 December 2022 – HK$9.57).

Dividend

The Board of Directors recommends a final dividend of HK$1.775 per share (2022 final dividend – HK$2.086 per share), payable on Thursday, 13 June 2024, to shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 29 May 2024, being the record date for determining shareholders' entitlement to the proposed final dividend. Combined with the interim dividend of HK$0.756 per share, the full year dividend amounts to HK$2.531 per share (2022 full year dividend – HK$2.926 per share).

Ports and Related Services

The Ports and Related Services division handled 82.1 million twenty-foot equivalent units ("TEU") through 293 operating berths in 2023, a 3% drop compared to 2022 as recovery of global demand remained sluggish across major economies. However, the fourth quarter showed improving trends, mainly in HPH Trust from volume rebound in Yantian Ports, and Asia, Australia, and Others region driven by improving consumption in South East Asia, Middle East and Central America, resulting in growth of 9% and 1% in the second half as compared to the first half in 2023 and second half in 2022 respectively.

Due to a 24% drop in storage income and the adverse performance of a shipping line associated company which was heavily affected by the sharp decline of freight rates in 2023, this division's total revenue of HK$40,851 million, EBITDA[(1)] of HK$13,628 million and EBIT[(1)] of HK$9,328 million, decreased by 7%, 14% and 18% respectively compared to 2022. However, with the improved volumes in the fourth quarter and higher storage income from Mexico due to increased import laden containers, revenue, EBITDA and EBIT in the second half improved 6%, 9% and 15% respectively, compared to the first half of 2023.

Looking ahead to 2024, there are signs of cautious optimism for growth in demand, as observed through the US retailers who have sufficiently de-stocked to start planning for a stable ramp-up in purchase orders in 2024, as well as positive outlook on general market demands in other regions such as India, Middle East, Africa and South America. With the new major container facility at Abu Qir in Egypt commencing operation in the first quarter of 2024, the division expects moderate growth in volume and earnings going into 2024.

The Ports division has submitted its near-term and net-zero targets to the Science Based Targets initiative for validation and has successfully received their approval in the fourth quarter of 2023. The target is to reduce 54.6% of its scope 1 and 2 emissions and 32.5% of its scope 3 emission versus a 2021 baseline by 2033, and to achieve a net-zero emission operation by 2050. To achieve these targets, among other initiatives, all of the division's new investments in mobile and stationary machinery will be fully electrified or supplemented with other forms of clean energy going forward. Approximately 93,000tCO2 of the emissions reduction on scope 1 and 2 emission has been achieved in 2023, representing a reduction of around 19% versus the 2021 baseline emissions.

[(1)] Under Post-IFRS 16 basis, EBITDA was HK$16,415 million (2022: HK$19,007 million); EBIT was HK$10,583 million (2022: HK$13,024 million).

Retail

The Retail division had 16,491 stores across 28 markets at the end of December 2023, a 2% increase compared to last year. The division's total revenue, EBITDA[(2)] and EBIT[(2)] of HK$183,344 million, HK$16,226 million and HK$12,888 million increased by 8%, 13% and 17% respectively in reported currency against last year. In local currencies, total revenue, EBITDA and EBIT increased by 8%, 11% and 14% respectively. The year-on-year improvements were primarily due to favourable performances in Europe and Asia, partly offset by weak performance in Hong Kong and the Mainland mainly due to stagnant store traffic and soft consumer sentiment.

The Health and Beauty segment, which represented 87% of the Retail division's revenue last year, reported total sales growth in local currencies of 12% from a strong 10% growth in comparable stores sales, contributing to the EBITDA and EBIT growth, in local currencies, of 15% and 18% respectively compared to last year. The majority of Health and Beauty operations in both Europe and Asia have exceeded pre-pandemic levels. Health and Beauty Europe reported 14% increase in EBITDA and EBIT in local currencies against last year with a 10% growth in comparable stores sales, primarily from the UK, Germany and Poland. Health and Beauty Asia reported 23% and 27% increase in EBITDA and EBIT in local currencies driven primarily by higher sales from the increase in store footfall and store network expansion, with a robust 16% growth in comparable stores sales. Despite softer trading momentum, Health and Beauty China reported increase in EBITDA and EBIT of HK$22 million and HK$123 million in local currency respectively compared to last year mainly due to margin and productivity improvements, as well as optimisation of store opening strategies.

Looking ahead, the European and Asian businesses, which have already exceeded pre-pandemic levels, should continue to deliver solid performances, while improvement is expected for the Mainland and Hong Kong operations through store network optimisation and various initiatives. With its 159 million loyalty customer base, this division will continue to enhance customer engagement and lifetime value, prioritising store quality over quantity and maintaining a short payback on store opening, as well as delivering top line growth through its online plus offline platform strategy.

The Retail division continues its commitment to achieving its emission reduction targets which have been validated by the Science Based Targets initiative. It has committed by 2030 (versus a 2018 baseline) to reduce scope 1 and 2 emissions by 50.4%; reduce scope 3 emissions from purchased goods and services, upstream transportation and distribution, and use of sold products by 58% per Hong Kong dollar value added and 33% of supplier emissions from purchased goods and services, upstream transportation and distribution to be subject to science-based targets by 2027. In 2023, an approximate 167,000tCO2 emission reduction against its scope 1 and 2 targets has been achieved, which represents around 26% reduction as compared to its set targets. In addition and with over 90% of its footprint being attributable to scope 3 emissions, this division continues to implement a major supplier engagement programme including trainings and tools to report more accurate data through a dedicated scope 3 emissions platform.

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(2) Under Post-IFRS 16 basis, EBITDA was HK$25,507 million (2022: HK$23,359 million); EBIT was HK$13,849 million (2022: HK$11,831 million).

Infrastructure

The Infrastructure division comprises a 75.67% interest in CK Infrastructure Holdings Limited ("CKI"), a subsidiary listed in Hong Kong as well as interests in six co-owned infrastructure investments with CKI.

CKI

CKI announced a net profit attributable to shareholders under Post-IFRS 16 basis of HK$8,027 million. CKI's 2022 results included the one-off gain from the partial disposal of Northumbrian Water in 2022, excluding which, net profit increased by 12% year-on-year. On a reported basis, net profit was 4% higher than last year. CKI also generated a record high funds from operations of HK$8.6 billion in 2023 with steady and robust revenue streams from the strong asset base.

Looking into 2024, this division's regulated businesses will continue to provide steady and recurring income and the non-regulated businesses will also generate good growth contributions. Together with its strong financial position, this division is well placed to capitalise on investment opportunities as they arise.

The division remains focused to decarbonise its own operations and is well positioned to meet the challenges presented by climate change through innovative alternatives and cleaner sources of energy. The division's electricity distribution networks are leading the way in adopting low carbon technologies through smart grid schemes, expanding use of electric vehicles and integrating renewable energy into its charging facilities. EDL continued to be a leading global sustainable energy provider. As for the gas distribution network, Northern Gas Networks, Wales & West Gas Networks, and Australian Gas Infrastructure Group are at the forefront of the hydrogen transition, while Dutch Enviro Energy and Enviro NZ continue to be major operators of waste management and recycling in their own countries. Other operations including UK Rails' battery trains, ista's new heating, energy and water consumption tracking devices, as well as Canadian Power's Okanagan wind farms and HK Electric's Offshore Terminal are all major sustainability projects facilitating decarbonisation of this division. In 2023, an approximate 740,000tCO2 of scope 1 and 2 emission reduction has been achieved reaching around 18% of the set reduction targets.

CK Hutchison Group Telecom

Revenue of CK Hutchison Group Telecom ("CKHGT") was HK$86,814 million (€10,199 million), 4% higher against last year in reported currency. EBITDA[(3)] and EBIT[(3)] of HK$22,341 million (€2,668 million) and HK$2,265 million (€307 million), excluding the impact of one-time net gain[(4)] of HK$7,918 million recognised in 2022, were 8% and 54% lower than last year in reported currency, primarily due to lower contribution from **3** Group Europe. On a reported basis, EBITDA and EBIT were 31% and 82% lower than last year respectively in reported currency.

3 Group Europe
As at 31 December 2023, the active customer base of **3** Group Europe stands at 40.2 million, 1% higher than last year mainly due to increase in the contract customer segments. Customer growth overall was partly offset by lower customer base of Wind Tre which strategically targets a higher average customer lifetime value for its base as a whole. All other operations reported higher or stable customer base against last year.

Although Italy's wholesale revenue continued to decline year-on-year by approximately HK$1.4 billion, **3** Group Europe's total revenue of HK$80,231 million was 1% higher against last year in local currencies, primarily driven by the healthy growth in net customer services revenue from the higher customer base and favourable revenue initiatives phased throughout the year, coupled with higher roaming income from increased travelling by European customers. As a result of improved revenue mix, **3** Group Europe reported an overall 3% higher total margin in local currencies.

The operations continued to suffer from inflation of energy and staff costs with an overall increase year-on-year of over 40% and 5% respectively. As a result, EBITDA[(5)] was 12% or HK$2,974 million lower against last year in local currencies, reflecting the full year impact from the tower disposal in the UK of HK$1.0 billion, the higher energy costs and other inflationary impacts of around HK$2.1 billion, as well as higher other network costs from the expanded networks, particularly in the UK. Depreciation and amortisation was flat before an accelerated depreciation recognised by the UK after transitioning to an enhanced digital platform during the year. After taking into account this accelerated depreciation, EBIT[(5)] declined by 59% or HK$3,295 million in local currencies.

Looking ahead to 2024, with inflation ebbing, the operations are expected to deliver improvement in underlying performances from continuing revenue initiatives, cost discipline and stabilising depreciation from decrease in capital spending.

CKHGT remains committed to its climate action plan and achievement of its Science-Based Targets, including reducing scope 1 and 2 emissions by 50% by 2030 and reducing scope 3 emissions by 42% by 2030 versus a 2020 baseline. In 2023, approximately 194,000tCO2 of emission reduction in scope 1 and 2 has been achieved as well, which is around 80% of its targeted reductions. It has also formally committed to setting a long-term net-zero target to be validated by the Science Based Targets initiative. As impactful reduction measures, the division continues to invest in the transition to 5G including network equipment upgrades, implementation of energy efficient network features, and virtualisation of networks, all of which are leading to more efficient processing of data traffic.

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(3) Under Post-IFRS 16 basis, EBITDA was HK$29,081 million (2022: HK$39,002 million); EBIT was HK$3,191 million (2022: HK$14,216 million).

(4) Comprising gain from the disposal of the Group's interest in the UK tower assets to Cellnex of HK$18,957 million, partly offset by a non-cash impairment of goodwill on the Group's telecommunication business in Italy of HK$11,039 million. Under Post-IFRS 16 basis, the net gain was HK$8,021 million.

(5) Under Post-IFRS 16 basis, EBITDA was HK$27,675 million (2022: HK$30,144 million); EBIT was HK$3,312 million (2022: HK$6,859 million).

Business units are also continuing to evaluate options for maintaining and increasing the proportion of renewable energy use.

Hutchison Asia Telecommunications

Hutchison Asia Telecommunications ("HAT") includes the Group's telecommunication businesses in Indonesia, Vietnam and Sri Lanka. HAT's active customer accounts decreased by 5% compared to last year to approximately 117.1 million as of 31 December 2023, as a result of strategic initiatives to improve average customer lifetime value across HAT's customer base.

Total revenue of HK$11,779 million increased by 1%, whilst EBITDA[(6)] and EBIT[(6)] of HK$3,952 million and HK$1,612 million decreased by 58% and 76% respectively in 2023 when compared to last year, mainly due to the net gain of HK$5.1 billion[(7)] from the completion of the merger transaction in 2022, partly offset by a non-cash impairment in the Group's telecommunication business in Sri Lanka.

The Group's 41.154% owned joint venture, Indosat Ooredoo Hutchison ("IOH") reported a 9.6% increase in total revenue, driven by a 14.8% year-on-year growth in data traffic from the expanded network and improvement in customer experience, mitigating a 3% lower customer base from the subscribers rationalisation. Excluding the net gains arising from disposal of non-core assets in both years, IOH's underlying EBITDA and net profit, on a Post-IFRS 16 basis, increased by 21% and 144% respectively, reflecting both strong revenue growth and continued cost optimisation.

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(6) Under Post-IFRS 16 basis, EBITDA was HK$6,011 million (2022: HK$12,478 million); EBIT was HK$2,388 million (2022: HK$8,582 million).

(7) Under Post-IFRS 16 basis, the net gain was HK$6.2 billion. For further information, please see Note 5(b)(xviii) to the Financial Statements of this Announcement.

Finance & Investments and Others

The Group's 16.9% share of Cenovus Energy's Post-IFRS 16 EBITDA, EBIT and net earnings were HK$10,094 million, HK$5,564 million and HK$3,963 million, a decrease of HK$3,657 million, HK$3,860 million and HK$2,370 million compared to last year respectively, mainly reflecting the decline in commodity prices, as well as reduced production volume due to unplanned outages and delays in completing certain downstream facility turnarounds during the first half of 2023. These operational issues were largely rectified during the second half. With a more constructive outlook in commodity prices, maintaining full and reliable production and refinery throughput is the key focus for the business in 2024 to improve its profitability.

Despite the above adverse variance, this segment reported favourable EBITDA and EBIT results against last year, as certain treasury gains on non-core asset disposals, higher treasury investment returns and the Group's share of HutchMed's higher partnering revenue have more than offset the lower contribution from Cenovus Energy.

The Group's liquidity and financial profile remain strong. Underlying free cash flow in 2023, excluding the UK tower disposal proceeds in 2022, increased by 12% against last year, due to relatively modest operating cash flow declines more than offset by measured reduction in capital expenditures. Consolidated cash and liquid investments totalled HK$143,109 million and consolidated total bank and other debts[8] amounted to HK$274,919 million, resulting in consolidated net debt[8] of HK$131,810 million (31 December 2022 – HK$133,109 million) and net debt to net total capital ratio[8] of 16.1% (31 December 2022 – 16.7%).

[8] Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions. Net debt is defined as total bank and other debts less total cash, liquid funds and other listed investments. Net total capital is defined as total bank and other debts plus total equity (adjusted to exclude IFRS 16 effects) and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments. The consolidated net debt to net total capital ratio under IFRS 16 basis, after including IFRS 16 impact in total equity, was 16.2% (31 December 2022: 16.9%).

Sustainability

In April 2023, the Group released its fourth Sustainability Report, which details its first Group-wide emissions reduction targets. The Group has committed to halving scope 1 and 2 emissions by 2035 versus the 2020 baseline as well as the pursuit of net-zero carbon emissions across its value chain by 2050. These targets are based on the robust strategies being put in place at each of the Group's core businesses. Overall, the Group has been on track in achieving targets, reducing approximately 10% in scope 1 and scope 2 emission compared against our 2020 emission.

In response to the heightening government regulatory requirements and expectation in sustainability, the Group has formed specialised workgroups since 2020, including the sustainability committee of the Board and sustainability working group, aiming to keep management and stakeholders fully abreast on the sustainability performance, and to review and update relevant strategy as necessary. As an example, the Group's newly published biodiversity policy demonstrates our commitment to natural resource protection.

The Group is both conscious about the impacts generated from its existing operations and future investment. The Group's 10 net zero transition opportunities identify risk and opportunity that guide its business divisions to sustainable investment. For the Infrastructure division, it is progressively adopting low carbon technologies such as network digitalisation, hydrogen transition, electric vehicles, heat pumps and renewable energy generation. The Port division commits that new mobile and stationary machinery will be fully electric or supplemented with other forms of clean energy going forward. The Telecommunication division continues to invest in the transition to 5G in 2023, including network equipment upgrades, implementation of energy efficient network features, and virtualisation of networks, all of which are leading to more efficient processing of data traffic and energy saving. To better serve the Group's customers, the Retail division has also joined the EcoBeautyScore Consortium in 2023, an alliance that includes over 70 cosmetics industry stakeholders and offers details from a harmonised and scoring system for products comparison based on environmental impact. Customers are able to make a more sustainable choice during purchase from a long list of products offered by the Group and achieve the goal of being a "sustainable consumer".

Developing workplaces where employees of the Group feel supported, recognised and included continues to be one of the core objectives of the Group. During the first half of this year, **3** UK and Wind Tre were recognised by national awards schemes as being among the best national employers, and **3** Sweden also received the award of Career Company 2023.

Outlook

Although operating conditions for the Group's businesses have shown signs of improvement, particularly slowing inflation, modestly improving trade, an increasing probability of moderate monetary easing, and sustained consumer demand in the Retail businesses, 2024 remains fraught with uncertainties. Global growth prospects are uneven and unbalanced and geo-political risks remain heightened, particularly with the upcoming national elections in the US and in several major countries in which the Group operates.

Accordingly, the Group will maintain a prudent approach to managing our businesses this year with a strong focus on cash flow and tight management of capital expenditures and new investments.

The Group will continue to explore selective value accretive transactions for shareholders. However, as a matter of policy, the Group will maintain its strong liquidity and financial profile and ensure that all investing activities are consistent with maintaining the current investment grade ratings.

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

Victor T K Li
Chairman
Hong Kong, 21 March 2024

Financial Performance Summary

	Post-IFRS 16 [1] 2023 HK$ million	%	Post-IFRS 16 [1] 2022 HK$ million	%	Change %
Revenue [2]					
Ports and Related Services [2]	**40,851**	**9%**	44,141	10%	-7%
Retail	**183,344**	**40%**	169,645	37%	8%
Infrastructure	**54,714**	**12%**	54,441	12%	1%
CK Hutchison Group Telecom	**86,814**	**19%**	83,289	18%	4%
Hutchison Asia Telecommunications	**11,779**	**2%**	11,628	2%	1%
Finance & Investments and Others	**84,056**	**18%**	94,085	21%	-11%
Total Revenue	**461,558**	**100%**	457,229	100%	1%
EBITDA [2]					
Ports and Related Services [2]	**16,415**	**13%**	19,007	13%	-14%
Retail	**25,507**	**20%**	23,359	16%	9%
Infrastructure	**29,526**	**23%**	29,109	21%	1%
CK Hutchison Group Telecom	**29,081**	**23%**	39,002	27%	-25%
Hutchison Asia Telecommunications	**6,011**	**5%**	12,478	9%	-52%
Finance & Investments and Others	**20,769**	**16%**	19,177	14%	8%
Total EBITDA	**127,309**	**100%**	142,132	100%	-10%
- Underlying	**127,309**		128,119		-1%
- One-off items [3]	**–**		14,013		
EBIT [2]					
Ports and Related Services [2]	**10,583**	**17%**	13,024	17%	-19%
Retail	**13,849**	**22%**	11,831	15%	17%
Infrastructure	**19,616**	**31%**	18,872	24%	4%
CK Hutchison Group Telecom	**3,191**	**5%**	14,216	18%	-78%
Hutchison Asia Telecommunications	**2,388**	**4%**	8,582	11%	-72%
Finance & Investments and Others	**13,143**	**21%**	11,736	15%	12%
Total EBIT	**62,770**	**100%**	78,261	100%	-20%
- Underlying	**62,770**		64,248		-2%
- One-off items [3]	**–**		14,013		
Interest Expenses and Other Finance Costs [2]	**(24,200)**		(18,398)		-32%
Profit Before Tax	**38,570**		59,863		-36%
Tax [2]					
Current tax	**(7,701)**		(9,418)		18%
Deferred tax	**(690)**		(6,762)		90%
	(8,391)		(16,180)		48%
Profit after tax	**30,179**		43,683		-31%
Non-controlling interests and perpetual capital securities holders' interests	**(6,679)**		(7,003)		5%
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**23,500**		36,680		-36%
- Underlying	**23,500**		25,741		-9%
- One-off items [3]	**–**		10,939		

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

Note 2: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 3: Comprise HK$19,060 million gain (before tax) from the disposal of UK tower assets (disposal gain after tax: HK$15,926 million) and Indonesian telecommunication business merger gain (HK$7,245 million), partly offset by non-cash impairments of the Group's telecommunication businesses in Italy (HK$11,039 million) and Sri Lanka (HK$1,000 million), as well as HK$253 million non-cash impairment charges (before tax) of Cenovus Energy (impairment charges after tax: HK$193 million).

Financial Performance Summary

	Pre-IFRS 16 [1] 2023 HK$ million	%	Pre-IFRS 16 [1] 2022 HK$ million	%	Change %	Local currencies change %
Revenue [2]						
Ports and Related Services [2]	**40,851**	**9%**	44,141	10%	-7%	-9%
Retail	**183,344**	**40%**	169,645	37%	8%	8%
Infrastructure	**54,714**	**12%**	54,441	12%	1%	2%
CK Hutchison Group Telecom	**86,814**	**19%**	83,289	18%	4%	3%
Hutchison Asia Telecommunications	**11,779**	**2%**	11,628	2%	1%	4%
Finance & Investments and Others	**84,056**	**18%**	94,085	21%	-11%	-8%
Total Revenue	**461,558**	**100%**	457,229	100%	1%	1%
EBITDA [2]						
Ports and Related Services [2]	**13,628**	**13%**	15,805	13%	-14%	-14%
Retail	**16,226**	**15%**	14,309	12%	13%	11%
Infrastructure	**29,201**	**28%**	28,815	24%	1%	3%
CK Hutchison Group Telecom	**22,341**	**21%**	32,192	27%	-31%	-32%
Hutchison Asia Telecommunications	**3,952**	**4%**	9,420	8%	-58%	-57%
Finance & Investments and Others	**19,532**	**19%**	18,469	16%	6%	9%
Total EBITDA	**104,880**	**100%**	119,010	100%	-12%	-12%
- Underlying	**104,880**		106,207		-1%	-1%
- One-off items [3]	**–**		12,803			
EBIT [2]						
Ports and Related Services [2]	**9,328**	**16%**	11,426	16%	-18%	-19%
Retail	**12,888**	**22%**	11,048	15%	17%	14%
Infrastructure	**19,562**	**33%**	18,833	26%	4%	5%
CK Hutchison Group Telecom	**2,265**	**4%**	12,803	18%	-82%	-83%
Hutchison Asia Telecommunications	**1,612**	**3%**	6,745	9%	-76%	-76%
Finance & Investments and Others	**12,913**	**22%**	12,009	16%	8%	10%
Total EBIT	**58,568**	**100%**	72,864	100%	-20%	-19%
- Underlying	**58,568**		60,061		-2%	-2%
- One-off items [3]	**–**		12,803			
Interest Expenses and Other Finance Costs [2]	**(20,147)**		(14,860)		-36%	
Profit Before Tax	**38,421**		58,004		-34%	
Tax [2]						
Current tax	**(7,705)**		(9,421)		18%	
Deferred tax	**(795)**		(6,670)		88%	
	(8,500)		(16,091)		47%	
Profit after tax	**29,921**		41,913		-29%	
Non-controlling interests and perpetual capital securities holders' interests	**(6,678)**		(7,044)		5%	
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**23,243**		34,869		-33%	-33%
- Underlying	**23,243**		25,140		-8%	-7%
- One-off items [3]	**–**		9,729			

Note 1: As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this results announcement interchangeably with Hong Kong Financial Reporting Standard 16 "Leases" ("HKFRS 16") and Hong Kong Accounting Standard 17 "Leases" ("HKAS 17"), respectively. The Group believes that the IAS 17 basis ("Pre-IFRS 16 basis") metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 basis ("Post-IFRS 16 basis"), better reflect management's view of the Group's underlying operational performance. IAS 17 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT, interest expenses and other finance costs, tax, non-controlling interests and perpetual capital securities holders' interests and profit attributable to ordinary shareholders prepared under the Pre-IFRS 16 basis relating to the accounting for leases for the years ended 31 December 2022 and 2023. Unless otherwise specified, the discussion of the Group's operating results in this results announcement is on a Pre-IFRS 16 basis as mentioned above.

Note 2: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 3: Comprise HK$18,957 million gain (before tax) from the disposal of UK tower assets (disposal gain after tax: HK$15,823 million) and Indonesian telecommunication business merger gain (HK$6,100 million), partly offset by non-cash impairments of the Group's telecommunication businesses in Italy (HK$11,039 million) and Sri Lanka (HK$962 million), as well as HK$253 million non-cash impairment charges (before tax) of Cenovus Energy (impairment charges after tax: HK$193 million).

Independent Auditor's Report

To the Shareholders of CK Hutchison Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of CK Hutchison Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), which are set out on pages 18 to 137, comprise:

- the consolidated and Company statements of financial position as at 31 December 2023;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 December 2023, and of its consolidated profit and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

Independence

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

Key Audit Matters

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

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

- Goodwill and brand names with an indefinite useful life; and
- Investments in associated companies and joint ventures.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Goodwill and brand names with an indefinite useful life *Refer to notes 15, 16 and 46 to the consolidated financial statements* The Group has a significant amount of goodwill and brand names with an indefinite useful life arising from various acquisitions. As at 31 December 2023, the carrying amounts of goodwill and brand names with an indefinite useful life amounted to approximately HK$271 billion and HK$68 billion respectively. Goodwill and brand names with an indefinite useful life are subject to impairment assessments annually and when there is an indication of impairment. In carrying out the impairment assessments, significant judgements are required to estimate the recoverable amounts, being the higher of the fair value less costs of disposal and value in use. The recoverable amounts are estimated taking into consideration the future cash flows of the respective business units based on the latest approved financial budgets for the next five years and a number of other assumptions, including the growth rates to extrapolate the cash flows beyond the budget period and the discount rates to bring the future cash flows back to their present values. We considered this is a key audit matter as significant judgements are involved in the impairment assessments.	Our procedures to address this key audit matter included: • Understanding management's assessment process of impairment of goodwill and brand names with an indefinite useful life; • Assessing the appropriateness of the valuation methodologies used; • Assessing the reasonableness of key assumptions used in management's estimation of recoverable amounts based on our knowledge of the relevant businesses and industries, other appropriate supporting evidence, and with the involvement of our valuations experts; • Testing source data to supporting evidence, such as approved budgets, on a sample basis, and considering the reasonableness of the estimated future cash flows, the growth rates and discount rates applied; and • Performing sensitivity analyses on the key assumptions to evaluate the potential impacts on the recoverable amounts including the growth rates and discount rates as these are the key assumptions to which the measurement of recoverable amounts is the most sensitive. We found the assumptions adopted in relation to the impairment assessments to be supportable and reasonable based on available evidence.

Key Audit Matters (continued)

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Investments in associated companies and joint ventures *Refer to notes 17, 18 and 46 to the consolidated financial statements* The Group has significant investments in associated companies and joint ventures, which are accounted for under the equity method. As at 31 December 2023, the carrying amounts of investments in associated companies and joint ventures amounted to approximately HK$144 billion and HK$156 billion respectively. Investments in associated companies and joint ventures are subject to impairment assessments when there is an indication of impairment. For those associated companies and joint ventures in which such indication exists, the Group performed impairment assessments. In carrying out the impairment assessments, significant judgements are required to estimate the recoverable amounts of the Group's investments in the associated companies and the joint ventures. We considered this is a key audit matter as significant judgements are involved in the impairment assessments.	Our procedures to address this key audit matter included: • Understanding management's process for identifying the existence of impairment indicators and performing impairment assessments of investments in associated companies and joint ventures when indicators of impairment exist; • Assessing the appropriateness of the valuation methodologies used in the impairment assessments; and • Assessing the reasonableness of key assumptions used by management in the estimation of recoverable amounts of those investments in associated companies or joint ventures with impairment indicators, including the projections of cash flows, the growth rates and discount rates applied; and comparing cash flow projections to supporting evidence, such as approved budgets. We found the assumptions adopted in relation to the impairment assessments to be supportable and reasonable based on available evidence.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Luk Lai Yin.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 21 March 2024

Consolidated Income Statement

for the year ended 31 December 2023

2023 # US$ million		Note	2023 HK$ million	2022 HK$ million
35,330	Revenue	4, 5	**275,575**	262,497
(13,556)	Cost of inventories sold	7	**(105,739)**	(101,724)
(5,029)	Staff costs		**(39,226)**	(37,170)
(1,947)	Expensed customer acquisition and retention costs		**(15,188)**	(14,527)
(5,139)	Depreciation and amortisation	7	**(40,083)**	(39,788)
(6,166)	Other expenses and losses	7	**(48,095)**	(55,727)
265	Other income and gains	7	**2,067**	28,180
	Share of profits less losses of:			
1,044	Associated companies		**8,138**	11,822
1,024	Joint ventures		**7,990**	7,422
5,826			**45,439**	60,985
(1,568)	Interest expenses and other finance costs	8	**(12,227)**	(9,052)
4,258	**Profit before tax**		**33,212**	51,933
(528)	Current tax	9	**(4,119)**	(5,435)
143	Deferred tax credit (charge)	9	**1,116**	(2,839)
3,873	**Profit after tax**		**30,209**	43,659
(860)	**Profit attributable to non-controlling interests and holders of perpetual capital securities**		**(6,709)**	(6,979)
3,013	**Profit attributable to ordinary shareholders**		**23,500**	36,680
US$ 0.79	**Earnings per share for profit attributable to ordinary shareholders**	10	**HK$ 6.14**	HK$ 9.57

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

See note 44.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2023

2023 # **US$ million**		Note	**2023** **HK$ million**	2022 HK$ million
3,873	**Profit after tax**		**30,209**	43,659
	Other comprehensive income (losses)			
	Items that will not be reclassified to profit or loss			
92	Changes in fair value of equity instruments at fair value through other comprehensive income		**718**	(1,493)
(188)	Remeasurement of defined benefit obligations		**(1,470)**	701
(72)	Share of other comprehensive income (losses) of associated companies		**(560)**	(83)
34	Share of other comprehensive income (losses) of joint ventures		**269**	(520)
48	Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	33 (c)	**376**	(255)
(86)			**(667)**	(1,650)
	Items that may be reclassified to profit or loss			
15	Changes in fair value of debt instruments at fair value through other comprehensive income		**120**	(367)
996	Exchange gains (losses) on translation of foreign operations		**7,771**	(16,078)
44	Exchange losses reclassified to profit or loss		**342**	2,220
(136)	Gains (losses) on cash flow hedges		**(1,059)**	2,201
(210)	Gains (losses) on net investment hedges		**(1,641)**	4,433
(222)	Reclassification adjustments for hedging gains included in profit or loss		**(1,735)**	-
242	Share of other comprehensive income (losses) of associated companies		**1,889**	(2,495)
478	Share of other comprehensive income (losses) of joint ventures		**3,728**	(4,061)
1	Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	33 (c)	**4**	(12)
1,208			**9,419**	(14,159)
1,122	Other comprehensive income (losses), net of tax		**8,752**	(15,809)
4,995	**Total comprehensive income**		**38,961**	27,850
(959)	**Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities**		**(7,476)**	(5,774)
4,036	**Total comprehensive income attributable to ordinary shareholders**		**31,485**	22,076

See note 44.

Consolidated Statement of Financial Position

at 31 December 2023

2023 # US$ million		Note	2023 HK$ million	2022 HK$ million
	Non-current assets			
15,362	Fixed assets	12	**119,826**	112,650
7,846	Right-of-use assets	13	**61,198**	59,337
8,239	Telecommunications licences	14	**64,264**	60,689
10,692	Brand names and other rights	15	**83,396**	83,694
34,761	Goodwill	16	**271,136**	268,008
18,415	Associated companies	17	**143,638**	140,711
20,043	Interests in joint ventures	18	**156,337**	148,561
2,702	Deferred tax assets	19	**21,074**	18,509
2,024	Liquid funds and other listed investments	20	**15,786**	16,103
2,547	Other non-current assets	21	**19,862**	15,900
122,631			**956,517**	924,162
	Current assets			
16,323	Cash and cash equivalents	23	**127,323**	138,085
3,138	Inventories		**24,473**	23,283
6,486	Trade receivables and other current assets	24	**50,590**	56,811
25,947			**202,386**	218,179
-	Assets classified as held for sale	25	-	6,096
25,947			**202,386**	224,275
	Current liabilities			
7,477	Bank and other debts	26	**58,324**	70,130
534	Current tax liabilities		**4,166**	4,001
1,746	Lease liabilities	13	**13,616**	12,128
11,080	Trade payables and other current liabilities	27	**86,419**	89,129
20,837			**162,525**	175,388
-	Liabilities directly associated with assets classified as held for sale	25	-	1,127
20,837			**162,525**	176,515
5,110	Net current assets		**39,861**	47,760
127,741	Total assets less current liabilities		**996,378**	971,922
	Non-current liabilities			
27,384	Bank and other debts	26	**213,598**	214,196
416	Interest bearing loans from non-controlling shareholders	29	**3,245**	2,567
6,963	Lease liabilities	13	**54,307**	53,931
2,509	Deferred tax liabilities	19	**19,572**	19,290
453	Pension obligations	30	**3,536**	2,730
4,048	Other non-current liabilities	31	**31,571**	31,899
41,773			**325,829**	324,613
85,968	**Net assets**		**670,549**	647,309

See note 44.

Consolidated Statement of Financial Position

at 31 December 2023

2023 # **US$ million**		Note	**2023** **HK$ million**	2022 HK$ million
	Capital and reserves			
491	Share capital	32 (a)	**3,830**	3,830
31,150	Share premium	32 (a)	**242,972**	242,972
38,107	Reserves	33	**297,233**	276,711
69,748	Total ordinary shareholders' funds		**544,035**	523,513
585	Perpetual capital securities	32 (b)	**4,566**	4,561
15,635	Non-controlling interests		**121,948**	119,235
85,968	**Total equity**		**670,549**	647,309

See note 44.

Fok Kin Ning, Canning
Director

Frank John Sixt
Director

Consolidated Statement of Changes in Equity
for the year ended 31 December 2023

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

\# See note 44.
(a) See note 32(a) for details on share capital and share premium.
(b) See note 33 for details on reserves.

Consolidated Statement of Changes in Equity
for the year ended 31 December 2023

Total equity # US$ million		Share capital and share premium (a) HK$ million	Reserves (b) HK$ million	Total ordinary shareholders' funds HK$ million	Holders of perpetual capital securities HK$ million	Non-controlling interests HK$ million	Total equity HK$ million
		Attributable to					
		Ordinary shareholders					
82,596	At 1 January 2022	247,003	266,149	513,152	12,414	118,689	644,255
5,597	Profit for the year	-	36,680	36,680	263	6,716	43,659
	Other comprehensive income (losses)						
(192)	Changes in fair value of equity instruments at fair value through other comprehensive income	-	(1,493)	(1,493)	-	-	(1,493)
(47)	Changes in fair value of debt instruments at fair value through other comprehensive income	-	(367)	(367)	-	-	(367)
90	Remeasurement of defined benefit obligations	-	569	569	-	132	701
(2,061)	Exchange losses on translation of foreign operations	-	(14,538)	(14,538)	-	(1,540)	(16,078)
285	Exchange losses reclassified to profit or loss	-	2,090	2,090	-	130	2,220
282	Gains on cash flow hedges	-	2,127	2,127	-	74	2,201
568	Gains on net investment hedges	-	3,380	3,380	-	1,053	4,433
(331)	Share of other comprehensive income (losses) of associated companies	-	(2,576)	(2,576)	-	(2)	(2,578)
(587)	Share of other comprehensive income (losses) of joint ventures	-	(3,578)	(3,578)	-	(1,003)	(4,581)
(34)	Tax relating to components of other comprehensive income (losses)	-	(218)	(218)	-	(49)	(267)
(2,027)	Other comprehensive income (losses), net of tax	-	(14,604)	(14,604)	-	(1,205)	(15,809)
3,570	Total comprehensive income	-	22,076	22,076	263	5,511	27,850
(4)	Impact of hyperinflation	-	(23)	(23)	-	(6)	(29)
	Transactions with owners in their capacity as owners:						
(914)	Dividends paid relating to 2021	-	(7,132)	(7,132)	-	-	(7,132)
(412)	Dividends paid relating to 2022	-	(3,221)	(3,221)	-	-	(3,221)
(619)	Dividends paid to non-controlling interests	-	-	-	-	(4,826)	(4,826)
(41)	Distribution paid on perpetual capital securities	-	-	-	(316)	-	(316)
24	Equity contribution from non-controlling interests	-	-	-	-	191	191
(1,000)	Redemption of perpetual capital securities	-	-	-	(7,800)	-	(7,800)
(25)	Buy-back and cancellation of issued shares (see note 32(a)(ii))	(201)	4	(197)	-	-	(197)
(187)	Relating to purchase of non-controlling interests (c)	-	(1,133)	(1,133)	-	(333)	(1,466)
-	Relating to partial disposal of subsidiary companies	-	(9)	(9)	-	9	-
(3,178)		(201)	(11,514)	(11,715)	(8,116)	(4,965)	(24,796)
82,988	At 31 December 2022	246,802	276,711	523,513	4,561	119,235	647,309

\# See note 44.
(a) See note 32(a) for details on share capital and share premium.
(b) See note 33 for details on reserves.
(c) See note 33(b).

Consolidated Statement of Cash Flows

for the year ended 31 December 2023

2023 # US$ million		Note	2023 HK$ million	2022 HK$ million
	Operating activities			
	Cash generated from operating activities before interest expenses			
9,669	and other finance costs, tax paid and changes in working capital	34 (a)	**75,416**	73,897
(1,549)	Interest expenses and other finance costs paid (net of capitalisation)		**(12,083)**	(9,051)
(504)	Tax paid		**(3,931)**	(3,552)
7,616	**Funds from operations (before principal elements of lease payments)**		**59,402**	61,294
(1,022)	Changes in working capital	34 (b)	**(7,965)**	(4,580)
6,594	**Net cash from operating activities**		**51,437**	56,714
	Investing activities			
(2,778)	Purchase of fixed assets		**(21,670)**	(23,885)
(251)	Additions to telecommunications licences		**(1,956)**	(160)
(215)	Additions to brand names and other rights		**(1,675)**	(1,807)
(7)	Purchase of subsidiary companies, net of cash acquired	34 (c)	**(55)**	-
(9)	Additions to unlisted investments		**(74)**	(564)
363	Repayments of loans from associated companies and joint ventures		**2,829**	374
(105)	Purchase of and advances to associated companies and joint ventures		**(819)**	(3,464)
21	Proceeds from disposal of fixed assets		**168**	335
329	Proceeds from disposal of subsidiary companies, net of cash disposed	34 (d)	**2,563**	17,096
314	Proceeds from disposal of financial instruments		**2,451**	-
	Proceeds from partial disposal / disposal of associated companies			
94	and joint ventures		**734**	5,226
9	Proceeds from disposal of other unlisted investments		**74**	2,336
	Cash flows used in investing activities before additions to /			
(2,235)	disposal of liquid funds and other listed investments		**(17,430)**	(4,513)
268	Disposal of liquid funds and other listed investments		**2,088**	157
(9)	Additions to liquid funds and other listed investments		**(73)**	-
(1,976)	**Cash flows used in investing activities**		**(15,415)**	(4,356)
4,618	**Net cash inflow before financing activities**		**36,022**	52,358
	Financing activities			
7,463	New borrowings	34 (e)	**58,211**	37,147
(9,662)	Repayment of borrowings	34 (e)	**(75,361)**	(68,063)
(1,856)	Principal elements of lease payments	34 (e)	**(14,476)**	(14,307)
67	Net loans from non-controlling shareholders	34 (e)	**527**	2,118
	Issue of equity securities by subsidiary companies to non-controlling			
-	shareholders		**-**	85
-	Payments to acquire additional interests in subsidiary companies		**-**	(904)
8	Proceeds from partial disposal of subsidiary companies		**61**	-
-	Redemption of perpetual capital securities by a subsidiary		**-**	(7,800)
-	Payments for buy-back and cancellation of issued shares		**-**	(197)
(1,395)	Dividends paid to ordinary shareholders		**(10,885)**	(10,353)
(602)	Dividends paid to non-controlling interests		**(4,694)**	(4,816)
(21)	Distribution paid on perpetual capital securities		**(167)**	(316)
(5,998)	**Cash flows used in financing activities**		**(46,784)**	(67,406)
(1,380)	Decrease in cash and cash equivalents		**(10,762)**	(15,048)
17,703	Cash and cash equivalents at 1 January		**138,085**	153,133
16,323	**Cash and cash equivalents at 31 December**		**127,323**	138,085

See note 44.

Consolidated Statement of Cash Flows
for the year ended 31 December 2023

2023 # **US$ million**		Note	**2023** **HK$ million**	2022 HK$ million
	Analysis of cash, liquid funds and other listed investments			
16,323	Cash and cash equivalents, as above	23	**127,323**	138,085
2,024	Liquid funds and other listed investments	20	**15,786**	16,103
18,347	**Total cash, liquid funds and other listed investments**		**143,109**	154,188
35,089	Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	26	**273,694**	286,230
416	Interest bearing loans from non-controlling shareholders	29	**3,245**	2,567
17,158	**Net debt**		**133,830**	134,609
(416)	Interest bearing loans from non-controlling shareholders		**(3,245)**	(2,567)
16,742	**Net debt (excluding interest bearing loans from non-controlling shareholders)**		**130,585**	132,042

See note 44.

Notes to the Financial Statements

1 General information

CK Hutchison Holdings Limited (the “Company” or “CKHH”) is a company incorporated in the Cayman Islands with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) as at and for the year ended 31 December 2023 (the “Annual Financial Statements”) were authorised for issue by the Company’s board of directors on 21 March 2024.

The Chairman’s Statement, the Operations Review, the Group Capital Resources and Liquidity, and the Risk Factors, issued outside the Annual Financial Statements as part of the announcement of the Group’s results for the year ended 31 December 2023 and the Group’s 2023 Annual Report, include discussions of the performance of the Group’s businesses for the current year, the principal risk and uncertainties affecting the Group’s businesses, the important corporate transactions concluded since the end of the 2022 financial year, and the Group’s liquidity and financial profile.

2 Use of judgements, assumptions and estimates

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

In preparing the Annual Financial Statements, the Group has made accounting related estimates based on judgements and assumptions about current and, for some estimates, future economic and market conditions that the Group considers are relevant and reasonable. It is reasonably possible that actual achievements, results, performances or other future events or conditions could differ from those on which the estimates are based. This could result in materially different estimates, judgements and assumptions from those used for the purposes of the Annual Financial Statements. Hence, our accounting estimates, judgements and assumptions could change over time in response to how these events and conditions develop. Note 46 sets out further information on our significant accounting judgements, estimates and assumptions applied in preparing the Annual Financial Statements.

3 Basis of preparation

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

The Annual Financial Statements have been prepared on a historical cost basis, except that defined benefit plans plan assets, investment properties, certain financial assets and liabilities (including derivative instruments) are measured at fair values, and non-current assets and disposal group classified as held for sale are generally measured at the lower of carrying amount and fair value less cost to sell. In these financial statements, non-current assets classified as held for sale and assets of a disposal group classified as held for sale are presented separately from other assets in the consolidated statement of financial position. Liabilities directly associated with non-current assets classified as held for sale and liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

There were no new accounting standards or interpretations adopted during the year ended 31 December 2023 that had a significant effect on the Group in 2023. A summary of the amendments to HKFRS adopted by the Group in the current year and the Group’s material accounting policies are included in note 47.

4 Revenue

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

	2023 HK$ million	2022 HK$ million
Sale of goods	**161,147**	154,603
Revenue from services	**105,838**	102,726
Interest	**8,448**	5,049
Dividend income	**142**	119
	275,575	262,497

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

(i) By segments *

	Revenue from contracts with customers			**Revenue**	
	recognised at a point in time HK$ million	**recognised over time HK$ million**	**Subtotal HK$ million**	**from other sources HK$ million**	**2023 Total HK$ million**
Ports and Related Services	**-**	**30,794**	**30,794**	**160**	**30,954**
Retail	**133,624**	**48**	**133,672**	**-**	**133,672**
Infrastructure	**3,728**	**-**	**3,728**	**2,877**	**6,605**
Telecommunications					
CK Hutchison Group Telecom					
3 Group Europe	***12,652***	***67,558***	***80,210***	***12***	***80,222***
Hutchison Telecommunications Hong Kong Holdings	***1,364***	***3,532***	***4,896***	***-***	***4,896***
Corporate and Others	***26***	***444***	***470***	***1,095***	***1,565***
	14,042	**71,534**	**85,576**	**1,107**	**86,683**
Hutchison Asia Telecommunications	**-**	**945**	**945**	**-**	**945**
Finance & Investments and Others	**12,022**	**151**	**12,173**	**4,543**	**16,716**
	163,416	**103,472**	**266,888**	**8,687**	**275,575**

	Revenue from contracts with customers			Revenue	
	recognised at a point in time HK$ million	recognised over time HK$ million	Subtotal HK$ million	from other sources HK$ million	2022 Total HK$ million
Ports and Related Services	-	30,376	30,376	134	30,510
Retail	127,310	72	127,382	-	127,382
Infrastructure	3,964	4	3,968	2,853	6,821
Telecommunications					
CK Hutchison Group Telecom					
3 Group Europe	*12,402*	*65,502*	*77,904*	*10*	*77,914*
Hutchison Telecommunications Hong Kong Holdings	*1,604*	*3,278*	*4,882*	*-*	*4,882*
Corporate and Others	*10*	*107*	*117*	*253*	*370*
	14,016	68,887	82,903	263	83,166
Hutchison Asia Telecommunications	-	1,011	1,011	-	1,011
Finance & Investments and Others	11,425	177	11,602	2,005	13,607
	156,715	100,527	257,242	5,255	262,497

* See note 5 for operating segment information.

4 Revenue (continued)

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

(ii) By geographical locations *

	Revenue from contracts with customers			**Revenue**	
	recognised at a point in time HK$ million	**recognised over time HK$ million**	**Subtotal HK$ million**	**from other sources HK$ million**	**2023 Total HK$ million**
Hong Kong	**25,402**	**4,167**	**29,569**	**288**	**29,857**
Mainland China	**19,817**	**231**	**20,048**	**24**	**20,072**
The People's Republic of China	**45,219**	**4,398**	**49,617**	**312**	**49,929**
Europe	**72,857**	**80,145**	**153,002**	**1,707**	**154,709**
Canada	**-**	**-**	**-**	**229**	**229**
Asia, Australia and Others	**33,318**	**18,778**	**52,096**	**1,896**	**53,992**
	106,175	**98,923**	**205,098**	**3,832**	**208,930**
	151,394	**103,321**	**254,715**	**4,144**	**258,859**
Finance & Investments and Others	**12,022**	**151**	**12,173**	**4,543**	**16,716**
	163,416	**103,472**	**266,888**	**8,687**	**275,575**

	Revenue from contracts with customers			Revenue	
	recognised at a point in time HK$ million	recognised over time HK$ million	Subtotal HK$ million	from other sources HK$ million	2022 Total HK$ million
Hong Kong	28,831	3,760	32,591	89	32,680
Mainland China	21,278	366	21,644	32	21,676
The People's Republic of China	50,109	4,126	54,235	121	54,356
Europe	65,951	77,921	143,872	1,866	145,738
Canada	-	-	-	253	253
Asia, Australia and Others	29,230	18,303	47,533	1,010	48,543
	95,181	96,224	191,405	3,129	194,534
	145,290	100,350	245,640	3,250	248,890
Finance & Investments and Others	11,425	177	11,602	2,005	13,607
	156,715	100,527	257,242	5,255	262,497

* See note 5 for operating segment information.

4 Revenue (continued)

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

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

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

	2023 **HK$ million**	2022 HK$ million
Trade receivables, which are included in "Trade receivables and other current assets" (see note 24)	**16,297**	14,945
Trade receivables, which are included in "Assets classified as held for sale" (see note 25)	**-**	21
Contract assets (see notes 21 and 24)	**7,580**	6,314
Contract liabilities (see note 27)	**(5,948)**	(6,027)

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. In 2023, HK$653 million (2022: HK$998 million) was recognised in the consolidated income statement as provision for expected credit losses on trade receivables.

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. In 2023, HK$927 million (2022: HK$921 million) was recognised in the consolidated income statement as provision for expected credit losses on contract assets.

Contract liabilities primarily relate to the Group's unfulfilled performance obligations for which consideration has been received at the reporting date. On fulfilment of its obligations, the contract liability is recognised in revenue in the period when the performance obligations are fulfilled. HK$4,614 million (2022: HK$3,757 million) was recognised as revenue in 2023 that was included in the contract liability balance at the beginning of the year.

(d) Transaction price allocated to the remaining performance obligations

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

	2023 **HK$ million**	2022 HK$ million
Within one year	**15,384**	13,230
More than one year	**5,195**	8,555
	20,579	21,785

5 Operating segment information

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

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

Ports and Related Services:

This division is the world's leading port network, and has interests in 53 ports comprising 293 operational berths in 24 countries as at 31 December 2023. This division operates container terminals in five of the 10 busiest container ports in the world. The division comprises the Group's 80% interest in the Hutchison Ports group of companies and its 30.07% interest in the Hutchison Port Holdings Trust ("HPH Trust"). Results of HPH Trust are included in the segment results (under Ports and Related Services) based on the Group's effective shareholdings (net of non-controlling interests) in HPH Trust.

Retail:

The retail division consists of the A. S. Watson ("ASW") group of companies, the world's largest international health and beauty retailer with a 159 million loyalty member base. ASW operated 12 retail brands with 16,491 stores in 28 markets worldwide as at 31 December 2023.

Infrastructure:

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

Telecommunications:

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

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

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

Segment information sets out below is presented, except where indicated otherwise, on a Pre-HKFRS 16 basis together with reconciliations to the total under the Post-HKFRS 16 basis. Section (c) of this note includes reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics for the Group's consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flows for the current and comparative years, and the Group's consolidated statement of financial position as at 31 December 2023 and 31 December 2022.

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

5 Operating segment information (continued)

(b) Segment results, assets and liabilities

(i) An analysis of revenue by segments

	Revenue							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2023 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2022 Total HK$ million	%
Ports and Related Services	**30,954**	**9,897**	**40,851**	**9%**	30,510	13,631	44,141	10%
Retail	**133,672**	**49,672**	**183,344**	**40%**	127,382	42,263	169,645	37%
Infrastructure	**6,605**	**48,109**	**54,714**	**12%**	6,821	47,620	54,441	12%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***80,222***	***9***	***80,231***	***17%***	*77,914*	*11*	*77,925*	*17%*
Hutchison Telecommunications Hong Kong Holdings	***4,896***	***-***	***4,896***	***1%***	*4,882*	*-*	*4,882*	*1%*
Corporate and Others	***1,565***	***122***	***1,687***	***-***	*370*	*112*	*482*	*-*
	86,683	**131**	**86,814**	**18%**	83,166	123	83,289	18%
Hutchison Asia Telecommunications	**945**	**10,834**	**11,779**	**3%**	1,011	10,617	11,628	2%
Finance & Investments and Others	**16,716**	**67,340**	**84,056**	**18%**	13,607	80,478	94,085	21%
	275,575	**185,983**	**461,558**	**100%**	262,497	194,732	457,229	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**-**	**1,158**	**1,158**		-	1,269	1,269	
Divesture of infrastructure investments	**-**	**813**	**813**		-	884	884	
	275,575	**187,954**	**463,529**		262,497	196,885	459,382	
HKFRS 16 impact	**-**	**-**	**-**		-	-	-	
	275,575	**187,954**	**463,529**		262,497	196,885	459,382	

5 Operating segment information (continued)

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

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

(ii) An analysis of EBITDA by segments

	EBITDA (LBITDA) (xiv)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2023 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2022 Total HK$ million	%
Ports and Related Services	**10,104**	**3,524**	**13,628**	**13%**	9,387	6,418	15,805	13%
Retail	**11,335**	**4,891**	**16,226**	**15%**	10,287	4,022	14,309	12%
Infrastructure	**3,364**	**25,837**	**29,201**	**28%**	3,996	24,819	28,815	24%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***21,059***	***289***	***21,348***	***20%***	*23,864*	*-*	*23,864*	*20%*
Hutchison Telecommunications Hong Kong Holdings	***1,182***	***61***	***1,243***	***1%***	*998*	*60*	*1,058*	*1%*
Corporate and Others (xvii)	***(240)***	***(10)***	***(250)***	***-***	*7,280*	*(10)*	*7,270*	*6%*
	22,001	**340**	**22,341**	**21%**	32,142	50	32,192	27%
Hutchison Asia Telecommunications (xviii)	**70**	**3,882**	**3,952**	**4%**	5,044	4,376	9,420	8%
Finance & Investments and Others (xvi) (xix)	**5,561**	**13,971**	**19,532**	**19%**	1,942	16,527	18,469	16%
EBITDA	**52,435**	**52,445**	**104,880**	**100%**	62,798	56,212	119,010	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**-**	**780**	**780**		-	856	856	
EBITDA ^	**52,435** ^	**53,225** ^	**105,660** ^		62,798 ^	57,068 ^	119,866 ^	
Depreciation and amortisation	**(25,957)**	**(20,623)**	**(46,580)**		(25,736)	(20,682)	(46,418)	
Interest expenses and other finance costs	**(9,720)**	**(10,427)**	**(20,147)**		(6,818)	(8,042)	(14,860)	
Current tax	**(4,123)**	**(3,582)**	**(7,705)**		(5,438)	(3,983)	(9,421)	
Deferred tax credit (charge)	**1,083**	**(1,878)**	**(795)**		(2,721)	(3,949)	(6,670)	
Non-controlling interests	**(6,708)**	**(482)**	**(7,190)**		(7,020)	(608)	(7,628)	
	7,010	**16,233**	**23,243**		15,065	19,804	34,869	
HKFRS 16 impact								
EBITDA ^	**16,959** ^	**5,470** ^	**22,429** ^		18,731 ^	4,391 ^	23,122 ^	
Depreciation and amortisation	**(14,126)**	**(4,101)**	**(18,227)**		(14,052)	(3,673)	(17,725)	
Interest expenses and other finance costs	**(2,507)**	**(1,546)**	**(4,053)**		(2,234)	(1,304)	(3,538)	
Current tax	**4**	**-**	**4**		3	-	3	
Deferred tax	**33**	**72**	**105**		(118)	26	(92)	
Non-controlling interests	**(1)**	**-**	**(1)**		41	-	41	
	7,372	**16,128**	**23,500**		17,436	19,244	36,680	

^ Reconciliation to Post-HKFRS 16 basis EBITDA :						
Pre-HKFRS 16 basis EBITDA per above	**52,435**	**53,225**	**105,660**	62,798	57,068	119,866
HKFRS 16 impact per above	**16,959**	**5,470**	**22,429**	18,731	4,391	23,122
Post-HKFRS 16 basis EBITDA (see note 34(a)(i))	**69,394**	**58,695**	**128,089**	81,529	61,459	142,988

5 Operating segment information (continued)

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

(iii) An analysis of EBIT by segments

	EBIT (LBIT) (xv)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2023 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2022 Total HK$ million	%
Ports and Related Services	**7,261**	**2,067**	**9,328**	**16%**	6,492	4,934	11,426	16%
Retail	**8,785**	**4,103**	**12,888**	**22%**	7,662	3,386	11,048	15%
Infrastructure	**3,079**	**16,483**	**19,562**	**33%**	3,692	15,141	18,833	26%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe								
EBITDA before the following non-cash items:	**21,059**	**289**	**21,348**		23,864	-	23,864	
Depreciation	**(11,489)**	**(260)**	**(11,749)**		(11,289)	-	(11,289)	
Amortisation of licence fees, other rights, customer acquisition and retention costs	**(7,199)**	**-**	**(7,199)**		(7,011)	-	(7,011)	
EBIT - **3** Group Europe	**2,371**	**29**	**2,400**	**4%**	5,564	-	5,564	8%
Hutchison Telecommunications Hong Kong Holdings	**100**	**16**	**116**	**-**	(44)	14	(30)	-
Corporate and Others (xvii)	**(241)**	**(10)**	**(251)**	**-**	7,279	(10)	7,269	10%
	2,230	**35**	**2,265**	**4%**	12,799	4	12,803	18%
Hutchison Asia Telecommunications (xviii)	**(256)**	**1,868**	**1,612**	**3%**	4,662	2,083	6,745	9%
Finance & Investments and Others (xvi) (xix)	**5,379**	**7,534**	**12,913**	**22%**	1,755	10,254	12,009	16%
EBIT	**26,478**	**32,090**	**58,568**	**100%**	37,062	35,802	72,864	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**-**	**512**	**512**		-	584	584	
EBIT ^	**26,478** ^	**32,602** ^	**59,080** ^		37,062 ^	36,386 ^	73,448 ^	
Interest expenses and other finance costs	**(9,720)**	**(10,427)**	**(20,147)**		(6,818)	(8,042)	(14,860)	
Current tax	**(4,123)**	**(3,582)**	**(7,705)**		(5,438)	(3,983)	(9,421)	
Deferred tax credit (charge)	**1,083**	**(1,878)**	**(795)**		(2,721)	(3,949)	(6,670)	
Non-controlling interests	**(6,708)**	**(482)**	**(7,190)**		(7,020)	(608)	(7,628)	
	7,010	**16,233**	**23,243**		15,065	19,804	34,869	
HKFRS 16 impact								
EBIT ^	**2,833** ^	**1,369** ^	**4,202** ^		4,679 ^	718 ^	5,397 ^	
Interest expenses and other finance costs	**(2,507)**	**(1,546)**	**(4,053)**		(2,234)	(1,304)	(3,538)	
Current tax	**4**	**-**	**4**		3	-	3	
Deferred tax	**33**	**72**	**105**		(118)	26	(92)	
Non-controlling interests	**(1)**	**-**	**(1)**		41	-	41	
	7,372	**16,128**	**23,500**		17,436	19,244	36,680	
^ Reconciliation to Post-HKFRS 16 basis EBIT :								
Pre-HKFRS 16 basis EBIT per above	**26,478**	**32,602**	**59,080**		37,062	36,386	73,448	
HKFRS 16 impact per above	**2,833**	**1,369**	**4,202**		4,679	718	5,397	
Post-HKFRS 16 basis EBIT	**29,311**	**33,971**	**63,282**		41,741	37,104	78,845	

5 Operating segment information (continued)

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

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

	Depreciation and amortisation					
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2023 Total HK$ million**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2022 Total HK$ million
Ports and Related Services	**2,843**	**1,457**	**4,300**	2,895	1,484	4,379
Retail	**2,550**	**788**	**3,338**	2,625	636	3,261
Infrastructure	**285**	**9,354**	**9,639**	304	9,678	9,982
Telecommunications						
CK Hutchison Group Telecom						
3 Group Europe	***18,688***	***260***	***18,948***	*18,300*	-	*18,300*
Hutchison Telecommunications Hong Kong Holdings	***1,082***	***45***	***1,127***	*1,042*	*46*	*1,088*
Corporate and Others	***1***	**-**	***1***	*1*	-	*1*
	19,771	**305**	**20,076**	19,343	46	19,389
Hutchison Asia Telecommunications	**326**	**2,014**	**2,340**	382	2,293	2,675
Finance & Investments and Others	**182**	**6,437**	**6,619**	187	6,273	6,460
	25,957	**20,355**	**46,312**	25,736	20,410	46,146
Portion attributable to:						
Non-controlling interests of HPH Trust	**-**	**268**	**268**	-	272	272
	25,957	**20,623**	**46,580**	25,736	20,682	46,418
Divesture of infrastructure investments	**-**	**176**	**176**	-	143	143
	25,957	**20,799**	**46,756**	25,736	20,825	46,561
HKFRS 16 impact	**14,126**	**4,101**	**18,227**	14,052	3,673	17,725
	40,083	**24,900**	**64,983**	39,788	24,498	64,286

5 Operating segment information (continued)

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

(v) An analysis of capital expenditure by segments

	Capital expenditure [xxiii]							
	Fixed assets HK$ million	**Telecom-munications licences HK$ million**	**Brand names and other rights HK$ million**	**2023 Total HK$ million**	Fixed assets HK$ million	Telecom-munications licences HK$ million	Brand names and other rights HK$ million	2022 Total HK$ million
Ports and Related Services	**5,511**	**-**	**10**	**5,521**	3,801	-	-	3,801
Retail	**2,814**	**-**	**-**	**2,814**	2,387	-	-	2,387
Infrastructure	**320**	**-**	**2**	**322**	473	-	4	477
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***12,450***	***1,937***	***1,663***	***16,050***	*16,653*	-	*1,779*	*18,432*
Hutchison Telecommunications Hong Kong Holdings	***481***	***-***	***-***	***481***	*496*	*138*	-	*634*
Corporate and Others	***2***	***-***	***-***	***2***	-	-	*3*	*3*
	12,933	**1,937**	**1,663**	**16,533**	17,149	138	1,782	19,069
Hutchison Asia Telecommunications	**109**	**19**	**-**	**128**	313	22	14	349
Finance & Investments and Others	**192**	**-**	**-**	**192**	129	-	7	136
	21,879	**1,956**	**1,675**	**25,510**	24,252	160	1,807	26,219
HKFRS 16 impact	**(209)**	**-**	**-**	**(209)**	(367)	-	-	(367)
	21,670	**1,956**	**1,675**	**25,301**	23,885	160	1,807	25,852

5 Operating segment information (continued)

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

(vi) An analysis of total assets by segments

	Total assets								
	Segment assets [xxi] HK$ million	**Deferred tax assets HK$ million**	**Investments in associated companies and interests in joint ventures HK$ million**	**2023 Total assets HK$ million**	Segment assets [xxi] HK$ million	Deferred tax assets HK$ million	Assets classified as held for sale [xxiv] HK$ million	Investments in associated companies and interests in joint ventures HK$ million	2022 Total assets HK$ million
Ports and Related Services	**75,587**	**609**	**21,519**	**97,715**	72,263	352	-	23,200	95,815
Retail	**201,155**	**1,802**	**17,233**	**220,190**	198,358	1,471	-	15,630	215,459
Infrastructure	**59,577**	**2**	**171,277**	**230,856**	65,516	3	-	165,138	230,657
Telecommunications									
CK Hutchison Group Telecom									
3 Group Europe	*275,196*	*16,858*	*2,628*	*294,682*	*263,859*	*15,067*	*5,178*	*10*	*284,114*
Hutchison Telecommunications Hong Kong Holdings	*15,776*	*2*	*109*	*15,887*	*16,148*	*4*	*-*	*157*	*16,309*
Corporate and Others	*26,995*	*-*	*1*	*26,996*	*35,040*	*-*	*-*	*2*	*35,042*
	317,967	**16,860**	**2,738**	**337,565**	315,047	15,071	5,178	169	335,465
Hutchison Asia Telecommunications	**2,374**	**-**	**14,720**	**17,094**	2,668	-	-	15,395	18,063
Finance & Investments and Others	**129,494**	**64**	**74,404**	**203,962**	130,789	57	-	71,635	202,481
	786,154	**19,337**	**301,891**	**1,107,382**	784,641	16,954	5,178	291,167	1,097,940
HKFRS 16 impact	**51,700**	**1,737**	**(1,916)**	**51,521**	49,919	1,555	918	(1,895)	50,497
	837,854	**21,074**	**299,975**	**1,158,903**	834,560	18,509	6,096	289,272	1,148,437

(vii) An analysis of total liabilities by segments

	Total liabilities								
	Segment liabilities [xxi] HK$ million	**Current & non-current borrowings [xxii] and other non-current liabilities HK$ million**	**Current & deferred tax liabilities HK$ million**	**2023 Total liabilities HK$ million**	Segment liabilities [xxi] HK$ million	Current & non-current borrowings [xxii] and other non-current liabilities HK$ million	Liabilities directly associated with assets classified as held for sale [xxiv] HK$ million	Current & deferred tax liabilities HK$ million	2022 Total liabilities HK$ million
Ports and Related Services	**11,591**	**14,867**	**4,535**	**30,993**	10,948	14,604	-	4,696	30,248
Retail	**27,748**	**7,056**	**10,900**	**45,704**	24,598	10,531	-	10,619	45,748
Infrastructure	**7,236**	**24,551**	**615**	**32,402**	7,338	28,416	-	556	36,310
Telecommunications									
CK Hutchison Group Telecom									
3 Group Europe	*32,856*	*16,319*	*3,935*	*53,110*	*37,008*	*14,989*	*207*	*3,393*	*55,597*
Hutchison Telecommunications Hong Kong Holdings	*1,835*	*2,249*	*123*	*4,207*	*1,808*	*2,371*	*-*	*50*	*4,229*
Corporate and Others	*1,105*	*44,428*	*26*	*45,559*	*777*	*50,923*	*-*	*11*	*51,711*
	35,796	**62,996**	**4,084**	**102,876**	39,593	68,283	207	3,454	111,537
Hutchison Asia Telecommunications	**767**	**3,492**	**1**	**4,260**	939	533	-	1	1,473
Finance & Investments and Others	**7,875**	**195,001**	**4,461**	**207,337**	9,721	197,490	-	4,859	212,070
	91,013	**307,963**	**24,596**	**423,572**	93,137	319,857	207	24,185	437,386
HKFRS 16 impact	**66,865**	**(1,225)**	**(858)**	**64,782**	64,781	(1,065)	920	(894)	63,742
	157,878	**306,738**	**23,738**	**488,354**	157,918	318,792	1,127	23,291	501,128

5 Operating segment information (continued)

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

(viii) An analysis of revenue by geographical locations

	Revenue (xx)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2023 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2022 Total HK$ million	%
Hong Kong	**29,857**	**4,554**	**34,411**	**8%**	32,680	4,646	37,326	8%
Mainland China	**20,072**	**7,264**	**27,336**	**6%**	21,676	11,013	32,689	7%
The People's Republic of China	**49,929**	**11,818**	**61,747**	**14%**	54,356	15,659	70,015	15%
Europe	**154,709**	**76,970**	**231,679**	**50%**	145,738	69,150	214,888	47%
Canada	**229**	**3,633**	**3,862**	**1%**	253	3,554	3,807	1%
Asia, Australia and Others	**53,992**	**26,222**	**80,214**	**17%**	48,543	25,891	74,434	16%
	208,930	**106,825**	**315,755**	**68%**	194,534	98,595	293,129	64%
	258,859	**118,643**	**377,502**	**82%**	248,890	114,254	363,144	79%
Finance & Investments and Others	**16,716**	**67,340**	**84,056**	**18%**	13,607	80,478	94,085	21%
	275,575	**185,983**	**461,558** **	**100%**	262,497	194,732	457,229 **	100%

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

(ix) An analysis of EBITDA by geographical locations

	EBITDA (LBITDA) (xiv)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2023 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2022 Total HK$ million	%
Hong Kong	**1,146**	**1,686**	**2,832**	**3%**	1,414	1,943	3,357	3%
Mainland China	**1,484**	**2,222**	**3,706**	**4%**	1,143	4,777	5,920	5%
The People's Republic of China	**2,630**	**3,908**	**6,538**	**7%**	2,557	6,720	9,277	8%
Europe	**31,511**	**20,612**	**52,123**	**49%**	42,378	18,427	60,805	51%
Canada	**230**	**1,978**	**2,208**	**2%**	246	1,795	2,041	1%
Asia, Australia and Others	**12,503**	**11,976**	**24,479**	**23%**	15,675	12,743	28,418	24%
	44,244	**34,566**	**78,810**	**74%**	58,299	32,965	91,264	76%
	46,874	**38,474**	**85,348**	**81%**	60,856	39,685	100,541	84%
Finance & Investments and Others (xvi) (xix)	**5,561**	**13,971**	**19,532**	**19%**	1,942	16,527	18,469	16%
	52,435	**52,445**	**104,880** ##	**100%**	62,798	56,212	119,010 ##	100%

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

5 Operating segment information (continued)

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

(x) An analysis of EBIT by geographical locations

	EBIT (LBIT) (xv)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2023 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2022 Total HK$ million	%
Hong Kong	**(378)**	**741**	**363**	**1%**	(50)	982	932	1%
Mainland China	**632**	**1,460**	**2,092**	**3%**	137	3,997	4,134	6%
The People's Republic of China	**254**	**2,201**	**2,455**	**4%**	87	4,979	5,066	7%
Europe	**10,865**	**14,376**	**25,241**	**43%**	22,127	12,139	34,266	47%
Canada	**229**	**1,308**	**1,537**	**3%**	246	1,129	1,375	2%
Asia, Australia and Others	**9,751**	**6,671**	**16,422**	**28%**	12,847	7,301	20,148	28%
	20,845	**22,355**	**43,200**	**74%**	35,220	20,569	55,789	77%
	21,099	**24,556**	**45,655**	**78%**	35,307	25,548	60,855	84%
Finance & Investments and Others (xvi) (xix)	**5,379**	**7,534**	**12,913**	**22%**	1,755	10,254	12,009	16%
	26,478	**32,090**	**58,568** @@	**100%**	37,062	35,802	72,864 @@	100%

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

5 Operating segment information (continued)

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

(xi) An analysis of capital expenditure by geographical locations

	Capital expenditure (xxiii)							
	Fixed assets HK$ million	**Telecom- munications licences HK$ million**	**Brand names and other rights HK$ million**	**2023 Total HK$ million**	Fixed assets HK$ million	Telecom- munications licences HK$ million	Brand names and other rights HK$ million	2022 Total HK$ million
Hong Kong	**1,389**	**-**	**-**	**1,389**	1,332	138	-	1,470
Mainland China	**658**	**-**	**-**	**658**	410	-	-	410
The People's Republic of China	**2,047**	**-**	**-**	**2,047**	1,742	138	-	1,880
Europe	**14,799**	**1,088**	**1,663**	**17,550**	18,358	-	1,782	20,140
Asia, Australia and Others	**4,841**	**868**	**12**	**5,721**	4,023	22	18	4,063
	19,640	**1,956**	**1,675**	**23,271**	22,381	22	1,800	24,203
	21,687	**1,956**	**1,675**	**25,318**	24,123	160	1,800	26,083
Finance & Investments and Others	**192**	**-**	**-**	**192**	129	-	7	136
	21,879	**1,956**	**1,675**	**25,510**	24,252	160	1,807	26,219
HKFRS 16 impact	**(209)**	**-**	**-**	**(209)**	(367)	-	-	(367)
	21,670	**1,956**	**1,675**	**25,301**	23,885	160	1,807	25,852

(xii) An analysis of total assets by geographical locations

	Total assets								
	Segment assets (xxi) HK$ million	**Deferred tax assets HK$ million**	**Investments in associated companies and interests in joint ventures HK$ million**	**2023 Total assets HK$ million**	Segment assets (xxi) HK$ million	Deferred tax assets HK$ million	Assets classified as held for sale (xxiv) HK$ million	Investments in associated companies and interests in joint ventures HK$ million	2022 Total assets HK$ million
Hong Kong	**48,060**	**161**	**10,656**	**58,877**	52,253	79	-	10,708	63,040
Mainland China	**33,223**	**688**	**15,184**	**49,095**	37,850	765	-	17,209	55,824
The People's Republic of China	**81,283**	**849**	**25,840**	**107,972**	90,103	844	-	27,917	118,864
Europe	**444,041**	**17,614**	**117,538**	**579,193**	420,785	15,512	5,178	106,525	548,000
Canada	**4,333**	**2**	**12,329**	**16,664**	4,169	3	-	12,238	16,410
Asia, Australia and Others	**127,003**	**808**	**71,780**	**199,591**	138,795	538	-	72,852	212,185
	575,377	**18,424**	**201,647**	**795,448**	563,749	16,053	5,178	191,615	776,595
	656,660	**19,273**	**227,487**	**903,420**	653,852	16,897	5,178	219,532	895,459
Finance & Investments and Others	**129,494**	**64**	**74,404**	**203,962**	130,789	57	-	71,635	202,481
	786,154	**19,337**	**301,891**	**1,107,382**	784,641	16,954	5,178	291,167	1,097,940
HKFRS 16 impact	**51,700**	**1,737**	**(1,916)**	**51,521**	49,919	1,555	918	(1,895)	50,497
	837,854	**21,074**	**299,975**	**1,158,903**	834,560	18,509	6,096	289,272	1,148,437

5 Operating segment information (continued)

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

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

The Group's EBITDA and EBIT for the comparative year ended 31 December 2022 included the gains attributable to shareholders from the disposal of interests in the Group's telecommunications tower assets in the United Kingdom (the "UK") that completed in November 2022 of HK$18,957 million (see note 5(b)(xvii)) and the Group's telecommunications business in Indonesia in January 2022 of HK$6,100 million (see note 5(b)(xviii)). These gains were partly offset by impairment of Wind Tre S.p.A.'s ("Wind Tre") goodwill of HK$11,039 million (see note 5(b)(xvii)), the impairment charge against the assets of the Group's telecommunications business in Sri Lanka of HK$962 million (see note 5(b)(xviii)) and the Group's share of Cenovus Energy's impairment charges, before tax, of HK$253 million (see note 5(b)(xix)).

An analysis of EBITDA by segments

	EBITDA (LBITDA) (xiv)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2023 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2022 Total HK$ million	%
EBITDA before the following one-off items								
Ports and Related Services	**10,104**	**3,524**	**13,628**	**13%**	9,387	6,418	15,805	15%
Retail	**11,335**	**4,891**	**16,226**	**15%**	10,287	4,022	14,309	13%
Infrastructure	**3,364**	**25,837**	**29,201**	**28%**	3,996	24,819	28,815	27%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***21,059***	***289***	***21,348***	***20%***	*23,864*	-	*23,864*	*23%*
Hutchison Telecommunications Hong Kong Holdings	***1,182***	***61***	***1,243***	***1%***	*998*	*60*	*1,058*	*1%*
Corporate and Others	***(240)***	***(10)***	***(250)***	**-**	*(638)*	(10)	*(648)*	*-1%*
	22,001	**340**	**22,341**	**21%**	24,224	50	24,274	23%
Hutchison Asia Telecommunications	**70**	**3,882**	**3,952**	**4%**	(94)	4,376	4,282	4%
Finance & Investments and Others (xvi)	**5,561**	**13,971**	**19,532**	**19%**	1,942	16,780	18,722	18%
	52,435	**52,445**	**104,880**	**100%**	49,742	56,465	106,207	100%
One-off items								
Gains from disposal of European telecommunications tower assets (xvii)	**-**	**-**	**-**		18,957	-	18,957	
Gains from disposal of telecommunications business in Indonesia (xviii)	**-**	**-**	**-**		6,100	-	6,100	
Impairment of telecommunications business in Sri Lanka (xviii)	**-**	**-**	**-**		(962)	-	(962)	
Impairment of Wind Tre's goodwill (xvii)	**-**	**-**	**-**		(11,039)	-	(11,039)	
Share of Cenovus Energy's impairment charges (xix)	**-**	**-**	**-**		-	(253)	(253)	
	52,435	**52,445**	**104,880**	##	62,798	56,212	119,010	##

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

5 Operating segment information (continued)

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

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

An analysis of EBITDA by geographical locations

	EBITDA (LBITDA) (xiv)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2023 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2022 Total HK$ million	%
EBITDA before the following one-off items								
Hong Kong	**1,146**	**1,686**	**2,832**	**3%**	1,414	1,943	3,357	3%
Mainland China	**1,484**	**2,222**	**3,706**	**4%**	1,143	4,777	5,920	6%
The People's Republic of China	**2,630**	**3,908**	**6,538**	**7%**	2,557	6,720	9,277	9%
Europe	**31,511**	**20,612**	**52,123**	**49%**	34,460	18,427	52,887	49%
Canada	**230**	**1,978**	**2,208**	**2%**	246	1,795	2,041	2%
Asia, Australia and Others	**12,503**	**11,976**	**24,479**	**23%**	10,537	12,743	23,280	22%
	44,244	**34,566**	**78,810**	**74%**	45,243	32,965	78,208	73%
	46,874	**38,474**	**85,348**	**81%**	47,800	39,685	87,485	82%
Finance & Investments and Others (xvi)	**5,561**	**13,971**	**19,532**	**19%**	1,942	16,780	18,722	18%
	52,435	**52,445**	**104,880**	**100%**	49,742	56,465	106,207	100%
One-off items								
Gains from disposal of European telecommunications tower assets (xvii)	**-**	**-**	**-**		18,957	-	18,957	
Gains from disposal of telecommunications business in Indonesia (xviii)	**-**	**-**	**-**		6,100	-	6,100	
Impairment of telecommunications business in Sri Lanka (xviii)	**-**	**-**	**-**		(962)	-	(962)	
Impairment of Wind Tre's goodwill (xvii)	**-**	**-**	**-**		(11,039)	-	(11,039)	
Share of Cenovus Energy's impairment charges (xix)	**-**	**-**	**-**		-	(253)	(253)	
	52,435	**52,445**	**104,880** ##		62,798	56,212	119,010 ##	

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

5 Operating segment information (continued)

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

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

An analysis of EBIT by segments

	EBIT (LBIT) [xv]							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2023 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2022 Total HK$ million	%
EBIT before the following one-off items								
Ports and Related Services	**7,261**	**2,067**	**9,328**	**16%**	6,492	4,934	11,426	19%
Retail	**8,785**	**4,103**	**12,888**	**22%**	7,662	3,386	11,048	18%
Infrastructure	**3,079**	**16,483**	**19,562**	**33%**	3,692	15,141	18,833	32%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***2,371***	***29***	***2,400***	***4%***	*5,564*	-	*5,564*	*9%*
Hutchison Telecommunications Hong Kong Holdings	***100***	***16***	***116***	**-**	*(44)*	*14*	*(30)*	-
Corporate and Others	***(241)***	***(10)***	***(251)***	**-**	*(639)*	(10)	*(649)*	*-1%*
	2,230	**35**	**2,265**	**4%**	4,881	4	4,885	8%
Hutchison Asia Telecommunications	**(256)**	**1,868**	**1,612**	**3%**	(476)	2,083	1,607	3%
Finance & Investments and Others [xvi]	**5,379**	**7,534**	**12,913**	**22%**	1,755	10,507	12,262	20%
	26,478	**32,090**	**58,568**	**100%**	24,006	36,055	60,061	100%
One-off items								
Gains from disposal of European telecommunications tower assets [xvii]	**-**	**-**	**-**		18,957	-	18,957	
Gains from disposal of telecommunications business in Indonesia [xviii]	**-**	**-**	**-**		6,100	-	6,100	
Impairment of telecommunications business in Sri Lanka [xviii]	**-**	**-**	**-**		(962)	-	(962)	
Impairment of Wind Tre's goodwill [xvii]	**-**	**-**	**-**		(11,039)	-	(11,039)	
Share of Cenovus Energy's impairment charges [xix]	**-**	**-**	**-**		-	(253)	(253)	
	26,478	**32,090**	**58,568** @@		37,062	35,802	72,864 @@	

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

5 Operating segment information (continued)

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

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

An analysis of EBIT by geographical locations

	EBIT (LBIT) (xv)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2023 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2022 Total HK$ million	%
EBIT before the following one-off items								
Hong Kong	**(378)**	**741**	**363**	**1%**	(50)	982	932	2%
Mainland China	**632**	**1,460**	**2,092**	**3%**	137	3,997	4,134	7%
The People's Republic of China	**254**	**2,201**	**2,455**	**4%**	87	4,979	5,066	9%
Europe	**10,865**	**14,376**	**25,241**	**43%**	14,209	12,139	26,348	44%
Canada	**229**	**1,308**	**1,537**	**3%**	246	1,129	1,375	2%
Asia, Australia and Others	**9,751**	**6,671**	**16,422**	**28%**	7,709	7,301	15,010	25%
	20,845	**22,355**	**43,200**	**74%**	22,164	20,569	42,733	71%
	21,099	**24,556**	**45,655**	**78%**	22,251	25,548	47,799	80%
Finance & Investments and Others (xvi)	**5,379**	**7,534**	**12,913**	**22%**	1,755	10,507	12,262	20%
	26,478	**32,090**	**58,568**	**100%**	24,006	36,055	60,061	100%
One-off items								
Gains from disposal of European telecommunications tower assets (xvii)	**-**	**-**	**-**		18,957	-	18,957	
Gains from disposal of telecommunications business in Indonesia (xviii)	**-**	**-**	**-**		6,100	-	6,100	
Impairment of telecommunications business in Sri Lanka (xviii)	**-**	**-**	**-**		(962)	-	(962)	
Impairment of Wind Tre's goodwill (xvii)	**-**	**-**	**-**		(11,039)	-	(11,039)	
Share of Cenovus Energy's impairment charges (xix)	**-**	**-**	**-**		-	(253)	(253)	
	26,478	**32,090**	**58,568** @@		37,062	35,802	72,864 @@	

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

5 Operating segment information (continued)

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

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

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

(xvi) On 14 June 2023, the Group entered into a warrant repurchase agreement with Cenovus Energy, under which the Group sold 26.3 million Cenovus Energy share warrants to Cenovus Energy for a total consideration of approximately C$410 million. Before their disposal, these share warrants, as hedging instrument in a cash flow hedge, were measured at fair value through other comprehensive income and reported under "Finance & Investments and Others" in the segment information note and under other non-current assets in the consolidated statement of financial position. The disposal has resulted in a gain (after reclassification adjustments of hedging gains to profit or loss) of approximately HK$1,829 million (HK$1,829 million at Post-HKFRS 16 basis), see note 7(f). This gain is reported under "Finance & Investments and Others" in the segment results and under "Other income and gains" in the consolidated income statement.

(xvii) Included in the comparative year balance are a gain of HK$18,957 million (HK$19,060 million at Post-HKFRS 16 basis, see note 7(g)) arising from the disposal of interests in telecommunications tower assets in the UK completed in November 2022 and an impairment charge of HK$11,039 million (HK$11,039 million at Post-HKFRS 16 basis, see note 7(c)) against Wind Tre's goodwill. Both amounts are at EBITDA and EBIT levels and are reported under "Telecommunications: CK Hutchison Group Telecom - Corporate and Others" in the segment results. In the consolidated income statement, both amounts are reported under the Post-HKFRS 16 basis, the disposal gain of HK$19,060 million is reported in "Other income and gains" and the impairment charge of HK$11,039 million is reported in "Other expenses and losses".

(xviii) Included in the comparative year balance are a disposal gain of HK$6,100 million (HK$7,245 million at Post-HKFRS 16 basis, see note 7(g)) arising from the completion of the merger of the Group's telecommunications business in Indonesia with PT Indosat Tbk and an impairment charge of HK$962 million (HK$1,000 million at Post-HKFRS 16 basis, see note 7(c)) against goodwill, telecommunications licences, tangible and other assets of the Group's telecommunications business in Sri Lanka. Both amounts are at EBITDA and EBIT levels and are reported under "Telecommunications: Hutchison Asia Telecommunications" in the segment results. In the consolidated income statement, both amounts are reported under the Post-HKFRS 16 basis, the disposal gain of HK$7,245 million is reported in "Other income and gains" and the impairment charge of HK$1,000 million is reported in "Other expenses and losses".

5 Operating segment information (continued)

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

(xix) Included in the comparative year balance is the Group's share of Cenovus Energy's non-cash impairment charges, before tax, of HK$253 million (HK$253 million at Post-HKFRS 16 basis) on certain refinery assets. The Group’s share of this charge is HK$253 million (HK$253 million at Post-HKFRS 16 basis) at the EBITDA and EBIT levels, and is reported under “Finance & Investments and Others” in the segment results. In the consolidated income statements, the Group’s share of this charge (after tax) is HK$193 million (HK$193 million at Post-HKFRS 16 basis) and is included in “Share of profits less losses of associated companies”.

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

(xxi) Segment assets and segment liabilities

Segment assets are assets other than deferred tax assets, assets classified as held for sale, and investments in associated companies and interests in joint ventures.

Segment liabilities are liabilities other than bank and other debts, interest bearing loans from non-controlling shareholders, tax liabilities (including deferred tax liabilities), liabilities directly associated with assets classified as held for sale and other non-current liabilities.

The specified non-current assets are non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets. The geographical location of the specified non-current assets is based on the physical location of the asset (for fixed assets, right-of-use assets and other operating assets), the location of the operation in which they are allocated (for assets classified as held for sale, intangible assets and goodwill), and the location of operations (for associated companies and interests in joint ventures).

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

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

	2023 HK$ million	2022 HK$ million
Hong Kong	**72,857**	76,195
Mainland China	**57,362**	63,398
The People’s Republic of China	**130,219**	139,593
Europe	**523,476**	487,612
Canada	**62,643**	59,262
Asia, Australia and Others	**197,955**	193,888
	784,074	740,762
	914,293	880,355

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

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

(xxiv) See note 25.

5 Operating segment information (continued)

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

(i) Consolidated Income Statement

	2023			2022		
	Pre-HKFRS 16 basis HK$ million	**Effect on adoption of HKFRS 16 HK$ million**	**Post-HKFRS 16 basis HK$ million**	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million
Revenue	**275,575**	**-**	**275,575**	262,497	-	262,497
Cost of inventories sold	**(105,771)**	**32**	**(105,739)**	(101,766)	42	(101,724)
Staff costs	**(39,226)**	**-**	**(39,226)**	(37,170)	-	(37,170)
Expensed customer acquisition and retention costs	**(15,577)**	**389**	**(15,188)**	(14,927)	400	(14,527)
Depreciation and amortisation	**(25,957)**	**(14,126)**	**(40,083)**	(25,736)	(14,052)	(39,788)
Other expenses and losses	**(64,633)**	**16,538**	**(48,095)**	(72,767)	17,040	(55,727)
Other income and gains	**2,067**	**-**	**2,067**	26,931	1,249	28,180
Share of profits less losses of:						
Associated companies	**8,215**	**(77)**	**8,138**	12,282	(460)	11,822
Joint ventures	**8,018**	**(28)**	**7,990**	7,522	(100)	7,422
	42,711	**2,728**	**45,439**	56,866	4,119	60,985
Interest expenses and other finance costs	**(9,720)**	**(2,507)**	**(12,227)**	(6,818)	(2,234)	(9,052)
Profit before tax	**32,991**	**221**	**33,212**	50,048	1,885	51,933
Current tax	**(4,123)**	**4**	**(4,119)**	(5,438)	3	(5,435)
Deferred tax credit (charge)	**1,083**	**33**	**1,116**	(2,721)	(118)	(2,839)
Profit after tax	**29,951**	**258**	**30,209**	41,889	1,770	43,659
Profit attributable to non-controlling interests and holders of perpetual capital securities	**(6,708)**	**(1)**	**(6,709)**	(7,020)	41	(6,979)
Profit attributable to ordinary shareholders	**23,243**	**257**	**23,500**	34,869	1,811	36,680
Earnings per share for profit attributable to ordinary shareholders	**HK$ 6.07**	**HK$ 0.07**	**HK$ 6.14**	HK$ 9.09	HK$ 0.48	HK$ 9.57

5 Operating segment information (continued)

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

(ii) Consolidated Statement of Comprehensive Income

	2023			2022		
	Pre-HKFRS 16 basis HK$ million	**Effect on adoption of HKFRS 16 HK$ million**	**Post-HKFRS 16 basis HK$ million**	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million
Profit after tax	**29,951**	**258**	**30,209**	41,889	1,770	43,659
Other comprehensive income (losses)						
Items that will not be reclassified to profit or loss						
Changes in fair value of equity instruments at fair value through other comprehensive income	**718**	**-**	**718**	(1,493)	-	(1,493)
Remeasurement of defined benefit obligations	**(1,470)**	**-**	**(1,470)**	701	-	701
Share of other comprehensive income (losses) of associated companies	**(560)**	**-**	**(560)**	(83)	-	(83)
Share of other comprehensive income (losses) of joint ventures	**269**	**-**	**269**	(520)	-	(520)
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	**376**	**-**	**376**	(255)	-	(255)
	(667)	**-**	**(667)**	(1,650)	-	(1,650)
Items that may be reclassified to profit or loss						
Changes in fair value of debt instruments at fair value through other comprehensive income	**120**	**-**	**120**	(367)	-	(367)
Exchange gains (losses) on translation of foreign operations	**8,100**	**(329)**	**7,771**	(16,578)	500	(16,078)
Exchange losses reclassified to profit or loss	**344**	**(2)**	**342**	2,213	7	2,220
Gains (losses) on cash flow hedges	**(1,059)**	**-**	**(1,059)**	2,201	-	2,201
Gains (losses) on net investment hedges	**(1,641)**	**-**	**(1,641)**	4,433	-	4,433
Reclassification adjustments for hedging gains included in profit or loss	**(1,735)**	**-**	**(1,735)**	-	-	-
Share of other comprehensive income (losses) of associated companies	**1,812**	**77**	**1,889**	(2,526)	31	(2,495)
Share of other comprehensive income (losses) of joint ventures	**3,748**	**(20)**	**3,728**	(4,103)	42	(4,061)
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	**4**	**-**	**4**	(12)	-	(12)
	9,693	**(274)**	**9,419**	(14,739)	580	(14,159)
Other comprehensive income (losses), net of tax	**9,026**	**(274)**	**8,752**	(16,389)	580	(15,809)
Total comprehensive income	**38,977**	**(16)**	**38,961**	25,500	2,350	27,850
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	**(7,560)**	**84**	**(7,476)**	(5,614)	(160)	(5,774)
Total comprehensive income attributable to ordinary shareholders	**31,417**	**68**	**31,485**	19,886	2,190	22,076

5 Operating segment information (continued)

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

(iii) Consolidated Statement of Financial Position

	2023			2022		
	Pre-HKFRS 16 basis HK$ million	**Effect on adoption of HKFRS 16 HK$ million**	**Post-HKFRS 16 basis HK$ million**	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million
Non-current assets						
Fixed assets	**121,957**	**(2,131)**	**119,826**	114,564	(1,914)	112,650
Right-of-use assets	**-**	**61,198**	**61,198**	-	59,337	59,337
Leasehold land	**5,958**	**(5,958)**	**-**	6,129	(6,129)	-
Telecommunications licences	**64,264**	**-**	**64,264**	60,689	-	60,689
Brand names and other rights	**83,396**	**-**	**83,396**	83,694	-	83,694
Goodwill	**271,136**	**-**	**271,136**	268,008	-	268,008
Associated companies	**144,375**	**(737)**	**143,638**	141,475	(764)	140,711
Interests in joint ventures	**157,516**	**(1,179)**	**156,337**	149,692	(1,131)	148,561
Deferred tax assets	**19,337**	**1,737**	**21,074**	16,954	1,555	18,509
Liquid funds and other listed investments	**15,786**	**-**	**15,786**	16,103	-	16,103
Other non-current assets	**19,356**	**506**	**19,862**	15,358	542	15,900
	903,081	**53,436**	**956,517**	872,666	51,496	924,162
Current assets						
Cash and cash equivalents	**127,323**	**-**	**127,323**	138,085	-	138,085
Inventories	**24,473**	**-**	**24,473**	23,283	-	23,283
Trade receivables and other current assets	**52,505**	**(1,915)**	**50,590**	58,728	(1,917)	56,811
	204,301	**(1,915)**	**202,386**	220,096	(1,917)	218,179
Assets classified as held for sale	**-**	**-**	**-**	5,178	918	6,096
	204,301	**(1,915)**	**202,386**	225,274	(999)	224,275
Current liabilities						
Bank and other debts	**58,785**	**(461)**	**58,324**	70,430	(300)	70,130
Current tax liabilities	**4,215**	**(49)**	**4,166**	4,040	(39)	4,001
Lease liabilities	**-**	**13,616**	**13,616**	-	12,128	12,128
Trade payables and other current liabilities	**87,477**	**(1,058)**	**86,419**	90,407	(1,278)	89,129
	150,477	**12,048**	**162,525**	164,877	10,511	175,388
Liabilities directly associated with assets classified as held for sale	**-**	**-**	**-**	207	920	1,127
	150,477	**12,048**	**162,525**	165,084	11,431	176,515
Net current assets	**53,824**	**(13,963)**	**39,861**	60,190	(12,430)	47,760
Total assets less current liabilities	**956,905**	**39,473**	**996,378**	932,856	39,066	971,922
Non-current liabilities						
Bank and other debts	**214,362**	**(764)**	**213,598**	214,963	(767)	214,196
Interest bearing loans from non-controlling shareholders	**3,245**	**-**	**3,245**	2,567	-	2,567
Lease liabilities	**-**	**54,307**	**54,307**	-	53,931	53,931
Deferred tax liabilities	**20,381**	**(809)**	**19,572**	20,145	(855)	19,290
Pension obligations	**3,536**	**-**	**3,536**	2,730	-	2,730
Other non-current liabilities	**31,571**	**-**	**31,571**	31,897	2	31,899
	273,095	**52,734**	**325,829**	272,302	52,311	324,613
Net assets	**683,810**	**(13,261)**	**670,549**	660,554	(13,245)	647,309
Capital and reserves						
Share capital	**3,830**	**-**	**3,830**	3,830	-	3,830
Share premium	**242,972**	**-**	**242,972**	242,972	-	242,972
Reserves	**306,629**	**(9,396)**	**297,233**	286,167	(9,456)	276,711
Total ordinary shareholders' funds	**553,431**	**(9,396)**	**544,035**	532,969	(9,456)	523,513
Perpetual capital securities	**4,566**	**-**	**4,566**	4,561	-	4,561
Non-controlling interests	**125,813**	**(3,865)**	**121,948**	123,024	(3,789)	119,235
Total equity	**683,810**	**(13,261)**	**670,549**	660,554	(13,245)	647,309

5 Operating segment information (continued)

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

(iv) Consolidated Statement of Cash Flows

	2023			2022		
	Pre-HKFRS 16 basis HK$ million	**Effect on adoption of HKFRS 16 HK$ million**	**Post-HKFRS 16 basis HK$ million**	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million
	(A)		**(B)**	(A)		(B)
Operating activities						
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	**58,574**	**16,842**	**75,416**	57,409	16,488	73,897
Interest expenses and other finance costs paid (net of capitalisation)	**(9,576)**	**(2,507)**	**(12,083)**	(6,817)	(2,234)	(9,051)
Tax paid	**(3,931)**	**-**	**(3,931)**	(3,552)	-	(3,552)
Funds from operations (Funds from operations under (B) is before principal elements of lease payments)	**45,067**	**14,335**	**59,402**	47,040	14,254	61,294
Changes in working capital	**(7,909)**	**(56)**	**(7,965)**	(4,454)	(126)	(4,580)
Net cash from operating activities	**37,158**	**14,279**	**51,437**	42,586	14,128	56,714
Investing activities						
Purchase of fixed assets	**(21,879)**	**209**	**(21,670)**	(24,252)	367	(23,885)
Additions to telecommunications licences	**(1,956)**	**-**	**(1,956)**	(160)	-	(160)
Additions to brand names and other rights	**(1,675)**	**-**	**(1,675)**	(1,807)	-	(1,807)
Purchase of subsidiary companies, net of cash acquired	**(55)**	**-**	**(55)**	-	-	-
Additions to unlisted investments	**(74)**	**-**	**(74)**	(564)	-	(564)
Repayments of loans from associated companies and joint ventures	**2,829**	**-**	**2,829**	374	-	374
Purchase of and advances to associated companies and joint ventures	**(819)**	**-**	**(819)**	(3,464)	-	(3,464)
Proceeds from disposal of fixed assets	**168**	**-**	**168**	335	-	335
Proceeds from disposal of subsidiary companies, net of cash disposed	**2,563**	**-**	**2,563**	17,096	-	17,096
Proceeds from disposal of financial instruments	**2,451**	**-**	**2,451**	-	-	-
Proceeds from partial disposal / disposal of associated companies and joint ventures	**734**	**-**	**734**	5,226	-	5,226
Proceeds from disposal of other unlisted investments	**74**	**-**	**74**	2,336	-	2,336
Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments	**(17,639)**	**209**	**(17,430)**	(4,880)	367	(4,513)
Disposal of liquid funds and other listed investments	**2,088**	**-**	**2,088**	157	-	157
Additions to liquid funds and other listed investments	**(73)**	**-**	**(73)**	-	-	-
Cash flows used in investing activities	**(15,624)**	**209**	**(15,415)**	(4,723)	367	(4,356)
Net cash inflow before financing activities	**21,534**	**14,488**	**36,022**	37,863	14,495	52,358
Financing activities						
New borrowings	**58,420**	**(209)**	**58,211**	37,514	(367)	37,147
Repayment of borrowings	**(75,558)**	**197**	**(75,361)**	(68,242)	179	(68,063)
Principal elements of lease payments	**-**	**(14,476)**	**(14,476)**	-	(14,307)	(14,307)
Net loans from non-controlling shareholders	**527**	**-**	**527**	2,118	-	2,118
Issue of equity securities by subsidiary companies to non-controlling shareholders	**-**	**-**	**-**	85	-	85
Payment to acquire additional interests in subsidiary companies	**-**	**-**	**-**	(904)	-	(904)
Proceeds from partial disposal of subsidiary companies	**61**	**-**	**61**	-	-	-
Redemption of perpetual capital securities by a subsidiary	**-**	**-**	**-**	(7,800)	-	(7,800)
Payments for buy-back and cancellation of issued shares	**-**	**-**	**-**	(197)	-	(197)
Dividends paid to ordinary shareholders	**(10,885)**	**-**	**(10,885)**	(10,353)	-	(10,353)
Dividends paid to non-controlling interests	**(4,694)**	**-**	**(4,694)**	(4,816)	-	(4,816)
Distribution paid on perpetual capital securities	**(167)**	**-**	**(167)**	(316)	-	(316)
Cash flows used in financing activities	**(32,296)**	**(14,488)**	**(46,784)**	(52,911)	(14,495)	(67,406)
Decrease in cash and cash equivalents	**(10,762)**	**-**	**(10,762)**	(15,048)	-	(15,048)
Cash and cash equivalents at 1 January	**138,085**	**-**	**138,085**	153,133	-	153,133
Cash and cash equivalents at 31 December	**127,323**	**-**	**127,323**	138,085	-	138,085

5 Operating segment information (continued)

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

(iv) Consolidated Statement of Cash Flows (continued)

	2023			2022		
	Pre-HKFRS 16 basis HK$ million	**Effect on adoption of HKFRS 16 HK$ million**	**Post-HKFRS 16 basis HK$ million**	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million
Analysis of cash, liquid funds and other listed investments						
Cash and cash equivalents, as above	**127,323**	**-**	**127,323**	138,085	-	138,085
Liquid funds and other listed investments	**15,786**	**-**	**15,786**	16,103	-	16,103
Total cash, liquid funds and other listed investments	**143,109**	**-**	**143,109**	154,188	-	154,188
Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	**274,919**	**(1,225)**	**273,694**	287,297	(1,067)	286,230
Interest bearing loans from non-controlling shareholders	**3,245**	**-**	**3,245**	2,567	-	2,567
Net debt	**135,055**	**(1,225)**	**133,830**	135,676	(1,067)	134,609
Interest bearing loans from non-controlling shareholders	**(3,245)**	**-**	**(3,245)**	(2,567)	-	(2,567)
Net debt (excluding interest bearing loans from non-controlling shareholders)	**131,810**	**(1,225)**	**130,585**	133,109	(1,067)	132,042

6 Directors' emoluments

	2023 HK$ million	2022 HK$ million
Directors' emoluments	**419**	537

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

As at 31 December 2023 and 31 December 2022, the Company and its subsidiary companies do not have share option scheme. None of the directors have received any share-based payments from the Company or any of its subsidiaries during the year (2022: nil).

In 2023, the five individuals whose emoluments were the highest for the year were four (2022: four) directors of the Company and one (2022: one) director of a subsidiary of the Company. The remuneration of the director of the subsidiary company consisted of basic salary, allowances and benefits-in-kind of HK$4.94 million (2022: HK$4.66 million); provident fund contribution of HK$0.39 million (2022: HK$0.37 million) and discretionary bonus of HK$23.85 million (2022: HK$23.85 million).

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

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

	2023					
Name of directors	**Director's fees HK$ million**	**Basic salaries, allowances and benefits-in-kind HK$ million**	**Discretionary bonuses HK$ million**	**Provident fund contributions HK$ million**	**Inducement or compensation fees HK$ million**	**Total emoluments HK$ million**
Victor T K LI [1] [2]						
Paid by the Company	**0.31**	**5.14**	**44.70**	**-**	**-**	**50.15**
Paid by CKI	**0.13**	**-**	**30.02**	**-**	**-**	**30.15**
	0.44	**5.14**	**74.72**	**-**	**-**	**80.30**
FOK Kin Ning, Canning [3]	**0.22**	**12.28**	**116.14**	**1.10**	**-**	**129.74**
Frank John SIXT [3] [4]	**0.28**	**9.48**	**59.36**	**0.53**	**-**	**69.65**
IP Tak Chuen, Edmond						
Paid by the Company	**0.22**	**1.72**	**8.94**	**-**	**-**	**10.88**
Paid by CKI	**0.10**	**1.80**	**11.79**	**-**	**-**	**13.69**
	0.32	**3.52**	**20.73**	**-**	**-**	**24.57**
KAM Hing Lam						
Paid by the Company	**0.22**	**2.52**	**8.31**	**-**	**-**	**11.05**
Paid by CKI	**0.08**	**4.20**	**10.82**	**-**	**-**	**15.10**
	0.30	**6.72**	**19.13**	**-**	**-**	**26.15**
LAI Kai Ming, Dominic [3]	**0.22**	**6.23**	**57.22**	**0.51**	**-**	**64.18**
Edith SHIH [3] [4]	**0.28**	**4.84**	**16.22**	**0.36**	**-**	**21.70**
CHOW Kun Chee, Roland [5]	**0.22**	**-**	**-**	**-**	**-**	**0.22**
CHOW WOO Mo Fong, Susan [5]	**0.22**	**-**	**-**	**-**	**-**	**0.22**
LEE Yeh Kwong, Charles [5]	**0.22**	**-**	**-**	**-**	**-**	**0.22**
George Colin MAGNUS [5]						
Paid by the Company	**0.22**	**-**	**-**	**-**	**-**	**0.22**
Paid by CKI	**0.08**	**-**	**-**	**-**	**-**	**0.08**
	0.30	**-**	**-**	**-**	**-**	**0.30**
LEE Wai Mun, Rose [6]	**0.33**	**-**	**-**	**-**	**-**	**0.33**
CHOW Ching Yee, Cynthia [7] [8] [9]	**0.02**	**-**	**-**	**-**	**-**	**0.02**
Philip Lawrence KADOORIE [8]	**0.22**	**-**	**-**	**-**	**-**	**0.22**
LEUNG LAU Yau Fun, Sophie [1] [8]	**0.25**	**-**	**-**	**-**	**-**	**0.25**
Paul Joseph TIGHE [8] [9]						
Paid by the Company	**0.35**	**-**	**-**	**-**	**-**	**0.35**
Paid by CKI	**0.20**	**-**	**-**	**-**	**-**	**0.20**
	0.55	**-**	**-**	**-**	**-**	**0.55**
WONG Kwai Lam [2] [8] [9]	**0.41**	**-**	**-**	**-**	**-**	**0.41**
WONG Yick-ming, Rosanna [1] [2] [4] [8]	**0.37**	**-**	**-**	**-**	**-**	**0.37**
Total	**5.17**	**48.21**	**363.52**	**2.50**	**-**	**419.40**

6 Directors' emoluments (continued)

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

	2022					
Name of directors	Director's fees HK$ million	Basic salaries, allowances and benefits-in-kind HK$ million	Discretionary bonuses HK$ million	Provident fund contributions HK$ million	Inducement or compensation fees HK$ million	Total emoluments HK$ million
Victor T K LI (1) (2)						
Paid by the Company	0.31	5.01	69.84	-	-	75.16
Paid by CKI	0.13	-	30.65	-	-	30.78
	0.44	5.01	100.49	-	-	105.94
FOK Kin Ning, Canning (3)	0.22	11.88	191.03	1.07	-	204.20
Frank John SIXT (3) (4)	0.28	9.03	65.96	0.77	-	76.04
IP Tak Chuen, Edmond						
Paid by the Company	0.22	1.67	9.93	-	-	11.82
Paid by CKI	0.10	1.80	12.45	-	-	14.35
	0.32	3.47	22.38	-	-	26.17
KAM Hing Lam						
Paid by the Company	0.22	2.47	9.24	-	-	11.93
Paid by CKI	0.08	4.20	11.42	-	-	15.70
	0.30	6.67	20.66	-	-	27.63
LAI Kai Ming, Dominic (3)	0.22	6.09	63.58	0.49	-	70.38
Edith SHIH (3) (4)	0.28	4.71	18.03	0.34	-	23.36
CHOW Kun Chee, Roland (5)	0.22	-	-	-	-	0.22
CHOW WOO Mo Fong, Susan (5)	0.22	-	-	-	-	0.22
LEE Yeh Kwong, Charles (5)	0.22	-	-	-	-	0.22
George Colin MAGNUS (5)						
Paid by the Company	0.22	-	-	-	-	0.22
Paid by CKI	0.08	-	-	-	-	0.08
	0.30	-	-	-	-	0.30
CHENG Hoi Chuen, Vincent (10)	0.29	-	-	-	-	0.29
Michael David KADOORIE (11)	0.21	-	-	-	-	0.21
Philip Lawrence KADOORIE (8) (12)	0.01	-	-	-	-	0.01
LEE Wai Mun, Rose (8) (9)	0.26	-	-	-	-	0.26
LEUNG LAU Yau Fun, Sophie (1) (8)	0.23	-	-	-	-	0.23
Paul Joseph TIGHE (8) (9)						
Paid by the Company	0.35	-	-	-	-	0.35
Paid by CKI	0.20	-	-	-	-	0.20
	0.55	-	-	-	-	0.55
WONG Kwai Lam (2) (8) (9)	0.41	-	-	-	-	0.41
WONG Yick-ming, Rosanna (1) (2) (4) (8)	0.37	-	-	-	-	0.37
Total	5.35	46.86	482.13	2.67	-	537.01

(1) Member of the Nomination Committee.
(2) Member of the Remuneration Committee.
(3) Directors' fees to these Directors from the Company's listed subsidiaries during the period they served as directors have been paid to the Company and are not included in the amounts above.
(4) Member of the Sustainability Committee.
(5) Non-executive Director.
(6) Former Independent Non-executive Director and member of Audit Committee. Resigned on 14 December 2023.
(7) Appointed on 14 December 2023.
(8) Independent Non-executive Director. The total emoluments of the Independent Non-executive Directors of the Company are HK$2.15 million (2022: HK$2.33million).
(9) Member of the Audit Committee.
(10) Former Independent Non-executive Director and member of the Audit Committee, Nomination Committee and Remuneration Committee. Passed away on 28 August 2022.
(11) Former Independent Non-executive Director. Resigned on 16 December 2022.
(12) Appointed on 16 December 2022.

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

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

	2023 HK$ million	2022 HK$ million
Cost of goods sold:		
included in "Cost of inventories sold"	**105,739**	101,724
included in "Expensed customer acquisition and retention costs"	**9,456**	8,879
	115,195	110,603

	2023 HK$ million	2022 HK$ million
Depreciation and amortisation:		
Fixed assets (see note 12)	**17,550**	17,515
Right-of-use assets (see note 13(b))	**14,651**	14,582
Telecommunications licences (see note 14)	**953**	919
Brand names and other rights (see note 15)	**3,262**	3,308
Customer acquisition and retention costs (see note 21(a))	**3,667**	3,464
	40,083	39,788

	2023 HK$ million	2022 HK$ million
Other expenses and losses:		
Cost of providing services [(a)]	**(29,435)**	(29,678)
Office and general administrative expenses and others	**(7,740)**	(3,762)
Expenses for short-term, low-value assets leases and payment for variable rent (see note 13(b))	**(3,319)**	(3,802)
Advertising and promotion expenses	**(4,783)**	(4,677)
Legal and professional fees	**(2,101)**	(1,404)
Auditors' remuneration [(b)]	**(397)**	(328)
Impairment loss [(c)]		
Against goodwill on telecommunications business in Italy	-	(11,039)
Against goodwill and other assets on telecommunications business in Sri Lanka	-	(1,000)
Losses on disposal of subsidiaries [#]		
Italian network business	**(250)**	-
Other businesses	-	(37)
Loss on disposal of interests in associated companies	**(70)**	-
	(48,095)	(55,727)

	2023 HK$ million	2022 HK$ million
Other income and gains:		
Rent concessions [(d)]	-	188
Employment and other subsidies [(e)]	**10**	225
Gains on disposals of unlisted investments	-	515
A gain on disposal of financial instruments [(f)]	**1,829**	-
Gains on disposal of subsidiaries [(g) #]		
European telecommunications tower assets	-	19,060
Indonesia telecommunications businesses	-	7,245
Gains on disposals of interests in associated companies and joint ventures	**228**	947
	2,067	28,180

See note 34(d).

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

(a) Cost of providing services of HK$29,435 million (2022: HK$29,678 million) includes telecommunication network related costs of HK$19,093 million (2022: HK$17,395 million), repair and maintenance of HK$4,160 million (2022: HK$5,861 million) and others of HK$6,182 million (2022: HK$6,422 million).

(b) Auditors' remuneration of HK$397 million (2022: HK$328 million) are charged for audit and audit related work performed by the Company's auditor, PricewaterhouseCoopers of HK$262 million (2022: HK$224 million) and performed by other auditors of HK$14 million (2022: HK$12 million), and for non-audit work, including tax compliance and other tax related services, and financial due diligence services, performed by the Company's auditor, PricewaterhouseCoopers of HK$71 million (2022: HK$56 million) and performed by other auditors of HK$50 million (2022: HK$36 million).

(c) Impairment loss

(i) For the comparative year, an impairment loss of HK$11,039 million arose in the telecommunications business in Italy, which is included as part of the Telecommunications segment under CK Hutchison Group Telecom in note 5.

In late Q3 to Q4 2022, Italy has seen a series of downgrades in medium-term growth prospects for its economy from rating agency, the Bank of Italy, Italy's National Institute of Statistics, the Organisation for Economic Cooperation and Development, and the European Commission. Management has taken into consideration the decelerating outlooks of the Italian economy when it conducted the 2022 annual impairment testing. For the 2022 annual impairment testing for Wind Tre, the recoverable amount was determined based on the value-in-use ("VIU") calculations, as it was higher than the fair value less costs of disposal ("FVLCD") calculations. The VIU is measured using a discounted cash flow projection for the period covered by the forecast and a calculated terminal value at the end of the forecast period. The calculations used cash flow projections based on the latest financial budget covering a five-year 2023 - 2027 period and business plan approved by Wind Tre's management in Q4 2022, reflecting a lowered expectation on growth and reported service revenues, and heightened competition in the Italian market. As a result, the forecasted revenue and margin, including the future 5G revenue contribution, was lower as compared to the last financial budget covering the five-year 2022 - 2026 period. The key assumptions and estimates used in preparing the discounted cash flow projection for the 2022 annual impairment testing have also been updated with caution to take into account the deteriorating growth prospects in the Italian economy, including a pre-tax discount rate of 8.3%. Cash flows beyond the five-year period had been extrapolated using a growth rate of 1.3% to estimate the terminal value at the end of the five-year period. The results of the impairment testing showed that the carrying amount exceeded the estimated recoverable amount by HK$11,039 million. As a result, the Group recognised an impairment loss of HK$11,039 million against goodwill. No class of asset other than goodwill was impaired.

(ii) For the comparative year, an impairment loss of HK$1,000 million arose in the telecommunications business in Sri Lanka, which is included as part of the Telecommunications segment under Hutchison Asia Telecommunications in note 5.

During 2022, Sri Lanka was in the midst of a deep and unprecedented economic crisis and facing rampant fuel and food shortages. These external events led the Group to carry out an impairment test on this business at 30 June 2022 and as a result the Group recognised an impairment loss of HK$1,000 million in the first half of 2022, of which HK$174 million against goodwill and HK$826 million against telecommunications licences, tangible and other assets. The impairment loss was primarily resulted from the lowered expectation on growth and reported service revenues, and higher cost base attributable to the upward inflation expectation in the Sri Lanka market. An annual impairment testing on the telecommunications business in Sri Lanka was conducted at 31 December 2022. The results of the 2022 annual impairment test indicated that, saved for the impairment loss of HK$1,000 million already recorded in the first half of 2022, there were no impairment at 31 December 2022. The recoverable amount of this business was determined based on the VIU calculations, as it was not practical to arrive at the FVLCD calculations under the current circumstances. The VIU used discounted cash flow projections based on the latest financial budget covering a five-year period and business plan approved by management. Key assumptions and estimates used to prepare the discounted cash flow model include a pre-tax discount rate of 20.6% for 2023 and 2024 to reflect the prevailing high interest rate in Sri Lanka and 12.2% in the outer years to reflect the expected economic recovery, and a long term growth rate of 1% to estimate the terminal value at the end of the five-year period.

(d) Benefits derived from changes in lease payments arising from COVID-19 related rent concessions.

(e) Benefits received from governments and other authorities under COVID-19 related employment and other support schemes.

(f) Current year balance represents a gain arising from disposal of Cenovus Energy share warrants of HK$1,829 millions (see note 5(b)(xvi)).

(g) Prior year balance includes a gain arising from the disposal of telecommunications tower assets in the UK of HK$19,060 million and a gain arising from the merger of the Group's telecommunication business in Indonesia, Hutchison 3 Indonesia ("H3I") and PT Indosat Tbk of HK$7,245 million.

8 Interest expenses and other finance costs

	2023 HK$ million	2022 HK$ million
Bank loans and overdrafts	**4,384**	1,834
Other loans	**4**	4
Notes and bonds	**5,057**	4,809
Interest bearing loans from non-controlling shareholders	**124**	37
Other finance costs	**234**	149
Amortisation of loan facilities fees and premiums or discounts relating to debts	**237**	243
Other non-cash interest adjustments [(a)]	**(93)**	(242)
	9,947	6,834
Less: interest capitalised	**(266)**	(52)
Interest on lease liabilities (see note 13(b))	**2,546**	2,270
	12,227	9,052

(a) Other non-cash interest adjustments represent amortisation of acquisition-date fair value adjustments relating to debts of HK$341 million (2022: HK$420 million) net with accretion expense associated with an increase in the present value of certain obligations over time.

9 Tax

	2023 HK$ million	2022 HK$ million
Current tax charge		
Hong Kong	**216**	243
Outside Hong Kong	**3,903**	5,192
	4,119	5,435
Deferred tax charge (credit)		
Hong Kong	**(37)**	75
Outside Hong Kong	**(1,079)**	2,764
	(1,116)	2,839
	3,003	8,274

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

9 Tax (continued)

Hong Kong profits tax has been provided for at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits less estimated available tax losses. Tax outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses.

The tax charged to the consolidated income statement of HK$3,003 million (2022: HK$8,274 million) differs from the tax charge of HK$2,982 million (2022: HK$4,883 million) that would apply if the Group's pre-tax profits (before share of results of the associated companies and joint ventures) had been taxed at the statutory rates of the countries in which the profits arose. The differences are set out as follows:

	2023 **HK$ million**	2022 HK$ million
Tax calculated at the domestic rates applicable in the jurisdiction concerned	**2,982**	4,883
Tax effect of:		
Tax losses not recognised	**1,824**	1,976
Income or gains not subject to tax	**(1,112)**	(1,080)
Expenses not deductible for tax purposes	**1,847**	1,322
Recognition of previously unrecognised tax losses	**(32)**	(208)
Utilisation of previously unrecognised tax losses	**(200)**	(48)
Under (over) provision in prior years	**(855)**	223
Other temporary differences	**(1,451)**	1,037
Effect of change in tax rate	**-**	169
Total tax for the year	**3,003**	8,274

In December 2021, the Organisation for Economic Co-operation and Development ("OECD") released the Pillar Two model rules (the Global Anti-Base Erosion Proposal, or "GloBE rules") for a new global minimum tax reform applicable to multinational enterprise groups with annual revenues of at least EUR750 million. The Group will be in scope of this new Pillar Two tax reform.

While Hong Kong has yet to introduce its draft legislation for implementation of the global minimum tax and the domestic minimum top-up tax in Hong Kong, it is expected that the new regime will come into effect for the Group's financial year beginning on 1 January 2025. For certain other jurisdictions where the Group has operations, Pillar Two legislation has been enacted or substantively enacted and will be effective for the Group's financial year beginning on 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure.

In July 2023, the HKICPA made narrow-scope amendments to HKAS 12 which provided temporary relief from the requirement to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. In adopting these amendments, the Group has applied the mandatory temporary exception from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under OECD's Pillar Two model rules, a top-up tax liability arises when the effective tax rate of the Group's operations in a jurisdiction, calculated using principles set out in the Pillar Two legislation, is below 15%. Based on the information currently available, the impact of these rules on the Group's income tax position is not expected to be material.

10 Earnings per share for profit attributable to ordinary shareholders

The calculation of earnings per share is based on profit attributable to ordinary shareholders of the Company of HK$23,500 million (2022: HK$36,680 million) and 3,830,044,500 shares in issue during the year of 2023 (2022: weighted average number of 3,834,106,390 shares outstanding).

The Company and its subsidiary companies do not have share option scheme or other dilutive potential ordinary shares as at 31 December 2023 and 31 December 2022. Certain of the Company's associated companies have employee share options outstanding as at 31 December 2023 and 31 December 2022. The employee share options of these associated companies outstanding as at 31 December 2023 and 31 December 2022 did not have a dilutive effect on earnings per share.

11 Distributions and dividends

(a) Distribution paid on perpetual capital securities

	2023 HK$ million	2022 HK$ million
Distribution paid on perpetual capital securities	**167**	316

(b) Dividends

	2023 HK$ million	2022 HK$ million
Interim dividend, paid of HK$0.756 per share (2022: HK$0.84 per share)	**2,896**	3,221
Final dividend, proposed of HK$1.775 per share (2022: HK$2.086 per share)	**6,798**	7,989
	9,694	11,210

The final dividend proposed after the end of the reporting period has not been recognised as a liability at 31 December 2023. The amount of the 2023 proposed final dividend is expected to be paid on 13 June 2024 out of retained profit.

12 Fixed assets

	Land and buildings HK$ million	Telecom-munications network assets HK$ million	Other assets [a] HK$ million	Total HK$ million
Cost				
At 1 January 2022	29,665	82,425	90,022	202,112
Additions	702	1,479	21,704	23,885
Disposals	(49)	(1,423)	(3,266)	(4,738)
Relating to subsidiaries disposed (see note 34(d))	-	(14,083)	(2,265)	(16,348)
Transfer between categories	80	11,250	(11,330)	-
Exchange translation differences	(1,417)	(5,357)	(5,830)	(12,604)
Transfer to assets classified as held for sale (see note 25)	-	(3,786)	(200)	(3,986)
At 31 December 2022 and 1 January 2023	**28,981**	**70,505**	**88,835**	**188,321**
Additions	**1,291**	**2,243**	**18,136**	**21,670**
Relating to subsidiaries acquired (see note 34(c))	**-**	**-**	**6**	**6**
Disposals	**(273)**	**(908)**	**(2,637)**	**(3,818)**
Transfer between categories	**255**	**7,818**	**(8,073)**	**-**
Exchange translation differences	**685**	**2,580**	**2,512**	**5,777**
At 31 December 2023	**30,939**	**82,238**	**98,779**	**211,956**
Accumulated depreciation and impairment				
At 1 January 2022	6,343	29,700	34,970	71,013
Charge for the year	1,108	8,785	7,622	17,515
Impairment recognised	1	318	158	477
Disposals	(38)	(1,251)	(2,917)	(4,206)
Relating to subsidiaries disposed (see note 34(d))	-	(3,777)	(319)	(4,096)
Transfer between categories	6	-	(6)	-
Exchange translation differences	(210)	(1,991)	(1,990)	(4,191)
Transfer to assets classified as held for sale (see note 25)	-	(841)	-	(841)
At 31 December 2022 and 1 January 2023	**7,210**	**30,943**	**37,518**	**75,671**
Charge for the year	**1,093**	**8,256**	**8,201**	**17,550**
Disposals	**(270)**	**(783)**	**(2,424)**	**(3,477)**
Transfer between categories	**-**	**(42)**	**42**	**-**
Exchange translation differences	**333**	**1,327**	**726**	**2,386**
At 31 December 2023	**8,366**	**39,701**	**44,063**	**92,130**
Net book value				
At 31 December 2023	**22,573**	**42,537**	**54,716**	**119,826**
At 31 December 2022	21,771	39,562	51,317	112,650
At 1 January 2022	23,322	52,725	55,052	131,099

(a) Net book value of other assets of HK$54,716 million (2022: HK$51,317 million) primarily relate to fixed assets used in business of Ports and related services of HK$21,837 million (2022: HK$18,984 million), Telecommunications of HK$23,411 million (2022: HK$23,327 million), and Infrastructure of HK$1,476 million (2022: HK$1,376 million).

As at 31 December 2023, other assets with a net book value of HK$22,227 million (2022: HK$18,753 million) are assets under construction.

12 Fixed assets (continued)

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

	2023 HK$ million	2022 HK$ million
Within 1 year	**80**	95
Between 1 and 2 years	**13**	31
Between 2 and 3 years	**2**	11
Between 3 and 4 years	**2**	11
Between 4 and 5 years	**6**	3
After 5 years	**1**	6
	104	157

13 Leases

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

	2023 HK$ million	2022 HK$ million
Right-of-use assets		
Container terminals	**15,312**	15,225
Retail stores	**20,653**	20,715
Telecommunications network infrastructure sites	**14,688**	13,085
Leasehold land	**5,958**	6,129
Other assets	**4,587**	4,183
	61,198	59,337
Lease liabilities		
Current	**13,616**	12,128
Non-current	**54,307**	53,931
	67,923	66,059

On leases that commenced during the year, the Group has recognised HK$8,871 million (2022: HK$6,539 million) of right-of-use assets, and HK$8,871 million (2022: HK$6,528 million) of lease liabilities.

13 Leases (continued)

(b) Group as a lessee - amounts recognised in the consolidated income statement

	2023 HK$ million	2022 HK$ million
Expenses relating to short-term leases (included in "Other expenses and losses")	**498**	714
Expenses relating to leases of low-value assets that are not short-term leases (included in "Other expenses and losses")	**568**	649
Expenses relating to variable lease payments not included in lease liabilities (included in "Other expenses and losses")	**2,253**	2,439
	3,319	3,802
Depreciation charge of right-of-use assets (included in "Depreciation and amortisation")		
Container terminals	**1,080**	1,179
Retail stores	**6,721**	6,919
Telecommunications network infrastructure sites	**5,203**	4,885
Leasehold land	**348**	351
Other assets	**1,299**	1,248
	14,651	14,582
Interest on lease liabilities (included in "Interest expenses and other finance costs")	**2,546**	2,270
Total charges recognised in profit or loss for leases	**20,516**	20,654

(c) Group as a lessee - amounts recognised in the consolidated statement of cash flows

	2023 HK$ million	2022 HK$ million
Within operating cash flows	**5,549**	5,716
Within financing cash flows (see note 34(e))	**14,476**	14,307
Total cash outflows for leases	**20,025**	20,023

(d) Group as lessee - other lease disclosure

Variable lease payments

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

A 1% increase in sales across all stores / operations in the companies with leases containing variable lease payment terms that are linked to sales would increase total lease payments (see note (c)) by approximately 0.1% or HK$20 million (2022: approximately 0.1% or HK$22 million).

Extension and termination options

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

As at 31 December 2023, in accordance with applicable provision in HKFRS 16, potential future cash outflows of HK$8,635 million (2022: HK$8,385 million) (undiscounted) have not been included in calculating the lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated).

13 Leases (continued)

(d) Group as lessee - other lease disclosure (continued)

Residual value guarantees

As at 31 December 2023, residual value guarantee of HK$15 million (2022: HK$11 million) is expected to be payable and had been included in calculating the lease liabilities.

Leases not yet commenced to which the lessee is committed

At 31 December 2023, the Group is committed to leases that are not yet commenced, and the lease payments payable under which amounted to HK$19 million (2022: HK$87 million). This amount has not been included in calculating the lease liabilities as at 31 December 2023.

Restriction or covenants imposed by leases

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

(e) Group as lessor

	2023 HK$ million	2022 HK$ million
Income from subleasing right-of-use assets (included in "Other expenses and losses")	**182**	159

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

	2023 HK$ million	2022 HK$ million
Within 1 year	**153**	150
Between 1 and 2 years	**70**	86
Between 2 and 3 years	**49**	60
Between 3 and 4 years	**37**	41
Between 4 and 5 years	**33**	37
After 5 years	**27**	57
	369	431

In addition, the Group has recognised income of HK$217 million (2022: HK$208 million) from leasing of fixed assets for the year ended 31 December 2023.

14 Telecommunications licences

	2023 HK$ million	2022 HK$ million
Net book value		
At 1 January	**60,689**	69,985
Additions	**1,956**	160
Amortisation for the year	**(953)**	(919)
Impairment charge for the year	**-**	(152)
Relating to subsidiaries disposed (see note 34(d))	**-**	(3,836)
Exchange translation differences	**2,572**	(4,549)
At 31 December	**64,264**	60,689
Cost	**71,396**	67,054
Accumulated amortisation and impairment	**(7,132)**	(6,365)
	64,264	60,689

The Group's telecommunications licences in the UK and Italy are considered to have an indefinite useful life. At 31 December 2023, telecommunications licences with indefinite useful life in the UK and Italy with a carrying value of HK$19,914 million and HK$33,781 million respectively (2022: HK$18,924 million and HK$32,527 million respectively) have been allocated to the Telecommunications segment.

15 Brand names and other rights

	Brand names HK$ million	Other rights HK$ million	Total HK$ million
Net book value			
At 1 January 2022	69,080	19,939	89,019
Additions	-	1,807	1,807
Amortisation for the year	(12)	(3,296)	(3,308)
Impairment charge for the year	-	(11)	(11)
Disposal	-	(2)	(2)
Exchange translation differences	(2,169)	(1,642)	(3,811)
At 31 December 2022 and 1 January 2023	**66,899**	**16,795**	**83,694**
Additions	**-**	**1,675**	**1,675**
Amortisation for the year	**(11)**	**(3,251)**	**(3,262)**
Relating to subsidiaries acquired (see note 34(c))	**3**	**6**	**9**
Exchange translation differences	**1,163**	**117**	**1,280**
At 31 December 2023	**68,054**	**15,342**	**83,396**
Cost	**68,148**	**34,120**	**102,268**
Accumulated amortisation	**(94)**	**(18,778)**	**(18,872)**
	68,054	**15,342**	**83,396**

Brand names considered to have an indefinite useful life are not subject to amortisation. The carrying value of brand names with indefinite useful life at 31 December 2023 of HK$49,730 million (2022: HK$49,294 million) and HK$18,156 million (2022: HK$17,424 million) has been attributed to Retail segment and the Telecommunications segment respectively.

Other rights, primarily include operating and service content rights, and resource consents and customer lists. These rights are amortised over their finite useful lives. At 31 December 2023, the carrying value of these rights amounted to HK$9,773 million (2022: HK$10,433 million) and HK$5,569 million (2022: HK$6,362 million) respectively.

16 Goodwill

	2023 HK$ million	2022 HK$ million
Net book value		
At 1 January	**268,008**	289,340
Impairment charge for the year	**-**	(11,213)
Relating to subsidiaries acquired (see note 34(c))	**75**	-
Relating to subsidiaries disposed (see note 34(d))	**-**	(1,119)
Transfer to asset classified as held for sale (see note 25)	**-**	(2,012)
Exchange translation differences	**3,053**	(6,988)
At 31 December	**271,136**	268,008
Cost	**297,159**	293,070
Accumulated impairment	**(26,023)**	(25,062)
	271,136	268,008

Goodwill is monitored by the management at the level of the operating segments identified (see note 5). As at 31 December 2023, the carrying amount of goodwill are mainly allocated to Telecommunications segment of HK$84,897 million (2022: HK$81,771 million), Retail segment of HK$114,099 million (2022: HK$114,098 million), and Infrastructure segment of HK$39,123 million (2022: HK$39,123 million).

Management tests whether goodwill and intangible assets that have an indefinite useful life (including certain telecommunication licences and brand names as set out in notes 14 and 15) have suffered any impairment on an annual basis and when there is an indication these assets may be impaired. The annual tests of goodwill and intangible assets with indefinite useful life for impairment were conducted at 31 December 2023. The results of the impairment tests undertaken as of 31 December 2023 indicated no impairment charge was necessary for the Group. Set out below are additional information about the estimates used to measure recoverable amounts in the 31 December 2023 annual impairment tests for the Telecommunications and Retail operations.

16 Goodwill (continued)

The recoverable amounts of the Group's Telecommunications operations at 31 December 2023 were determined based on VIU calculations. VIU is measured using discounted cash flow projections for the next five years and a calculated terminal value at the end of the five-year period. The cash flows are based on the latest approved financial budgets of the relevant telecommunications business for the next five years. Management prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of assumptions and estimates involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Key assumptions, include revenues, service margin, operating costs, growth rates used for the budget periods, and selection of discount rates and the terminal growth rate used to extrapolate cash flow projections to estimate the terminal value at the end of the five-year period. The VIU amount derived from the cash flow projections is sensitive to the discount rate used for the cash flow projections and the growth rate used for extrapolation purposes as well as the 5G revenue expectations. A discount rate (pre-tax) ranging from 5.4% to 11.0% (2022: 4.8% to 20.6%) has been applied. A growth rate, for the purpose of impairment testing calculation, ranging from 1% to 2% p.a. (2022: 0% to 2% p.a.), which is not expected to exceed the anticipated economic growth for the underlying business units, is used to extrapolate cash flow projections to estimate the terminal value of the underlying business units at the end of the five-year period.

The recoverable amounts of the Group's Retail operations at 31 December 2023 were determined based on FVLCD calculation. Fair value is measured using discounted cash flow projections for the next five years and a calculated terminal value at the end of the five-year period (a Level 3 fair value hierarchy). The cash flows are based on the latest approved financial budgets for the next five years. Management prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of assumptions and estimates involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Key assumptions, include the expected growth in revenues and gross margin, inventory level, volume and operating costs, timing of future capital expenditures, growth rates used for the budget periods, and selection of discount rates and the terminal growth rate used to extrapolate cash flow projections to estimate the terminal value at the end of the five-year period. The FVLCD amount derived from the cash flow projections is sensitive to the discount rate used for the discounted cash flow projections and the growth rate used for extrapolation purposes. A discount rate (post-tax) of 8.4% (2022: 8.4%) has been applied. In estimating the terminal value at the end of the five-year period, a growth rate, for the purpose of impairment testing calculation, of 3.9% p.a. (2022: 4.2% p.a.), which is not expected to exceed the anticipated economic growth for the business, has been used to extrapolate cash flow projections.

Annual impairment tests in comparative year indicated that, saved for HK$11,039 million and HK$174 million impairment charges against goodwill allocated to the telecommunication businesses in Italy and Sri Lanka respectively, with details as set out in note 7(c), there was no impairment loss in respect of these assets at 31 December 2022. In performing the impairment tests for these assets, the management has considered and assessed reasonably possible changes for key assumptions and has not identified any instance, saved as disclosed in note 7(c), that could cause the carrying amount of these assets to exceed their recoverable amount.

Please refer to note 46(b)(i) for significant accounting judgement applied, estimates and assumptions made in assessing whether goodwill has suffered any impairment.

17 Associated companies

	2023 HK$ million	2022 HK$ million
Unlisted shares	**9,071**	9,071
Listed shares, Hong Kong	**62,919**	62,919
Listed shares, outside Hong Kong	**80,837**	81,012
Share of undistributed post acquisition reserves	**(12,081)**	(15,264)
	140,746	137,738
Amounts due from (net with amounts due to) associated companies [(a)]	**2,892**	2,973
	143,638	140,711

The market value of the above listed investments at 31 December 2023 was HK$112,390 million (2022: HK$117,220 million), inclusive of HK$41,370 million (2022: HK$47,735 million) and HK$34,614 million (2022: HK$32,811 million) for Cenovus Energy and Power Assets Holdings Limited ("Power Assets") respectively.

There are no material contingent liabilities relating to the Group's interests in associated companies, save for those disclosed in note 37.

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

	2023 HK$ million	2022 HK$ million
Amounts due from associated companies [(i)]		
Interest free	**410**	398
Interest bearing at fixed rates [(ii)]	**2,618**	2,739
Interest bearing at floating rates [(iii)]	**407**	405
	3,435	3,542
Amounts due to associated companies [(iv)]		
Interest free	**543**	569
Amounts due from (net with amounts due to) associated companies	**2,892**	2,973

(i) At 31 December 2023 and 2022, the amounts due from associated companies are unsecured and have no fixed terms of repayment, except for HK$4 million for 2022, are repayable within one year.

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

(ii) At 31 December 2023, HK$2,618 million (2022: HK$2,739 million) bear interests at fixed rates ranging from approximately 4.7% to 11.2% (2022: 4.7% to 11.2%) per annum.

(iii) At 31 December 2023, HK$407 million (2022: HK$405 million) bear interests at floating rates ranging from approximately 6.0% to 6.4% (2022: 3.4% to 4.1%) per annum with reference to Euro Interbank Offered Rate ("EURIBOR") and Hong Kong Interbank Offered Rate ("HIBOR"), where applicable.

(iv) At 31 December 2023 and 2022, the amounts due to associated companies are unsecured and have no fixed terms of repayment.

17 Associated companies (continued)

(b) Material associated companies

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

	2023 Cenovus Energy HK$ million	**2023** Power Assets HK$ million	2022 Cenovus Energy HK$ million	2022 Power Assets HK$ million
Dividends received from associated companies	**964**	**2,164**	866	2,164
Gross amount of the following items of the associated companies [i]:				
Total revenue	**304,130**	**1,292**	403,798	1,265
EBITDA	**60,278**	**18,733**	84,536	18,292
EBIT	**33,224**	**13,077**	57,982	12,533
Other comprehensive income (losses)	**3,706**	**1,901**	(10,721)	581
Total comprehensive income	**25,882**	**7,904**	28,252	6,230
Current assets	**57,898**	**4,359**	71,348	6,880
Non-current assets	**367,380**	**128,973**	354,131	125,278
Current liabilities	**36,763**	**3,249**	46,041	4,038
Non-current liabilities	**112,439**	**3,701**	116,287	3,632
Net assets (net of preferred shares and non-controlling interests)	**272,773**	**126,382**	260,097	124,488
Reconciliation to the carrying amount of the Group's interests in associated companies:				
Group's interest	**16.9%**	**36.0%**	16.6%	36.0%
Group's share of net assets	**46,180**	**45,515**	43,176	44,832
Carrying amount	**46,180**	**45,515**	43,176	44,832

The carrying amount of the Group's interests in all individually immaterial associated companies that are accounted for using the equity method of accounting is HK$51,943 million (2022: HK$52,703 million).

	2023 Cenovus Energy HK$ million	**2023** Power Assets HK$ million	**2023** Other associated companies HK$ million	**2023** Total HK$ million	2022 Cenovus Energy HK$ million	2022 Power Assets HK$ million	2022 Other associated companies HK$ million	2022 Total HK$ million
Group's share of the following items of the associated companies [i]:								
Profits less losses after tax	**3,963**	**2,161**	**2,014**	**8,138**	6,333	2,033	3,456	11,822
Other comprehensive income (losses)	**627**	**685**	**17**	**1,329**	(1,778)	210	(1,010)	(2,578)
Total comprehensive income	**4,590**	**2,846**	**2,031**	**9,467**	4,555	2,243	2,446	9,244

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

Particulars regarding the principal associated companies are set forth on pages 135 to 137.

18 Interests in joint ventures

	2023 HK$ million	2022 HK$ million
Unlisted shares	**127,116**	118,039
Share of undistributed post acquisition reserves	**7,154**	1,049
	134,270	119,088
Amounts due from (net with amounts due to) joint ventures [(a)]	**22,067**	29,473
	156,337	148,561

There are no material contingent liabilities relating to the Group's interests in the joint ventures, save for those disclosed in note 37.

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

	2023 HK$ million	2022 HK$ million
Amounts due from joint ventures [(i)]		
Interest free	**2,239**	2,764
Interest bearing at fixed rates [(ii)]	**7,972**	9,650
Interest bearing at floating rates [(iii)]	**12,166**	17,378
	22,377	29,792
Amounts due to joint ventures [(iv)]		
Interest free	**310**	319
Amounts due from (net with amounts due to) joint ventures	**22,067**	29,473

(i) At 31 December 2023 and 2022, the amounts due from joint ventures are unsecured and have no fixed terms of repayment except for HK$32 million which are repayable within one to two years (2022: HK$1,650 million which are repayable within one to three years).

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

(ii) At 31 December 2023, HK$7,972 million (2022: HK$9,650 million) bear interests at fixed rates ranging from approximately 4.4% to 11.0% (2022: 4.4% to 11.0%) per annum.

(iii) At 31 December 2023, HK$12,166 million (2022: HK$17,378 million) bear interests at floating rates ranging from approximately 4.1% to 8.3% (2022: 4.9% to 14.1%) per annum with reference to Australian Bank Bill Swap Reference Rate, EURIBOR, HIBOR and Sterling Overnight Index Average Rate, where applicable.

(iv) At 31 December 2023 and 2022, the amounts due to joint ventures are unsecured and have no fixed terms of repayment.

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

	2023 HK$ million	2022 HK$ million
Profits less losses after tax	**7,990**	7,422
Other comprehensive income (losses)	**3,997**	(4,581)
Total comprehensive income	**11,987**	2,841
Capital commitments	**13,880**	4,811

As at 31 December 2023 and 2022, no interests in joint ventures are individually material to the Group. Particulars regarding the principal joint ventures are set forth on pages 135 to 137.

19 Deferred tax

	2023 HK$ million	2022 HK$ million
Deferred tax assets	**21,074**	18,509
Deferred tax liabilities	**19,572**	19,290
Net deferred tax assets (liabilities)	**1,502**	(781)

Movements in net deferred tax assets (liabilities) are summarised as follows:

	2023 HK$ million	2022 HK$ million
At 1 January	**(781)**	3,805
Relating to subsidiaries acquired	**3**	-
Relating to subsidiaries disposed	**-**	(33)
Transfer to current tax	**6**	(10)
Net credit (charge) to other comprehensive income	**380**	(267)
Net credit (charge) to the consolidated income statement		
Tax losses	**1,617**	337
Accelerated depreciation allowances	**(62)**	(24)
Fair value adjustments arising from acquisitions	**(551)**	(249)
Withholding tax on undistributed profits	**(48)**	(520)
Other temporary differences	**160**	(2,383)
Exchange translation differences	**778**	(1,437)
At 31 December	**1,502**	(781)

Analysis of net deferred tax assets (liabilities):

	2023 HK$ million	2022 HK$ million
Tax losses	**16,865**	14,703
Accelerated depreciation allowances	**(2,425)**	(2,555)
Fair value adjustments arising from acquisitions	**(12,268)**	(11,625)
Revaluation of investment properties and other investments	**20**	16
Withholding tax on undistributed profits	**(912)**	(875)
Other temporary differences	**222**	(445)
	1,502	(781)

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

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

At 31 December 2023, the Group has recognised accumulated deferred tax assets amounting to HK$21,074 million (2022: HK$18,509 million) of which HK$16,973 million (2022: HK$15,191 million) relates to **3** Group Europe.

Note 46(b)(v) contains information about the estimates, assumptions and judgements relating to the recognition of deferred tax assets for unutilised tax losses carried forward.

19 Deferred tax (continued)

The amounts of unutilised tax losses and deductible temporary differences for which no deferred tax assets is recognised in the consolidated statement of financial position at 31 December 2023 were HK$531,915 million (2022: HK$120,844 million) and HK$27,472 million (2022: HK$10,309 million), respectively, totalling HK$559,387 million (2022: HK$131,153 million). The current year's amounts included balances that are subject to agreement by relevant tax authorities. If the same basis is applied, the comparative total would increase by HK$394,252 million to HK$525,405 million.

These unutilised tax losses and deductible temporary differences can be carried forward against future taxable income. Of the total amounts unrecognised, HK$174,454 million (2022: HK$91,882 million) has no expiry date, HK$8,269 million (2022: HK$6,658 million) is expected to expire within 10 years and the remaining balances is expected to expire after 10 years.

20 Liquid funds and other listed investments

	2023 HK$ million	2022 HK$ million
Financial assets at amortised cost		
Managed funds - cash and cash equivalents, outside Hong Kong [c]	**50**	40
Financial assets at fair value through other comprehensive income (“FVOCI”) [d]		
Listed equity securities, Hong Kong [e]	**608**	608
Listed equity securities, outside Hong Kong [e]	**8,589**	9,096
Managed funds - listed debt securities, outside Hong Kong [b] [f]	**6,539**	6,359
	15,786	16,103

(a) At 31 December, liquid funds and other listed investments totalling HK$15,786 million (2022: HK$16,103 million) are denominated in the following currencies:

	2023		2022	
	Financial assets at amortised cost Percentage	**Financial assets at FVOCI Percentage**	Financial assets at amortised cost Percentage	Financial assets at FVOCI Percentage
HK dollar	**-**	**4%**	-	4%
US dollar	**100%**	**42%**	60%	39%
Other currencies	**-**	**54%**	40%	57%
	100%	**100%**	100%	100%

See note 41(a) for further analysis.

20 Liquid funds and other listed investments (continued)

(b) At 31 December, listed debt securities totalling HK$6,539 million (2022: HK$6,359 million) presented above are analysed as follows:

	2023	2022
	Financial assets at FVOCI Percentage	Financial assets at FVOCI Percentage
Credit ratings		
Aaa / AAA	**14%**	12%
Aa1 / AA+	**86%**	87%
Other investment grades	**-**	1%
	100%	100%
Sectorial		
US Treasury notes	**72%**	73%
Government and government guaranteed notes	**25%**	23%
Others	**3%**	4%
	100%	100%
Weighted average maturity	**1.8 years**	2.6 years
Weighted average effective yield	**1.61%**	1.54%

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

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

(e) These equity securities are not investments held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at fair value through other comprehensive income. As at 31 December 2023, the Group has collar agreements with banks to hedge fair values of certain of these listed equity securities. Fair value deficits of HK$297 million and HK$59 million at 31 December 2023 of these collar arrangements are included in current and non-current liabilities (see notes 27 and 31, respectively). The comparative balance of the listed equity securities, outside Hong Kong includes HK$216 million fair value of these collar agreements. The Group considered this FVOCI category to be an appropriate classification.

(f) Managed funds - listed debt securities comprised predominately US Treasury notes and government and government guaranteed notes. All (2022: 99%) of the carrying amount of these assets at 31 December 2023 were rated at Aaa / AAA or Aa1 / AA+. These assets are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was required at the reporting date in respect of these assets.

21 Other non-current assets

	2023 HK$ million	2022 HK$ million
Investment properties (see note 22)	**408**	408
Customer acquisition and retention costs [(a)]	**4,290**	3,660
Contract assets (see note 24(b))	**3,826**	2,095
Unlisted investments		
Financial assets at FVOCI - equity securities [(b)]	**2,189**	2,451
Financial assets at fair value through profit or loss - equity securities	**369**	417
Financial assets at fair value through profit or loss - debt securities	**604**	555
Pension assets (see note 30)	**1,428**	1,311
Derivative financial instruments		
Cash flow hedges		
Interest rate swaps	**52**	84
Cross currency interest rate swaps	**150**	132
Other contracts	**-**	3,081
Net investment hedges		
Cross currency swaps	**572**	1,164
Other non-current assets [(c)]	**5,974**	542
	19,862	15,900

(a) Customer acquisition and retention costs primarily relate to incremental commission costs incurred to obtain telecommunications contracts with customers. The amount of customer acquisition and retention costs shown above is after deducting the amortisation charged to the current year's consolidated income statement of HK$3,667 million (2022: HK$3,464 million). Further, there was no impairment loss in relation to the cost capitalised. The Group applies the practical expedient in paragraph 94 of HKFRS 15, and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the costs that the Group otherwise would have recognised is one year or less.

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

(c) Amount included lease receivables of HK$507 million (2022: HK$542 million), which are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of lease receivables. The expected credit loss was minimal as lease receivables are from entities which are subject to the Group's lease acceptance requirements. There was no unfavourable current conditions and forecast future economic conditions at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets. The remaining balances are mainly prepayments of telecommunications annual licences fee.

22 Investment properties

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

	2023 HK$ million	2022 HK$ million
Valuation		
At 1 January	**408**	408
Increase in fair value of investment properties	**-**	-
At 31 December	**408**	408

At 31 December 2023, investment properties amounting to HK$408 million (2022: HK$408 million) were measured at fair value based on value inputs, other than quoted prices, that were observable either directly or indirectly. The fair values of the investment properties at 31 December 2023 and 2022 were determined based on a valuation carried out by Cushman & Wakefield Limited, professional valuers. The valuation which reflected the highest and best use was arrived at by reference to comparable market transactions and also took reference of capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential of the properties. There were no transfers among Level 1, Level 2 and Level 3 during the year. The Group's policy is to recognise transfers into / out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

At 31 December 2023 and 2022, the Group's aggregate future minimum lease receivable under non-cancellable operating leases is not material.

23 Cash and cash equivalents

	2023 HK$ million	2022 HK$ million
Cash at bank and in hand	**34,000**	27,769
Short term bank deposits	**93,323**	110,316
	127,323	138,085

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

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

See note 41(a) for further analysis.

24 Trade receivables and other current assets

	2023 HK$ million	2022 HK$ million
Trade receivables [a]	**20,264**	18,650
Less: loss allowance provision	**(3,967)**	(3,705)
	16,297	14,945
Other current assets		
Derivative financial instruments		
Cash flow hedges		
Interest rate swaps	**-**	153
Cross currency interest rate swaps	**-**	622
Forward foreign exchange contracts	**-**	1
Other contracts	**26**	167
Net investment hedges		
Cross currency interest rate swaps	**-**	112
Forward foreign exchange contracts	**201**	44
Cross currency swaps	**336**	9
Contract assets [b]	**3,754**	4,219
Prepayments	**16,361**	22,978
Other receivables [c]	**13,491**	13,433
Current tax receivables	**124**	128
	50,590	56,811

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

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

The Group's five largest customers contributed less than 5% of the Group's revenue for the year ended 31 December 2023 (2022: less than 5%).

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

	2023 HK$ million	2022 HK$ million
Less than 31 days	**11,996**	10,609
Within 31 to 60 days	**1,874**	1,704
Within 61 to 180 days	**1,523**	1,681
Over 180 days	**4,871**	4,656
	20,264	18,650

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

	2023 HK$ million	2022 HK$ million
At 1 January	**3,705**	3,797
Additions	**653**	998
Utilisations	**(492)**	(763)
Write back	**(41)**	(61)
Exchange translation differences	**142**	(266)
At 31 December	**3,967**	3,705

24 Trade receivables and other current assets (continued)

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

	2023			2022		
	Gross carrying amount HK$ million	**Loss allowance provision HK$ million**	**Expected loss rate Percentage**	Gross carrying amount HK$ million	Loss allowance provision HK$ million	Expected loss rate Percentage
Not past due	**9,965**	**89**	**1%**	9,169	95	1%
Past due less than 31 days	**3,501**	**67**	**2%**	2,918	82	3%
Past due within 31 to 60 days	**787**	**70**	**9%**	782	79	10%
Past due within 61 to 180 days	**1,291**	**380**	**29%**	1,312	384	29%
Past due over 180 days	**4,720**	**3,361**	**71%**	4,469	3,065	69%
	20,264	**3,967**		18,650	3,705	

(b) As at 31 December 2023, contract assets of HK$3,754 million (2022: HK$4,219 million) and HK$3,826 million (2022: HK$2,095 million) are included in "Trade receivables and other current assets" (see above) and "Other non-current assets" (see note 21) respectively. These assets are stated at the expected recoverable amount, after netting of provision for estimated impairment losses of HK$1,637 million (2022: HK$1,525 million). The Group measures the loss allowance for its contract assets at an amount equal to the lifetime expected credit losses. Movement on the provision for estimated impairment losses are as follows:

	2023 HK$ million	2022 HK$ million
At 1 January	**1,525**	1,390
Additions	**927**	921
Utilisations	**(823)**	(643)
Write back	**(55)**	(55)
Exchange translation differences	**63**	(88)
At 31 December	**1,637**	1,525

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

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

25 Assets and liabilities classified as held for sale

	2023 HK$ million	2022 HK$ million
Assets classified as held for sale		
Disposal group held for sale	-	6,096
Liabilities directly associated with assets classified as held for sale	-	1,127

On 3 January 2023, Wind Tre, a wholly owned subsidiary, and Iliad Italia S.p.A. announced the closing of Zefiro Net S.r.l., a 50:50 joint venture which is dedicated to accelerate the deployment of mobile phone networks in less densely populated areas of Italy. Under the joint venture arrangement, both parties will jointly manage their respective mobile phone networks via the joint venture in the less densely populated areas of Italy. Accordingly, the related assets and liabilities to be transferred by Wind Tre into the joint venture were classified for accounting purposes as held for sale as at 31 December 2022. The major classes of these assets and liabilities and their carrying amounts at 31 December 2022 were as follows:

	2023 HK$ million	2022 HK$ million
Assets		
Fixed assets	-	3,145
Right-of-use assets	-	918
Goodwill	-	2,012
Trade receivables	-	21
Assets classified as held for sale	-	6,096
Liabilities		
Lease liabilities	-	920
Provisions	-	205
Other non-current liabilities	-	2
Liabilities directly associated with assets classified as held for sale	-	1,127
Net assets directly associated with disposal group	-	4,969

	2023 HK$ million	2022 HK$ million
Cumulative amounts included in other comprehensive income:		
Exchange reserve deficit	-	(324)
Reserves of disposal group classified as held for sale	-	(324)

Disposal group held for sale is presented within total assets and total liabilities of “Telecommunications: CK Hutchison Group Telecom – **3** Group Europe” segment in note 5(b)(vi), 5(b)(vii) respectively and total assets of “Europe” in note 5(b)(xii).

26 Bank and other debts

	2023			2022		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Principal amounts						
Bank loans	**24,484**	**65,036**	**89,520**	40,697	53,806	94,503
Other loans	**154**	**72**	**226**	4	225	229
Notes and bonds	**33,755**	**147,900**	**181,655**	29,505	159,370	188,875
	58,393	**213,008**	**271,401**	70,206	213,401	283,607
Unamortised fair value adjustments arising from acquisitions	**18**	**2,275**	**2,293**	-	2,623	2,623
Subtotal before the following items	**58,411**	**215,283**	**273,694**	70,206	216,024	286,230
Unamortised loan facilities fees and premiums or discounts related to debts	**(87)**	**(1,685)**	**(1,772)**	(76)	(1,828)	(1,904)
	58,324	**213,598**	**271,922**	70,130	214,196	284,326

26 Bank and other debts (continued)

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

	2023			2022		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans	**24,484**	**65,036**	**89,520**	40,697	53,806	94,503
Other loans	**154**	**72**	**226**	4	225	229
Notes and bonds						
HK$2,413 million notes, 3-mth HIBOR^ + 0.32% due 2024	**2,413**	**-**	**2,413**	-	2,413	2,413
HK$260 million notes, 4% due 2027	**-**	**260**	**260**	-	260	260
US$750 million notes, 2.75% due 2023	**-**	**-**	**-**	5,850	-	5,850
US$750 million notes, 3.25% due 2024	**5,850**	**-**	**5,850**	-	5,850	5,850
US$1,500 million notes, 3.625% due 2024	**11,700**	**-**	**11,700**	-	11,700	11,700
US$500 million notes, 1.5% due 2026	**-**	**3,900**	**3,900**	-	3,900	3,900
US$500 million notes, 2.75% due 2026	**-**	**3,900**	**3,900**	-	3,900	3,900
US$309 million notes - Series C, 7.5% due 2027	**-**	**2,410**	**2,410**	-	2,410	2,410
US$500 million notes, 3.25% due 2027	**-**	**3,900**	**3,900**	-	3,900	3,900
US$800 million notes, 3.5% due 2027	**-**	**6,240**	**6,240**	-	6,240	6,240
US$1,250 million notes, 4.75% due 2028	**-**	**9,750**	**9,750**	-	-	-
US$500 million notes, 2.75% due 2029	**-**	**3,900**	**3,900**	-	3,900	3,900
US$750 million notes, 3.625% due 2029	**-**	**5,850**	**5,850**	-	5,850	5,850
US$750 million notes, 2.5% due 2030	**-**	**5,850**	**5,850**	-	5,850	5,850
US$850 million notes, 2.5% due 2031	**-**	**6,630**	**6,630**	-	6,630	6,630
US$1,039 million notes, 7.45% due 2033	**-**	**8,107**	**8,107**	-	8,107	8,107
US$1,250 million notes, 4.875% due 2033	**-**	**9,750**	**9,750**	-	-	-
US$25 million notes - Series D, 6.988% due 2037	**-**	**196**	**196**	-	196	196
US$650 million notes, 3.125% due 2041	**-**	**5,070**	**5,070**	-	5,070	5,070
US$750 million notes, 3.375% due 2049	**-**	**5,850**	**5,850**	-	5,850	5,850
US$750 million notes, 3.375% due 2050	**-**	**5,850**	**5,850**	-	5,850	5,850
EUR1,350 million notes, 1.25% due 2023	**-**	**-**	**-**	11,205	-	11,205
EUR1,500 million notes, 0.375% due 2023	**-**	**-**	**-**	12,450	-	12,450
EUR600 million bonds, 1% due 2024	**5,172**	**-**	**5,172**	-	4,980	4,980
EUR1,000 million notes, 0.875% due 2024	**8,620**	**-**	**8,620**	-	8,300	8,300
EUR750 million notes, 1.25% due 2025	**-**	**6,465**	**6,465**	-	6,225	6,225
EUR1,000 million notes, 0.75% due 2026	**-**	**8,620**	**8,620**	-	8,300	8,300
EUR650 million notes, 2% due 2028	**-**	**5,603**	**5,603**	-	5,395	5,395
EUR1,000 million notes, 1.125% due 2028	**-**	**8,620**	**8,620**	-	8,300	8,300
EUR500 million notes, 0.75% due 2029	**-**	**4,310**	**4,310**	-	4,150	4,150
EUR500 million notes, 2% due 2030	**-**	**4,310**	**4,310**	-	4,150	4,150
EUR750 million notes, 1.5% due 2031	**-**	**6,465**	**6,465**	-	6,225	6,225
EUR500 million notes, 1% due 2033	**-**	**4,310**	**4,310**	-	4,150	4,150
GBP303 million notes, 5.625% due 2026	**-**	**3,010**	**3,010**	-	2,866	2,866
GBP500 million notes, 2% due 2027	**-**	**4,970**	**4,970**	-	4,730	4,730
GBP300 million notes, 2.625% due 2034	**-**	**2,982**	**2,982**	-	2,837	2,837
JPY15,000 million notes, 2.6% due 2027	**-**	**822**	**822**	-	886	886
	33,755	**147,900**	**181,655**	29,505	159,370	188,875
	58,393	**213,008**	**271,401**	70,206	213,401	283,607

^ HIBOR represents the Hong Kong Interbank Offered Rate

26 Bank and other debts (continued)

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

(a) By year of repayment

	2023			2022		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans						
Within a year	**24,484**	**-**	**24,484**	40,697	-	40,697
After 1 year, but within 2 years	**-**	**25,326**	**25,326**	-	13,007	13,007
After 2 years, but within 5 years	**-**	**39,710**	**39,710**	-	40,799	40,799
	24,484	**65,036**	**89,520**	40,697	53,806	94,503
Other loans						
Within a year	**154**	**-**	**154**	4	-	4
After 1 year, but within 2 years	**-**	**4**	**4**	-	156	156
After 2 years, but within 5 years	**-**	**10**	**10**	-	10	10
After 5 years	**-**	**58**	**58**	-	59	59
	154	**72**	**226**	4	225	229
Notes and bonds						
Within a year	**33,755**	**-**	**33,755**	29,505	-	29,505
After 1 year, but within 2 years	**-**	**6,465**	**6,465**	-	33,243	33,243
After 2 years, but within 5 years	**-**	**62,005**	**62,005**	-	43,617	43,617
After 5 years	**-**	**79,430**	**79,430**	-	82,510	82,510
	33,755	**147,900**	**181,655**	29,505	159,370	188,875
	58,393	**213,008**	**271,401**	70,206	213,401	283,607

(b) By secured and unsecured borrowings

	2023			2022		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Secured borrowings	**1**	**1,558**	**1,559**	1	1,524	1,525
Unsecured borrowings	**58,392**	**211,450**	**269,842**	70,205	211,877	282,082
	58,393	**213,008**	**271,401**	70,206	213,401	283,607

(c) By borrowings at fixed and floating interest rate

	2023			2022		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Borrowings at fixed rate	**31,496**	**147,972**	**179,468**	29,509	157,183	186,692
Borrowings at floating rate	**26,897**	**65,036**	**91,933**	40,697	56,218	96,915
	58,393	**213,008**	**271,401**	70,206	213,401	283,607

26 Bank and other debts (continued)

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

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

	2023			2022		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Borrowings at fixed rate	**31,496**	**151,433**	**182,929**	47,449	160,603	208,052
Borrowings at floating rate	**26,897**	**61,575**	**88,472**	22,757	52,798	75,555
	58,393	**213,008**	**271,401**	70,206	213,401	283,607

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

The Group has entered into interest rate swap agreements to swap floating interest rate borrowings to fixed interest rate borrowings to mainly mitigate interest rate exposures to certain infrastructure project related borrowings. At 31 December 2023, the notional amount of the outstanding interest rate swap agreements amounted to HK$3,461 million (2022: interest rate swap agreements and cross currency interest rate swap agreements of HK$11,220 million and HK$10,140 million respectively) (See note 41(i)(ii)).

(e) By currency

	2023			2022		
	Current portion Percentage	**Non-current portion Percentage**	**Total Percentage**	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	**8%**	**41%**	**49%**	9%	40%	49%
Euro	**11%**	**22%**	**33%**	12%	23%	35%
HK dollar	**1%**	**4%**	**5%**	1%	1%	2%
British Pound	**1%**	**4%**	**5%**	1%	4%	5%
Other currencies	**1%**	**7%**	**8%**	2%	7%	9%
	22%	**78%**	**100%**	25%	75%	100%

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

	2023			2022		
	Current portion Percentage	**Non-current portion Percentage**	**Total Percentage**	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	**8%**	**41%**	**49%**	4%	39%	43%
Euro	**11%**	**23%**	**34%**	17%	25%	42%
HK dollar	**1%**	**4%**	**5%**	1%	1%	2%
British Pound	**1%**	**3%**	**4%**	1%	3%	4%
Other currencies	**1%**	**7%**	**8%**	2%	7%	9%
	22%	**78%**	**100%**	25%	75%	100%

As at 31 December 2023, the Group had currency swap agreements with banks to swap British Pound principal amount of borrowings equivalent to HK$4,970 million (2022: US dollar principal amount of borrowings equivalent to HK$15,990 million and British Pound principal amount of borrowings equivalent to HK$4,730 million) (see note 41(i)(ii)) to Euro principal amount of borrowings to reflect currency exposures of its underlying businesses. For the 2022 comparative amount, the Hong Kong dollar equivalent amount of HK$15,990 million mentioned in the preceding sentence includes the Hong Kong dollar equivalent amount of HK$10,140 million disclosed under item (d) above.

27 Trade payables and other current liabilities

	2023 **HK$ million**	2022 HK$ million
Trade payables [(a)]	**23,017**	21,356
Other current liabilities		
Derivative financial instruments		
Fair value hedges - Collar agreements	**297**	-
Cash flow hedges		
Forward foreign exchange contracts	**2**	2
Other contracts	**113**	151
Net investment hedges		
Forward foreign exchange contracts	**1,072**	891
Other derivative financial instruments	**-**	795
Interest free loans from non-controlling shareholders	**438**	472
Contract liabilities	**5,948**	6,027
Obligations for telecommunications licences and other rights	**621**	680
Provisions (see note 28)	**1,552**	1,341
Expenses and other accruals	**36,471**	35,995
Other payables	**16,888**	21,419
	86,419	89,129

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

	2023 **HK$ million**	2022 HK$ million
Less than 31 days	**15,763**	13,566
Within 31 to 60 days	**3,361**	2,912
Within 61 to 90 days	**1,333**	1,427
Over 90 days	**2,560**	3,451
	23,017	21,356

(b) The Group’s five largest suppliers accounted for less than 17% of the Group’s cost of purchases for the year ended 31 December 2023 (2022: less than 17%).

28 Provisions

	Provision for commitments, onerous contracts and other guarantees HK$ million	Closure obligations HK$ million	Assets retirement obligations HK$ million	Others HK$ million	Total HK$ million
At 1 January 2022	21,672	110	1,725	1,282	24,789
Additions	-	43	1	305	349
Interest accretion	-	-	10	-	10
Utilisations	(656)	(10)	(90)	(162)	(918)
Write back	-	(59)	-	(78)	(137)
Relating to subsidiaries disposed (see note 34(d))	(2,175)	-	(13)	-	(2,188)
Transfer to liabilities directly associated with assets classified as held for sale (see note 25)	-	-	(205)	-	(205)
Exchange translation differences	(364)	(4)	(156)	(58)	(582)
At 31 December 2022 and 1 January 2023	**18,477**	**80**	**1,272**	**1,289**	**21,118**
Additions	**-**	**69**	**5**	**444**	**518**
Interest accretion	**-**	**-**	**54**	**-**	**54**
Utilisations	**(897)**	**(18)**	**(63)**	**(129)**	**(1,107)**
Write back	**(41)**	**(22)**	**(38)**	**(115)**	**(216)**
Exchange translation differences	**(384)**	**2**	**17**	**49**	**(316)**
At 31 December 2023	**17,155**	**111**	**1,247**	**1,538**	**20,051**

Provisions are analysed as:

	2023 HK$ million	2022 HK$ million
Current portion (see note 27)	**1,552**	1,341
Non-current portion (see note 31)	**18,499**	19,777
	20,051	21,118

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

29 Interest bearing loans from non-controlling shareholders

	2023 HK$ million	2022 HK$ million
Interest bearing loans from non-controlling shareholders	**3,245**	2,567

At 31 December 2023, these loans bear interest at rates at EURIBOR+2.0%, Stockholm Interbank Offered Rate +2.0% and Stockholm Interbank Offered Rate +0.7% (2022: EURIBOR+2.0% and Stockholm Interbank Offered Rate +0.7%) per annum. The carrying amounts of the borrowings approximate their fair values.

30 Pension plans

	2023 HK$ million	2022 HK$ million
Defined benefit assets (see note 21)	**1,428**	1,311
Defined benefit liabilities	**3,536**	2,730
Net defined benefit liabilities	**2,108**	1,419

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

(a) Defined benefit plans

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

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

	2023	2022
Discount rates	**3.2% - 4.7%**	3.2% - 4.8%
Future salary increases	**2.2% - 3.5%**	2.3% - 3.5%
Interest credited on two principal plans in Hong Kong	**5.0% - 6.0%**	5.0% - 6.0%

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

	2023 HK$ million	2022 HK$ million
Present value of defined benefit obligations	**17,965**	15,163
Fair value of plan assets	**15,860**	13,750
	2,105	1,413
Restrictions on assets recognised	**3**	6
Net defined benefit liabilities	**2,108**	1,419

30 Pension plans (continued)

(a) Defined benefit plans (continued)

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

	Present value of defined benefit obligations HK$ million	Fair value of plan assets HK$ million	Asset ceiling HK$ million	Net defined benefit liabilities HK$ million
At 1 January 2022	23,686	(21,255)	3	2,434
Net charge (credit) to the consolidated income statement				
Current service cost	561	18	-	579
Past service cost and gains and losses on settlements	8	-	-	8
Interest cost (income)	358	(326)	-	32
	927	(308)	-	619
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial gain arising from change in financial assumptions	(6,700)	-	-	(6,700)
Actuarial loss arising from experience adjustment	32	-	-	32
Return on plan assets excluding interest income	-	6,047	-	6,047
Change in asset ceiling	-	-	3	3
Exchange translation differences	(1,933)	1,750	-	(183)
	(8,601)	7,797	3	(801)
Contributions paid by the employer	-	(711)	-	(711)
Contributions paid by the employee	103	(103)	-	-
Benefits paid	(783)	783	-	-
Relating to subsidiaries acquired (see note 34(c))	(119)	3	-	(116)
Transfer from (to) other liabilities	(50)	44	-	(6)
At 31 December 2022 and 1 January 2023	**15,163**	**(13,750)**	**6**	**1,419**
Net charge (credit) to the consolidated income statement				
Current service cost	**360**	**18**	**-**	**378**
Past service cost and gains and losses on settlements	**70**	**-**	**-**	**70**
Interest cost (income)	**596**	**(589)**	**-**	**7**
	1,026	**(571)**	**-**	**455**
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial gain arising from change in demographic assumptions	**(157)**	**-**	**-**	**(157)**
Actuarial loss arising from change in financial assumptions	**1,232**	**-**	**-**	**1,232**
Actuarial loss arising from experience adjustment	**339**	**-**	**-**	**339**
Return on plan assets excluding interest income	**-**	**19**	**-**	**19**
Change in asset ceiling	**-**	**-**	**(3)**	**(3)**
Exchange translation differences	**655**	**(599)**	**-**	**56**
	2,069	**(580)**	**(3)**	**1,486**
Contributions paid by the employer	**-**	**(1,253)**	**-**	**(1,253)**
Contributions paid by the employee	**113**	**(113)**	**-**	**-**
Benefits paid	**(805)**	**805**	**-**	**-**
Transfer from (to) other liabilities	**399**	**(398)**	**-**	**1**
At 31 December 2023	**17,965**	**(15,860)**	**3**	**2,108**

30 Pension plans (continued)

(a) Defined benefit plans (continued)

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

The Group operates two principal pension plans in Hong Kong. One plan, which has been closed to new entrants since 1994, provides pension benefits based on the greater of the aggregate of the employee and employer vested contributions plus a minimum interest thereon of 6% per annum, and pension benefits derived by a formula based on the final salary and years of service. An independent actuarial valuation, undertaken for funding purposes under the provision of Hong Kong's Occupational Retirement Schemes Ordinance ("ORSO"), at 1 January 2022 reported a funding level of 164% of the accrued actuarial liabilities on an ongoing basis. The valuation used the attained age valuation method and the main assumptions in the valuation are an investment return of 4% per annum, salary increases of 3.5% per annum and interest credited to balances of 6% per annum. The valuation was prepared by Tian Keat Aun, a Fellow of The Institute and Faculty of Actuaries, and Stewart Chan, a Fellow of the Society of Actuaries, of Towers Watson Hong Kong Limited. The second plan provides benefits equal to the employer vested contributions plus a minimum interest thereon of 5% per annum. As at 31 December 2023, vested benefits under this plan are fully funded in accordance with the ORSO funding requirements. During the year, forfeited contributions totalling HK$16 million (2022: HK$21 million) were used to reduce the current year's level of contributions and HK$1 million forfeited contribution was available at 31 December 2023 (2022: HK$1 million) to reduce future years' contributions.

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

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

The Group operates a defined benefit pension plan for certain of its retail operation in the United Kingdom. It is not open to new entrants. With effect from 28 February 2010, accrual of future defined benefits for all active members was ceased and the final salary linkage was also severed. The last triennial valuation was undertaken on 31 March 2021. This was an independent actuarial valuation, undertaken for funding purposes under the provision of the Pensions Act 2004, at 31 March 2021 which reported a funding level of 91% of the accrued actuarial liabilities on an ongoing basis. A schedule of contributions was agreed with GBP10.0 million to pay in 2022 and 2023, and GBP0.3 million in 2024 to eliminate the shortfall by February 2024. The valuation used the projected unit credit method and the main assumptions in the valuation are investment returns of 1.14% to 2.35% per annum and pension increases of 1.74% to 3.64% per annum. The valuation was prepared by Paul Jayson, a Fellow of the Institute and Faculty of Actuaries, of Barnett Waddingham LLP. The sponsoring employers have since made contributions of GBP10.0 million in 2023 (2022: GBP10.0 million).

30 Pension plans (continued)

(a) Defined benefit plans (continued)

(i) Plan assets

Fair value of the plan assets are analysed as follows:

	2023 Percentage	2022 Percentage
Equity instruments		
Consumer markets and manufacturing	**4%**	6%
Energy and utilities	**1%**	2%
Financial institutions and insurance	**3%**	4%
Telecommunications and information technology	**5%**	6%
Units trust and equity instrument funds	**4%**	4%
Others	**6%**	8%
	23%	30%
Debt instruments		
US Treasury notes	**-**	1%
Government and government guaranteed notes	**22%**	19%
Financial institutions notes	**5%**	7%
Others	**7%**	8%
	34%	35%
Qualifying insurance policies	**31%**	26%
Other assets	**12%**	9%
	100%	100%

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

	2023 Percentage	2022 Percentage
Aaa / AAA	**6%**	7%
Aa1 / AA+	**12%**	20%
Aa2 / AA	**52%**	41%
Aa3 / AA-	**1%**	2%
A1 / A+	**2%**	3%
A2 / A	**4%**	4%
Other investment grades	**18%**	17%
No investment grades	**5%**	6%
	100%	100%

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

Fair value of plan assets of HK$15,860 million (2022: HK$13,750 million) includes investments in the Company's shares with a fair value of HK$10 million (2022: HK$11 million).

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

(ii) Defined benefit obligation

The average duration of the defined benefit obligation as at 31 December 2023 is 18 years (2022: 17 years).

The Group expects to make contributions of HK$958 million (2022: HK$1,282 million) to the defined benefit plans next year.

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

30 Pension plans (continued)

(a) Defined benefit plans (continued)

(ii) Defined benefit obligation (continued)

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

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

If the discount rate is 0.25% higher or lower, the defined benefit obligation would decrease by 2.9% or increase by 3.1% respectively (2022: decrease by 2.8% or increase by 3.0% respectively).

If the future salary increase is 0.25% higher or lower, the defined benefit obligation would increase by 0.6% or decrease by 0.5% respectively (2022: increase by 0.8% or decrease by 0.5% respectively).

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

(b) Defined contribution plans

The Group's cost in respect of defined contribution plans for the year amounted to HK$1,505 million (2022: HK$1,420 million) which has been charged to the profit or loss for the year. Forfeited contributions of HK$15 million (2022: HK$15 million) were used to reduce the current year's level of contributions and no forfeited contribution was available at 31 December 2023 (2022: nil) to reduce future years' contributions.

31 Other non-current liabilities

	2023 **HK$ million**	2022 HK$ million
Derivative financial instruments		
Fair value hedges - Collar agreements	**59**	-
Cash flow hedges		
Other contracts	**1**	-
Net investment hedges		
Cross currency swaps	**465**	314
Obligations for telecommunications licences and other rights	**3,994**	3,309
Other non-current liabilities	**6,387**	6,333
Liabilities relating to the economic benefits agreements [(a)]	**2,166**	2,166
Provisions (see note 28)	**18,499**	19,777
	31,571	31,899

(a) In October 2018, the Group completed the divesture of an aggregated 90% economic benefits in Australian Gas Networks. As part of the arrangement, upon the occurrence of certain events, the Group is required to return the consideration. The Group recognises liabilities measured by reference to the amount of consideration it received under this arrangement from entities outside the Group.

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

(a) Share capital and share premium

	Number of shares	Share capital HK$ million	Share premium HK$ million	Total HK$ million
Authorised:				
Ordinary shares of HK$1 each	**8,000,000,000**	**8,000**	-	**8,000**
Issued and fully paid:				
Ordinary shares				
At 1 January 2022	3,834,634,500	3,834	243,169	247,003
Cancellation of issued shares (i)	(100,000)	-	(5)	(5)
Cancellation of issued shares (ii)	(4,490,000)	(4)	(192)	(196)
At 31 December 2022, 1 January 2023 and 31 December 2023	**3,830,044,500**	**3,830**	**242,972**	**246,802**

(i) During the year ended 31 December 2021, the Company acquired a total of 21,706,000 of its own ordinary shares through purchases on the Stock Exchange. Of these 21,706,000 shares, 21,606,000 shares were cancelled before the reporting date of 31 December 2021 and 100,000 shares were cancelled subsequent to the reporting date on 18 January 2022. Upon the cancellation of the 100,000 shares, HK$5 million have been deducted from share premium with a corresponding credit to retained profit.

(ii) During the year ended 31 December 2022, the Company acquired a total of 4,490,000 of its own ordinary shares through purchases on the Stock Exchange. The purchased shares were cancelled before the reporting date of 31 December 2022. The total amount paid to acquire these shares was approximately HK$197 million, of which approximately HK$4 million and HK$192 million have been deducted from share capital and share premium respectively, and the remaining balance of HK$1 million has been charged to retained profit.

(b) Perpetual capital securities

	2023 HK$ million	2022 HK$ million
EUR500 million issued in 2018	**4,566**	4,561

In December 2018, wholly owned subsidiary company of the Group issued perpetual capital securities with nominal amount of EUR500 million (approximately HK$4,475 million) for cash.

These securities are perpetual, subordinated and the payment of distributions is optional in nature. Therefore, perpetual capital securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position.

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

(c) Capital management

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

At 31 December 2023, total equity amounted to HK$670,549 million (2022: HK$647,309 million), and consolidated net debt of the Group, excluding loans from non-controlling shareholders which are viewed as quasi equity, was HK$130,585 million (2022: HK$132,042 million). The Group's net debt to net total capital ratio decreased to 16.2% from 16.9% at the end of last year.

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

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

	2023	2022
A1 - excluding interest-bearing loans from non-controlling shareholders from debt	**16.2%**	16.9%
A2 - as in A1 above and investments in listed subsidiaries and associated companies marked to market value	**18.0%**	18.4%
B1 - including interest-bearing loans from non-controlling shareholders as debt	**16.6%**	17.2%
B2 - as in B1 above and investments in listed subsidiaries and associated companies marked to market value	**18.4%**	18.8%

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

33 Reserves

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

33 Reserves (continued)

	2022				
	Attributable to ordinary shareholders				
	Retained profit	Exchange reserve	Hedging reserve	Others [(a)]	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2022	631,181	(20,925)	(1,378)	(342,729)	266,149
Profit for the year	36,680	-	-	-	36,680
Other comprehensive income (losses) [(c)]					
Changes in fair value of equity instruments at fair value through other comprehensive income	-	-	-	(1,493)	(1,493)
Changes in fair value of debt instruments at fair value through other comprehensive income	-	-	-	(367)	(367)
Remeasurement of defined benefit obligations	569	-	-	-	569
Exchange losses on translation of foreign operations	-	(14,538)	-	-	(14,538)
Exchange losses reclassified to profit or loss	-	2,035	55	-	2,090
Gains on cash flow hedges	-	-	2,127	-	2,127
Gains on net investment hedges	-	3,380	-	-	3,380
Share of other comprehensive income (losses) of associated companies	(38)	(3,981)	1,539	(96)	(2,576)
Share of other comprehensive income (losses) of joint ventures	(385)	(6,174)	2,998	(17)	(3,578)
Tax relating to components of other comprehensive income (losses)	(209)	-	(9)	-	(218)
Other comprehensive income (losses), net of tax	(63)	(19,278)	6,710	(1,973)	(14,604)
Impact of hyperinflation	(23)	-	-	-	(23)
Transfer of gains on disposal of equity securities at FVOCI to retained profit	17	-	-	(17)	-
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2021	(7,132)	-	-	-	(7,132)
Dividends paid relating to 2022	(3,221)	-	-	-	(3,221)
Buy-back and cancellation of issued shares (see note 32(a)(ii))	4	-	-	-	4
Relating to purchase of non-controlling interests [(b)]	-	-	-	(1,133)	(1,133)
Relating to partial disposal of subsidiary companies	-	-	-	(9)	(9)
At 31 December 2022	657,443	(40,203)	5,332	(345,861)	276,711

(a) Other reserves comprise revaluation reserve and other capital reserves. As at 31 December 2023, revaluation reserve deficit amounted to HK$2,835 million (1 January 2023: HK$3,472 million and 1 January 2022: HK$1,574 million), and other capital reserves deficit amounted to HK$342,463 million (1 January 2023: HK$342,389 million and 1 January 2022: HK$341,155 million). Included in the other capital reserves account is a deficit of HK$341,336 million, relating to the fair value of shares of Cheung Kong (Holdings) Limited, the former holding company of the Group, cancelled as part of the reorganisation completed in 2015. Revaluation surplus (deficit) arising from revaluation to market value of listed debt securities and listed equity securities are included in the revaluation reserve.

33 Reserves (continued)

(b) During the comparative year, the Group had acquired the remaining 25% interests in an intermediate holding company which holds certain of the Group's attributable interests in the port division from the non-controlling interests shareholder. The acquisition was accounted for as a transaction with equity participant and the economic effect was recorded in equity.

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

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

	2022		
	Before-tax amount HK$ million	Tax effect HK$ million	Net-of-tax amount HK$ million
Changes in fair value of equity instruments at fair value through other comprehensive income	(1,493)	-	(1,493)
Changes in fair value of debt instruments at fair value through other comprehensive income	(367)	-	(367)
Remeasurement of defined benefit obligations	701	(255)	446
Exchange losses on translation of foreign operations	(16,078)	-	(16,078)
Exchange losses reclassified to profit or loss	2,220	-	2,220
Gains on cash flow hedges	2,201	(12)	2,189
Gains on net investment hedges	4,433	-	4,433
Share of other comprehensive income (losses) of associated companies	(2,578)	-	(2,578)
Share of other comprehensive income (losses) of joint ventures	(4,581)	-	(4,581)
	(15,542)	(267)	(15,809)

34 Notes to the consolidated statement of cash flows

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

	2023 HK$ million	2022 HK$ million
Profit after tax	**30,209**	43,659
Less: share of profits less losses of		
Associated companies	**(8,138)**	(11,822)
Joint ventures	**(7,990)**	(7,422)
	14,081	24,415
Adjustments for:		
Current tax charge	**4,119**	5,435
Deferred tax charge (credit)	**(1,116)**	2,839
Interest expenses and other finance costs	**12,227**	9,052
Depreciation and amortisation	**40,083**	39,788
EBITDA of Company and subsidiaries (i)	**69,394**	81,529
Dividends received from associated companies and joint ventures	**11,388**	12,783
Impairment loss against goodwill and other assets on telecommunications business in Sri Lanka (see note 7(c))	**-**	1,000
Impairment loss against goodwill on telecommunications business in Italy (see note 7(c))	**-**	11,039
Loss on disposal of fixed assets	**169**	196
Gains on disposals of unlisted investments (see note 7)	**-**	(515)
Gains on disposals of interests in associated companies and joint ventures (see note 7)	**(228)**	(947)
Loss on disposal of interests in associated companies (see note 7)	**70**	-
A gain on disposal of financial instruments (see note 7)	**(1,829)**	-
Losses (gains) on disposal of subsidiaries (see note 7)		
European telecommunications tower assets	**-**	(19,060)
Indonesia telecommunications businesses	**-**	(7,245)
Italian network business	**250**	-
Other businesses	**-**	37
Customer acquisition and retention costs capitalised in the year	**(4,143)**	(3,586)
Other non-cash items	**345**	(1,334)
	75,416	73,897

(i) Reconciliation of EBITDA:

	2023 HK$ million	2022 HK$ million
EBITDA of Company and subsidiaries	**69,394**	81,529
Share of EBITDA of associated companies and joint ventures		
Share of profits less losses of		
Associated companies	**8,138**	11,822
Joint ventures	**7,990**	7,422
Adjustments for:		
Depreciation and amortisation	**24,724**	24,355
Interest expenses and other finance costs	**11,973**	9,346
Current tax charge	**3,582**	3,983
Deferred tax charge	**1,806**	3,923
Non-controlling interests	**482**	608
	58,695	61,459
EBITDA (see note 5(b)(ii))	**128,089**	142,988

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

(b) Changes in working capital

	2023	2022
	HK$ million	HK$ million
Increase in inventories	**(1,005)**	(1,401)
Increase in trade receivables and other current assets	**(5,022)**	(493)
Decrease in trade payables and other current liabilities	**(3,767)**	(2,581)
Other non-cash items	**1,829**	(105)
	(7,965)	(4,580)

(c) Purchase of subsidiary companies

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

	2023	2022
	HK$ million	HK$ million
Purchase consideration transferred:		
Cash and cash equivalents paid	**127**	-
Fair value		
Fixed assets	**6**	-
Right-of-use assets	**3**	-
Brand names and other rights	**9**	-
Deferred tax assets	**3**	-
Cash and cash equivalents	**72**	-
Trade receivables and other current assets	**52**	-
Inventories	**13**	-
Trade payables and other current liabilities and current tax liabilities	**(57)**	-
Bank and other debts	**(2)**	-
Lease liabilities	**(3)**	-
Pension obligations	**(1)**	-
Net identifiable assets acquired	**95**	-
Non-controlling interests	**(43)**	-
	52	-
Goodwill	**75**	-
Total consideration	**127**	-
Net cash outflow (inflow) arising from acquisition:		
Cash and cash equivalents paid	**127**	-
Cash and cash equivalents acquired	**(72)**	-
Total net cash outflow	**55**	-

The assets acquired and liabilities assumed are recognised at the acquisition date fair value and are recorded at the consolidation level.

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

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

(d) Disposal of subsidiary companies

	2023 **HK$ million**	2022 HK$ million
Equity securities received	**2,563**	24,089
Net cash consideration [(i)]	**2,563**	14,077
Carrying amount of net assets disposed	**(5,052)**	(10,015)
Gains before reclassification of exchange losses	**74**	28,151
Cumulative exchange losses reclassified to profit or loss	**(324)**	(1,883)
Gains (loss) on disposals	**(250)**	26,268
Analysis of assets and liabilities over which control was lost		
Fixed assets	**-**	12,252
Right-of-use assets	**-**	9,564
Telecommunications licences	**-**	3,836
Goodwill	**-**	1,119
Deferred tax assets	**-**	266
Trade receivables and other current assets	**-**	2,252
Inventories	**-**	78
Assets classified as held for sale	**6,202**	-
Trade payables and other current liabilities and current tax liabilities	**-**	(4,089)
Bank and other debts	**-**	(356)
Lease liabilities	**-**	(10,315)
Deferred tax liabilities	**-**	(233)
Pension obligations	**-**	(116)
Other non-current liabilities	**-**	(4,243)
Liabilities directly associated with assets classified as held for sale	**(1,150)**	-
Net assets (excluding cash and cash equivalents) disposed	**5,052**	10,015
Cash and cash equivalents disposed [(ii)]	**-**	1,511
Net assets disposed	**5,052**	11,526

Disposal of subsidiary companies for the current year ended 31 December 2023 mainly related to the disposal of the Group's former subsidiary Zefiro Net S.r.l. which has become a 50% owned joint venture in the current year (see note 25). For the comparative year ended 31 December 2022, the disposals of subsidiary companies mainly related to the disposal of interest in tower assets in the UK and the disposal of the Group's former subsidiary H3I, following the completion of its merger with PT Indosat Tbk (see note 5(b)(xvii) and 5(b)(xviii)) . The gains (loss) on these disposals are recognised in the consolidated income statement, with the current year's loss on disposal included in the line item titled "Other expenses and losses" and the comparative year's gains on disposals included in the line item titled "Other income and gains" in the consolidated income statement (see note 7).

Saved as disclosed for the effect arising from the gains (loss) on disposals, the effect on the Group's results from the subsidiaries disposed during the year are not material for the periods ended 31 December 2023 and 2022.

(i) The current year amount is presented as "Proceeds from disposal of subsidiary companies, net of cash disposed" in the consolidated statement of cash flows. For the comparative year amount, HK$17,096 million cash received was presented as "Proceeds from disposal of subsidiary companies, net of cash disposed" and HK$3,019 million cash paid was included in "Purchase of and advances to associated companies and joint ventures" in the consolidated statement of cash flows respectively.

(ii) The comparative year amount is included in "Proceeds from disposal of subsidiary companies, net of cash disposed" in the consolidated statement of cash flows.

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

(e) Changes in liabilities arising from financing activities

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

	Bank and other debts HK$ million	Lease liabilities HK$ million	Interest bearing loans from non-controlling shareholders HK$ million	Interest free loans from non-controlling shareholders HK$ million	Liabilities relating to the economic benefits agreements HK$ million	Total HK$ million
At 1 January 2022	325,799	85,079	759	427	2,166	414,230
Financing cash flows						
New borrowings	37,147	-	-	-	-	37,147
Repayment of borrowings	(68,063)	-	-	-	-	(68,063)
Principal elements of lease payments (see note 13(c))	-	(14,307)	-	-	-	(14,307)
Net loans from non-controlling shareholders	-	-	2,073	45	-	2,118
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 8)	243	-	-	-	-	243
Gains arising on adjustment for hedged items in a designated fair value hedge (see note 41(h))	(4)	-	-	-	-	(4)
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 8(a))	(420)	-	-	-	-	(420)
Increase in lease liabilities from entering into new leases (see note 13(a))	-	6,528	-	-	-	6,528
Interest on lease liabilities (see note 8)	-	2,270	-	-	-	2,270
Interest element of lease liabilities paid (included in "Net cash from operating activities")	-	(2,071)	-	-	-	(2,071)
Remeasurement / write off of lease liabilities						
Rental concessions (see note 7)	-	(188)	-	-	-	(188)
Others	-	4,182	-	-	-	4,182
Relating to subsidiaries disposed (see note 34(d))	(356)	(10,315)	-	-	-	(10,671)
Transfer to liabilities directly associated with assets classified as held for sale (see note 25)	-	(920)	-	-	-	(920)
Exchange translation differences	(10,020)	(4,199)	(265)	-	-	(14,484)
At 31 December 2022 and 1 January 2023	**284,326**	**66,059**	**2,567**	**472**	**2,166**	**355,590**
Financing cash flows						
New borrowings	**58,211**	**-**	**-**	**-**	**-**	**58,211**
Repayment of borrowings	**(75,361)**	**-**	**-**	**-**	**-**	**(75,361)**
Principal elements of lease payments (see note 13(c))	**-**	**(14,476)**	**-**	**-**	**-**	**(14,476)**
Net loans from (to) non-controlling shareholders	**-**	**-**	**561**	**(34)**	**-**	**527**
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 8)	**237**	**-**	**-**	**-**	**-**	**237**
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 8(a))	**(341)**	**-**	**-**	**-**	**-**	**(341)**
Increase in lease liabilities from entering into new leases (see note 13(a))	**-**	**8,871**	**-**	**-**	**-**	**8,871**
Interest on lease liabilities (see note 8)	**-**	**2,546**	**-**	**-**	**-**	**2,546**
Interest element of lease liabilities paid (included in "Net cash from operating activities")	**-**	**(2,412)**	**-**	**-**	**-**	**(2,412)**
Remeasurement / write off of lease liabilities	**-**	**5,739**	**-**	**-**	**-**	**5,739**
Relating to subsidiaries acquired (see note 34(c))	**2**	**3**	**-**	**-**	**-**	**5**
Exchange translation differences	**4,848**	**1,593**	**117**	**-**	**-**	**6,558**
At 31 December 2023	**271,922**	**67,923**	**3,245**	**438**	**2,166**	**345,694**

35 Share-based payments

The Company and its subsidiary companies do not have share option scheme as at 31 December 2023 and 31 December 2022. Certain of the Company's associated companies have issued equity-settled and cash-settled share-based payments to certain employees. The aggregate amount of the share-based payments recognised by these companies during the current and comparative years are not material to the Group's results.

36 Pledge of assets

At 31 December 2023, assets of the Group totalling HK$1,533 million (2022: HK$1,442 million) were pledged as security for bank and other debts.

37 Contingent liabilities and guarantees

At 31 December 2023, the Company and its subsidiaries provide guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures of HK$4,560 million (2022: HK$4,856 million).

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

	2023 **HK$ million**	2022 HK$ million
To associated companies	**3,661**	3,527
To joint ventures	**-**	1,096

At 31 December 2023, the Group had provided performance and other guarantees of HK$4,115 million (2022: HK$5,033 million).

38 Commitments

The Group's outstanding commitments contracted for at 31 December 2023, where material, not provided for in the consolidated financial statements at 31 December 2023 are as follows:

Capital commitments
(a) Ports and Related Services: HK$462 million (2022: HK$582 million)
(b) **3** Group Europe: HK$181 million (2022: HK$183 million)
(c) Telecommunications, Hong Kong and Asia: HK$149 million (2022: HK$308 million)

39 Related parties transactions

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

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

40 Legal proceedings

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

41 Financial risk management

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

(a) Cash management and funding

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

The Group continues to maintain a robust financial position. Cash, liquid funds and other listed investments ("Liquid assets") amounted to HK$143,109 million at 31 December 2023 (2022: HK$154,188 million). The decrease was mainly reflecting dividend payments to ordinary and non-controlling shareholders as well as distributions to perpetual capital securities holders, repayment and early repayment of certain borrowings, capital expenditure and investment spending, partly offset by cash arising from positive funds from operations from the Group's businesses and cash from new borrowings. Liquid assets were denominated as to 17% in HK dollar, 45% in US dollar, 3% in Renminbi, 23% in Euro, 5% in British Pound and 7% in other currencies (2022: 15% were denominated in HK dollar, 55% in US dollar, 3% in Renminbi, 14% in Euro, 7% in British Pound and 6% in other currencies).

Cash and cash equivalents represented 89% (2022: 90%) of the liquid assets, US Treasury notes and other listed debt securities 5% (2022: 4%) and listed equity securities 6% (2022: 6%). The US Treasury notes and other listed debt securities, including those held under managed funds, consisted of US Treasury notes of 72% (2022: 73%), government and government guaranteed notes of 25% (2022: 23%) and others of 3% (2022: 4%). All of these US Treasury notes and other listed debt securities (2022: 99%) are rated at Aaa / AAA or Aa1 / AA+ with an average maturity of 1.8 years (2022: 2.6 years) on the overall portfolio. The Group has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.

(b) Interest rate exposure

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

At 31 December 2023, approximately 34% (2022: approximately 34%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 66% (2022: approximately 66%) were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$3,461 million (2022: HK$21,360 million) principal amount of floating interest rate borrowings that were used to finance long term investments to fixed interest rate borrowings. After taking into consideration of these interest rate swaps, approximately 32% (2022: approximately 27%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 68% (2022: approximately 73%) were at fixed rates at 31 December 2023. All of the aforementioned interest rate derivatives are designated as hedges and these hedges are considered highly effective.

41 Financial risk management (continued)

(c) Foreign currency exposure

For subsidiaries, associated companies, joint arrangements, branches and other investments (the activities of which are based or conducted in non-HK dollar or non-US dollar), the Group generally endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. For businesses (the activities of which are based or conducted in non-HK dollar or non-US dollar) that are in the development phase, or where borrowings in local currency are not or are no longer attractive, the Group may not borrow in the local currency or may repay existing borrowings and monitor the development of the businesses' cash flows and the relevant debt markets with a view to refinance these businesses with local currency borrowings in the future when conditions are more appropriate. Exposure to movements in exchange rates for individual transactions (such as major procurement contracts) directly related to its underlying businesses is minimised by using forward foreign exchange contracts and currency swaps where active markets for the relevant currencies exist. The Group generally does not enter into foreign currency hedges in respect of its long-term equity investments in foreign operations, except in relation to certain infrastructure investments. At 31 December 2023, the Group had foreign exchange forward contracts and cross currency swaps with banks to hedge these investments. The total notional amount of the net investment hedges amounted to HK$50,730 million (2022: HK$53,725 million).

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

As at 31 December 2023, the Group's total principal amount of bank and other debts are denominated as follows: 49% in US dollar, 33% in Euro, 5% in HK dollar, 5% in British Pound and 8% in other currencies (2022: 49% in US dollar, 35% in Euro, 2% in HK dollar, 5% in British Pound and 9% in other currencies). The Group had currency swap arrangements with banks to swap British Pound principal amount of borrowings equivalent to HK$4,970 million (2022: US dollar principal amount of borrowings equivalent to HK$15,990 million and British Pound principal amount of borrowings equivalent to HK$4,730 million) to Euro principal amount of borrowings to reflect currency exposures of its underlying businesses. The Group's total principal amount of bank and other debts, after the above swaps, were denominated as follows: 49% in US dollar, 34% in Euro, 5% in HK dollar, 4% in British Pound and 8% in other currencies (2022: 43% in US dollar, 42% in Euro, 2% in HK dollar, 4% in British Pound and 9% in other currencies).

(d) Credit exposure

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

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

(e) Market price risk

The Group's main market price risk exposures relate to listed debt and equity securities as described in "liquid assets" above and the interest rate swaps described in "interest rate exposure" above. The Group's holding of listed debt and equity securities represented approximately 11% (2022: approximately 10%) of the liquid assets. The Group controls this risk through active monitoring of price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

(f) Market risks sensitivity analysis

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

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

41 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

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

(i) Interest rate sensitivity analysis

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

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

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

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

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

Major financial assets and financial liabilities for the purpose of the interest rate sensitivity analysis include:

- cash and cash equivalents (see note 23)
- some of the listed debt securities and managed funds (see note 20) carried at fair value that bear interest at fixed rate
- some of the listed debt securities and managed funds (see note 20) that bear interest at floating rate
- some of the bank and other debts (see note 26) that bear interest at floating rate
- interest bearing loans from non-controlling shareholders (see note 29)

Under these assumptions, the impact of a hypothetical 100 basis points (2022: 100 basis points) increase in market interest rate at 31 December 2023, with all other variables held constant:

- profit for the year would increase by HK$334 million (2022: HK$656 million) due to increased interest income offset with increased interest expense;
- total equity would increase by HK$334 million (2022: HK$656 million) due to increased interest income offset with increased interest expense; and
- total equity would increase by HK$45 million (2022: HK$85 million) due to the change in fair value of derivative financial instruments.

(ii) Foreign currency exchange rate sensitivity analysis

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

41 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

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

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

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

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

Major financial assets and financial liabilities for the purpose of the foreign currency exchange rate sensitivity analysis include:
- some of the cash and cash equivalents (see note 23)
- some of the liquid funds and other listed investments (see note 20)
- some of the bank and other debts (see note 26)

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

	2023		2022	
	Hypothetical increase (decrease) in profit for the year HK$ million	**Hypothetical increase (decrease) in total equity HK$ million**	Hypothetical increase (decrease) in profit for the year HK$ million	Hypothetical increase (decrease) in total equity HK$ million
Euro	**172**	**(264)**	60	(356)
British Pound	**144**	**(1,078)**	356	(807)
Australian dollar	**43**	**(368)**	33	(371)
Renminbi	**68**	**68**	63	63
US dollar	**2,182**	**2,182**	2,921	2,921
Japanese Yen	**(83)**	**(83)**	(89)	(89)

(iii) Other price sensitivity analysis

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

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

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

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

- no impact to profit for the year (2022: nil), and consequently no impact to total equity for the year (2022: nil); and
- other comprehensive income would increase by HK$787 million (2022: HK$803 million) due to the increase in gains on financial assets at FVOCI, and consequently, total equity would increase by the same amount for both years.

41 Financial risk management (continued)

(g) Contractual maturities of financial liabilities

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

Non-derivative financial liabilities:

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

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

Derivative financial liabilities:

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

41 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

Non-derivative financial liabilities:

	Contractual maturities					
	Within 1 year HK$ million	After 1 year, but within 5 years HK$ million	After 5 years HK$ million	Total undiscounted cash flows HK$ million	Difference from carrying amounts HK$ million	Carrying amounts HK$ million
At 31 December 2022						
Trade payables	21,356	-	-	21,356	-	21,356
Expenses and other accruals	35,995	-	-	35,995	-	35,995
Other payables	21,419	-	-	21,419	-	21,419
Interest free loans from non-controlling shareholders	472	-	-	472	-	472
Lease liabilities	13,063	30,683	39,922	83,668	(17,609)	66,059
Bank loans	40,697	53,806	-	94,503	(235)	94,268
Other loans	4	166	59	229	-	229
Notes and bonds	29,505	76,860	82,510	188,875	954	189,829
Interest bearing loans from non-controlling shareholders	743	1,824	-	2,567	-	2,567
Obligations for telecommunications licences and other rights	682	1,585	2,128	4,395	(406)	3,989
Liabilities relating to the economic benefits agreements	-	2,166	-	2,166	-	2,166
Amounts due to associated companies	569	-	-	569	-	569
Amounts due to joint ventures	319	-	-	319	-	319
	164,824	167,090	124,619	456,533	(17,296)	439,237

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK$7,129 million in "within 1 year" maturity band, HK$16,905 million in "after 1 year, but within 5 years" maturity band, and HK$17,046 million in "after 5 years" maturity band. These estimates are calculated assuming the effect of hedging transactions and interest rates with respect to variable rate financial liabilities remain constant and there is no change in the aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

Derivative financial liabilities:

	Contractual maturities			
	Within 1 year HK$ million	After 1 year, but within 5 years HK$ million	After 5 years HK$ million	Total undiscounted cash flows HK$ million
At 31 December 2022				
Cash flow hedges				
Forward foreign exchange contracts				
Net outflow	(2)	-	-	(2)
Other contracts				
Outflow	(151)	-	-	(151)
Net investment hedges				
Forward foreign exchange contracts				
Inflow	22,223	-	-	22,223
Outflow	(23,187)	-	-	(23,187)
Cross currency swaps				
Inflow	48	3,494	-	3,542
Outflow	-	(3,735)	-	(3,735)
Other derivative financial instruments				
Net outflow	(821)	-	-	(821)

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

	2023 **HK$ million**	2022 HK$ million
Dividends from equity securities at FVOCI - related to investments held at the end of the reporting period	**142**	119
Interest from debt securities at FVOCI	**104**	94
Interest from cash and cash equivalents held at amortised cost	**5,616**	2,017
Fair value losses on equity securities at fair value through profit or loss ("FVPL")	**(103)**	(6)
Fair value gains (losses) on debt securities at FVPL	**13**	(15)
Net impairment expense recognised on trade receivables	**(612)**	(937)
Losses arising on derivatives in a designated fair value hedge	**-**	(4)
Gains arising on adjustment for hedged items in a designated fair value hedge	**-**	4

(i) Hedge accounting

(i) Fair value hedges

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

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

	2022			
Hedging instruments	Number of hedged shares in million	Carrying amount of the hedging instrument HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedging instrument is included
Collar agreements	32.4	216	216	Liquid funds and other listed investments

	2022		
Hedged items	Carrying amount of the hedged item HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedged item is included
Listed equity securities, outside Hong Kong	8,317	(1,409)	Liquid funds and other listed investments

41 Financial risk management (continued)

(i) Hedge accounting (continued)

(ii) Cash flow hedges

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

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

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

41 **Financial risk management (continued)**

(i) **Hedge accounting (continued)**

(ii) **Cash flow hedges (continued)**

2022								
					Carrying amount of derivatives included in			
Hedging instruments	Receive average contracted interest rate Percentage	Pay average contracted interest rate Percentage	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Interest rate swaps								
- receive floating and pay fixed maturing in								
2023	2.95%	0.94%	US$ 1,000	7,800	153	-	-	-
2025	3.81%	3.58%	AUD 509	2,682	-	64	-	-
2025	5.43%	5.13%	NZD 150	738	-	20	-	-
				11,220	153	84	-	-
Cross currency interest rate swaps								
- receive floating and pay fixed maturing in								
2023	2.37%	0.05%	US$ 1,300	10,140	277	-	-	-
- receive fixed and pay fixed maturing in								
2023	2.75%	0.03%	US$ 750	5,850	345	-	-	-
2027	2.00%	0.05%	GBP 500	4,730	-	132	-	-
				20,720	622	132	-	-

2022							
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Forward foreign exchange contracts maturing in							
2023	0.94	EUR 85	709	1	-	-	-
2023	1.01	US$ 4	35	-	-	(2)	-
			744	1	-	(2)	-

2022			
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Interest rate risk	(362)	(226)	-
Foreign exchange risk	(1,107)	(886)	-

41 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges

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

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

41 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges (continued)

Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
	2022			Carrying amount of derivatives included in			
Cross currency interest rate swaps maturing in							
2023	9.57	GBP 583	5,518	112	-	-	-
			5,518	112	-	-	-
Forward foreign exchange contracts maturing in							
2023	5.79	CAD 677	3,884	27	-	(13)	-
2023	4.89	AUD 159	840	-	-	(65)	-
2023	4.64	NZD 280	1,378	-	-	(81)	-
2023	9.13	GBP 2,487	23,531	15	-	(732)	-
2023	8.42	EUR 65	540	2	-	-	-
			30,173	44	-	(891)	-
Cross currency swaps maturing in							
2023 - 2025	6.07	CAD 447	2,568	9	112	-	-
2024 - 2027	8.31	EUR 965	8,010	-	470	-	(314)
2027	5.86	AUD 1,415	7,456	-	582	-	-
			18,034	9	1,164	-	(314)

Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in hedging reserve / exchange reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve / exchange reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
	2022		
Foreign investments	(4,333)	(8,703)	(716)

41 Financial risk management (continued)

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

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

	Note	Classification under HKFRS 9	**2023** Carrying amounts HK$ million	**2023** Fair values HK$ million	2022 Carrying amounts HK$ million	2022 Fair values HK$ million
Financial assets						
Liquid funds and other listed investments						
Cash and cash equivalents (included in Managed funds)	20	Amortised cost	**50**	**50**	40	40
Listed equity securities, Hong Kong	20	FVOCI	**608**	**608**	608	608
Listed equity securities, outside Hong Kong	20	FVOCI	**8,589**	**8,589**	8,880	8,880
Fair value hedges - Collar agreements	20	Fair value - hedges	**-**	**-**	216	216
Listed debt securities (included in Managed funds)	20	FVOCI	**6,539**	**6,539**	6,359	6,359
Unlisted investments						
Unlisted equity securities	21	FVOCI	**2,189**	**2,189**	2,451	2,451
Unlisted equity securities	21	FVPL	**369**	**369**	417	417
Unlisted debt securities	21	FVPL	**604**	**604**	555	555
Derivative financial instruments						
Cash flow hedges						
Interest rate swaps	21 & 24	Fair value - hedges	**52**	**52**	237	237
Cross currency interest rate swaps	21 & 24	Fair value - hedges	**150**	**150**	754	754
Forward foreign exchange contracts	24	Fair value - hedges	**-**	**-**	1	1
Other contracts	21 & 24	Fair value - hedges	**26**	**26**	3,248	3,248
Net investment hedges						
Cross currency interest rate swaps	24	Fair value - hedges	**-**	**-**	112	112
Forward foreign exchange contracts	24	Fair value - hedges	**201**	**201**	44	44
Cross currency swaps	21 & 24	Fair value - hedges	**908**	**908**	1,173	1,173
Lease receivables	21	Amortised cost	**507**	**507**	542	542
Cash and cash equivalents	23	Amortised cost	**127,323**	**127,323**	138,085	138,085
Trade receivables	24	Amortised cost	**16,297**	**16,297**	14,945	14,945
Other receivables	24	Amortised cost	**13,491**	**13,491**	13,433	13,433
Amounts due from associated companies	17	Amortised cost	**3,435**	**3,435**	3,542	3,542
Amounts due from joint ventures	18	Amortised cost	**22,377**	**22,377**	29,792	29,792
			203,715	**203,715**	225,434	225,434
Financial liabilities						
Bank and other debts [(i)]	26	Amortised cost	**271,922**	**258,853**	284,326	265,418
Trade payables	27	Amortised cost	**23,017**	**23,017**	21,356	21,356
Derivative financial instruments						
Fair value hedges - Collar agreements	27 & 31	Fair value - hedges	**356**	**356**	-	-
Cash flow hedges						
Forward foreign exchange contracts	27	Fair value - hedges	**2**	**2**	2	2
Other contracts	27 & 31	Fair value - hedges	**114**	**114**	151	151
Net investment hedges						
Forward foreign exchange contracts	27	Fair value - hedges	**1,072**	**1,072**	891	891
Cross currency swaps	31	Fair value - hedges	**465**	**465**	314	314
Other derivative financial instruments	27	FVPL	**-**	**-**	795	795
Interest free loans from non-controlling shareholders	27	Amortised cost	**438**	**438**	472	472
Expenses and other accruals	27	Amortised cost	**36,471**	**36,471**	35,995	35,995
Other payables	27	Amortised cost	**16,888**	**16,888**	21,419	21,419
Lease liabilities	13	Amortised cost	**67,923**	**67,923**	66,059	66,059
Interest bearing loans from non-controlling shareholders	29	Amortised cost	**3,245**	**3,245**	2,567	2,567
Obligations for telecommunications licences and other rights	27 & 31	Amortised cost	**4,615**	**4,615**	3,989	3,989
Liabilities relating to the economic benefits agreements	31	Amortised cost	**2,166**	**2,166**	2,166	2,166
Amounts due to associated companies	17	Amortised cost	**543**	**543**	569	569
Amounts due to joint ventures	18	Amortised cost	**310**	**310**	319	319
			429,547	**416,478**	441,390	422,482

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

41 Financial risk management (continued)

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

	2023		2022	
	Carrying amounts HK$ million	**Fair values HK$ million**	Carrying amounts HK$ million	Fair values HK$ million
Representing:				
Financial assets measured at				
Amortised cost	**183,480**	**183,480**	200,379	200,379
FVOCI	**17,925**	**17,925**	18,298	18,298
FVPL	**973**	**973**	972	972
Fair value - hedges	**1,337**	**1,337**	5,785	5,785
	203,715	**203,715**	225,434	225,434
Financial liabilities measured at				
Amortised cost	**427,538**	**414,469**	439,237	420,329
FVPL	**-**	**-**	795	795
Fair value - hedges	**2,009**	**2,009**	1,358	1,358
	429,547	**416,478**	441,390	422,482

41 Financial risk management (continued)

(k) Fair value measurements

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

Fair value hierarchy

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

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

		2023				2022			
		Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	Note	**HK$ million**	**HK$ million**	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million	HK$ million
Financial assets									
Liquid funds and other listed investments									
Listed equity securities, Hong Kong	20	**608**	**-**	**-**	**608**	608	-	-	608
Listed equity securities, outside Hong Kong	20	**8,589**	**-**	**-**	**8,589**	8,880	-	-	8,880
Fair value hedges - Collar agreement	20	**-**	**-**	**-**	**-**	-	-	216	216
Listed debt securities (included in Managed funds)	20	**6,539**	**-**	**-**	**6,539**	6,359	-	-	6,359
Unlisted investments									
Unlisted equity securities - FVOCI	21	**-**	**-**	**2,189**	**2,189**	-	-	2,451	2,451
Unlisted equity securities - FVPL	21	**-**	**46**	**323**	**369**	-	46	371	417
Unlisted debt securities	21	**-**	**-**	**604**	**604**	-	-	555	555
Derivative financial instruments									
Cash flow hedges									
Interest rate swaps	21 & 24	**-**	**52**	**-**	**52**	-	237	-	237
Cross currency interest rate swaps	21 & 24	**-**	**150**	**-**	**150**	-	754	-	754
Forward foreign exchange contracts	24	**-**	**-**	**-**	**-**	-	1	-	1
Other contracts	21 & 24	**-**	**26**	**-**	**26**	-	3,248	-	3,248
Net investment hedges									
Cross currency interest rate swaps	24	**-**	**-**	**-**	**-**	-	112	-	112
Forward foreign exchange contracts	24	**-**	**201**	**-**	**201**	-	44	-	44
Cross currency swaps	21 & 24	**-**	**908**	**-**	**908**	-	1,173	-	1,173
		15,736	**1,383**	**3,116**	**20,235**	15,847	5,615	3,593	25,055
Financial liabilities									
Derivative financial instruments									
Fair value hedges - Collar agreement	27 & 31	**-**	**-**	**356**	**356**	-	-	-	-
Cash flow hedges									
Forward foreign exchange contracts	27	**-**	**2**	**-**	**2**	-	2	-	2
Other contracts	27 & 31	**-**	**114**	**-**	**114**	-	151	-	151
Net investment hedges									
Forward foreign exchange contracts	27	**-**	**1,072**	**-**	**1,072**	-	891	-	891
Cross currency swaps	31	**-**	**465**	**-**	**465**	-	314	-	314
Other derivative financial instruments	27	**-**	**-**	**-**	**-**	-	795	-	795
		-	**1,653**	**356**	**2,009**	-	2,153	-	2,153

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

During the year ended 31 December 2023 and 2022, there were no transfer between the Level 1 and Level 2 fair value measurements, and no transfer into or out of Level 3 from or to Level 1 or Level 2 fair value measurements.

41 Financial risk management (continued)

(k) Fair value measurements (continued)

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

Level 3 fair values

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

	2023 HK$ million	2022 HK$ million
At 1 January	**3,593**	3,057
Total gains (losses) recognised in		
Income statement	**(90)**	(21)
Other comprehensive income	**(796)**	44
Additions	**75**	561
Disposals	**(74)**	-
Exchange translation differences	**52**	(48)
At 31 December	**2,760**	3,593
Total losses recognised in income statement relating to those financial assets and financial liabilities held at the end of the reporting period	**(90)**	(21)

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

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

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

Except for bank and other debts as detailed in the table 41(j) above, the carrying amounts of the financial assets and financial liabilities recognised in the consolidated statement of financial position approximate their fair values.

Fair value hierarchy

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

	Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million
At 31 December 2023				
Bank and other debts	**165,755**	**93,098**	**-**	**258,853**
At 31 December 2022				
Bank and other debts	167,251	98,167	-	265,418

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

41 Financial risk management (continued)

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

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

	Gross amounts of recognised financial assets (liabilities) HK$ million	Gross amounts offset in the consolidated statement of financial position HK$ million	Net amounts presented in the consolidated statement of financial position HK$ million	Related amounts not offset in the consolidated statement of financial position		Net amounts HK$ million
				Financial assets (liabilities) HK$ million	Cash collateral pledged (received) HK$ million	
At 31 December 2023						
Financial assets						
Trade receivables	**43**	**(43)**	**-**	**-**	**-**	**-**
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	**24**	**-**	**24**	**(24)**	**-**	**-**
Other receivables and prepayments	**231**	**(104)**	**127**	**-**	**-**	**127**
	298	**(147)**	**151**	**(24)**	**-**	**127**
Financial liabilities						
Trade payables	**(937)**	**43**	**(894)**	**-**	**-**	**(894)**
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	**(465)**	**-**	**(465)**	**24**	**-**	**(441)**
Other payables and accruals	**(104)**	**104**	**-**	**-**	**-**	**-**
	(1,506)	**147**	**(1,359)**	**24**	**-**	**(1,335)**
At 31 December 2022						
Financial assets						
Trade receivables	314	(314)	-	-	-	-
Derivative financial instruments						
Net investment hedges						
Forward foreign exchange contracts	42	-	42	(42)	-	-
Cross currency swaps	168	-	168	(168)	-	-
Other receivables and prepayments	11	(11)	-	-	-	-
	535	(325)	210	(210)	-	-
Financial liabilities						
Trade payables	(941)	314	(627)	-	-	(627)
Derivative financial instruments						
Net investment hedges						
Forward foreign exchange contracts	(543)	-	(543)	42	-	(501)
Cross currency swaps	(314)	-	(314)	168	-	(146)
Other payables and accruals	(97)	11	(86)	-	-	(86)
	(1,895)	325	(1,570)	210	-	(1,360)

42 Statement of financial position of the Company, as at 31 December 2023

	2023 HK$ million	2022 HK$ million
Non-current assets		
Subsidiary companies - Unlisted shares [a]	**355,164**	355,164
Current assets		
Amounts due from subsidiary companies [b]	**17,660**	15,575
Other receivables	**1**	1
Cash	**12**	8
Current liabilities		
Other payables and accruals	**97**	101
Net current assets	**17,576**	15,483
Net assets	**372,740**	370,647
Capital and reserves		
Share capital (see note 32(a))	**3,830**	3,830
Share premium (see note 32(a))	**242,972**	242,972
Reserves - Retained profit [c]	**125,938**	123,845
Shareholders' funds	**372,740**	370,647

Fok Kin Ning, Canning
Director

Frank John Sixt
Director

42 Statement of financial position of the Company, as at 31 December 2023 (continued)

(a) Particulars regarding the principal subsidiary companies are set forth on pages 135 to 137.

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

(c) Reserves - Retained profit

	HK$ million
At 1 January 2022	121,216
Profit for the year	12,978
Buy-back and cancellation of issued shares (see note 32(a)(i))	4
Dividends paid relating to 2021	(7,132)
Dividends paid relating to 2022	(3,221)
At 31 December 2022	**123,845**
Profit for the year	**12,963**
Unclaimed dividends write back	**15**
Dividends paid relating to 2022	**(7,989)**
Dividends paid relating to 2023	**(2,896)**
At 31 December 2023	**125,938**

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

(e) The net profit of the Company is HK$12,963 million (2022: HK$12,978 million) and is included in determining the profit attributable to ordinary shareholders of the Company in the consolidated income statement.

(f) At 31 December 2023, the Company's share premium and retained profit amounted to HK$242,972 million (2022: HK$242,972 million) and HK$125,938 million (2022: HK$123,845 million) respectively, and subject to a solvency test, they are available for distribution to shareholders.

43 Subsequent events

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

44 US dollar equivalents

Amounts in these financial statements are stated in Hong Kong dollar (HK$), the functional currency of the Company. The translation into US dollar (US$) of these financial statements as of, and for the year ended, 31 December 2023, is for convenience only and has been made at the rate of HK$7.8 to US$1. This translation should not be construed as a representation that the Hong Kong dollar amounts actually represented have been, or could be, converted into US dollar at this or any other rate.

45 Rounding of amounts

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

46 Significant judgements, estimates and assumptions

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

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

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

(i) Basis of consolidation and classification of investee entities

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

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

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

(iii) Determination of lease term

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

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

As at 31 December 2023, potential future cash outflows of HK$8,635 million (2022: HK$8,385 million) (undiscounted) have not been included in calculating the lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated).

46 Significant judgements, estimates and assumptions (continued)

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

(iii) Determination of lease term (continued)

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

(iv) Business combinations

As disclosed in note 47(c)(iv), the Group applies the provisions of HKFRS 3 to transactions and other events that meet the definition of a business combination within the scope of HKFRS 3. When the Group completes a business combination, the identifiable assets acquired and the liabilities assumed, including intangible assets, contingent liabilities and commitments, are recognised at their fair value. Judgement is required to determine the fair values of the assets acquired, the liabilities assumed, the date of acquisition, and the purchase consideration, and on the allocation of the purchase consideration to the identifiable assets and liabilities. If the purchase consideration exceeds the fair value of the net assets acquired then the incremental amount paid is recognised as goodwill. If the purchase price consideration is lower than the fair value of the net assets acquired then the difference is recorded as a gain in the consolidated income statement. Allocation of the purchase consideration between finite lived assets and indefinite lived assets such as goodwill affects the subsequent results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised.

(b) Key sources of estimation uncertainty

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

(i) Impairment of goodwill and long-lived assets

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

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

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

46 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

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

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

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

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

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

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

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

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

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

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

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

46 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

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

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

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

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

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

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

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

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

(vi) Estimation of useful life: Fixed assets

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

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

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

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

46 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

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

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

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

(c) Climate-related matters

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

47 Summary of material accounting policies

(a) *Standards adopted during the year ended 31 December 2023*

The Group applied for the first-time certain standards and amendments to HKFRS issued by HKICPA, which are effective for annual periods beginning on or after 1 January 2023.

(i) Disclosure of Accounting Policies – Amendments to HKAS 1 Presentation of Financial Statements and HKFRS Practice Statement 2 Making Materiality Judgements

The HKICPA amended HKAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

To support this amendment, the HKICPA also amended HKFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

(ii) Definition of Accounting Estimates – Amendments to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments clarify the distinction between changes in accounting policies and changes in accounting estimates. Among other things, the amendments now define accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty, and clarify that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates unless they result from the correction of prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. Entities are required to apply the amendments prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments. The amendments had no impact on the Group's consolidated financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to HKAS 12 Income Taxes

The amendments narrow the scope of the initial recognition exemption in HKAS 12 so that entities will need to recognise additional deferred tax assets and deferred tax liabilities on transactions that, on initial recognition, give rise to equal amounts of taxable and deducible temporary differences. Entities should apply the amendments to recognise deferred tax for all temporary differences related to leases and decommissioning obligations at the beginning of the earliest comparative period, with any cumulative effect recognised as an adjustment to retained earnings or other component of equity at that date. The amendments are applied prospectively to other transactions that occur on or after the beginning of the earliest comparative period presented. The amendments had no impact on the Group's consolidated financial statements.

(iv) International Tax Reform – Pillar Two Model Rules – Amendments to HKAS 12 Income Taxes

The amendments clarify the application of HKAS 12 to income taxes arising from tax law enacted or substantively enacted to implement the OECD / G20 Inclusive Framework on Base Erosion and Profit Shifting Pillar Two model rules ("Pillar Two income taxes").

The amendments provide a mandatory temporary exception from recognising and disclosing deferred tax assets and liabilities arising from implementation of the OECD's Pillar Two model rules. The amendments also introduce targeted disclosure requirements for affected companies and require entities to disclose:

- the fact that they have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes;
- their current tax expense (if any) related to the Pillar Two income taxes; and
- during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, known or reasonably estimable information that would help users of financial statements to understand an entity's exposure to Pillar Two income taxes arising from that legislation. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.

47 Summary of material accounting policies (continued)

(a) *Standards adopted during the year ended 31 December 2023 (continued)*

(iv) International Tax Reform – Pillar Two Model Rules – Amendments to HKAS 12 Income Taxes (continued)

The amendments are required to be applied immediately (subject to any local endorsement processes) and retrospectively in accordance with HKAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors". In adopting these amendments the Group has applied the mandatory temporary exception from recognising and disclosing information about deferred tax assets and liabilities arising from implementation of the OECD's Pillar Two model rules. In addition, the amendments have had an impact on the Group's disclosures of certain information about the Group's exposure to Pillar Two income taxes arising from that legislation. Other than these the amendments do not have an impact on the measurement and recognition of any items in the Group's financial statements.

Other than these changes the accounting policies and methods of computation used in the preparation of the Annual Financial Statements are consistent with those used in the 2022 Annual Financial Statements.

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

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting year and have not been early adopted by the Group. The adoption of these standards and interpretations in future periods is not expected to have a material impact on the financial statements of the Group.

These new / amended accounting standards and interpretations are effective for annual periods beginning after 1 January 2023 and include:

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

Amendments made to HKAS 1 Presentation of Financial Statements in 2020 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarified what HKAS 1 means when it refers to the 'settlement' of a liability. The amendments were due to be applied from 1 January 2022. However, the effective date was subsequently deferred to 1 January 2023 and then further to 1 January 2024.

(ii) Non-current Liabilities with Covenants – Amendments to HKAS 1

In October 2022, the HKICPA made further amendments to HKAS 1 in response to concerns raised about these changes to the classification of liabilities as current or non-current.

The new amendments clarify that covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:
- the carrying amount of the liability,
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what HKAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/ non-current classification of a convertible note.

The amendments must be applied retrospectively in accordance with the normal requirements in HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

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

In September 2022, the HKICPA finalised narrow-scope amendments to the requirements for sale and leaseback transactions in HKFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

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

47 Summary of material accounting policies (continued)

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

(iv) Lack of Exchangeability – Amendments to HKAS 21

Amendments to HKAS 21 The Effects of Changes in Foreign Exchange Rates specify when a currency is exchangeable into another currency and when it is not, and how an entity determines a spot rate when a currency lacks exchangeability. Under the amendments, entities are required to provide additional disclosures to help users evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

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

Amendments to HKAS 7 Statement of Cash Flows and HKFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements ("SFAs") and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of SFAs on an entity's liabilities, cash flows and exposure to liquidity risk.

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

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

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

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

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

(c) *Summary of material accounting policies*

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

(i) Subsidiary companies

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

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

47 Summary of material accounting policies (continued)

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

(ii) Associated companies and joint arrangements

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

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

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

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

(iii) Changes in ownership interests

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

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

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

47 Summary of material accounting policies (continued)

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

(iv) Business combinations

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

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

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

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

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

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

47 Summary of material accounting policies (continued)

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

(v) Goodwill

Goodwill is initially recognised and measured as set out in note 47(c)(iv) Business combinations.

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

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

The Group's policy for goodwill arising on the acquisition of an associated company and a joint venture is described in note 47(c)(ii) above.

(vi) Fixed assets

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

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

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

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

(vii) Leases

(I) Group as a lessee

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

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

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

47 Summary of material accounting policies (continued)

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

(vii) Leases (continued)

(I) Group as a lessee (continued)

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

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

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

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

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

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

(II) Group as a lessor

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

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

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

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

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

(ix) Customer acquisition and retention costs

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

47 Summary of material accounting policies (continued)

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

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

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

(I) Measurement

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

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

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

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

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

(II) Impairment

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

(xi) Cash and cash equivalents

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

47 Summary of material accounting policies (continued)

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

(xii) Trade and other receivables, and contract assets

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

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

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

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

(xiii) Borrowings and borrowing costs

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

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

(xiv) Trade and other payables, and contract liabilities

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

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

(xv) Asset impairment

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

47 Summary of material accounting policies (continued)

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

(xvi) Foreign exchange

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

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

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

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

For accounting purposes, Argentina is considered a hyper-inflationary economy for accounting periods ended after 1 July 2018. HKAS 29 "Financial Reporting in Hyperinflationary Economies" requires financial statements of these subsidiary companies whose functional currency is Argentine peso to be restated into the current purchasing power at the end of the reporting period before being included in the Group's consolidated financial statements. Under this requirement, transactions during the reporting period and non-monetary balances at the end of the reporting period of these subsidiary companies have been restated to reflect a price index that is current at the consolidated statement of financial position date, using consumer price index published by The National Institute of Statistics and Censuses of Argentina of 3,533 in December 2023 (2022: 1,115) as basis for hyperinflation adjustment calculation. All amounts, including income, expenses, assets, liabilities and equity items are then translated at the closing exchange rate into Hong Kong dollar. The differences from retranslation of opening equity are directly recognised in equity. As required by HKAS 29, comparative amounts of these subsidiary companies included in the comparative consolidated financial statements of the Group are not restated and continue to be those previously presented.

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

(xvii) Revenue recognition

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

Ports and Related Services

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

Retail

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

47 Summary of material accounting policies (continued)

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

(xvii) Revenue recognition (continued)

Infrastructure

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

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

Telecommunications services

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

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

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

Finance and investments

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

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

47 Summary of material accounting policies (continued)

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

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

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

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

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

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

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

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

(ii) Investment properties

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

(iii) Leasehold land

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

(iv) Contractual customer relationships

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

(v) Deferred tax

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

47 Summary of material accounting policies (continued)

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

(vi) Derivative financial instruments and hedging activities

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

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

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation (net investment hedges).

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

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

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 41(i). Movements in the hedging reserve in shareholders' equity are shown in note 33. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

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

Fair value hedges

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

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

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

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

47 Summary of material accounting policies (continued)

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

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

Cash flow hedges

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

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

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

Hedge of net investments in foreign operations

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

(vii) Inventories

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

(viii) Customer loyalty credits

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

(ix) Share capital

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

(x) Provisions

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

47 Summary of material accounting policies (continued)

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

(xi) Pension plans

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

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

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

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

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

(xii) Share-based payments

The Company and its subsidiary companies do not have share option scheme as at 31 December 2023 and 31 December 2022 but certain of the Company's associated companies have issued equity-settled and cash-settled share-based compensation plans. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the respective group companies' estimate of their shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

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

Principal Subsidiary and Associated Companies and Joint Ventures
at 31 December 2023

Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital **/ registered capital		Percentage of equity attributable to the Group	Principal activities
Ports and related services					
Abu Qir Container Terminal Company S.A.E.	Egypt	USD	157,000,000	45	Container terminal operating
Alexandria International Container Terminals Company S.A.E.	Egypt	USD	30,000,000	59	Container terminal operating
Amsterdam Container Terminals B.V.	Netherlands	EUR	18,400	80	Container terminal operating
Brisbane Container Terminals Pty Limited	Australia	AUD	34,100,000	80	Container terminal operating
ECT Delta Terminal B.V.	Netherlands	EUR	18,000	71	Container terminal operating
Ensenada Cruiseport Village, S.A. de C.V.	Mexico	MXP	145,695,000	80	Cruise terminal operating
Ensenada International Terminal, S.A. de C.V.	Mexico	MXP	160,195,000	80	Container terminal operating
Europe Container Terminals B.V.	Netherlands	EUR	45,000,000	75	Holding company
Euromax Terminal Rotterdam B.V.	Netherlands	EUR	100,000	49	Container terminal operating
Freeport Container Port Limited	Bahamas	BSD	2,000	41	Container terminal operating
Gdynia Container Terminal Sp. z o.o.	Poland	PLN	11,379,300	80	Container terminal operating and rental of port real estate
Harwich International Port Limited	United Kingdom	GBP	16,812,002	80	Container terminal operating
Hongkong United Dockyards Limited	Hong Kong	HKD	76,000,000	100	Ship repairing and general engineering
✡ 惠州港業股份有限公司	China	RMB	300,000,000	27	Container terminal operating
Hutchison Ajman International Terminals Limited - F.Z.E.	United Arab Emirates	AED	60,000,000	80	Container terminal operating
Hutchison Korea Terminals Limited	South Korea	WON	4,107,500,000	80	Container terminal operating
Hutchison Laemchabang Terminal Limited	Thailand	THB	1,000,000,000	64	Container terminal operating
Hutchison Port Holdings Limited	British Virgin Islands / Hong Kong	USD	26,000,000	80	Operation, management and development of ports and container terminals, and investment holding
✧ * # Hutchison Port Holdings Trust	Singapore / China	USD	8,797,780,935	30	Container port business trust
Hutchison Port Investments Limited	Cayman Islands / Hong Kong	USD	74,870,807	80	Holding company
Hutchison Port Jazan Limited	Saudi Arabia	SAR	18,750,000	48	Container terminal operating
Hutchison Ports Investments S.à r.l.	Luxembourg	EUR	12,750	80	Operation, management and development of ports and container terminals, and investment holding
Hutchison Ports RAK Limited	British Virgin Islands / United Arab Emirates	USD	10,000	48	Container terminal operating
Hutchison Ports Sweden AB	Sweden	SEK	100,000	80	Container terminal operating
Hutchison Ports UAQ Limited	British Virgin Islands/ United Arab Emirates	USD	36,320	48	Container terminal operating
Internacional de Contenedores Asociados de Veracruz, S.A. de C.V.	Mexico	MXP	138,623,200	80	Container terminal operating
✡ ⌘ Jiangmen International Container Terminals Limited	China	USD	14,461,665	40	Container terminal operating
Karachi International Container Terminal Limited	Pakistan	PKR	1,109,384,220	80	Container terminal operating
Korea International Terminals Limited	South Korea	WON	45,005,000,000	71	Container terminal operating
L.C. Terminal Portuaria de Contenedores, S.A. de C.V.	Mexico	MXP	995,760,628	80	Container terminal operating
Maritime Transport Services Limited	United Kingdom	GBP	13,921,323	64	Container terminal operating
✡ ⌘ Nanhai International Container Terminals Limited	China	USD	42,800,000	40	Container terminal operating
NAWAH for Ports Management LLC	Iraq	IQD	10,000,000	41	Container terminal operating
✡ ⌘ 寧波北侖國際集裝箱碼頭有限公司	China	RMB	700,000,000	39	Container terminal operating
Oman International Container Terminal L.L.C.	Oman	OMR	4,000,000	52	Container terminal operating
Panama Ports Company, S.A.	Panama	USD	10,000,000	72	Container terminal operating
Port of Felixstowe Limited	United Kingdom	GBP	100,002	80	Container terminal operating
✡ + PT Jakarta International Container Terminal	Indonesia	IDR	221,450,406,000	39	Container terminal operating
✡ River Trade Terminal Co. Ltd.	British Virgin Islands / Hong Kong	USD	1	40	River trade terminal operation
Saigon International Terminals Vietnam Limited	Vietnam	USD	80,084,000	56	Container terminal operating
✡ ⌘ 上海明東集裝箱碼頭有限公司	China	RMB	4,000,000,000	24	Container terminal operating
South Asia Pakistan Terminals Limited	Pakistan	PKR	5,763,773,300	72	Container terminal operating
Star Classic Investments Limited	British Virgin Islands / Hong Kong	USD	22,796	80	Operation, management and development of ports and container terminals, and investment holding

Principal Subsidiary and Associated Companies and Joint Ventures
at 31 December 2023

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital **/ registered capital		Percentage of equity attributable to the Group	Principal activities
	Ports and related services (continued)					
	Sydney International Container Terminals Pty Ltd	Australia	AUD	49,000,001	80	Container terminal operating
	Talleres Navales del Golfo, S.A. de C.V.	Mexico	MXP	143,700,000	80	Marine construction and ship repair yard
	Terminal Catalunya, S.A.	Spain	EUR	2,342,800	80	Container terminal operating
	Thai Laemchabang Terminal Co., Ltd.	Thailand	THB	680,000,000	70	Container terminal operating
	Thamesport (London) Limited	United Kingdom	GBP	2	64	Container terminal operating
* # +	Westports Holdings Berhad	Malaysia	MYR	341,000,000	19	Holding company
# ⌘ +	Xiamen Haicang International Container Terminals Limited	China	RMB	555,515,000	39	Container terminal operating
# ⌘ +	Xiamen International Container Terminals Limited	China	RMB	1,148,700,000	39	Container terminal operating
	Retail					
	A.S. Watson Holdings Limited	Cayman Islands / Hong Kong	HKD	1,000,000	75	Holding company
	A.S. Watson (Europe) Retail Holdings B.V.	Netherlands	EUR	18,001	75	Investment holding in retail businesses
	AS Watson Retail (HK) Limited	Hong Kong	HKD	100,000,000	75	Retailing
✡ +	Dirk Rossmann GmbH	Germany	EUR	12,000,000	30	Retailing
⌘	廣州屈臣氏個人用品商店有限公司	China	HKD	71,600,000	71	Retailing
	PARKnSHOP (HK) Limited	Hong Kong	HKD	100,000,000	75	Supermarket operating
*	PT Duta Intidaya Tbk	Indonesia	IDR	242,054,702,500	55	Retailing
✡	Rossmann Supermarkety Drogeryjne Polska sp. z o.o.	Poland	PLN	26,442,892	53	Retailing
	Superdrug Stores plc	United Kingdom	GBP	22,000,000	75	Retailing
🕈	武漢屈臣氏個人用品商店有限公司	China	RMB	55,930,000	75	Retailing
	Watson's Personal Care Stores Sdn. Bhd.	Malaysia	MYR	6,000,000	75	Retailing
	Infrastructure					
✡	Australian Gas Networks Limited	Australia	AUD	879,082,753	62	Gas distribution
✡ +	AVR-Afvalverwerking B.V.	Netherlands	EUR	1	38	Producing energy from waste
* +	CK Infrastructure Holdings Limited	Bermuda / Hong Kong	HKD	2,519,610,945	76	Holding company
✡ +	CK William UK Holdings Limited	United Kingdom	GBP	2,049,000,000	30	Investment holding in electricity distribution and generation, and gas transmissions and distribution
✡ +	CKP (Canada) Holdings Limited	Canada	CAD	1,143,862,831	19	Water heater and HVAC (heating, ventilation and air conditioning) rentals, sales and services
+	Enviro Waste Services Limited	New Zealand	NZD	84,768,736	76	Waste management services
✡ +	Eversholt UK Rails Group Limited	United Kingdom	GBP	1,100	54	Leasing of rolling stock
✡ +	Northern Gas Networks Holdings Limited	United Kingdom	GBP	71,670,980	36	Gas distribution
✡ +	Northumbrian Water Group Limited	United Kingdom	GBP	40	33	Water supply, sewage and waste water businesses
❖ * # +	Power Assets Holdings Limited	Hong Kong	HKD	6,610,008,417	27	Investment in energy and utility-related businesses
✡	Trionista SE	Germany	EUR	125,000	26	Sub-metering and related services
✡ +	UK Power Networks Holdings Limited	United Kingdom	GBP	610,000,000	30	Electricity distribution
✡	Wales & West Gas Networks (Holdings) Limited	United Kingdom	GBP	29,027	33	Gas distribution
	Telecommunications					
	CK Hutchison Group Telecom Holdings Limited	Cayman Islands / Hong Kong	EUR	64	100	Holding company
	Hi3G Access AB	Sweden	SEK	10,000,000	60	Mobile telecommunications services
	Hi3G Denmark ApS	Denmark	DKK	64,375,000	60	Mobile telecommunications services
	Hutchison 3G UK Limited	United Kingdom	GBP	201	100	Mobile telecommunications services
	Hutchison Drei Austria GmbH	Austria	EUR	34,882,960	100	Mobile telecommunications services
*	Hutchison Telecommunications Hong Kong Holdings Limited	Cayman Islands / Hong Kong	HKD	1,204,774,052	66	Holding company of mobile telecommunications services

Principal Subsidiary and Associated Companies and Joint Ventures
at 31 December 2023

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital **/ registered capital		Percentage of equity attributable to the Group	Principal activities
	Telecommunications (continued)					
	Hutchison Telephone Company Limited	Hong Kong	HKD	2,730,684,340	66	Mobile telecommunications services
✡	Ooredoo Hutchison Asia Pte. Ltd.	Singapore	SGD	435,492	50	Mobile telecommunications services
	Three Ireland (Hutchison) Limited	Ireland	EUR	2	100	Mobile telecommunications services
	Vietnamobile Telecommunications Joint Stock Company	Vietnam	VND	9,348,000,000,000	49	Mobile telecommunications services
	Wind Tre S.p.A.	Italy	EUR	474,303,795	100	Mobile telecommunications services
✡	Zefiro Net S.r.l.	Italy	EUR	20,000	50	Telecommunication network services
	Finance & investments and others					
	Cheung Kong (Holdings) Limited	Hong Kong	HKD	10,488,733,666	100	Holding company
	CK Hutchison Global Investments Limited	British Virgin Islands / Hong Kong	USD	2	100	Holding company
* # +	Cenovus Energy Inc.	Canada	CAD	16,031,000,000	17	Oil and gas business
* # +	CK Life Sciences Int'l., (Holdings) Inc.	Cayman Islands / Hong Kong	HKD	961,107,240	45	Holding company of nutraceuticals, pharmaceuticals and agriculture-related businesses
	Hutchison International Limited	Hong Kong	HKD	727,966,526	100	Holding company & corporate
*	Hutchison Telecommunications (Australia) Limited	Australia	AUD	4,204,487,847	88	Holding company
	Hutchison Whampoa (China) Limited	Hong Kong	HKD	15,100,000	100	Investment holding & China businesses
	Hutchison Whampoa Limited	Hong Kong	HKD	29,424,795,590	100	Holding company
* #	HUTCHMED (China) Limited	Cayman Islands / Hong Kong	USD	87,125,627	38	Holding company of biopharmaceutical business
	Marionnaud Parfumeries S.A.S.	France	EUR	947,782,990	100	Investment holding in perfume retailing businesses
#	Metro Broadcast Corporation Limited	Hong Kong	HKD	1,000,452	24	Radio broadcasting
* #	TOM Group Limited	Cayman Islands / Hong Kong	HKD	395,851,056	36	Technology and media
* #	TPG Telecom Limited	Australia	AUD	18,399,043,754	22	Telecommunications services

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

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

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

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

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

Associated companies

✡ Joint ventures

⌘ Equity joint venture registered under PRC law

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

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

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

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

Group Capital Resources and Liquidity

Treasury Management

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

Cash Management and Funding

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

Interest Rate Exposure

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

At 31 December 2023, approximately 34% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 66% were at fixed rates (31 December 2022 – 34% floating; 66% fixed). The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$3,461 million principal amount of floating interest rate borrowings that were used to finance long term investments to fixed interest rate borrowings. After taking into consideration these interest rate swaps, approximately 32% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 68% were at fixed rates at 31 December 2023 (31 December 2022 – 27% floating; 73% fixed). All of the aforementioned interest rate derivatives are designated as hedges and these hedges are considered highly effective.

Foreign Currency Exposure

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

Group Capital Resources and Liquidity

The Group has operations in over 50 countries and conducts businesses in around 50 currencies. The Group's functional currency for reporting purposes is Hong Kong Dollars and the Group's reported results in Hong Kong Dollars are exposed to exchange translation on its foreign currency earnings, net debt and net assets, in particular for Euro and British Pounds. Reported EBITDA [(1)] for 2023 was HK$104,880 million, of which 49% was derived from European operations, including 21% from the UK. At 31 December 2023, of the Group's total principal amount of bank and other debts after currency swap arrangements, 34% and 4% were denominated in Euro and British Pounds respectively, whilst liquid assets comprised 23% Euro and 5% British Pounds denominated cash and cash equivalents. As a result, 46% and 3% of the Group's consolidated net debt [(2)] of HK$131,810 million were denominated in Euro and British Pounds respectively. Net assets [(3)] was HK$683,810 million, with 22% attributable to both Continental Europe and UK operations.

At 31 December 2023, the Group's total principal amount of bank and other debts were denominated as follows: 33% in Euro, 49% in US dollars, 5% in HK dollars, 5% in British Pounds and 8% in other currencies. The Group had currency swap arrangements with banks to swap British Pounds principal amount of borrowings equivalent to HK$4,970 million to Euro principal amount of borrowings to reflect currency exposures of its underlying businesses. The Group's total principal amount of bank and other debts, after the above swaps, were denominated as follows: 34% in Euro, 49% in US dollars, 5% in HK dollars, 4% in British Pounds and 8% in other currencies.

For purposes of illustrating the Group's currency sensitivity, based on the results for 2023, a 10% depreciation of British Pounds would result in a HK$2.2 billion decrease in EBITDA, a HK$0.5 billion decrease in NPAT, HK$0.4 billion decrease in net debt and 0.3%-point increase on net debt to net total capital ratio. Similarly, a 10% depreciation of Euro would result in a HK$2.5 billion decrease in EBITDA, a HK$0.5 billion decrease in NPAT, HK$6.1 billion decrease in net debt and 0.3%-point decrease on net debt to net total capital ratio. Actual sensitivity will depend on actual results and cash flows for the period under consideration.

Credit Exposure

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

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

Credit Profile

Our long term credit rating from Moody's, S&P and Fitch remained at A2 (stable outlook), A (stable outlook) and A- (stable outlook) respectively. The Group aims to maintain a capital structure that is appropriate for long-term investment grade ratings of A2 on the Moody's Investor Service scale, A on the S&P Rating Services scale and A- on the Fitch Ratings scale. Actual credit ratings may depart from these levels from time to time due to economic circumstances. CK Hutchison Group Telecom Holdings ("CK Hutchison Group Telecom"), a wholly-owned subsidiary of the Group, obtained long term credit rating from Moody's, S&P and Fitch at Baa1 (stable outlook), A- (stable outlook) and A- (stable outlook) respectively. CK Hutchison Group Telecom will seek to maintain its ratings by applying the same financial disciplines as the Group.

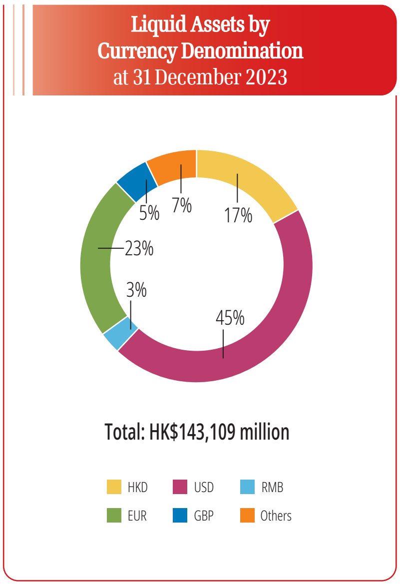
Market Price Risk

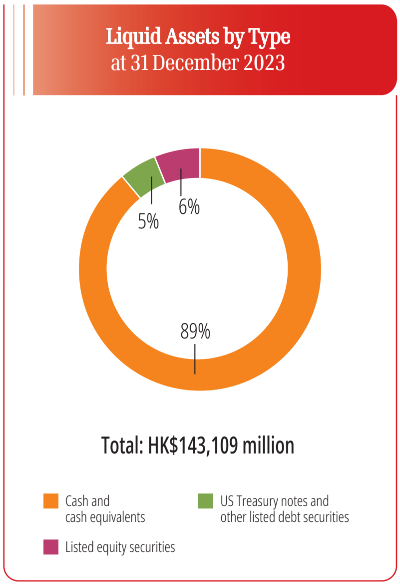
The Group's main market price risk exposures relate to listed debt and equity securities described in "Liquid Assets" below and the interest rate swaps described in "Interest Rate Exposure" above. The Group's holding of listed debt and equity securities represented approximately 11% (31 December 2022 – approximately 10%) of the cash, liquid funds and other listed investments ("liquid assets"). The Group controls this risk through active monitoring of price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

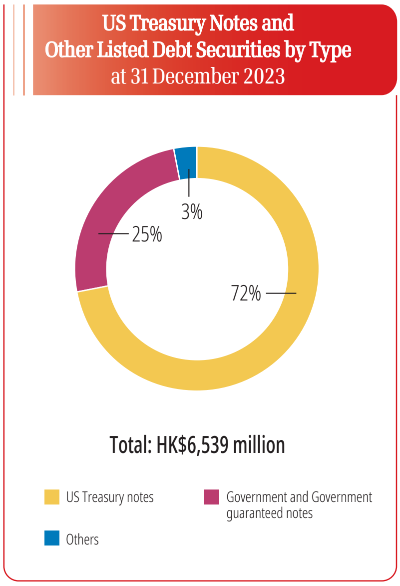
Note 1: Under Post-IFRS 16 basis, EBITDA for 2023 was HK$127,309 million (31 December 2022 – HK$142,132 million).

Note 2: Under Post-IFRS 16 basis, consolidated net debt as at 31 December 2023 was HK$130,585 million (31 December 2022 – HK$132,042 million).

Note 3: Under Post-IFRS 16 basis, net assets as at 31 December 2023 was HK$670,549 million (31 December 2022 – HK$647,309 million).







Liquid Assets

The Group continues to maintain a robust financial position. Liquid assets amounted to HK$143,109 million at 31 December 2023, a decrease of 7% from the balance of HK$154,188 million at 31 December 2022, mainly reflecting dividend payments to ordinary and non-controlling shareholders as well as distributions to perpetual capital securities holders, repayment and early repayment of certain borrowings, capital expenditure and investment spending, partly offset by cash arising from positive funds from operations from the Group's businesses and cash from new borrowings. Liquid assets were denominated as to 17% in HK dollars, 45% in US dollars, 3% in Renminbi, 23% in Euro, 5% in British Pounds and 7% in other currencies.

Cash and cash equivalents represented 89% (31 December 2022 – 90%) of the liquid assets, US Treasury notes and other listed debt securities 5% (31 December 2022 – 4%) and listed equity securities 6% (31 December 2022 – 6%). The US Treasury notes and other listed debt securities, including those held under managed funds, consisted of US Treasury notes of 72%, government and government guaranteed notes of 25% and others of 3%. All of these US Treasury notes and other listed debt securities are rated at Aaa/AAA or Aa1/AA+ with an average maturity of 1.8 years on the overall portfolio. The Group has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.

Cash Flow

EBITDA for 2023 was HK$104,880 million, a decrease of 12% compared to HK$119,010 million last year. Consolidated funds from operations [(4)] ("FFO") before cash profits from disposals, capital expenditures, investments and changes in working capital was HK$45,067 million for 2023, a decrease of 4% against last year of HK$47,040 million.

The Group's capital expenditures (including licences, brand name and other rights) for 2023 amounted to HK$25,510 million (31 December 2022 – HK$26,219 million). Capital expenditures (including licences, brand name and other rights) for the ports and related services division amounted to HK$5,521 million (31 December 2022 – HK$3,801 million); for the retail division HK$2,814 million (31 December 2022 – HK$2,387 million); for the infrastructure division HK$322 million (31 December 2022 – HK$477 million); for CK Hutchison Group Telecom HK$16,533 million (31 December 2022 – HK$19,069 million); for HAT HK$128 million (31 December 2022 – HK$349 million); and for the finance and investments and others segment HK$192 million (31 December 2022 – HK$136 million).

Note 4: Under Post-IFRS 16 basis, FFO for 2023 was HK$59,402 million (31 December 2022 – HK$61,294 million).

Group Capital Resources and Liquidity

The Group's dividends received from associated companies and joint ventures for 2023 amounted to HK$11,388 million (31 December 2022 – HK$12,783 million). Dividends received from associated companies and joint ventures for the ports and related services division amounted to HK$2,326 million (31 December 2022 – HK$3,128 million); for the retail division HK$2,370 million (31 December 2022 – HK$1,635 million); for the infrastructure division HK$4,976 million (31 December 2022 – HK$6,368 million); for HAT HK$404 million (31 December 2022 – HK$415 million); and for the finance and investments and others segment HK$1,312million (31 December 2022 – HK$1,237 million).

The Group's purchases of and advances to associated companies and joint ventures for 2023 amounted to HK$819 million (31 December 2022 – HK$3,464 million). Purchases of and advances to associated companies and joint ventures for the ports and related services division amounted to HK$39 million (31 December 2022 – HK$77 million); for the infrastructure division HK$700 million (31 December 2022 – HK$168 million); for CK Hutchison Group Telecom HK$74 million (31 December 2022 – HK$46 million); for HAT nil (30 December 2022 – HK$3,019 million); and for the finance and investments and others segment HK$6 million (31 December 2022 – HK$154 million).

Net cash inflow before financing activities [5] was HK$21,534 million, a decrease of 43% compared to HK$37,863 million last year, mainly due to proceeds from the disposal of tower assets in 2022, excluding which, net cash inflow before financing activities increased by 12%, reflecting lower capital expenditures, and higher loan repayment from associated companies and joint ventures, partly offset by decrease in EBITDA.

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

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

Debt Maturity and Currency Profile

The Group's total bank and other debts, including unamortised fair value adjustments from acquisitions, at 31 December 2023 amounted to HK$274,919 million (31 December 2022 – HK$287,297 million) which comprises principal amount of bank and other debts of HK$272,626 million (31 December 2022 – HK$284,674 million) and unamortised fair value adjustments arising from acquisitions of HK$2,293 million (31 December 2022 – HK$2,623 million). The Group's total principal amount of bank and other debts at 31 December 2023 consist of 67% notes and bonds (31 December 2022 – 66%) and 33% bank and other loans (31 December 2022 – 34%). The Group's weighted average cost of debt for the year ended 31 December 2023 is 3.2% (31 December 2022 – 2.0%). Interest bearing loans from non-controlling shareholders, which are viewed as quasi-equity, totalled HK$3,245 million as at 31 December 2023 (31 December 2022 – HK$2,567 million).

The maturity profile of the Group's total principal amount of bank and other debts at 31 December 2023 is set out below:

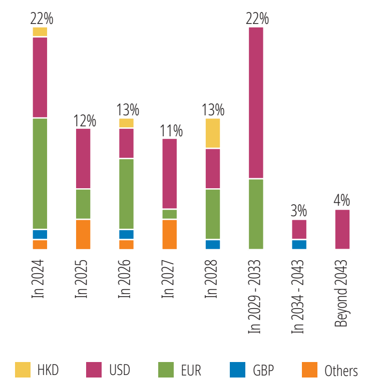
	HK$	US$	Euro	GBP	Others	**Total**
In 2024	1%	8%	11%	1%	1%	**22%**
In 2025	–	6%	3%	–	3%	**12%**
In 2026	1%	3%	7%	1%	1%	**13%**
In 2027	–	7%	1%	–	3%	**11%**
In 2028	3%	4%	5%	1%	–	**13%**
In 2029 – 2033	–	15%	7%	–	–	**22%**
In 2034 – 2043	–	2%	–	1%	–	**3%**
Beyond 2043	–	4%	–	–	–	**4%**
Total	5%	49%	34%	4%	8%	**100%**

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

Note 5: Under Post-IFRS 16 basis, net cash inflow before financing activities for 2023 was HK$36,022 million (31 December 2022 – HK$52,358 million).

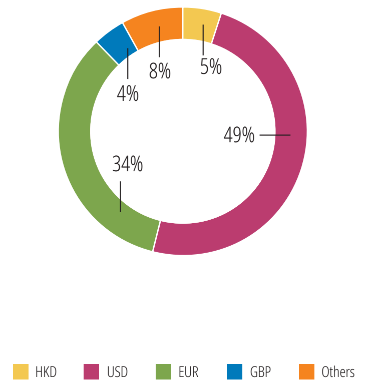
Debt Maturity Profile by Year and Currency Denomination at 31 December 2023

Total principal amount of bank and other debts: HK$272,626 million



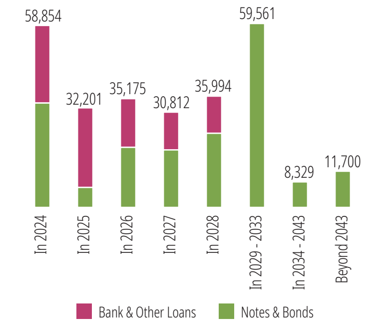
Debt Profile by Currency Denomination at 31 December 2023

Total principal amount of bank and other debts: HK$272,626 million



Debt Maturity Profile by Notes & Bonds and Bank & Other Loans at 31 December 2023

Total principal amount of bank and other debts: HK$272,626 million



Changes in Debt Financing and Perpetual Capital Securities

The significant financing activities for the Group in 2023 were as follows:

- In February, repaid a floating rate term loan facility of US$1,300 million (approximately HK$10,140 million) on maturity;
- In February, obtained a three year term loan facility of EUR800 million (approximately HK$6,776 million);
- In March, obtained a three year floating rate term loan facility of HK$1,000 million;
- In March, repaid a floating rate term loan facility of HK$1,000 million on maturity;
- In March, repaid US$750 million (approximately HK$5,850 million) principal amount of fixed rate notes on maturity;
- In April, obtained a three year floating rate term loan facility of US$80 million (approximately HK$624 million);
- In April, repaid a floating rate term loan facility of US$90 million (approximately HK$702 million) on maturity;
- In April, repaid EUR1,350 million (approximately HK$11,624 million) principal amount of fixed rate notes on maturity;
- In April, issued US$1,250 million (approximately HK$9,750 million) guaranteed fixed rate notes due 2028 and US$1,250 million (approximately HK$9,750 million) guaranteed fixed rate notes due 2033;
- In April, prepaid a floating rate term loan facility of US$128 million (approximately HK$998 million) maturing in November 2023;
- In April, obtained a five year floating rate term loan facility of HK$2,000 million;
- In May, repaid two floating rate term loan facilities of AUD350 million (approximately HK$1,822 million) and AUD200 million (approximately HK$1,041 million) on maturity;
- In June, repaid a floating rate term loan facility of US$1,000 million (approximately HK$7,800 million) on maturity;
- In June, obtained a five year floating rate revolving credit facility of HK$2,000 million;
- In June, obtained a five year floating rate term loan facility of HK$3,900 million;
- In September, obtained a 12-month floating rate term loan facility with option to extend for another 6 months of EUR1,500 million (approximately HK$12,450 million);
- In October, repaid a floating rate term loan facility of HK$1,000 million on maturity and obtained a three year floating rate term loan facility of the same amount;
- In October, repaid EUR1,500 million (approximately HK$12,450 million) principal amount of fixed rate notes on maturity;
- In November, repaid a floating rate term loan facility of GBP250 million (approximately HK$2,485 million) on maturity;
- In November, obtained a four and a half year floating rate term loan facility of GBP200 million (approximately HK$1,998 million);
- In December, repaid a floating rate term loan facility of EUR1,000 million (approximately HK$8,620 million) on maturity; and
- In December, obtained a three year floating rate term loan facility of EUR1,000 million (approximately HK$8,620 million).

Group Capital Resources and Liquidity

Furthermore, the significant debt financing activity undertaken by the Group subsequent to the year ended 31 December 2023 was as follows:

- In March 2024, repaid a floating rate term loan facility of US$130 million (approximately HK$1,014 million) on maturity.

Capital, Net Debt and Interest Coverage Ratios

The Group's total ordinary shareholders' funds and perpetual capital securities (6) increased to HK$557,997 million as at 31 December 2023, compared to HK$537,530 million as at 31 December 2022, reflecting the profit for 2023 and other items recognised directly in reserves, partly offset by the Group's 2022 final and 2023 interim dividends and distributions paid.

Perpetual capital securities are optionally redeemable capital instruments and provides the Group an alternative source of non-dilutive capital to support its capital management objectives. The Group has issued these instruments since 2010 in our capital structure as are required from time to time to support our current long term investment grade credit ratings. When such securities become redeemable, the Group will take into consideration a multitude of factors in order to determine whether to maintain, replace or redeem such securities.

As at 31 December 2023, the consolidated net debt of the Group, excluding interest bearing loans from non-controlling shareholders which are viewed as quasi-equity, was HK$131,810 million (31 December 2022 – HK$133,109 million), a 1% decrease compared to the net debt at the beginning of the year mainly due to net cash generated from operating activities, partly offset by dividend payments, and capital expenditure and investment spending. The Group's consolidated net debt to net total capital ratio (7) was 16.1% as at 31 December 2023 (31 December 2022 – 16.7%). The Group's consolidated cash and liquid investments as at 31 December 2023 were sufficient to repay all of the Group's outstanding debt maturing before 31 December 2026 and cover 55% of outstanding debt due in 2027.

The Group's consolidated cash interest expenses and other finance costs of subsidiaries, before capitalisation and net of interest income of HK$8,448 million (31 December 2022 – HK$5,049 million) in 2023 was HK$1,128 million (31 December 2022 – HK$1,768 million). EBITDA of HK$104,880 million (31 December 2022 – HK$119,010 million) and FFO excluding net interest (8) of HK$46,195 million (31 December 2022 – HK$48,808 million) for the year covered consolidated net interest expenses and other finance costs 85.5 times (31 December 2022 – 64.5 times) and 41.0 times (31 December 2022 – 27.6 times) respectively.

Secured Financing

At 31 December 2023, assets of the Group totalling HK$1,533 million (31 December 2022 – HK$1,442 million) were pledged as security for bank loans.

Borrowing Facilities Available

Committed borrowing facilities available to Group companies but not drawn as at 31 December 2023 amounted to the equivalent of HK$12,730 million (31 December 2022 – HK$8,252 million).

Contingent Liabilities

At 31 December 2023, the Group provided guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures totalling HK$4,560 million (31 December 2022 – HK$4,856 million), of which HK$3,661 million (31 December 2022 – HK$4,623 million) has been drawn down as at 31 December 2023 and also provided performance and other guarantees of HK$4,115 million (31 December 2022 – HK$5,033 million).

Note 6: Under Post-IFRS 16 basis, total ordinary shareholders' funds and perpetual capital securities as at 31 December 2023 was HK$548,601 million (31 December 2022 – HK$528,074 million).

Note 7: Under Post-IFRS 16 basis, net debt to net total capital ratio for 2023 was 16.2% (31 December 2022 – 16.9%).

Note 8: Under Post-IFRS 16 basis, FFO excluding net interest for 2023 was HK$63,037 million (31 December 2022 – HK$65,296 million).

Share Option Scheme

Neither the Company nor its subsidiaries had any share option scheme during the year ended 31 December 2023.

Purchase, Sale or Redemption of Listed Securities

During the year ended 31 December 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

Compliance with the Corporate Governance Code

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Company and its subsidiaries (the "Group") as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding the interests of shareholders and other stakeholders and enhancing shareholder value.

The Company has complied throughout the year ended 31 December 2023 with all applicable code provisions of the Corporate Governance Code contained in Appendix C1 (formerly Appendix 14) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), other than as summarised below.

The position of Managing Director of the Company has been jointly held by Mr Victor T K Li and Mr Fok Kin Ning, Canning as Group Co-Managing Directors since June 2015, and Mr Li also took on the position of Chairman in 2018. With the Group being a multinational conglomerate with diverse businesses in over 50 countries/markets, Mr Li and Mr Fok in their position as Group Co-Managing Directors share responsibilities in the overall strategic direction and day-to-day management of the Group, with no single individual having unfettered management decision power. Further, the Board of Directors (the "Board") which comprises experienced and seasoned professionals continues to scrutinise material business matters and monitor performance of the Group to ensure that management function is effectively and properly exercised with balance of power and authority. The Audit Committee, Nomination Committee and Remuneration Committee, all chaired by an Independent Non-executive Director, also provide strong independent oversight of the management in their respective areas of responsibilities and expertise. Hence, the current arrangements provide checks and balances without jeopardising the independent exercise of powers of the Chairman and the Group Co-Managing Directors.

Compliance with the Model Code for Securities Transactions by Directors

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 (formerly Appendix 10) of the Listing Rules as the code of conduct regulating Directors' dealings in securities of the Company. In response to specific enquiries made, all Directors have confirmed that they have complied with the required standards set out in such code regarding their securities transactions throughout their tenure during the year ended 31 December 2023.

Audit Report on the Annual Financial Statements

The consolidated financial statements of the Company and its subsidiary companies for the year ended 31 December 2023 have been audited by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The unqualified auditor's report is set out on pages 13 to 17 of this announcement. The consolidated financial statements of the Company and its subsidiary companies for the year ended 31 December 2023 have also been reviewed by the Audit Committee of the Company.

Annual General Meeting

The Annual General Meeting of the Company will be held on Thursday, 23 May 2024. Notice of the 2024 Annual General Meeting will be published and issued to shareholders in due course.

Closure of Register of Members

The register of members of the Company will be closed from Monday, 20 May 2024 to Thursday, 23 May 2024, both days inclusive, during which period no transfer of shares will be effected, to determine the entitlement of shareholders to attend and vote at the 2024 Annual General Meeting. All transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar (Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) for registration no later than 4:30 pm on Friday, 17 May 2024.

Record Date for Proposed Final Dividend

The record date for determining the entitlement of shareholders to the proposed final dividend is Wednesday, 29 May 2024. In order to qualify for the proposed final dividend payable on Thursday, 13 June 2024, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar (Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) for registration no later than 4:30 pm on Wednesday, 29 May 2024.

Corporate Strategy

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

Past Performance and Forward Looking Statements

The performance and the results of the operations of the Group contained in the 2023 annual results announcement are historical in nature, and past performance is no guarantee of the future results of the Group. Any forward-looking statements and opinions contained within the 2023 annual results announcement are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in the 2023 annual results announcement; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

As at the date of this announcement, the Directors of the Company are:

Executive Directors:
Mr LI Tzar Kuoi, Victor *(Chairman and Group Co-Managing Director)*
Mr FOK Kin Ning, Canning *(Group Co-Managing Director)*
Mr Frank John SIXT *(Group Finance Director and Deputy Managing Director)*
Mr IP Tak Chuen, Edmond *(Deputy Managing Director)*
Mr KAM Hing Lam *(Deputy Managing Director)*
Mr LAI Kai Ming, Dominic *(Deputy Managing Director)*
Ms Edith SHIH

Non-executive Directors:
Mr CHOW Kun Chee, Roland
Mrs CHOW WOO Mo Fong, Susan
Mr LEE Yeh Kwong, Charles
Mr George Colin MAGNUS

Independent Non-executive Directors:
Ms CHOW Ching Yee, Cynthia
Mr Philip Lawrence KADOORIE
Mrs LEUNG LAU Yau Fun, Sophie
Mr Paul Joseph TIGHE
Ms TSIM Sin Ling, Ruth
Mr WONG Kwai Lam
Dr WONG Yick-ming, Rosanna

Risk Factors

The Group's business, financial condition and results of operations are subject to various business risks and uncertainties. The factors set out below are those that the Group believes could result in the Group's financial condition or results of operations differing materially from expected or historical results. There may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Global Economy

As a global business, the Group is exposed to the developments in the global economy as well as developments in the industries and geographical markets in which it operates. As a result, the Group's financial condition and results of operations may be influenced by the general state of the global economy or the general state of a specific market or economy. Any significant decrease in the level of economic growth in the global or regional or a specific economy could adversely affect the Group's financial condition or results of operations.

In general, volatility in the US and worldwide credit and financial markets, the COVID-19 pandemic, fluctuations in commodity prices and rising energy costs, mounting inflationary pressures, potential interest rate hikes, increasing geopolitical risks and political turbulence, global trade competition and supply chain disruptions have all contributed to the increased uncertainty of global economic prospects and dampen economic growth.

The Group's overall success as a global business depends, in part, upon its ability to succeed in different economic, social, and political conditions. There can be no assurance that the Group will continue to succeed in developing and implementing policies and strategies that are effective in each location where it conducts business. Moreover, any deterioration in the economic, social and/or political conditions in the markets in which the Group conducts business could have a material adverse effect on the Group's financial condition and results of operations.

Industry Trends, Interest Rates and Currency Markets

The Group's results are affected by trends in the industries in which it operates, including the ports and related services, retail, infrastructure and telecommunications industries. While the Group believes that its diverse operations, geographical spread and extensive customer base reduce its exposure to particular industry cycles, its results have in the past been adversely affected by industry trends. For example, the Group's results have been negatively impacted by declines in retail consumer sentiment, decline in the value of securities investments, and volatility in currencies and interest rates, as well as increase in inflationary pressures, including energy costs. There can be no assurance that the combination of industry trends, currencies and interest rates experienced by the Group in the future will not adversely affect its financial condition and results of operations.

In particular, income from the Group's finance and treasury operations is dependent upon interest rates, the currency environment and market conditions, and therefore there can be no assurance that changes in these conditions will not materially and adversely affect the Group's financial condition and results of operations.

COVID-19 Pandemic

In January 2020, the World Health Organization ("WHO") declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on 11 March 2020 it was declared a pandemic. On 5 May 2023, the WHO declared an end to the global emergency status for COVID-19. To date, the COVID-19 virus has spread to many countries, with significant number of reported cases and related deaths.

In response to the COVID-19 outbreak and resurgences, many countries and companies imposed various restrictive measures to keep the pandemic in check, including restrictions on international and local travel, public gatherings and participation in meetings, as well as temporary closures of universities, schools, stores and restaurants, with some countries imposing strict curfews and lockdowns. To-date, most countries have relaxed the restrictions imposed and the global economy gradually shows signs of recovery. However, the Group cannot predict whether there may be another wave of outbreak or resurgence. There can also be no assurance that these restrictions will not be imposed again. These measures have led to lockdowns in areas where the Group has operations, and have had and may continue to have an adverse effect in the short to medium term on the Group's operations, particularly the ports and related services and retail operations, among others.

The Group continues to monitor the evolving developments closely. The impact of the pandemic on the Group's business will depend on a range of factors which the Group is not able to accurately predict, including the duration, severity and scope of the pandemic, the geographies impacted, the impact of the pandemic on economic activity globally, the possibility of resurgence and variants of COVID-19, and the nature and severity of measures adopted by governments. If the COVID-19 pandemic persists or is not effectively controlled or the measures taken to prevent its spread are not effectively implemented, the Group's business could be impacted in a number of ways, including:

- the deterioration of socio-economic conditions leading to disruptions to the Group's operations, such as reduction in the Group's ports operation's throughput as a result of factory closures in the Mainland or reduced demand in Europe and the US, or mandatory store closures and a decline in footfall in the Group's retail stores;
- reductions or volatility in consumer demand for the Group's products due to quarantine or illness, or other travel restrictions, economic hardship, or retail closures, which may impact the Group's revenue and market share;
- significant volatility in financial markets (including interest rate and foreign currency rate volatilities) and commodities market and measures adopted by governments and central banks, which may limit the Group's access to funds, lead to shortages of cash or increase the cost of raising such funds; and
- an adverse impact on the Group's ability to engage in new, or consummate pending, strategic transactions on the agreed terms and timetable or at all.

These impacts have threatened the Group's facilities and transport of the Group's products, cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of the Group's employees, and could have a material adverse effect on the Group's results of operations, cash flows and financial condition.

To date, there is still significant uncertainty relating to the severity of the long-term adverse impact of the pandemic on the global economy and global financial markets, and the Group is unable to accurately predict the long-term impact on its business. To the extent that the pandemic adversely affects the Group's business and operations, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

The aforementioned risks may also be applicable to the outbreak of any highly contagious diseases on the economies of the affected countries.

Cash Flow and Liquidity

From time to time, the Group accesses short-term and long-term capital markets to obtain financing. The availability of financing with acceptable terms and conditions may be impacted by many factors which include, among others, liquidity in the capital markets and the Group's credit, Environmental, Social and Governance (ESG) ratings. Although the Group aims to maintain a capital structure that is appropriate for long-term investment grade ratings, actual credit ratings may deviate from these levels due to economic circumstances or other factors such as how the Group formulates, implements and integrates its strategies (including sustainability strategy) in relation to its core businesses. If liquidity in the capital markets declines, and/or credit ratings of the Group decline or other factors, such as the availability and cost of borrowings and any decline in ESG ratings could impact the Group's financial condition and results of operations, liquidity and cash flows.

Currency Fluctuations

The Group reports its results in Hong Kong dollars but its subsidiaries, associates and joint ventures around the world receive revenue and incur expenses in around 50 different local currencies. The Group's subsidiaries, associates and joint ventures may also incur debt in these local currencies. Consequently, the Group is exposed to potential adverse impact of currency fluctuations on translation of the results and balance sheet items of these subsidiaries, associates and joint ventures and also on repatriation of earnings, equity investments and loans. Although the Group actively manages its currency exposures, depreciation or fluctuation of the currencies in which the Group conducts its operations relative to the Hong Kong dollar could have a material adverse effect on the Group's financial condition and results of operations.

Highly Competitive Markets

The Group's principal business operations face significant competition across the diverse markets in which they operate. New market entrants, intensification of price competition by existing competitors, product innovation or technological advancement could adversely affect the Group's financial condition and results of operations. Competitive risks faced by the Group include:

- continued consolidation and vertical integrations of international shipping lines that are major clients of the Group's ports operations. Shipping lines are increasingly investing in seaports and in their own dedicated terminal facilities and may not require the use of the Group's terminal facilities;
- significant competition and pricing pressure regularly experienced by the retail business of the Group from both online and brick and mortar retail competitors, as well as shifting consumer behaviours to online, are expected to continue, which may materially and adversely affect the financial performance of the Group's retail operations;

- new market entrants and intensified price competition among existing market players of the Group's non-regulated infrastructure businesses could adversely affect the financial performance of the Group's non-regulated infrastructure businesses;
- new services, aggressive tariff plans and customer acquisition strategies by telecommunications competitors may impact the Group's pricing plans, customer acquisition and retention costs, rate of customer growth and retention prospects and hence the revenue it receives as a major provider of telecommunications services; and
- risk of competition from disruptive alternate telecommunications access technologies and potential competition in the future from substitute telecommunications technologies being developed or to be developed or if the Group fails to develop, or obtain timely access to new technologies and equipment.

Retail Product Liability

The Group's retail operations may be subject to product liability claims if consumers are injured or otherwise harmed by the products purchased from them. Customers count on the Group's retail operations to provide them with safe products. Concerns regarding the safety of food and non-food products that are sourced from a wide variety of suppliers could cause shoppers to avoid purchasing certain products from the Group's retail operations, even if the basis for the concern may be outside of the Group's control. Claims, recalls or actions could be based on allegations that, among other things, the products sold by the retail operations are misbranded, contain contaminants or impermissible ingredients, provide inadequate instructions regarding their use or misuse, include inadequate warnings concerning flammability or interactions with other substances or in the case of any handset and other electrical devices that the retail operations sell, are not fit for purpose or pose a safety hazard. While the Group maintains product liability insurance coverage in amounts and with deductibles that the Group believes are prudent, there can be no assurance that the coverage will be applicable and adequate to cover all possible adverse outcomes of claims and legal proceedings against the Group. Any material shortfall in coverage may have an adverse impact on the results of the Group's retail operations. In addition, any lost confidence on the part of the Group's customers would be difficult and costly to re-establish. As such, any material issue regarding the safety of any food and non-food items that the Group sells, regardless of the cause, could materially and adversely affect the business, and results of the Group's retail operations.

Strategic Partners

The Group conducts some of its businesses through non-wholly-owned subsidiaries, associates and joint ventures in which it shares control (in whole or in part) and has formed strategic alliances with certain leading international companies, government authorities and other strategic partners. There can be no assurance that any of these strategic or business partners will continue their relationships with the Group in the future or that the Group will be able to pursue its stated strategies with respect to its non-wholly-owned subsidiaries, associates and joint ventures and the markets in which they operate. Furthermore, other investors in the Group's non-wholly-owned subsidiaries, associates and joint ventures may undergo a change of control or financial difficulties, which may negatively impact the Group's financial condition and results of operations.

In addition, following the disposal of the Group's interests in tower assets supporting the Group's mobile businesses in Austria, Denmark, Ireland, Italy, Sweden and the UK, respectively, to Cellnex, the Group's ability to provide telecommunications services in such jurisdictions depends, in part, on Cellnex, which through its operating subsidiaries has entered into master services agreements with subsidiaries of the Group operating the Group's telecommunications business in the relevant jurisdictions. While each master services agreement provides for Cellnex to provide infrastructure and built-to-suit services to the Group's telecommunication business in such jurisdictions, such agreements may be terminated for cause by either party and may be partially terminated in respect of part of the telecommunications infrastructure services which are affected by any material failure to meet service levels. Should any of these arrangements be terminated, this could result in delays or disruptions to the Group's telecommunications operations in the relevant jurisdictions and could result in the Group incurring additional costs. There can be no assurance that changes in the relationship or rearrangements between the Group and Cellnex will not materially and adversely affect the Group's financial condition and results of operations.

Future Growth

The Group continues to cautiously expand the scale and geographic spread of its businesses through investment in organic growth, as well as undertaking selective mergers, acquisitions and disposal activities when appropriate opportunities in the market arise. Success of the Group's mergers and acquisitions will depend on, among other things, the ability of the Group to realise the expected synergies, cost savings and growth opportunities upon integration of the merged or acquired businesses. These businesses may require significant investment and the commitment of executive management time and other resources. There can be no assurance that a failure to operate the merged or acquired businesses successfully, or a longer than projected period to realise the expected synergies, will not have a material adverse effect on the Group's financial condition, results of operations and prospects.

The Group has made substantial investments in acquiring telecommunications licences and developing and upgrading its mobile networks and growing its customer bases in Europe, Hong Kong and Macau, Asia, and Australia. The Group may need to incur more capital expenditure to expand, improve or upgrade its mobile networks, acquire additional spectrum licences, and incur more customer acquisition and retention costs to retain and build its customer bases. There can be no assurance that any additional investments will further increase customer levels and operating margins, and consequently, additional investments may materially and adversely impact the Group's financial condition and results of operations.

As of 31 December 2023, the Group had a total deferred tax asset balance [(1)] of HK$19,337 million, of which HK$16,860 million were attributable to the CK Hutchison Group Telecom mobile operations. The ultimate realisation of deferred tax assets recognised depends principally on these businesses achieving profitability and generating sufficient taxable profits to utilise the underlying unused tax losses. In each of the countries and locations that CK Hutchison Group Telecom operates, taxation losses may be carried forward indefinitely. In addition, in the UK, the Group benefits from the availability of group relief in relation to taxation losses generated by its telecommunications operations to offset taxable profits from its other businesses in the same period. It may be necessary for some or all of the deferred tax assets recognised to be reduced and charged to the income statement if there is a significant adverse change in the projected performance and resulting projected taxable profits of these businesses. Judgement is required to determine key assumptions adopted in the taxable profit and loss projections and changes to key assumptions used can significantly affect these taxable profit and loss projections. If there is a significant adverse change in taxation rates and legislations, or in the projected performance and resulting cash flow projections of these businesses, some or all of these deferred tax assets may need to be reduced and charged to the income statement, which could have a material adverse effect on the Group's financial condition and results of operations.

Completion Risk of Mergers, Acquisitions and Disposals

The Group may from time to time engage in mergers, acquisitions, joint ventures, other consolidation transactions between its businesses and certain third party companies (including competitors), or disposals. Such transactions are typically subject to merger, anti-trust, national security, foreign investment and other regulatory approvals by the competent authorities who may only approve the transaction subject to conditions, or who may prohibit the transaction. There can be no assurance that such approvals or other conditions would be obtained or satisfied and even if such approvals are obtained, third parties may initiate proceedings to appeal against such approvals. If a proposed transaction is prohibited or the relevant approvals are revoked and the transaction cannot be completed, the Group will have incurred significant legal, accounting and other costs in connection with the transaction without realising its anticipated benefits, which may have included increased earnings, scale, competitive strength and market share. As a consequence, the Group's financial position and results of operations could be negatively impacted. In the case of potential mergers or acquisitions, such third party companies may also choose to merge with or be acquired by another of the Group's competitors, which could result in a new competitor with greater scale, financial strength and other resources. As a result, if a transaction is prohibited by a competent authority or if a transaction is approved but such approval is subsequently revoked, it could have a material adverse impact on the Group's business, financial condition and results of operations.

Impact of National, European Union and International Law and Regulatory Requirements

As a global business, the Group is exposed to local business risks in several different countries, which could have a material adverse effect on its financial condition and results of operations. The Group operates in many countries around the world and may increasingly become exposed to different and changing government policies, political, social, legal and regulatory requirements at the national or international level, including but not limited to those required by the European Union ("EU") or the World Trade Organisation ("WTO") or national authorities. These include:

– changes in tariffs and trade barriers, including changes which may result from the UK's withdrawal from the EU (see "Risk Factors – UK's Exit from the EU" for further details), as well as government-determined tariff resets of the Group's regulated infrastructure assets;
– changes in taxation regulations and interpretations;

Note 1: Under Post-IFRS 16 basis, the Group had a total deferred tax asset balance of HK$21,074 million, of which HK$16,975 million were attributable to the CK Hutchison Group Telecom mobile operations.

- competition (anti-trust) laws applicable to the Group's activities, including the regulation of monopolies and the conduct of dominant firms, the prohibition of anti-competitive agreements and practices, and laws requiring the approval of certain mergers, acquisitions and joint ventures which could restrict the Group's ability to own or operate subsidiaries or acquire new businesses in certain jurisdictions and/or result in imposition of fines on the relevant operations;
- state aid and/or state subsidy control rules which could require the repayment of grants or other financial support if aid or subsidies have been provided by national governments and/or public authorities to the Group's businesses;
- changes in the process of or the conditions or criteria to obtaining or maintaining licences, permits and governmental approvals necessary to operate certain businesses;
- conditions or criteria to obtaining or maintaining assets that may be viewed by governments or regulatory authorities as critical assets for national security purposes, for example in the telecommunications and ports sectors; and
- environmental, safety, employee and consumer protection laws, rules and regulations.

There can be no assurance that the European institutions and/or the regulatory authorities of the countries in which the Group operates will not make decisions or interpret and implement regulations in a manner that materially and adversely affect the Group's financial condition and results of operations in the future.

Ports are often viewed by governments as critical national assets and in many countries are subject to government control and regulations. Regime or sentiment changes in less politically stable countries may affect port concessions granted to foreign international ports operations including the Group's ports operations.

Certain infrastructure investments of the Group (for example, water, gas and electricity distribution) are subject to regulatory pricing and strict licensing requirements, codes and guidelines established by the relevant regulatory authorities from time to time. Failure to comply with these licensing requirements, codes or guidelines may lead to penalties, or, in extreme circumstances, amendment, suspension or cancellation of the relevant licences by the authorities. Furthermore, certain regulated operations of the Group's investments are subject to price control by government regulatory authorities. The relevant government regulatory authorities will periodically review and reset the price control terms for certain projects in accordance with a predetermined timetable. There can be no assurance that such events or price resets will not have a material adverse effect on the Group's financial conditions and results of operations.

New policies or measures by governments, whether fiscal, regulatory or other changes, may pose a risk to the overall investment return of the Group's infrastructure businesses and may delay or prevent the commercial operation of a business with a resulting loss of revenue and profit.

The Group is only permitted to provide telecommunications services and operate networks under licences (including spectrum licences for mobile telecommunications) and/or authorisations granted under the national laws of each country in which it operates. Some spectrum licences have historically been issued for fixed terms and subsequently renewed and/or reauctioned. There can be no assurance, however, that any application for the renewal or participation in any auction of one or more of these licences will be successful or granted on equivalent or satisfactory terms. Governments and/or regulatory authorities may also impose auction rules and/or licence conditions relating to national security, which could result in an operator being denied access to the spectrum and/or revocation of a licence.

In addition, the Group may not be successful in obtaining licences for spectrum bands enabling new mobile technologies that may be developed in the future (including 5G) and will likely face competition for any such licences. Due to changes in legislation, the Group's mobile telecommunications licences in the UK and Italy effectively provide for perpetual renewal rights. Telecommunications licences (including spectrum licences) and authorisations may contain regulatory requirements and carrier obligations regarding the way the operator must conduct its business (such as price controls and non-discrimination obligations), as well as network quality and coverage. Failure to meet these requirements could result in damage awards, fines, penalties, suspensions or other sanctions including, ultimately, revocation of the licences. Decisions by regulators with respect to the granting, amendment or renewal of licences to the Group or other parties (such as spectrum allocation to other parties or relaxation of constraints with respect to the technology or specific service that may be deployed in the given spectrum band), or changes to the process of or the conditions or criteria to, obtaining or maintaining spectrum or other licences necessary for the Group's mobile telecommunications business, could result in the Group facing unforeseen competition and/or could materially and adversely affect the Group's financial condition and results of operations.

Accounting

The Hong Kong Institute of Certified Public Accountants ("HKICPA") is continuing its policy of issuing Hong Kong Financial Reporting Standards ("HKFRS"), amendments and interpretations that fully converge with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). HKICPA has issued and may in the future issue more new and revised standards, amendments and interpretations, including those required to conform to standards, amendments and interpretations issued from time to time by the IASB. Such factors may require adoption of new accounting policies. There can be no assurance that the adoption of new accounting policies or new HKFRS will not have a significant impact on the Group's financial condition and results of operations.

Impact of Regulatory Reviews

The Group and some of its subsidiaries and associates are listed on various stock exchanges around the world and are subject to regulatory reviews of their various filings by the respective stock exchange's regulatory bodies and/or other regulatory authorities. While all the Group's publicly listed companies endeavour to comply with all regulatory requirements of the various stock exchanges and other authorities in the countries in which they operate, and obtain independent professional advice as appropriate, there can be no assurance that the regulatory bodies' review will not result in a disagreement with the Group's interpretations and judgements and that any required actions mandated by the authorities will not have an adverse impact on the Group's reported financial position and results of operations.

Natural Disasters

Some of the Group's assets and projects, and many of the Group's customers and suppliers are located in areas at risk of damage from earthquakes, floods and typhoons. The occurrence of any such damage could disrupt the Group's business materially and adversely affect the Group's financial condition and results of operations.

Although the Group has not experienced any significant structural damage to infrastructure projects or ports or other facilities from earthquakes to date, there can be no assurance that future earthquakes or other natural disasters will not occur and result in major damage to the Group's infrastructure projects, ports or other facilities, or to the general supporting infrastructure facilities in the vicinity, which could materially and adversely affect the Group's financial condition and results of operations.

Climate Change

Scientific evidence has shown that the Earth's temperature is rising due to an increase in greenhouse gases. This has already created, and will continue to create, a number of negative effects to the environment including loss of sea ice, rise in sea levels, and more frequent and severe weather events.

Some of the Group's assets, businesses and supply chain are located in areas that would be affected in the medium to long term by the effects of climate change. Extreme weather events may also pose increased risks for the Group's stakeholders such as the Group's employees, customers and suppliers living and working in those locations. Further, as many countries seek to transition to low carbon economies, governments are increasingly introducing legislations to restrict emissions and incentivise environmental protection measures. Other market changes may also influence the Group's business such as changing consumer preferences in favour of companies that are more sustainable.

Together these physical and transition risks arising from climate change could have a material impact on the Group's business and adversely affect the Group's financial condition and results of operations.

Political Unrest, Terrorist Attacks and Military Tensions

The Group has presence in about 50 countries around the world. There can be no assurance that all of these countries will remain politically stable or immune to terrorist attacks or military tensions, and if any of these countries suffers from political unrest or terrorist attacks or military tensions, it may have an adverse impact on the Group's financial condition and results of operations.

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

Governments and multinational organisations (including the State Department and the Department of the Treasury's Office of Foreign Assets Control ("OFAC") of the US and the United Nations), from time to time administer certain laws and regulations that impose restrictions with respect to activities or transactions with certain countries, governments, entities and individuals that are the subject of economic sanctions. There can be no assurance that such sanctions or other restrictions will not affect the jurisdictions in which the Group conducts its business, any of the Group's business partners or suppliers or otherwise. To the extent that any such sanction or restriction is imposed in any jurisdictions where the Group's business operates, the Group may need to cease operations in those jurisdictions and suffer losses in that regard. If any of the Group's business partners or suppliers is impacted by sanctions or restrictions, provision of goods, services or support by them may be disrupted or discontinued, which may affect the Group's ability to continue to operate related businesses. If any of the Group's business partners is affected by sanctions or restrictions, the continuation or disruption of strategic alliance with such business partners may also affect the Group's ability to continue to operate related businesses and/or may result in suspension of operations. There can be no assurance that the Group will be able to obtain alternative goods, services, support or alliance it needs for the operation of its business, in a timely manner or at competitive terms, and no assurance that any compensation recoverable from business partners or suppliers for the discontinued or disrupted supply, service, support or alliance will be available or adequate. Any of these factors could have a material adverse effect on the Group's financial condition and results of operations.

Cyber Security Risks

Cyber attacks, including through the use of malware, computer viruses, dedicated denial of services attacks, credential harvesting and other means for obtaining unauthorised access to or disrupting the operation of the networks, systems and data base of the Group or its suppliers, vendors and other service providers, could have an adverse effect on the Group's business, operations and reputation. Cyber attacks may cause equipment failures, loss or leakage of data, including personal data of customers or employees and technical and trade information, as well as disruptions to the Group's or its customers' operations. Corporate cyber attacks have increased in frequency, scale and severity in recent years. Further, the perpetrators of cyber attacks are not restricted to particular groups or persons. These attacks may be committed by company employees or external parties operating in any geography, including jurisdictions where law enforcement measures to address such attacks are unavailable or ineffective, and may even be launched by or at the behest of nation states. The measures deployed by the Group may not be able to prevent, eliminate or minimise the risks associated with cyber attacks.

Any operational impacts caused by cyber attacks to the networks, systems and data base of the Group or its suppliers, vendors and other service providers, even for a limited period of time, may result in costly remedial expenses and/or a loss of business. The costs required to remedy a major cyber attack on the Group could include expensive incentives to certain existing customers and business partners, increased expenditures on cyber security measures and the use of alternate resources. The Group may also suffer a loss of revenue owing to business interruption and claims from regulators and other third parties. The potential costs associated with these attacks could exceed the insurance coverage the Group maintains. In addition, a compromise of security or leakage of data, such as personal data and technical and trade information, could result in third party claims and/or regulatory claims or investigations. Any of these occurrences could damage the Group's reputation, adversely impact customer and investor confidence, and materially and adversely affect the Group's financial condition and results of operations.

Compliance with Data Protection Legislation

In the ordinary course of its operations, various members of the Group collect, store and use data that is protected by data protection laws in the different countries in which they operate. As regulatory focus on privacy issues continues to increase and worldwide laws and regulations concerning the handling of personal information expand and become more complex, potential risks related to data collection and use within the Group's business are expected to intensify. For example, the General Data Protection Regulation (EU) (2016/679) ("GDPR"), the UK GDPR (the retained EU law version of the GDPR) and the United Kingdom's Data Protection Act 2018, which apply to Group companies in applicable jurisdictions, levy administrative penalties of up to 4 per cent. of Group global annual turnover in cases of significant non-compliance and direct liability for breach by data processors.

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

UK's Exit from the EU

The UK formally left the EU on 31 January 2020. As agreed in the Withdrawal Agreement, a transition period was implemented until 31 December 2020, during which time EU laws and regulations continued to apply broadly as before. Within the context of the Withdrawal Agreement of which the Protocol on Ireland/Northern Ireland ("NI Protocol") is part, the European Union and the UK Government reached a political agreement on 27 February 2023 ("Windsor Framework") to adjust the operation of the NI Protocol including solutions on, inter alia, the system of checks on goods moving across the land border between Great Britain and Northern Ireland enabling a smoother transition for goods destined for use in Northern Ireland. The Windsor Framework was formally adopted by the parties on 24 March 2023 and came into effect on 1 October 2023.

The EU and the UK Government signed the UK-EU Trade and Cooperation Agreement ("TCA") on 30 December 2020. The TCA sets out all aspects of the new UK-EU relationship, including trade in goods and in services, digital trade, intellectual property, public procurement, aviation and road transport, fisheries, social security coordination, law enforcement and judicial cooperation in criminal matters, thematic cooperation and participation in EU programmes. The TCA was applied provisionally from 1 January 2021 and entered into force on 1 May 2021.

In the UK, the Retained EU Law (Revocation and Reform) Act 2023 which received Royal Assent on 29 June 2023, has been enacted into UK law. Under the Act, certain retained EU laws (listed in Schedule 1 to the Act) were repealed automatically at the end of 2023. The Act further enables the revocation, restatement, replacement or updating of certain retained EU laws until 23 June 2026, and inter alia removes the special features that EU laws have in the UK legal system and repeals the principle of supremacy of EU law from UK law. The impact of the Act on our business is currently unclear.

The long-term impact of the UK's decision to leave the EU continues to be unclear and will depend on the implementation of the final terms agreed between the UK and the EU in the TCA as well as on the UK's ability to secure favourable trade and investment terms with countries outside the EU. There is considerable uncertainty as to the impact of the UK's exit from the EU on the general economic conditions in the UK or its wider impact in the EU. As such, no assurance can be given as to the impact of the UK's departure from the EU and, in particular, no assurance can be given that such matters would not adversely affect the Group's financial condition and results of operations.

Hutchison Ports LCT is strategically located on the west coast of Mexico, facing the most important Pacific trade routes.

Ports and Related Services

Hutchison Ports Pakistan is the country's first deep-water container terminal, designed to accommodate super post-panamax ships.

Hutchison Ports Yantian, China, works closely with 40 large shipping lines to provide nearly 100 shipping routes per week.

Hutchison Ports Duisburg, Germany, celebrates its 40th anniversary.

In the UK, Hutchison Ports Port of Felixstowe buys 100 autonomous Q-Trucks to enhance efficiency and operational consistency.

Operations Review – Ports and Related Services

This division is the world's leading port network, and has interests in 53 ports comprising 293 operational berths in 24 countries.

Group Performance

The Group operates container terminals in five of the 10 busiest container ports in the world. The division comprises the Group's 80% interest in the Hutchison Ports group of companies and its 30.07% interest in the HPH Trust, which together handled a total of 82.1 million twenty-foot equivalent units ("TEU") in 2023.

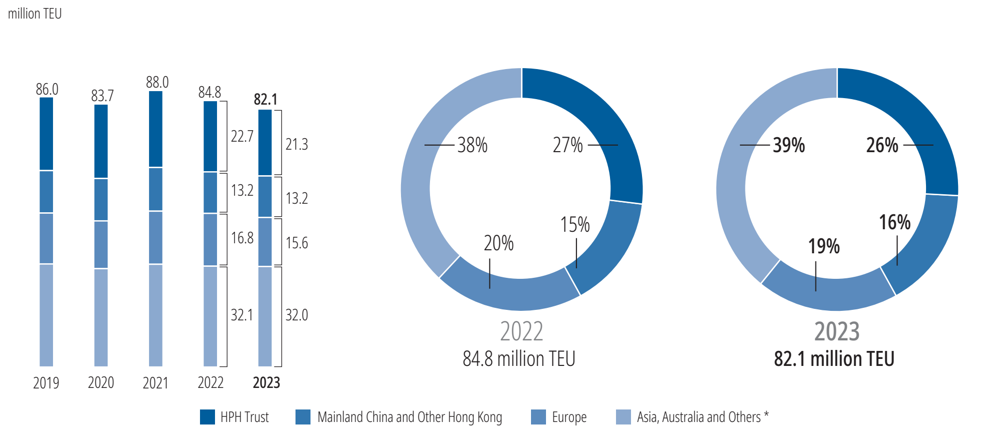
	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue [1]	**40,851**	44,141	-7%	-9%
EBITDA [1] [2]	**13,628**	15,805	-14%	-14%
EBIT [1] [2]	**9,328**	11,426	-18%	-19%
Throughput (million TEU)	**82.1**	84.8	-3%	
Number of berths	**293**	295	-2 berths	

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

Note 2: Under Post-IFRS 16 basis, EBITDA was HK$16,415 million (2022: HK$19,007 million); EBIT was HK$10,583 million (2022: HK$13,024 million).

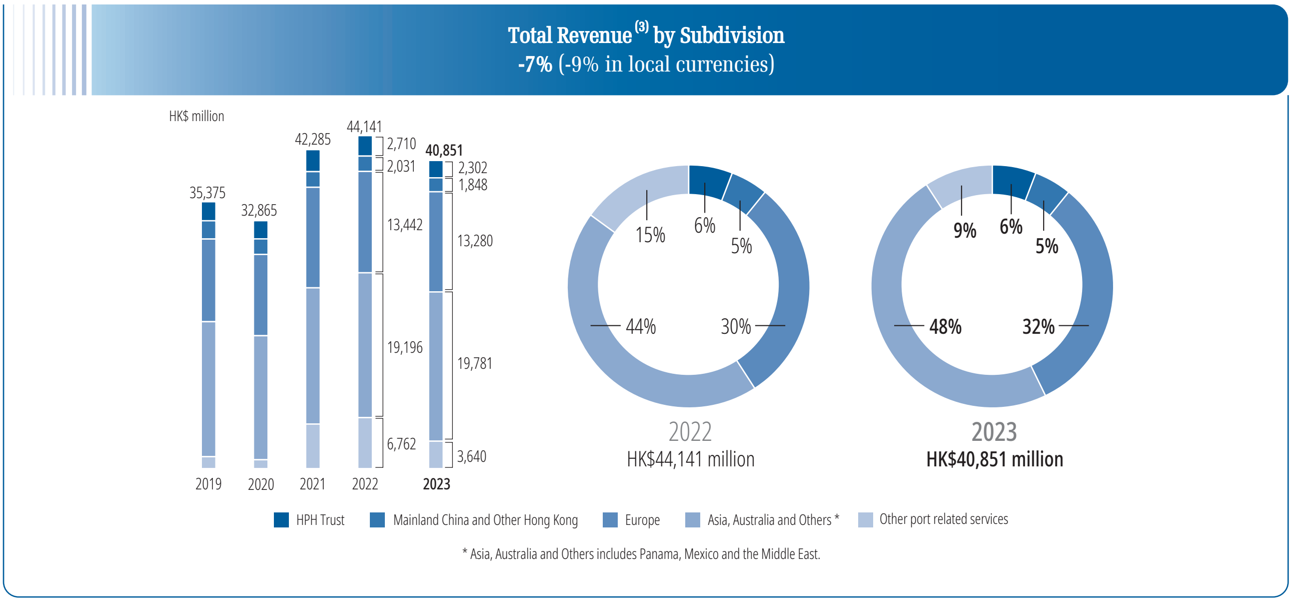
Overall throughput decreased 3% to 82.1 million TEU in 2023, with 65% and 35% local and transhipment volume respectively (2022: 65% and 35% local and transhipment volume respectively), primarily attributable to reduced volume in HPH Trust due to diminished demand on Chinese exports particularly in the first half of 2023, together with the decline in European throughput volume owing to weakened consumer sentiment exacerbated by elevated global interest rates atmosphere, affecting major ports in Barcelona in Spain and Rotterdam in the Netherlands. The overall throughput in Asia, Australia and Others segment was relatively stable as reduction in throughput as a result of concession expiry in Tanzania since 2023 was mostly offset by throughput growth in South East Asia (Klang, Laemchabang, Jakarta), Pakistan and Middle East ports.

Total Container Throughput by Subdivision (-3%)



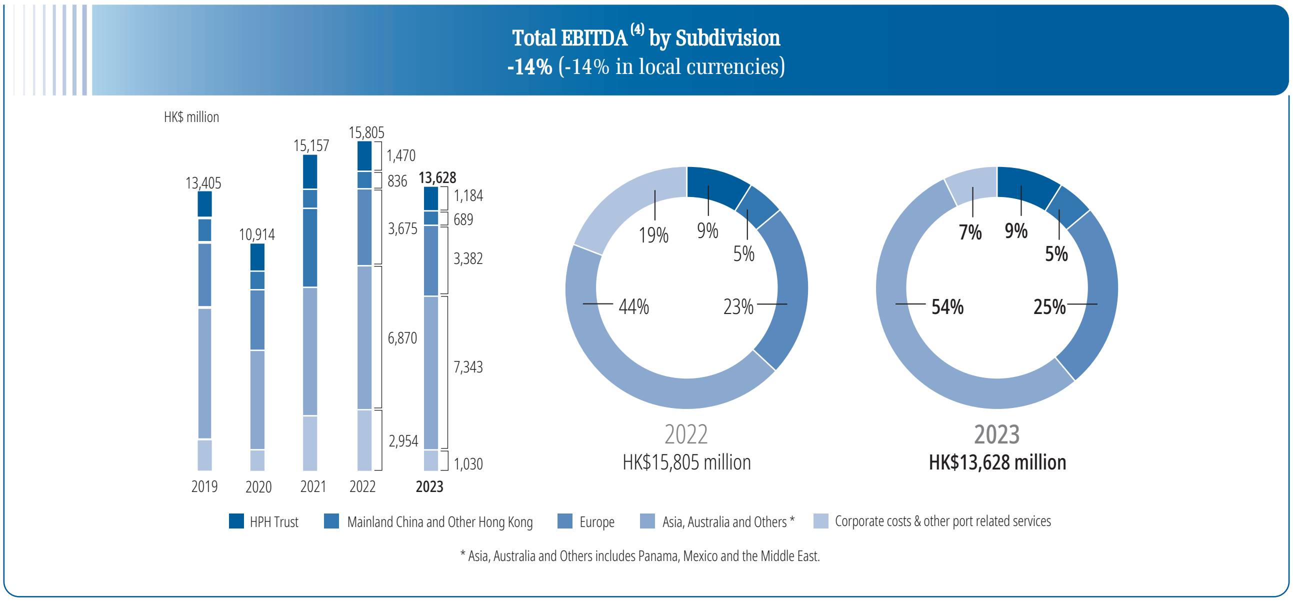
* Asia, Australia and Others includes Panama, Mexico and the Middle East.

Total reported revenue of HK$40,851 million were 7% and 9% below last year in reported currency and local currencies respectively mainly attributed to 24% lower storage income year-on-year as a result of gradual easing of supply chain disruptions and port congestion particularly in Europe and HPH Trust segment, as well as lower share of revenue from an associated company in the container shipping business largely influenced by downward spiral in freight rates since the second half of 2022. Nevertheless, the aforesaid adverse variances were partly offset by strong performances in Mexico and Pakistan from increased import laden containers.



Note 3: Total revenue has been adjusted to exclude non-controlling interests' share of revenue of HPH Trust.

In reported currency, EBITDA decreased 14% to HK$13,628 million and EBIT decreased 18% to HK$9,328 million against 2022. In local currencies, EBITDA and EBIT decreased 14% and 19% respectively, primarily due to lower contribution from the associated company in the container shipping line business, together with lower storage income across most regions in Europe, HPH Trust, Mainland China and Other Hong Kong segment, as well as adverse performances in Europe and HPH Trust from reduced throughput as aforementioned, partly offset by Asia, Australia and Others region where Mexico has achieved robust performances and rebound of cargo demand in Pakistan.



Note 4: Total EBITDA has been adjusted to exclude non-controlling interests' share of EBITDA of HPH Trust.

As at 31 December 2023, the division had 293 operating berths [5], two berths lower than 2022, with reduction of three berths from end of concession in Buenos Aires and two berths from end of concession in Tanzania, partly offset by new berths in Abu Qir in Egypt (+2 berths) and Laemchabang in Thailand (+1 berth). In 2024, net additions of two berths are expected which comprises Jazan port in Saudi Arabia (+2 berths), Laemchabang in Thailand (+1 berth) and Mexico (+1 berth), partly offset by Busan (-1 berth after relocation to new terminal expected in Q3 2024) and Basra in Iraq (-1 berth, planned wind down).

Note 5: Based on 300 metres per berth and is computed by dividing the total berth length by 300 metres.

Operations Review – Ports and Related Services

Segment Performance

HPH Trust

	2023 HK$ million	2022 HK$ million	Change
Total Revenue [6]	**2,302**	2,710	-15%
EBITDA [6]	**1,184**	1,470	-19%
EBIT [6]	**520**	778	-33%
Throughput (million TEU)	**21.3**	22.7	-6%
Number of berths	**52**	52	–

Note 6: Total revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

HPH Trust's total revenue, EBITDA and EBIT decreased by 15%, 19% and 33% respectively mainly attributable to the lower storage income and 6% drop in throughput especially in the first half of 2023 (15% volume drop year-on-year in the first half), driven by the excess warehouse inventory and weak consumer sentiment. However, these adverse variances were partly mitigated by improved laden export volume in Yantian due to stock replenishment during the second half of the year, contributing to a 3% growth in throughput compared to the second half of 2022.

Mainland China and Other Hong Kong

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**1,848**	2,031	-9%	-5%
EBITDA	**689**	836	-18%	-14%
EBIT	**473**	606	-22%	-18%
Throughput (million TEU)	**13.2**	13.2	–	
Number of berths	**44**	44	–	

The Mainland China and other Hong Kong segment's revenue, EBITDA and EBIT decline were mainly attributable to lower storage income, particularly in Shanghai, where exceptionally high base level were no longer sustained after the pandemic, together with lower contribution from Huizhou Quanwan Port Development following division's disposal of its entire 50% interest in January 2023, partly offset by higher throughput in Shanghai from a low base volume in last year. The overall throughput level remained stable compared to 2022 despite subdued cargo demand at other port terminals, which was more than offset by increased volume in Shanghai.

Europe

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**13,280**	13,442	-1%	-4%
EBITDA	**3,382**	3,675	-8%	-10%
EBIT	**2,328**	2,609	-11%	-13%
Throughput (million TEU)	**15.6**	16.8	-7%	
Number of berths	**67**	67	–	

Europe segment's total revenue, EBITDA and EBIT dropped by 1%, 8% and 11% respectively in reported currency and decreased 4%, 10% and 13% in local currencies respectively primarily due to lower storage income in most European ports from shorter dwelling time following the gradual relief of supply chain disruptions, as well as 7% volume reduction across most ports including Barcelona in Spain and Rotterdam in the Netherlands as a result of weakened consumer demand coupled with the heightened interest rates and inflation, partly mitigated by favourable performance from the UK due to increase of tariff and energy levies income.

Asia, Australia and Others

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**19,781**	19,196	+3%	+1%
EBITDA	**7,343**	6,870	+7%	+7%
EBIT	**5,400**	4,906	+10%	+10%
Throughput (million TEU)	**32.0**	32.1	–	
Number of berths	**130**	132	-2 berths	

Asia, Australia and Others' total revenue, EBITDA and EBIT grew by 3%, 7% and 10% respectively in reported currency and increased 1%, 7% and 10% in local currencies respectively, mainly driven by favourable outcomes in Mexico and Pakistan due to higher storage income and increased import laden containers as aforementioned, as well as throughput growth from ports in Klang and Pakistan, certain Middle East ports (Oman and Ajman) and Panama, partly offset by weak performances from Australia and Freeport in Bahamas due to decline in cargo demand and diverted transhipment volume respectively, together with loss of contribution from concession expiry in Tanzania since 2023.

With over 780 stores across the UK and Ireland, Superdrug is one of the largest beauty and health retailers in the UK.

Retail

Rossmann operates over 4,700 stores in Germany, Poland, Hungary, the Czech Republic, Türkiye, Albania, Kosovo and Spain.

Watsons Malaysia opens its 700th store.

The Perfume Shop is the largest fragrance retailer in the UK and Ireland.

Watsons Thailand operates over 700 stores, offering a seamless O+O (Offline plus Online) customer experience.

Operations Review – Retail

The Retail division consists of the AS Watson ("ASW") group of companies, the world's largest international Health and Beauty ("H&B") retailer with a 159 million loyalty member base.

Group Performance

ASW operated 12 retail brands with 16,491 stores in 28 markets worldwide as of 31 December 2023, providing high quality personal care, health and beauty products; food and fine wines; as well as consumer electronics and electrical appliances. ASW also manufactures and distributes bottled water and other beverages in Hong Kong and the Mainland.

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**183,344**	169,645	+8%	+8%
EBITDA [(1)]	**16,226**	14,309	+13%	+11%
EBIT [(1)]	**12,888**	11,048	+17%	+14%
Store Numbers	**16,491**	16,142	+2%	

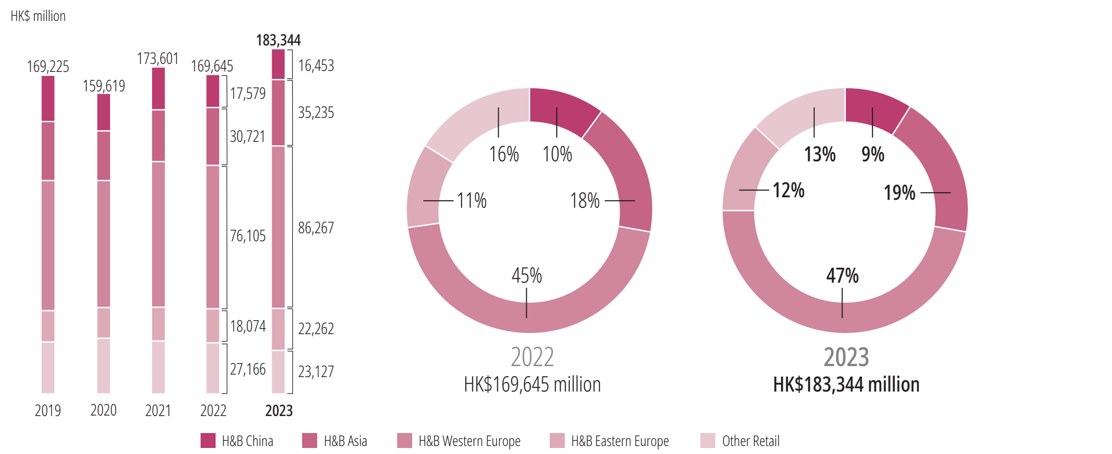
Note 1: Under Post-IFRS 16 basis, EBITDA was HK$25,507 million (2022: HK$23,359 million); EBIT was HK$13,849 million (2022: HK$11,831 million).

Total reported revenue increased by 8% against last year in both reported and local currencies. The higher revenue was primarily due to better overall performance in H&B operations in Asia and Europe from increase in store traffic, partly offset by adverse results from Other Retail due to stagnant store traffic in Hong Kong.

H&B loyalty members' participation & exclusives sales contribution	**2023**	2022
Total loyalty members in H&B segment (million)	**157**	140
Loyalty members' sales participation in H&B segment (%)	**63%**	62%
Exclusives sales contribution to total H&B sales (%)	**37%**	36%

The H&B segment, which represented 87% of the Retail division's revenue in 2023, has 157 million loyalty members. Customer insights from these loyalty members have enabled the businesses to drive assortment, store and marketing strategies.

Total Revenue by Subdivision
+8% (+8% in local currencies)



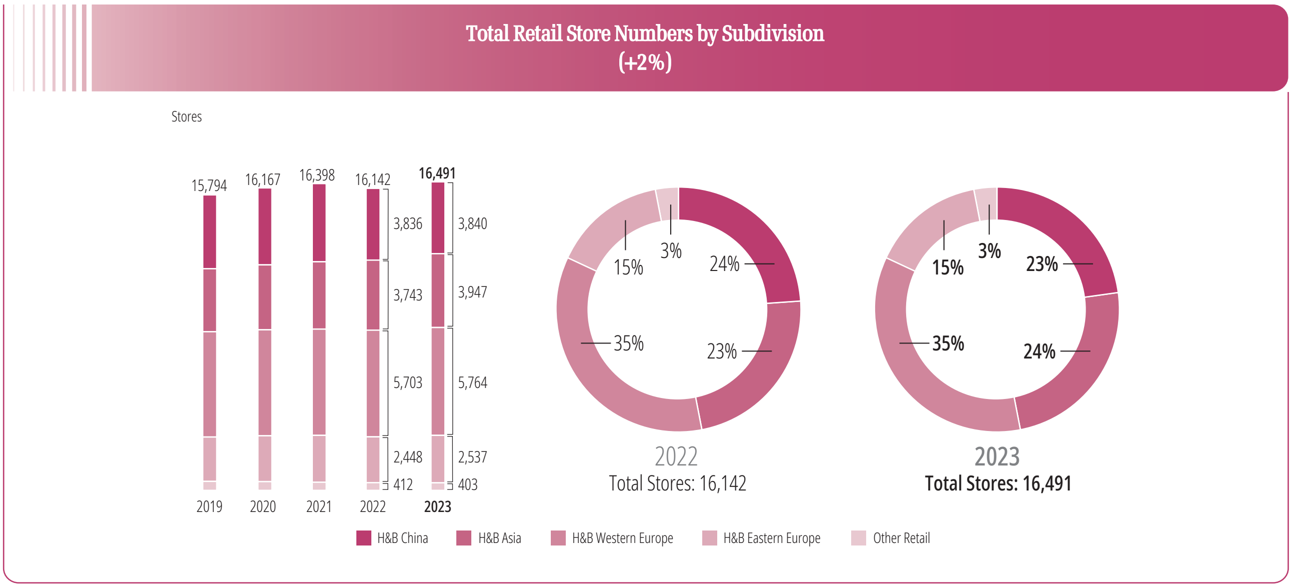
Total Revenue	**2023 HK$ million**	2022 HK$ million	Change	Local currencies change
H&B China	**16,453**	17,579	-6%	-1%
H&B Asia	**35,235**	30,721	+15%	+20%
H&B China & Asia Subtotal	**51,688**	48,300	+7%	+12%
H&B Western Europe	**86,267**	76,105	+13%	+10%
H&B Eastern Europe	**22,262**	18,074	+23%	+16%
H&B Europe Subtotal	**108,529**	94,179	+15%	+12%
H&B Subtotal	**160,217**	142,479	+12%	+12%
Other Retail (2)	**23,127**	27,166	-15%	-15%
Total Retail	**183,344**	169,645	+8%	+8%

Comparable Stores Sales Growth (%) (3)	**2023**	2022
H&B China	**+1.8%**	-18.3%
H&B Asia	**+16.3%**	+21.3%
H&B China & Asia Subtotal	**+11.2%**	+3.9%
H&B Western Europe	**+9.2%**	+9.5%
H&B Eastern Europe	**+12.9%**	+14.2%
H&B Europe Subtotal	**+9.9%**	+10.3%
H&B Subtotal	**+10.3%**	+8.2%
Other Retail (2)	**-13.8%**	+2.7%
Total Retail	**+6.9%**	+7.4%

Note 2: Other Retail includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations.

Note 3: Comparable stores sales growth represents the percentage change in revenue contributed by stores which, as at the first day of the relevant financial year (a) have been operating for over 12 months and (b) have not undergone major resizing within the previous 12 months.

Group Performance (continued)

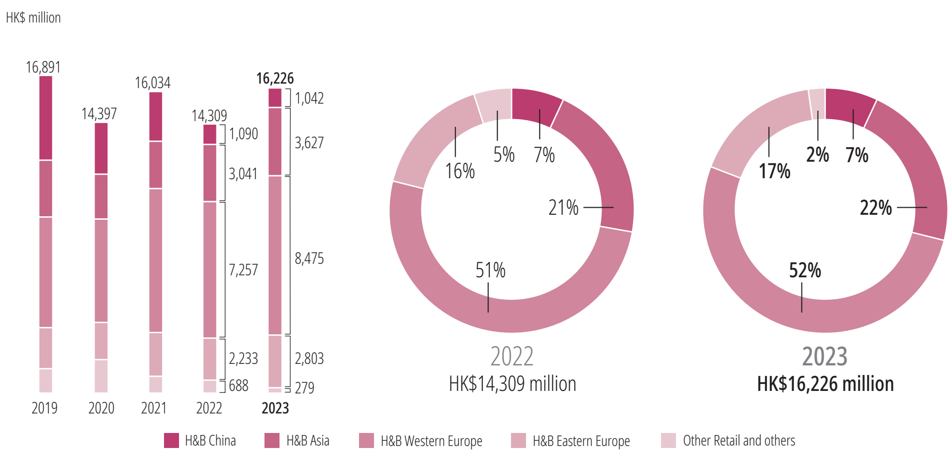


Store Numbers	2023	2022	Change
H&B China	**3,840**	3,836	–
H&B Asia	**3,947**	3,743	+5%
H&B China & Asia Subtotal	**7,787**	7,579	+3%
H&B Western Europe	**5,764**	5,703	+1%
H&B Eastern Europe	**2,537**	2,448	+4%
H&B Europe Subtotal	**8,301**	8,151	+2%
H&B Subtotal	**16,088**	15,730	+2%
Other Retail (4)	**403**	412	-2%
Total Retail	**16,491**	16,142	+2%

Note 4: Other Retail includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations.

The Retail division's EBITDA and EBIT increased by 13% and 17% in reported currency respectively and by 11% and 14% in local currencies respectively against 2022, primarily due to favourable results in Europe and Asia. The favourable results were partly offset by adverse performance in Other Retail as comparable stores sales decreased by 14%, which was mainly affected by weak store footfall of PARKnSHOP Hong Kong. The H&B segment reported EBITDA and EBIT growth of 15% and 18% in local currencies against 2022 respectively, which was attributable to better performances from improved sales momentum across most businesses in Asia, the UK and the Rossmann joint ventures in Poland and Germany. In local currencies, H&B Europe improved its EBITDA and EBIT by 14% year-on-year, while EBITDA and EBIT of H&B Asia grew by 23% and 27% respectively against last year. Following the re-opening of economy, H&B China also reported positive growth in both EBITDA and EBIT in local currencies against 2022.

EBITDA by Subdivision
+13% (+11% in local currencies)



EBITDA	2023 HK$ million	2022 HK$ million	Change	Local currencies change
H&B China	**1,042**	1,090	-4%	+2%
H&B Asia	**3,627**	3,041	+19%	+23%
H&B China & Asia Subtotal	**4,669**	4,131	+13%	+18%
H&B Western Europe	**8,475**	7,257	+17%	+13%
H&B Eastern Europe	**2,803**	2,233	+26%	+17%
H&B Europe Subtotal	**11,278**	9,490	+19%	+14%
H&B Subtotal	**15,947**	13,621	+17%	+15%
Other Retail [5]	**279**	688	-59%	-60%
Total Retail	**16,226**	14,309	+13%	+11%

Note 5: Other Retail includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations.

Segment Performance

Health and Beauty China

	2023 HK$ million	2022 HK$ million	Change	Local currency change
Total Revenue	**16,453**	17,579	-6%	-1%
EBITDA	**1,042**	1,090	-4%	+2%
EBITDA Margin %	***6%***	*6%*		
EBIT	**348**	262	+33%	+47%
EBIT Margin %	***2%***	*1%*		
Store Numbers	**3,840**	3,836	–	
Comparable Stores Sales Growth (%)	**+1.8%**	-18.3%		

H&B China's performance was impacted by soft consumer sentiment as well as intense market competition amid full re-opening of the economy in 2023 with EBITDA increased by a mild 2% against last year mainly driven by margin and productivity improvements. EBIT however improved by 47% in local currency compared to 2022 primarily due to optimisation of capital expenditure spending.

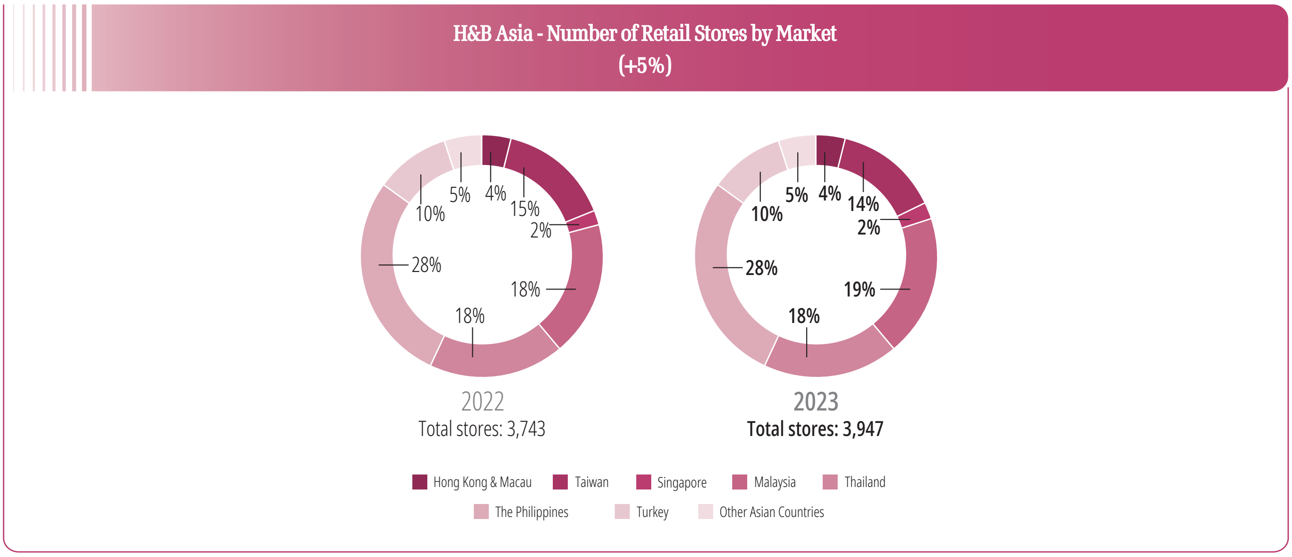
As part of H&B China's optimisation of store opening strategies, total store number remained at similar level as last year with around 3,800 stores in over 500 cities in the Mainland as of 31 December 2023.

Health and Beauty Asia

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**35,235**	30,721	+15%	+20%
EBITDA	**3,627**	3,041	+19%	+23%
EBITDA Margin %	***10%***	*10%*		
EBIT	**3,053**	2,487	+23%	+27%
EBIT Margin %	***9%***	*8%*		
Store Numbers	**3,947**	3,743	+5%	
Comparable Stores Sales Growth (%)	**+16.3%**	+21.3%		

Watsons is the leading health and beauty retail chain in Asia with strong brand name recognition and extensive geographical coverage. H&B Asia maintained its strong trading momentum seen in the first half of 2023, with robust comparable store sales growth of 16.3%, resulting in EBITDA and EBIT growth of 23% and 27% respectively in local currencies for the full year of 2023. The growth in EBITDA and EBIT were primarily attributable to operations in Thailand, Malaysia and the Philippines from increase in store footfall as well as incremental margin from continued store network expansion. In addition, improved performance was delivered by the H&B operation in Turkey from successful margin management under the high inflationary environment.

H&B Asia added net 204 stores during the year and had over 3,900 stores in 13 markets as of 31 December 2023, including the division's franchise business which expanded from three stores to 18 stores in UAE, Qatar and Saudi Arabia since market entry into the Middle East in 2020.

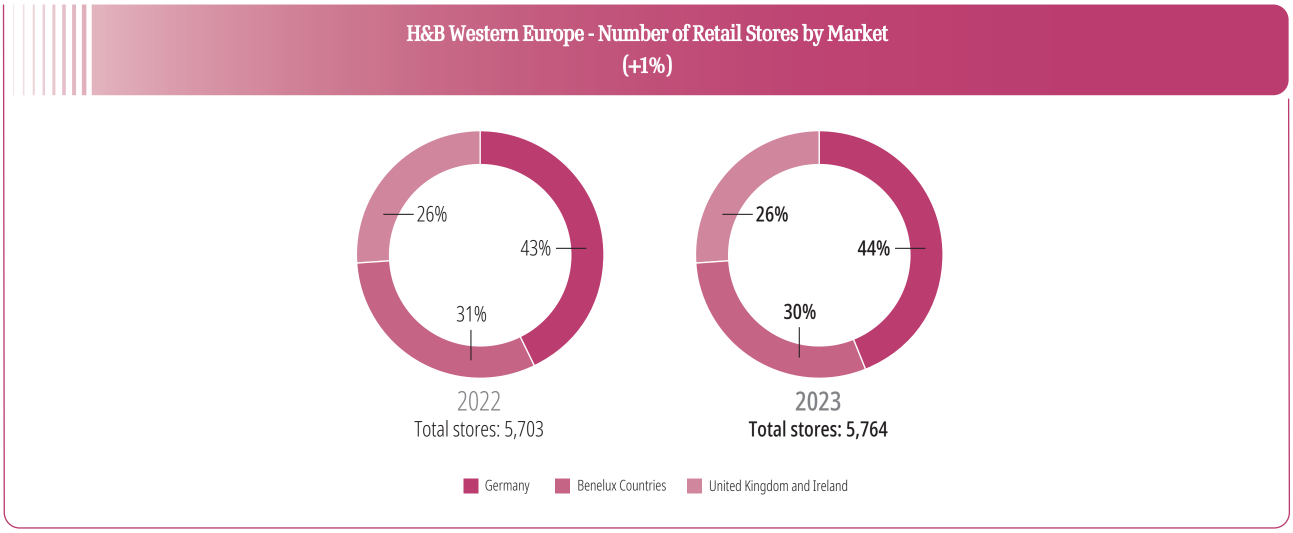


Health and Beauty Western Europe

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	86,267	76,105	+13%	+10%
EBITDA	8,475	7,257	+17%	+13%
EBITDA Margin %	*10%*	*10%*		
EBIT	7,151	6,070	+18%	+14%
EBIT Margin %	*8%*	*8%*		
Store Numbers	5,764	5,703	+1%	
Comparable Stores Sales Growth (%)	+9.2%	+9.5%		

H&B Western Europe reported EBITDA and EBIT growth of 13% and 14% in local currencies respectively against 2022, primarily from the UK and the Rossmann joint venture in Germany with solid comparable stores sales growth from increase in store traffic, which more than offset the cost inflationary pressure. The Benelux countries also reported favourable performance in 2023 with 7% increase in EBITDA and EBIT year-on-year in local currencies.

H&B Western Europe added net 61 stores during the year and had more than 5,700 stores as of 31 December 2023.



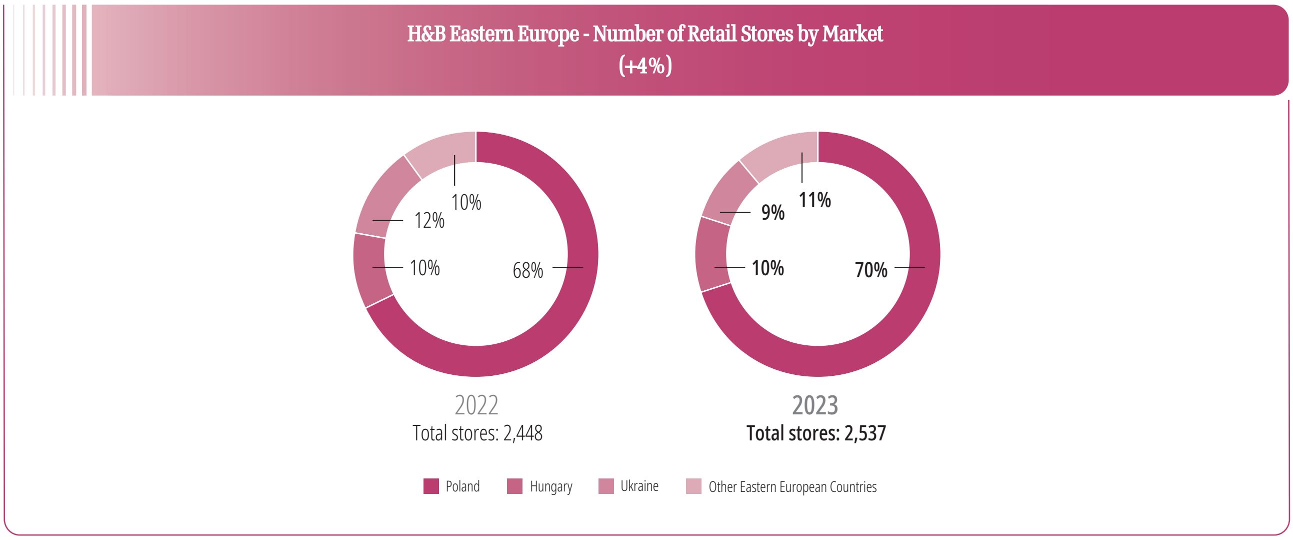
Segment Performance (continued)

Health and Beauty Eastern Europe

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**22,262**	18,074	+23%	+16%
EBITDA	**2,803**	2,233	+26%	+17%
EBITDA Margin %	***13%***	*12%*		
EBIT	**2,432**	1,917	+27%	+17%
EBIT Margin %	***11%***	*11%*		
Store Numbers	**2,537**	2,448	+4%	
Comparable Stores Sales Growth (%)	**+12.9%**	+14.2%		

H&B Eastern Europe reported a EBITDA and EBIT growth of 17% in local currencies against 2022, mainly attributable to the Rossmann joint venture in Poland as a result of improved sales and the strong momentum in store openings during the year, together with robust comparable stores sales growth of 12.9% from higher demand.

H&B Eastern Europe had more than 2,500 stores as of 31 December 2023, an increase of 4% primarily due to new store additions in Poland, partly offset by fewer stores in Ukraine.

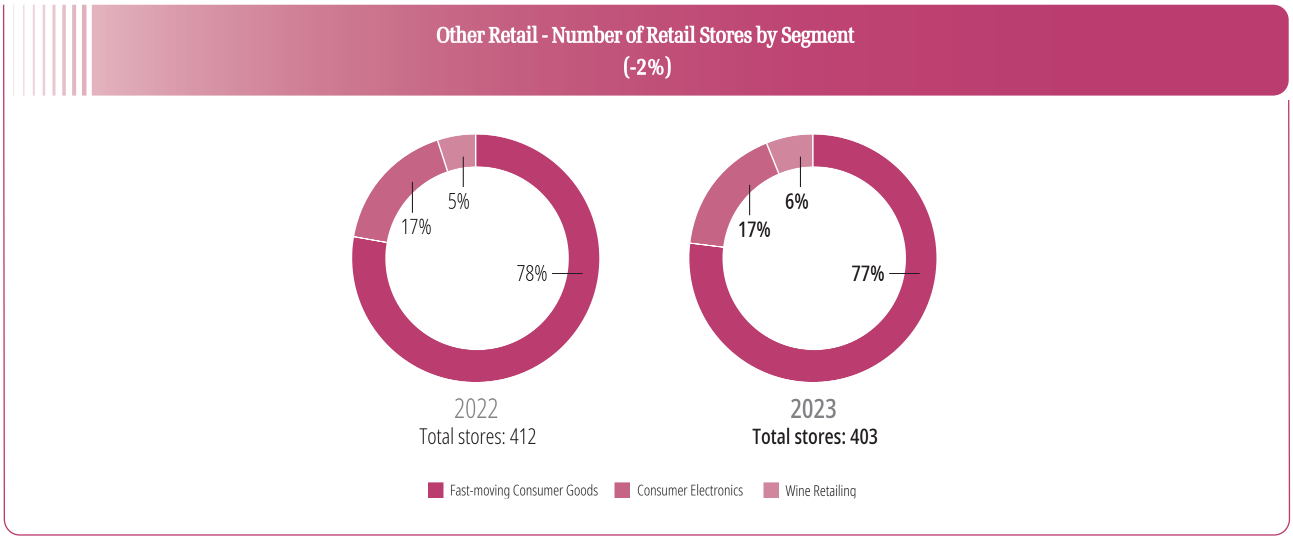


Other Retail

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**23,127**	27,166	-15%	-15%
EBITDA	**279**	688	-59%	-60%
EBITDA Margin %	***1%***	*3%*		
(LBIT)/EBIT	**(94)**	312	-130%	-131%
EBIT Margin %	***N/A***	*1%*		
Store Numbers	**403**	412	-2%	
Comparable Stores Sales Growth (%)	**-13.8%**	+2.7%		

The Other Retail segment reported a reduction in EBITDA of 60% and turnaround to LBIT in local currencies in 2023, mainly arising from adverse performance in PARKnSHOP due to subdued consumer spending and cross-border shopping in the Mainland. Other operations' performance in this segment remained stable.

Other Retail had 403 retail stores in three markets as of 31 December 2023, as well as manufacturing and distributing bottled water and other beverages in Hong Kong and the Mainland.



The Hong Kong Offshore LNG Terminal, jointly developed by HK Electric and CLP Power, commences commercial operation.

Infrastructure

Australian Gas Networks' Hydrogen Park South Australia features the largest electrolyser in operation in Australia.

Energy Developments' Jabiru Hybrid Renewable Power Station won Project of the Year at the Engineers Australia Excellence Awards – People & Projects Northern Division.

UK Power Networks has 7.4 GW of renewable energy connected to its network, and is preparing for the charging needs of 5 million electric vehicles (EVs) in its service regions by 2030.

AVR treats waste including biomass, industrial wastewater, municipal solid waste, commercial waste, and hazardous waste, all of which are treated and converted into energy – namely electricity, steam and heat.

Operations Review – Infrastructure

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

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**54,714**	54,441	+1%	+2%
EBITDA [1]	**29,201**	28,815	+1%	+3%
EBIT [1]	**19,562**	18,833	+4%	+5%
CKI Reported Net Profit (under Post-IFRS 16 basis)	**8,027**	7,748	+4%	

Note 1: Under Post-IFRS 16 basis, EBITDA was HK$29,526 million (2022: HK$29,109 million); EBIT was HK$19,616 million (2022: HK$18,872 million).

CKI operates in Hong Kong, the Mainland, the UK, Continental Europe, Australia, New Zealand, Canada and the United States.

CKI announced net profit attributable to shareholders under Post-IFRS 16 basis of HK$8,027 million. CKI's 2022 results included the one-off gain from the partial disposal of Northumbrian Water in 2022, excluding which, net profit increased by 12% year-on-year. On a reported basis, net profit was 4% higher than last year. CKI also generated a record high funds from operations of HK$8.6 billion with steady and robust revenue streams from the strong asset base.

The division's EBITDA and EBIT of HK$29,201 million and HK$19,562 million were 3% and 5% higher than last year respectively in local currencies, reflecting good operational performance across the global portfolio of infrastructure businesses, partly offset by CKI's one-off disposal gain in 2022 as mentioned above.

Share of net profit under Post-IFRS 16 basis from Power Assets ("PAH"), a company listed on the SEHK and in which CKI holds a 36.01% interest as of 31 December 2023, was HK$2,162 million as compared to HK$2,033 million in 2022, reflecting good operational performance from the international infrastructure portfolio.

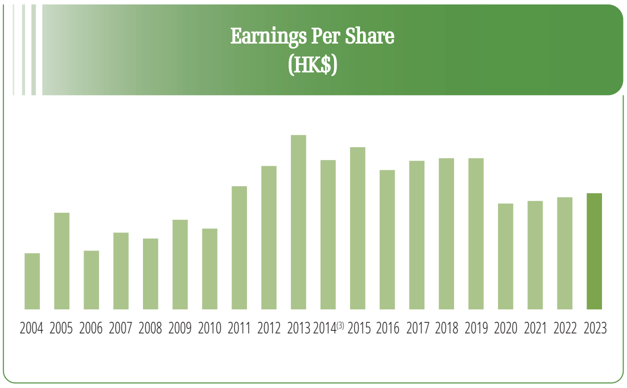
Profit contribution[2] from the UK portfolio was HK$3,050 million in 2023, flat as compared to 2022 in reported currency but 22% lower in local currency. Excluding the one-off gain from the partial disposal of 13% interest in Northumbrian Water in 2022, the profit contribution increased by double digits. Profit contribution[2] from Australian portfolio decreased by 6% to HK$1,855 million in 2023 in reported currency. In local currency, profit decreased by 2% due to lower contribution from the regulatory resets for Australian Gas Networks and Multinet Gas Networks. In Continental Europe, profit contribution[2] was HK$535 million in 2023, a decrease of 19% and 21% in reported currency and local currency respectively, attributed to the adverse impact caused by a fire at the Rozenburg plant of Dutch Enviro Energy in September 2023. There were no casualties during the fire incident and the costs of rebuilding the plant and resulting income losses are expected to be substantially covered by insurance. Operations at Rozenburg plant have partially restarted at the end of 2023, while the other plant at Duiven reported a solid performance. In Canada, profit contribution[2] increased by 5% and 10% in reported currency and local currency respectively to HK$648 million in 2023, reflecting business rebound from pandemic lows of Park'N Fly and higher revenue of Reliance Home Comfort from higher value-added products, as well as steady earnings contribution from Canadian Power and Canadian Midstream. Profit contribution[2] from New Zealand portfolio increased by 1% and 3% in reported currency and local currency respectively to HK$168 million in 2023. Hong Kong and the Mainland businesses reported a profit contribution[2] of HK$117 million in 2023, 40% lower against 2022, due to the weak performance of the infrastructure materials manufacturing business in the Mainland with both volume and price adversely impacted by the major decline in construction activities in the Mainland.

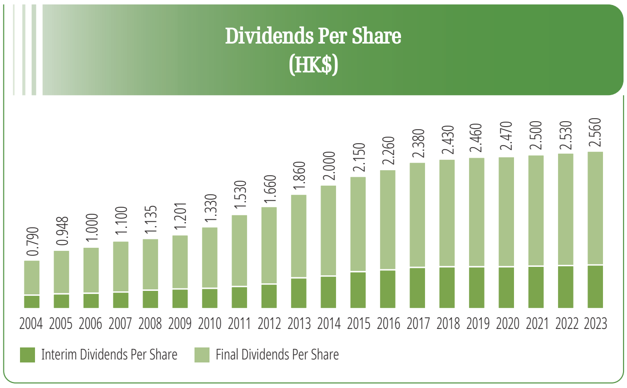
Unregulated operations have continued to grow their businesses. ista made a number of bolt-on acquisitions in 2023, including a Spanish service provider of intelligent heating management and two individual sub-metering companies operating in the southern region of Germany. A number of CKI's regulated businesses in the UK and Australia entered new regulatory regime in 2023. UK Power Networks commenced its current regulatory regime on 1 April 2023, which facilitates revenue predictability and stability for the next five years. The Victorian networks of Australian Gas Networks and certain regulated business of CK William in Australia entered into new regulatory resets on 1 July 2023, providing CKI with predictable income streams for the coming five years.

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

CKI has always been committed to prudent financial management with the underlying financial position closely monitored. CKI's financial strength continues to be robust, with HK$13 billion cash on hand and a net debt to net total capital ratio of 7.7% as at 31 December 2023. Credit rating from Standard & Poor's maintained at "A/Stable".

CKI's regulated businesses have received a number of awards and recognitions during 2023. UK Power Networks was named "Utility of the Year" at the Utility Week Awards 2023, marking the fourth time it has received this prestigious accolade. Northumbrian Water was ranked as the top operational performer by the water regulator, Ofwat, in the area of customer satisfaction in the Water Company Performance Report 2022-2023 and was given the highest score for innovation in the annual Water Company Survey conducted by British Water. In Australia, the Australian Energy Regulator ranked SA Power Networks, CitiPower, Powercor and United Energy first, second, fourth and fifth respectively among the country's 13 distribution networks based on their total productivity in the 2023 Annual Benchmarking Report.





Note 3: Excludes share of one-off gains arising from the spin-off of HK Electric by PAH and privatisation of Envestra.

3 Denmark's 5G coverage reaches approximately 90% of the population.

Telecommunications

3 Austria is crowned the country's fastest 5G network for the third year.

3 Ireland is named the fastest 5G operator in Ireland again.

Wind Tre's 5G network covers over 95% of Italy's population.

Indosat Ooredoo Hutchison strives to connect and empower every Indonesian through 5G, AI and collaboration as well as digital literacy.

The Group's telecommunications division consists of CK Hutchison Group Telecom ("CKHGT") which consolidates the **3** Group businesses in Europe ("**3** Group Europe") and a 66.09% interest in Hutchison Telecommunications Hong Kong Holdings ("HTHKH"), which is listed on the SEHK, as well as Hutchison Asia Telecommunications ("HAT"). **3** Group Europe operates in six countries across Europe. HTHKH holds the Group's interests in mobile operations in Hong Kong and Macau. HAT holds the Group's interests in the mobile operations in Indonesia, Vietnam and Sri Lanka.

CK Hutchison Group Telecom

In million	**2023 HK$**	2022 HK$	Change	Local currencies change	**2023 EURO**	2022 EURO
Total Revenue	**86,814**	83,289	+4%	+3%	**10,199**	10,084
Total Margin	**61,832**	58,124	+6%	+5%	**7,267**	7,037
Total CACs	**(15,473)**	(14,852)	-4%		**(1,818)**	(1,799)
Less: Handset revenue	**11,403**	11,228	+2%		**1,340**	1,361
Total CACs (net of handset revenue)	**(4,070)**	(3,624)	-12%		**(478)**	(438)
Operating Expenses	**(35,421)**	(30,226)	-17%		**(4,121)**	(3,654)
Gain from disposal of tower assets [1]	**–**	18,957	-100%		**–**	2,371
Impairment of goodwill [1]	**–**	(11,039)	+100%		**–**	(1,330)
EBITDA [2]	**22,341**	32,192	-31%	-32%	**2,668**	3,986
- Underlying	**22,341**	24,274	-8%	-10%	**2,668**	2,945
- One-off items [1]	**–**	7,918			**–**	1,041
Depreciation & Amortisation	**(20,076)**	(19,389)	-4%		**(2,361)**	(2,346)
EBIT [2]	**2,265**	12,803	-82%	-83%	**307**	1,640
- Underlying	**2,265**	4,885	-54%	-56%	**307**	599
- One-off items [1]	**–**	7,918			**–**	1,041

3 Group Europe [3]

In million	**2023 HK$**	2022 [4] HK$	Change	Local currencies change
Total Revenue	**80,231**	77,925	+3%	+1%
Total Margin	**57,589**	54,933	+5%	+3%
Total CACs	**(14,961)**	(14,305)	-5%	
Less: Handset revenue	**11,091**	10,852	+2%	
Total CACs (net of handset revenue)	**(3,870)**	(3,453)	-12%	-11%
Operating Expenses	**(32,371)**	(28,642)	-13%	-11%
Opex as a % of total margin	***56%***	*52%*		
EBITDA	**21,348**	22,838	-7%	-9%
EBITDA Margin % [5]	***31%***	*34%*		
EBITDA excluding energy inflation	**22,553**	22,838	-1%	-3%
Depreciation & Amortisation	**(18,948)**	(17,955)	-6%	-4%
EBIT	**2,400**	4,883	-51%	-54%
EBIT excluding energy inflation	**3,605**	4,883	-26%	-29%
EBITDA per above	**21,348**	22,838	-7%	-9%
Proforma contribution from tower assets	**–**	1,026		
Reported EBITDA [6]	**21,348**	23,864	-11%	-12%
EBIT per above	**2,400**	4,883	-51%	-54%
Proforma contribution from tower assets	**–**	681		
Reported EBIT [6]	**2,400**	5,564	-57%	-59%

Note 1: CKHGT completed the disposal of tower assets in the UK in November 2022 and recognised a disposal gain before tax of HK$18,957 million. A non-cash impairment of goodwill on the Group's Italian telecommunication business of HK$11,039 million was also recognised in 2022.
Note 2: Under Post-IFRS 16 basis, EBITDA was HK$29,081 million (2022: HK$39,002 million); EBIT was HK$3,191 million (2022: HK$14,216 million).
Note 3: 2022 **3** Group Europe results do not include one-off items, which represented gain on disposal of tower assets (before tax) of HK$19.0 billion and non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$11.0 billion.
Note 4: As the tower assets disposal in the UK was completed in November 2022, the 2022 results of the UK were normalised, which exclude the proforma contribution from the tower assets for January to October 2022. The % changes in EBITDA and EBIT are compared against the normalised 2022 numbers.
Note 5: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).
Note 6: Under Post-IFRS 16 basis, EBITDA was HK$27,675 million (2022: HK$30,144 million); EBIT was HK$3,312 million (2022: HK$6,859 million).

Although Italy's wholesale revenue continued to decline year-on-year by approximately HK$1.4 billion, **3** Group Europe 's total revenue of HK$80,231 million and total margin of HK$57,589 million was 1% and 3% higher than last year respectively in local currencies, primarily driven by growth in net customer service revenue due to increase in the customer base and favourable revenue initiatives phased throughout the year, coupled with higher roaming income from increased travelling by European customers.

Active customer base as at 31 December 2023 of 40.2 million was 1% higher than 2022, mainly due to the UK, where the total active customer base increased 3% year-on-year, partly offset by lower customer base of Wind Tre which strategically targets a higher average customer lifetime value for its base as a whole. Average monthly customer churn rate of the contract customer base remained stable at 1.2% for the year (2022: 1.2%). **3** Group Europe's 2023 net ARPU and net AMPU of €12.80 and €11.59 respectively were impacted by adverse foreign exchange translation impact of Pound Sterling which depreciated 2% year-on-year against EURO. Excluding the foreign exchange impact, **3** Group Europe's net ARPU and net AMPU increased by 1% and 2% respectively against 2022, primarily due to the upside from revenue initiatives, better tariff mix and higher value propositions, partly offset by the dilutive impact of higher mix of low value Internet of things (IoT) customers in Ireland.

Majority of **3** Group Europe's operations reported higher net customer service margin driven by inflation-linked adjustment embedded in customer contracts or annual adjustment executed throughout the year, which led to the growth in overall net customer service margin. In addition, UK, Sweden and Ireland continued to increase their active customer base mainly in the contract and business segments, with Denmark's second brand delivering a steady growth year-on-year. Italy and Austria's active customer base was lower, reflecting the impact from customer value management initiatives and voluntary churn from tariff adjustment respectively, which partly offset the favourable revenue initiatives upside on their net customer service margin. Despite Italy's wholesale margin decline, other margin grew across most of the remaining operations due to the improvement in MVNO performance and expansion of revenue streams beyond traditional customer service. Overall, these resulted in a 3% total margin growth.

3 Group Europe's 2023 results reflected the full year adverse impact from the tower disposal in the UK of around HK$1.0 billion. Together with increased operating expenses due to HK$1.2 billion higher energy cost and HK$0.9 billion other inflationary impacts, as well as higher network costs from the expanded networks, particularly in the UK, reported EBITDA decreased by 12% against last year in local currencies. **3** UK recognised £38 million accelerated depreciation on the legacy IT system in 2023 upon transitioning to an enhanced digital platform, excluding which, reported depreciation and amortisation of **3** Group Europe was flat year-on-year in local currencies as the higher depreciation in the UK from continued 5G rollout was offset by the savings arising from tower assets disposal and lower depreciation in Italy following the transfer of certain network assets to a newly setup joint venture in January 2023 and lower 5G network investment.

CKHGT - Results by operations

In million	UK [8] GBP 2023	UK 2022	Italy [7] EURO 2023	Italy 2022	Sweden SEK 2023	Sweden 2022	Denmark DKK 2023	Denmark 2022	Austria EURO 2023	Austria 2022
Total Revenue	**2,588**	2,520	**3,838**	3,947	**7,984**	7,586	**2,438**	2,375	**976**	885
% change	*+3%*		*-3%*		*+5%*		*+3%*		*+10%*	
Total margin	**1,671**	1,529	**2,958**	3,030	**5,213**	4,753	**1,990**	1,864	**704**	669
% change	*+9%*		*-2%*		*+10%*		*+7%*		*+5%*	
Total CACs	**(964)**	(953)	**(279)**	(276)	**(945)**	(1,003)	**(257)**	(229)	**(168)**	(113)
Less: Handset Revenue	**715**	759	**190**	167	**538**	555	**80**	78	**151**	100
Total CACs (net of handset revenue)	**(249)**	(194)	**(89)**	(109)	**(407)**	(448)	**(177)**	(151)	**(17)**	(13)
Operating Expenses	**(1,020)**	(828)	**(1,627)**	(1,578)	**(2,305)**	(1,957)	**(1,160)**	(1,036)	**(345)**	(306)
Opex as a % of total margin	*61%*	*54%*	*55%*	*52%*	*44%*	*41%*	*58%*	*56%*	*49%*	*46%*
Gain from disposal of tower assets	–	–	–	–	–	–	–	–	–	–
Impairment of goodwill	–	–	–	–	–	–	–	–	–	–
EBITDA	**402**	507	**1,242**	1,343	**2,501**	2,348	**653**	677	**342**	350
% change	*-21%*		*-8%*		*+7%*		*-4%*		*-2%*	
EBITDA margin % [10]	*21%*	*29%*	*34%*	*36%*	*34%*	*33%*	*28%*	*29%*	*41%*	*45%*
Depreciation & Amortisation	**(519)**	(430)	**(1,100)**	(1,155)	**(1,620)**	(1,728)	**(657)**	(551)	**(166)**	(154)
EBIT	**(117)**	77	**142**	188	**881**	620	**(4)**	126	**176**	196
% change	*-252%*		*-24%*		*+42%*		*-103%*		*-10%*	
EBITDA per above	**402**	507	**1,242**	1,343	**2,501**	2,348	**653**	677	**342**	350
Proforma contribution from tower assets	–	105	–	–	–	–	–	–	–	–
Reported EBITDA	**402**	612	**1,242**	1,343	**2,501**	2,348	**653**	677	**342**	350
% change	*-34%*		*-8%*		*+7%*		*-4%*		*-2%*	
EBIT per above	**(117)**	77	**142**	188	**881**	620	**(4)**	126	**176**	196
Proforma contribution from tower assets	–	70	–	–	–	–	–	–	–	–
Reported EBIT	**(117)**	147	**142**	188	**881**	620	**(4)**	126	**176**	196
% change	*-180%*		*-24%*		*+42%*		*-103%*		*-10%*	
Capex (excluding licence)	**(454)**	(743)	**(682)**	(849)	**(1,455)**	(1,498)	**(395)**	(792)	**(175)**	(168)
Comparable Depreciation & Amortisation [11]	**(448)**	(407)	**(827)**	(950)	**(873)**	(1,066)	**(523)**	(421)	**(115)**	(102)
Comparable Depreciation & Amortisation [11] less Capex	**(6)**	(336)	**145**	101	**(582)**	(432)	**128**	(371)	**(60)**	(66)
Reported EBITDA less Capex	**(52)**	(131)	**560**	494	**1,046**	850	**258**	(115)	**167**	182
Licence [12]	–	–	–	–	**(1,212)**	–	–	–	–	–
HK dollar equivalents of Reported EBITDA and EBIT are summarised as follows:										
EBITDA-pre IFRS 16 basis (HK$)	***3,941***	*5,868*	***10,570***	*11,087*	***1,860***	*1,822*	***746***	*752*	***2,914***	*2,894*
EBITDA-post IFRS 16 basis (HK$)	***4,765***	*6,840*	***15,191***	*15,586*	***2,095***	*2,035*	***858***	*858*	***3,154***	*3,100*
EBIT-pre IFRS 16 basis (HK$)	***(1,140)***	*1,356*	***1,204***	*1,534*	***660***	*488*	***(6)***	*140*	***1,499***	*1,625*
EBIT-post IFRS 16 basis (HK$)	***(1,000)***	*1,523*	***1,821***	*2,519*	***674***	*507*	***2***	*148*	***1,550***	*1,668*

In million	Ireland EURO 2023	Ireland 2022	3 Group Europe before one-off [8] [9] HK$ 2023	2022 Normalised	2022 Tower Assets	2022 Reported	HTHKH HK$ 2023	HTHKH 2022	Corporate and Others and one-off [9] [13] HK$ 2023	Corporate and Others 2022	CKHGT HK$ 2023	CKHGT HK$ 2022	CKHGT EURO 2023	CKHGT EURO 2022
Total Revenue	**615**	620	**80,231**	77,925	–	77,925	**4,896**	4,882	**1,687**	482	**86,814**	83,289	**10,199**	10,084
% change	*-1%*		*+3%*				–		*+250%*		*+4%*		*+1%*	
Local currencies change %			*+1%*								*+3%*			
Total margin	**462**	460	**57,589**	54,933	–	54,933	**3,339**	3,001	**904**	190	**61,832**	58,124	**7,267**	7,037
% change	–		*+5%*				*+11%*		*+376%*		*+6%*		*+3%*	
Local currencies change %			*+3%*								*+5%*			
Total CACs	**(88)**	(103)	**(14,961)**	(14,305)	–	(14,305)	**(512)**	(547)	–	–	**(15,473)**	(14,852)	**(1,818)**	(1,799)
Less: Handset Revenue	**83**	99	**11,091**	10,852	–	10,852	**312**	376	–	–	**11,403**	11,228	**1,340**	1,361
Total CACs (net of handset revenue)	**(5)**	(4)	**(3,870)**	(3,453)	–	(3,453)	**(200)**	(171)	–	–	**(4,070)**	(3,624)	**(478)**	(438)
Operating Expenses	**(302)**	(281)	**(32,371)**	(28,642)	1,026	(27,616)	**(1,896)**	(1,772)	**(1,154)**	(838)	**(35,421)**	(30,226)	**(4,121)**	(3,654)
Opex as a % of total margin	*65%*	*61%*	*56%*	*52%*		*50%*	*57%*	*59%*	*N/A*	*N/A*	*57%*	*52%*	*57%*	*52%*
Gain from disposal of tower assets	–	–	–	–		–	–	–	–	18,957	–	18,957	–	2,371
Impairment of goodwill	–	–	–	–		–	–	–	–	(11,039)	–	(11,039)	–	(1,330)
EBITDA	**155**	175	**21,348**	22,838	1,026	23,864	**1,243**	1,058	**(250)**	7,270	**22,341**	32,192	**2,668**	3,986
% change	*-11%*		*-7%*				*+17%*		*-103%*		*-31%*		*-33%*	
Local currencies change %			*-9%*								*-32%*			
EBITDA margin % [10]	*29%*	*34%*	*31%*	*34%*		*36%*	*27%*	*23%*			*30%*	*45%*	*30%*	*46%*
Depreciation & Amortisation	**(134)**	(124)	**(18,948)**	(17,955)	(345)	(18,300)	**(1,127)**	(1,088)	**(1)**	(1)	**(20,076)**	(19,389)	**(2,361)**	(2,346)
EBIT	**21**	51	**2,400**	4,883	681	5,564	**116**	(30)	**(251)**	7,269	**2,265**	12,803	**307**	1,640
% change	*-59%*		*-51%*				*+487%*		*-103%*		*-82%*		*-81%*	
Local currencies change %			*-54%*								*-83%*			
EBITDA per above	**155**	175	**21,348**	22,838										
Proforma contribution from tower assets	–	–	–	1,026										
Reported EBITDA	**155**	175	**21,348**	23,864										
% change	*-11%*		*-11%*											
Local currencies change %			*-12%*											
EBIT per above	**21**	51	**2,400**	4,883										
Proforma contribution from tower assets	–	–	–	681										
Reported EBIT	**21**	51	**2,400**	5,564										
% change	*-59%*		*-57%*											
Local currencies change %			*-59%*											
Capex (excluding licence)	**(95)**	(101)	**(14,113)**	(18,432)			**(481)**	(496)	**(2)**	(3)	**(14,596)**	(18,931)	**(1,712)**	(2,297)
Comparable Depreciation & Amortisation [11]	**(93)**	(79)	**(14,436)**	(14,582)			**(517)**	(503)	**(1)**	(1)	**(14,954)**	(15,086)	**(1,760)**	(1,826)
Comparable Depreciation & Amortisation [11] less Capex	**(2)**	(22)	**323**	(3,850)			**36**	7	**(1)**	(2)	**358**	(3,845)	**48**	(471)
Reported EBITDA less Capex	**60**	74	**7,235**	5,432			**762**	562	**(252)**	7,267	**7,745**	13,261	**956**	1,689
Licence [12]	**(129)**	–	**(1,937)**	–			–	(138)	–	–	**(1,937)**	(138)	**(231)**	(17)
EBITDA-pre IFRS 16 basis (HK$)	***1,317***	*1,441*	***21,348***	*23,864*			***1,243***	*1,058*	***(250)***	*7,270*	***22,341***	*32,192*	***€2,668***	*€3,986*
EBITDA-post IFRS 16 basis (HK$)	***1,612***	*1,725*	***27,675***	*30,144*			***1,656***	*1,485*	***(250)***	*7,373*	***29,081***	*39,002*	***€3,459***	*€4,808*
EBIT-pre IFRS 16 basis (HK$)	***183***	*421*	***2,400***	*5,564*			***116***	*(30)*	***(251)***	*7,269*	***2,265***	*12,803*	***€307***	*€1,640*
EBIT-post IFRS 16 basis (HK$)	***265***	*494*	***3,312***	*6,859*			***130***	*(15)*	***(251)***	*7,372*	***3,191***	*14,216*	***€417***	*€1,812*

	UK 2023	UK 2022	Italy 2023	Italy 2022	Sweden 2023	Sweden 2022	Denmark 2023	Denmark 2022	Austria 2023	Austria 2022	Ireland 2023	Ireland 2022	3 Group Europe 2023	3 Group Europe 2022	HTHKH 2023	HTHKH 2022
Total registered customer base (million)	**12.6**	13.1	**19.3**	20.1	**2.6**	2.5	**1.6**	1.5	**3.1**	3.2	**4.5**	3.8	**43.7**	44.2	**4.6**	3.8
Total active customer base (million)	**10.6**	10.3	**18.1**	18.8	**2.6**	2.4	**1.6**	1.5	**2.8**	2.9	**4.5**	3.8	**40.2**	39.7	**4.0**	3.3
Contract customers as a % of the total registered customer base	**73%**	66%	**49%**	48%	**70%**	69%	**56%**	56%	**77%**	77%	**81%**	77%	**63%**	59%	**31%**	39%
Average monthly churn rate of the total contract registered customer base (%)	**1.4%**	1.4%	**1.4%**	1.3%	**1.2%**	1.3%	**2.0%**	1.8%	**0.5%**	0.4%	**0.4%**	0.5%	**1.2%**	1.2%	**1.0%**	0.8%
Active contract customers as a % of the total contract registered customer base	**99%**	98%	**96%**	96%	**100%**	100%	**100%**	100%	**100%**	100%	**100%**	100%	**98%**	98%	**100%**	100%
Active customers as a % of the total registered customer base	**84%**	79%	**94%**	93%	**100%**	100%	**100%**	100%	**89%**	90%	**100%**	100%	**92%**	90%	**85%**	86%
LTE coverage by population (%)	**96%**	96%	**100%**	100%	**98%**	97%	**100%**	100%	**98%**	97%	**99%**	99%	**–**	–	**99%**	99%
Full year data usage per active customer (Gigabyte)													**286.1**	235.0	**206.1**	119.9

Note 7: Wind Tre's results include fixed line business revenue of €1,011 million (2022: €959 million) and EBITDA of €185 million (2022: €177 million).

Note 8: As the tower assets disposal in the UK was completed in November 2022, the 2022 results of the UK were normalised, which exclude the proforma contribution from the tower assets for January to October 2022. The % changes in EBITDA and EBIT are compared against the normalised 2022 numbers.

Note 9: 2022 **3** Group Europe results do not include one-off items, which represented gain on disposal of tower assets (before tax) of HK$19.0 billion and non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$11.0 billion.

Note 10: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Note 11: Comparable Depreciation & Amortisation excludes amortisation of licences, amortisation of capitalised CACs, amortisation of customer relationship intangibles, as well as share of joint venture's depreciation of Wind Tre and HTHKH. The comparatives were restated to conform with the 2023 definition.

Note 12: 2022 licence cost for Hong Kong represents investment for 20 MHz of 700 MHz spectrum acquired for 15 years from June 2022. 2023 licence cost for Ireland represents investment for 20 MHz of 700 MHz spectrum, 40 MHz of 2100 MHz spectrum and 70 MHz of 2600 MHz spectrum acquired in January 2023, the licence cost for Sweden represents investment for 20 MHz of 900 MHz spectrum, 40 MHz of 2.1 GHz spectrum, 20 MHz of 2.6 GHz spectrum and 40 MHz of 2.6 GHz spectrum acquired in September 2023.

Note 13: 2023 results include an exchange reserve charge of HK$0.3 billion recycled to the income statement upon partial disposal of a subsidiary which became a joint venture.

Key Business Indicators

Registered Customer Base

	Registered Customers at 31 December 2023 ('000)			Registered Customer Growth (%) from 30 June 2023 to 31 December 2023			Registered Customer Growth (%) from 31 December 2022 to 31 December 2023		
	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**
United Kingdom	3,418	9,158	**12,576**	-23%	+3%	**-6%**	-23%	+6%	**-4%**
Italy (14)	9,824	9,537	**19,361**	-3%	–	**-1%**	-6%	-1%	**-4%**
Sweden	769	1,829	**2,598**	+1%	+4%	**+3%**	+1%	+7%	**+5%**
Denmark	706	885	**1,591**	+2%	–	**+1%**	+5%	+2%	**+3%**
Austria	717	2,417	**3,134**	-2%	–	**–**	-1%	-1%	**-1%**
Ireland	843	3,603	**4,446**	-1%	+10%	**+7%**	-2%	+23%	**+17%**
3 Group Europe Total	16,277	27,429	**43,706**	-7%	+2%	**-1%**	-9%	+5%	**-1%**
HTHKH	3,185	1,463	**4,648**	+31%	–	**+19%**	+36%	–	**+22%**

Active (15) Customer Base

	Active Customers at 31 December 2023 ('000)			Active Customer Growth (%) from 30 June 2023 to 31 December 2023			Active Customer Growth (%) from 31 December 2022 to 31 December 2023		
	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**
United Kingdom	1,556	9,058	**10,614**	-13%	+4%	**+1%**	-15%	+7%	**+3%**
Italy (14)	8,954	9,151	**18,105**	-2%	–	**-1%**	-6%	-1%	**-4%**
Sweden	764	1,829	**2,593**	+1%	+4%	**+3%**	+2%	+7%	**+6%**
Denmark	704	885	**1,589**	+2%	–	**+1%**	+5%	+2%	**+3%**
Austria	397	2,406	**2,803**	-6%	–	**-1%**	-1%	-1%	**-1%**
Ireland	843	3,603	**4,446**	-1%	+10%	**+7%**	-2%	+23%	**+17%**
3 Group Europe Total	13,218	26,932	**40,150**	-3%	+3%	**+1%**	-6%	+5%	**+1%**
HTHKH	2,500	1,463	**3,963**	+29%	–	**+16%**	+38%	–	**+21%**

Note 14: In addition to the above, Wind Tre has 2.9 million fixed line customers.

Note 15: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

12-month Trailing Average Revenue per Active User [16] ("ARPU") to 31 December 2023

	Non-Contract	Contract	Blended Total	% Variance compared to 31 December 2022
United Kingdom	£6.16	£20.84	**£18.40**	-2%
Italy	€9.56	€12.81	**€11.18**	+2%
Sweden	SEK121.53	SEK239.91	**SEK204.32**	-7%
Denmark	DKK94.36	DKK139.19	**DKK119.51**	-3%
Austria	€9.06	€23.25	**€21.17**	-1%
Ireland	€14.40	€9.37	**€10.41**	-16%
3 Group Europe Average	€9.75	€17.80	**€15.04**	-3%
HTHKH	HK$14.17	HK$190.30	**HK$87.91**	-7%

12-month Trailing Net Average Revenue per Active User [17] ("Net ARPU") to 31 December 2023

	Non-Contract	Contract	Blended Total	% Variance compared to 31 December 2022
United Kingdom	£6.16	£14.80	**£13.37**	+3%
Italy	€9.56	€12.00	**€10.78**	+3%
Sweden	SEK121.53	SEK212.09	**SEK184.86**	+2%
Denmark	DKK94.36	DKK131.59	**DKK115.24**	-2%
Austria	€9.06	€19.41	**€17.89**	-3%
Ireland	€14.40	€7.20	**€8.69**	-16%
3 Group Europe Average	€9.75	€14.38	**€12.80**	-1%
HTHKH	HK$14.17	HK$173.72	**HK$80.97**	-6%

12-month Trailing Net Average Margin per Active User [18] ("Net AMPU") to 31 December 2023

	Non-Contract	Contract	Blended Total	% Variance compared to 31 December 2022
United Kingdom	£5.70	£13.31	**£12.05**	+3%
Italy	€8.74	€11.04	**€9.89**	+6%
Sweden	SEK105.02	SEK187.21	**SEK162.50**	+2%
Denmark	DKK81.90	DKK111.97	**DKK98.77**	+1%
Austria	€8.22	€17.81	**€16.41**	-2%
Ireland	€13.28	€6.59	**€7.97**	-16%
3 Group Europe Average	€8.87	€13.02	**€11.59**	+1%
HTHKH	HK$10.86	HK$151.83	**HK$69.88**	-5%

Note 16: ARPU equals total monthly revenue, including incoming mobile termination revenue and contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the year.

Note 17: Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the year.

Note 18: Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, less direct variable costs (including interconnection charges and roaming costs) (i.e. net customer service margin), divided by the average number of active customers during the year.

Operations Review – Telecommunications

United Kingdom

On a normalised basis(19) and in local currency, UK's EBITDA decreased by 21% compared to last year, mainly driven by higher network spending and costs inflation, partly offset by growth in total margin from 3% increase in certain customer segments and growth in other margin. EBIT decreased further due to an accelerated depreciation of £38 million on a legacy IT system, as well as higher asset base driven by 5G investments. As a result of the network investments, **3** UK was awarded the fastest 5G network in UK by Ookla during the year.

Italy

Italy's net customer service margin remained stable compared to last year despite a reduction in customer base through customer value management initiatives as well as growth in the business and FWA segments. Italy's EBITDA decreased by 8% against last year, mainly due to continued reduction in wholesale margin and higher energy cost, partly offset by lower opex from effective implementation of cost control measures. EBIT decreased by 24% due to reduction in EBITDA, partly offset by lower depreciation and amortisation as 5G investment intensity reduces from prior years given Wind Tre has already reached over 95% and 70% FDD and TDD coverage.

Sweden

Sweden, where the Group has 60% interest, reported EBITDA growth of 7% in local currency compared to last year, primarily driven by 10% increase in total margin from 6% increase in active customer base, partly offset by higher operating costs incurred from enlarged network base, increased handset receivables sales costs and staff costs. Together with the lower level of accelerated depreciation charges recognised for the ongoing network asset swap in 2023, EBIT improved by 42% compared to last year. Sweden's 5G network now provides extensive coverage in over ten of the country's largest cities with full TDD coverage.

Denmark

The Denmark operation, where the Group has 60% interest, reported 4% lower EBITDA in local currency mainly driven by higher operating costs from the enlarged network base, as well as increase in marketing expenses and staff costs, which more than offsets the total margin growth of 7%. Denmark's EBIT decreased as a result of lower EBITDA and the higher depreciation from the network expansion and increase in 5G customer-premises equipment ("CPE") take up. Denmark has reached approximately 90% 5G coverage and over 50% TDD coverage in 2023.

Austria

Austria's EBITDA and EBIT in local currency decreased by 2% and 10% respectively compared to 2022, mainly driven by higher operating costs from network expansion and energy cost inflation. The adverse impact is partly offset by 5% growth in total margin primarily from strong MVNO performance. The reduction in EBIT also reflected increased depreciation from an enlarged asset base as 5G network rollout continues. Austria's 5G coverage has reached over 85% and 60% FDD and TDD coverage respectively in 2023.

Ireland

Total margin was flat against last year as the base growth was fully offset by the lower net AMPU from the dilutive impact of higher mix of low margin IoT customers. EBITDA and EBIT in local currency decreased by 11% and 59% respectively compared to 2022 driven by higher operating expenses due to network expansion, energy cost inflation, as well as higher marketing and sponsorship following the uplift of lockdown restrictions. The lower EBIT also reflected higher depreciation due to increased asset base and accelerated depreciation on certain retired network assets. In 2023, **3** Ireland has reached over 90% 5G coverage.

Hutchison Telecommunications Hong Kong Holdings

Total revenue of HK$4,896 million was flat against last year, primarily contributed by 7% higher net customer service revenue driven by the recovery of roaming market, fully offset by decline in hardware sales arising from softened demand. EBITDA of HK$1,243 million was 17% higher compared to last year, mainly due to higher margin driven by substantial resurgence in revenue from roaming services and higher interest income from interest rate hikes, partly offset by higher network costs resulting from the network infrastructure expansion and related costs incurred in the deployment of 5G technology. Despite the impact of higher amortisation costs from capitalised CACs and increased depreciation from the enlarged asset base resulting from network channel expansion, there was some improvement in EBIT, reversing the LBIT of HK$30 million in 2022 to a positive EBIT of HK$116 million in 2023.

Note 19: Due to the completion of disposals of tower assets in November 2022 as mentioned, the 2022 results of the UK were normalised, which exclude the proforma contribution from the tower assets for January to October 2022 for comparability purpose. The % changes in EBITDA and EBIT are compared against the normalised 2022 numbers.

Hutchison Asia Telecommunications

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**11,779**	11,628	+1%	+4%
EBITDA [(20)]	**3,952**	9,420	-58%	-57%
EBIT [(20)]	**1,612**	6,745	-76%	-76%
Total active customer base (million)	**117.1**	123.1	-5%	
- Indonesia	**98.8**	102.2	-3%	
- Vietnam	**14.7**	16.9	-13%	
- Sri Lanka	**3.6**	4.0	-11%	

Note 20: Under Post-IFRS 16 basis, EBITDA was HK$6,011 million (2022: HK$12,478 million); EBIT was HK$2,388 million (2022: HK$8,582 million).

HAT's results at EBITDA and EBIT levels in 2022 included a gain of HK$6,100 million from the completion of the merger of the Indonesian joint venture ("IOH"), partly offset by a non-cash impairment in the telecommunication business in Sri Lanka of HK$962 million amidst the challenging market condition following the outbreak of the political and economic crisis in the country in the first half.

Excluding the above one-off items, EBITDA in 2023 of HK$3,952 million decreased by 8% due to year-on-year lower net gain arising from disposal of non-core assets in IOH and EBIT in 2023 of HK$1,612 million was flat as the EBITDA shortfall is fully offset by lower depreciation from IOH after the non-core asset disposals.

Despite IOH reported a 3.4 million active customer base declined compared to last year to 98.8 million customers at the end of 2023, IOH demonstrated solid performance in 2023 and reported 10% increase in total revenue to IDR51,229 billion, driven by a strong data traffic growth, which mitigate the 3% lower customer base from strategic intitatives to improve average customer lifetime value across its customer base. EBITDA under post-IFRS 16 basis of IDR23,938 billion (approximately US$1,568 million) increased by 23% year-on-year, through maintaining top line growth and continued cost optimisation after the merger. Profit for the Period Attributable to Owners of the Parent under Post-IFRS 16 basis, was IDR4,506 billion (approximately US$295 million), decreased by 5% year-on-year. IOH reported an underlying net profit increased by 144% compared to last year, after normalisation of one-off items. IOH has expanded its network infrastructure, boosting the 4G BTS count to 179k to effectively manage the growth in data traffic and deliver the best customer experience for its user. To further enhance customers' digital experiences, IOH has recently collaborated with various partners to accelerate digital transformation and enhance the digital experience of businesses, technology companies and internet users in Indonesia.

HUTCHMED's new flagship manufacturing facility in Shanghai, China commences operation.

Finance & Investments and Others

The finance & investments and others segment includes returns earned on the Group's holdings of cash and liquid investments, Hutchison Whampoa (China) Limited ("HWCL"), listed associate TOM Group ("TOM"), the Marionnaud businesses, listed associate CK Life Sciences Group ("CKLS"), listed associate Cenovus Energy ("Cenovus") and listed subsidiary, Hutchison Telecommunications (Australia) Limited ("HTAL"), which has a 25.05% interest in TPG Telecom Limited ("TPG").

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**84,056**	94,085	-11%	-8%
EBITDA [1]	**19,532**	18,469	+6%	+9%
EBIT [1]	**12,913**	12,009	+8%	+10%

Note 1: Under Post-IFRS 16 basis, EBITDA was HK$20,769 million (2022: HK$19,177 million); EBIT was HK$13,143 million (2022: HK$11,736 million).

Finance and Investments

Finance and investments mainly represents returns earned on the Group's holdings of cash and liquid investments, which totalled HK$143,109 million as at 31 December 2023. Further information on the Group's treasury function can be found in the "Group Capital Resources and Liquidity" section of the 2023 annual results announcement.

EBITDA and EBIT grew 6% and 8% respectively from 2022 primarily due to certain gains on non-core asset disposals, higher interest income from money market deposits and higher contribution from HWCL, which more than offset the Group's share of lower profit of the energy business.

Other Operations

Hutchison Whampoa (China) Limited

HWCL is engaged in the businesses of manufacturing, service and distribution in the Mainland, Hong Kong and the United Kingdom, and also has 38.17% interest in HUTCHMED (China) Limited ("HUTCHMED"), which is currently listed on the SEHK, the AIM market of the London Stock Exchange in the UK and the Nasdaq Global Select Market in the US. HUTCHMED is an innovative, commercial-stage, biopharmaceutical company committed to the discovery and global development and commercialisation of targeted therapies and immunotherapies for the treatment of cancer and immunological diseases.

Cenovus Energy

Cenovus Energy is a Canadian-based integrated energy company with shares listed on the Toronto and New York stock exchanges. It operates in Canada, the United States and Asia Pacific region, and is the third largest Canadian oil and natural gas producer, as well as the second largest Canadian-based refiner and upgrader. As at 31 December 2023, the Group held 16.9% interest in Cenovus Energy.

The Group's share of Cenovus Energy's Post-IFRS 16 EBITDA, EBIT and net earnings were HK$10,094 million, HK$5,564 million and HK$3,963 million, a decrease of 27%, 41% and 37% compared to last year respectively. The lower contribution is primarily due to lower commodity benchmark pricing, as well as reduced upstream production volume impacted by wildfire in the second quarter of 2023. The operating results are further impacted by lower market crack spreads, higher repair and maintenance costs for turnarounds at certain facilities, as well as increased operating expenses for a number of refineries that are at the start-up phase.

TOM Group

TOM, a 36.1% associate, is a technology and media company listed on the SEHK. TOM has technology operations in social network and mobile internet, and investments in e-commerce, fintech and advanced data analytics sectors. In addition, its media businesses cover both publishing and advertising segments.

Marionnaud

Marionnaud had over 720 stores in nine European markets as of 31 December 2023, providing luxury perfumery and cosmetic products.

CK Life Sciences Group

The Group has an approximate 45.32% interest in CKLS, a company listed on the SEHK. CKLS is engaged in the business of research and development, manufacturing, commercialisation, marketing, sale of, and investment in, products and assets which are nutraceuticals, pharmaceuticals and agriculture-related.

HTAL, share of TPG Telecom Limited

HTAL, an 87.87% owned subsidiary listed on the Australian Securities Exchange ("ASX"), has 25.05% interest of TPG Telecom Limited (also listed on the ASX).

Interest Expense, Finance Costs and Tax

The Group's consolidated interest expenses and other finance costs for the year, including its share of associated companies' and joint ventures' interest expenses, amortisation of finance costs and after deducting interest capitalised on assets under development, amounted to HK$20,147 million, increased by 36% when compared to last year, driven mainly by the higher effective interest rates. The Group's weighted average cost of debt for 2023 was 3.2% (2022: 2.0%).

The Group recorded current and deferred tax charges of HK$8,500 million in 2023, a decrease of 47% from HK$16,091 million in 2022, primarily due to the higher deferred tax charges from the disposal of tower assets in 2022 and lower profit before tax in 2023.

Operations Review

Summary

Growth in major economies is expected to be weak and the outlook remains anaemic in 2024 as various headwinds have not fully subsided. Although headline inflation continues to stabilise, with the persistently strong US Dollars and elevated interest rates, the operating environment for the Group's businesses will remain challenging.

However, the Group will continue to stay vigilant in facing these headwinds and all core businesses are expecting its underlying operating performances to either be on par or improve against 2023. Notably, **3** Group Europe will contribute favourably with its margin improvement initiatives, Cenovus will grow next year as it resumes to full operating capacities, strong performances from the Retail division, in particular the Health and Beauty segments in Asia and Europe, as well as stable contribution from the Ports and Infrastructure divisions. The Group will continue to explore value accretive transactions for its shareholders, as well as maintaining its strong liquidity and strengthening the Group's overall financial profile. The Group as a matter of policy will maintain its strong financial profile and ensure that all investment activities are consistent with maintaining our current investment grade ratings.

Fok Kin Ning, Canning
Group Co-Managing Director

Hong Kong, 21 March 2024

Operations Review – Additional Information

Ports and Related Services

The following tables summarise the port operations for the four segments of the division.

Name	Location	The Group's Effective Interest	2023 Throughput (100% basis)
			(million TEU)
HPH Trust			
Hongkong International Terminals/ COSCO-HIT Terminals/ Asia Container Terminals	Hong Kong	30.07% / 15.03% / 12.03%	7.6
Yantian International Container Terminals – Phase I and II/ Phase III/ West Port	Mainland China	 16.96% / 15.53% / 15.53%	13.4
Huizhou International Container Terminals	Mainland China	12.42%	0.3
Ancillary Services – Asia Port Services/ Hutchison Logistics (HK)/ Shenzhen Hutchison Inland Container Depots	Hong Kong and Mainland China	 30.07% / 30.07% / 26.02%	–

Name	Location	Hutchison Ports' Effective Interest [1]	2023 Throughput (100% basis)
			(million TEU)
Mainland China and Other Hong Kong			
Shanghai Mingdong Container Terminals/ Shanghai Pudong International Container Terminals	Mainland China	30% / 30%	8.8
Ningbo Beilun International Container Terminals	Mainland China	49%	2.1
River Trade Terminal	Hong Kong	50%	0.7
Ports in Southern China – Nanhai International Container Terminals [2]/ Jiangmen International Container Terminals [2]/ Huizhou Port Industrial Corporation/ Xiamen International Container Terminals/ Xiamen Haicang International Container Terminals	Mainland China	 50% / 50% / 33.59% / 49% / 49%	1.6

Note 1: The Group holds an 80% interest in Hutchison Ports Holdings Group ("Hutchison Ports").

Note 2: Although HPH Trust holds the economic interest in the two River Ports in Nanhai and Jiangmen in Southern China, the legal interests in these operations are retained by this division.

Name	Location	Hutchison Ports' Effective Interest [1]	2023 Throughput (100% basis)
			(million TEU)
Europe			
Europe Container Terminals (ECT)/ Delta Terminal, ECT/Delta II Terminal/ Euromax Terminal, ECT/ Amsterdam Container Terminals/TMA logistics	Belgium, Germany and The Netherlands	93.5% / 89.37% / 100% / 60.78% / 100% / 50%	9.6
Hutchison Ports (UK) – Port of Felixstowe/ Harwich International Port/ London Thamesport	United Kingdom	100% / 100% / 80%	3.4
Barcelona Europe South Terminal	Spain	100%	2.2
Gdynia Container Terminal	Poland	100%	0.3
Hutchison Ports Stockholm	Sweden	100%	0.1
Asia, Australia and Others			
Westports Malaysia	Malaysia	23.55%	10.9
Jakarta International Container Terminal/Koja Terminal	Indonesia	48.9% / 45.09%	3.1
Hutchison Korea Terminals/Korea International Terminals	South Korea	100% / 88.9%	2.6
Hutchison Laemchabang Terminal/Thai Laemchabang Terminal	Thailand	80% / 87.5%	3.9
Karachi International Container Terminal/South Asia Pakistan Terminals	Pakistan	100% / 90%	1.6
Saigon International Terminals Vietnam	Vietnam	70%	–
Myanmar International Terminals Thilawa	Myanmar	100%	0.1
Brisbane Container Terminals/Sydney International Container Terminals	Australia	100% / 100%	0.6
Alexandria International Container Terminals	Egypt	73.33%	0.6
Oman International Container Terminal	Oman	65%	0.8
Hutchison Ajman International Terminals	United Arab Emirates	100%	0.2
Hutchison Ports RAK	United Arab Emirates	60%	0.1
Hutchison Ports UAQ	United Arab Emirates	60%	0.1
Hutchison Ports Basra	Iraq	51%	–
Hutchison Ports Abu Qir [3]	Egypt	56%	–
Hutchison Ports Jazan Limited	Saudi Arabia	60%	–
Internacional de Contenedores Asociados de Veracruz/ Lazaro Cardenas Terminal Portuaria de Contenedores/ Lazaro Cardenas Multipurpose Terminal/ Ensenada International Terminal/ Terminal Internacional de Manzanillo	Mexico	100%	3.1
Buenos Aires Container Terminal Services [4]	Argentina	100%	–
Freeport Container Port	The Bahamas	51%	1.1
Panama Ports Company	Panama	90%	3.2

Note 3: Hutchison Ports Abu Qir in Egypt commenced operation in January 2024. The Group further disposed of 15% effective interest in January 2024, which reduced the Group's effective interest to 41%.

Note 4: Buenos Aires Container Terminal Services' concession in Argentina ended on 31 August 2023.

Retail

Brand list by Market

Market	Brand
Albania	Rossmann
Belgium	ICI PARIS XL, Kruidvat
Czech Republic	Rossmann
Germany	Rossmann
Hong Kong	Watsons, PARKnSHOP, Fortress, Watson's Wine, Watsons Water, Mr Juicy
Hungary	Rossmann
Indonesia	Watsons
Ireland	The Perfume Shop, Superdrug
Kosovo	Rossmann
Latvia	Drogas
Luxembourg	ICI PARIS XL
Macau	Watsons, PARKnSHOP, Fortress, Watson's Wine
Mainland China	Watsons, PARKnSHOP Yonghui, Watson's Wine, Watsons Water, Mr Juicy
Malaysia	Watsons
The Netherlands	ICI PARIS XL, Kruidvat, Trekpleister
The Philippines	Watsons
Poland	Rossmann
Qatar	Watsons (1)
Saudi Arabia	Watsons (1)
Singapore	Watsons
Spain	Rossmann
Taiwan	Watsons
Thailand	Watsons
Turkey	Watsons, Rossmann
United Arab Emirates	Watsons (1)
United Kingdom	The Perfume Shop, Superdrug, Savers
Ukraine	Watsons
Vietnam	Watsons

Note 1: Part of the franchise business with Al-Futtaim.

Infrastructure

CKI Project Profile by Geographical Location

Geographical Location	Company/Project	Type of Business	Interest within CKHH Group
Australia	SA Power Networks	Electricity Distribution	CKI: 23.07%; Power Assets: 27.93%
	Powercor	Electricity Distribution	CKI: 23.07%; Power Assets: 27.93%
	CitiPower	Electricity Distribution	CKI: 23.07%; Power Assets: 27.93%
	Australian Gas Networks	Gas Distribution	CKHH: 27.51% [1]; CKI: 44.97%; Power Assets: 27.51%
	Australian Energy Operations	Electricity Transmission	CKI: 50%; Power Assets: 50%
	CK William Group	Electricity distribution, gas transmission and distribution, and provision of electricity generation solutions	CKI: 40%; Power Assets: 20%
Canada	Canadian Power	Electricity Generation	CKI: 50%; Power Assets: 50%
	Park'N Fly	Off-airport Parking	CKHH: 5% [1]; CKI: 65%; Power Assets: 10%
	Canadian Midstream Assets	Oil pipelines and storage	CKI: 16.25%; Power Assets: 48.75%
	Reliance Home Comfort	Building Equipment Services	CKI: 25%
Germany	ista	Energy Management Services	CKI: 35%
Hong Kong	Power Assets Holdings Limited ("Power Assets")	Holding company of a 33.37% interest in HKEI, a listed electricity generation and transmission business in HK, and power and utility-related businesses overseas	CKI: 36.01%
	Alliance Construction Materials	Infrastructure Materials	CKI: 50%
	Green Island Cement	Infrastructure Materials	CKI: 100%
Mainland China	Green Island Cement (Yunfu)	Infrastructure Materials	CKI: 100%
	Guangdong GITIC Green Island Cement	Infrastructure Materials	CKI: 66.5%
	Shen-Shan Highway (Eastern Section)	Toll Road	CKI: 33.5%
	Shantou Bay Bridge	Toll Bridge	CKI: 30%
	Panyu Beidou Bridge	Toll Bridge	CKI: 40%
The Netherlands	Dutch Enviro Energy	Energy-from-Waste	CKHH: 3.5% [1]; CKI: 45.5%; Power Assets: 27%
New Zealand	Wellington Electricity	Electricity Distribution	CKI: 50%; Power Assets: 50%
	Enviro NZ	Waste Management	CKI: 100%
United Kingdom	UK Power Networks	Electricity Distribution	CKI: 40%; Power Assets: 40%
	Northumbrian Water	Water Supply, Sewerage and Waste Water businesses	CKHH: 3% [1]; CKI: 39% , Power Assets: 6%
	Northern Gas Networks	Gas Distribution	CKI: 47.06%; Power Assets: 41.29%
	Wales & West Gas Networks	Gas Distribution	CKHH: 3% [1]; CKI: 39%; Power Assets: 36%
	Seabank Power	Electricity Generation	CKI: 25%; Power Assets: 25%
	UK Rails	Leasing of Rolling Stock	CKHH: 5% [1]; CKI: 65%, Power Assets: 10%

Note 1: Represents CKHH's direct interest.

Telecommunications

Summary of licence investments

Operation	Licence	Spectrum Lot	Blocks	Paired/Unpaired	Available Spectrum
United Kingdom	700 MHz	5 MHz	2	Paired	20 MHz
	800 MHz	5 MHz	1	Paired	10 MHz
	1400 MHz	5 MHz	4	Unpaired	20 MHz
	1800 MHz	5 MHz	3	Paired	30 MHz
	2100 MHz	5 MHz	3	Paired	30 MHz
	2100 MHz	5 MHz	1	Unpaired	5 MHz
	3400 MHz	5 MHz	4	Unpaired	20 MHz
	3500 MHz	40 MHz	1	Unpaired	40 MHz
	3600 MHz	80 MHz	1	Unpaired	80 MHz
	3900 MHz	84 MHz	1	Unpaired	84 MHz
	28 GHz (National)	112 MHz	2	Unpaired	224 MHz
	28 GHz (Regional)	112 MHz	2	Unpaired	224 MHz
	40 GHz	1000 MHz	2	Unpaired	2000 MHz
Italy	800 MHz	5 MHz	2	Paired	20 MHz
	900 MHz	5 MHz	2	Paired	20 MHz
	1800 MHz	5 MHz	4	Paired	40 MHz
	2100 MHz	5 MHz	4	Paired	40 MHz
	2600 MHz	5 MHz	4	Paired	40 MHz
	2600 MHz	15 MHz	2	Unpaired	30 MHz
	3600 MHz	20 MHz	1	Unpaired	20 MHz
	27 GHz	200 MHz	1	Unpaired	200 MHz
Austria	700 MHz	5 MHz	2	Paired	20 MHz
	900 MHz	5 MHz	1	Paired	10 MHz
	1500 MHz	10 MHz	3	Unpaired	30 MHz
	1800 MHz	5 MHz	4	Paired	40 MHz
	2100 MHz	5 MHz	4	Paired	40 MHz
	2600 MHz	5 MHz	5	Paired	50 MHz
	2600 MHz	25 MHz	1	Unpaired	25 MHz
	3500 MHz	10 MHz	10	Unpaired	100 MHz
Sweden	800 MHz	10 MHz	1	Paired	20 MHz
	900 MHz	5 MHz	1	Paired	10 MHz
	1800 MHz	5 MHz	1	Paired	10 MHz
	2100 MHz	20 MHz	1	Paired	40 MHz
	2100 MHz	5 MHz	1	Unpaired	5 MHz
	2600 MHz	10 MHz	1	Paired	20 MHz
	2600 MHz	50 MHz	1	Unpaired	50 MHz
	3500 MHz	100 MHz	1	Unpaired	100 MHz
Denmark	700 MHz	10 MHz	1	Paired	20 MHz
	900 MHz	10 MHz	1	Paired	20 MHz
	900 MHz	5 MHz	1	Paired	10 MHz
	1800 MHz	5 MHz	2	Paired	20 MHz
	1800 MHz	10 MHz	2	Paired	40 MHz
	2100 MHz	5 MHz	2	Paired	20 MHz
	2100 MHz	10 MHz	1	Paired	20 MHz
	2600 MHz	10 MHz	1	Paired	20 MHz
	2600 MHz	5 MHz	5	Unpaired	25 MHz
	3500 MHz	80 MHz	1	Unpaired	80 MHz
	3500 MHz	10 MHz	4	Unpaired	40 MHz
	26 GHz	200 MHz	3	Unpaired	600 MHz
	26 GHz	400 MHz	1	Unpaired	400 MHz

Operation	Licence	Spectrum Lot	Blocks	Paired/Unpaired	Available Spectrum
Ireland	700 MHz [1]	5 MHz	2	Paired	20 MHz
	800 MHz	5 MHz	2	Paired	20 MHz
	900 MHz	5 MHz	3	Paired	30 MHz
	1800 MHz	5 MHz	7	Paired	70 MHz
	2100 MHz [1]	5 MHz	4	Paired	40 MHz
	2600 MHz [1]	5 MHz	7	Paired	70 MHz
	3600 MHz	5 MHz	20	Unpaired	100MHz
Hong Kong	700 MHz	5 MHz	2	Paired	20 MHz
	900 MHz	5 MHz	1	Paired	10 MHz
	900 MHz	5 MHz	1	Paired	10 MHz
	1800 MHz	15 MHz	1	Paired	30 MHz
	2100 MHz	14.8 MHz	1	Paired	29.6 MHz
	2300 MHz	30 MHz	1	Unpaired	30 MHz
	2600 MHz [2]	5 MHz	1	Paired	10 MHz
	2600 MHz [2][3]	15 MHz	1	Paired	30 MHz
	3300 MHz	10 MHz	3	Unpaired	30 MHz
	3500 MHz	10 MHz	4	Unpaired	40 MHz
Macau	900 MHz	5 MHz	1	Paired	10 MHz
	1800 MHz	10 MHz	1	Paired	20 MHz
	2100 MHz	5 MHz	1	Paired	10 MHz
Indonesia	900 MHz	12.5 MHz	1	Paired	25 MHz
	1800 MHz	20 MHz	1	Paired	40 MHz
	1800 MHz	10 MHz	1	Paired	20 MHz
	2100 MHz	5 MHz	2	Paired	20 MHz
	2100 MHz	5 MHz	3	Paired	30 MHz
Sri Lanka	900 MHz	5 MHz	2	Paired	20 MHz
	1800 MHz	7.5 MHz	2	Paired	30 MHz
	2100 MHz	5 MHz	4	Paired	40 MHz
Vietnam	900 MHz	10 MHz	1	Paired	20 MHz
	2100 MHz [4]	15 MHz	1	Paired	30 MHz

Note 1: Acquired in January 2023.

Note 2: Spectrum held by 50/50 joint venture with PCCW.

Note 3: Following a successful bid of 10 MHz at the 2600 MHz spectrum band by a subsidiary of the Group in 2021 for a 15-year period to 2039, the spectrum will be transferred to the joint venture and commence immediately upon the expiry of the existing licence held by the joint venture in March 2024. Such joint venture will also obtain two other 10 MHz at the 2600 MHz spectrum band from PCCW, with the assignment periods from March 2024 to March 2028 and from March 2028 to March 2039 respectively. Together, the joint venture will hold 20 MHz at the 2600 MHz spectrum band from 2024 to 2039.

Note 4: Spectrum shared with Viettel Mobile.