

Interim Report 2024

CK Infrastructure

Energy Infrastructure

Transportation Infrastructure

Water Infrastructure

Waste Management

Household Infrastructure

Infrastructure Related Businesses

GLOBAL INFRASTRUCTURE PLAYER

CKI

A Leading Player in the Global Infrastructure Arena

CKI is one of the world's largest global infrastructure companies. The company aims to make the world a better place through a variety of infrastructure investments and developments in different parts of the world. The Group has diversified investments in Energy Infrastructure, Transportation Infrastructure, Water Infrastructure, Waste Management, Waste-to-energy, Household Infrastructure and Infrastructure Related Businesses. Its investments and operations span Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States.

THE HALF YEAR AT A GLANCE

4,311

Profit attributable to shareholders (HK million)

1.71

Earnings per share (HK)

0.72

Interim dividend per share (HK)

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CORPORATE INFORMATION AND KEY DATES

BOARD OF DIRECTORS

Executive Directors

LI Tzar Kuoi, Victor (Chairman)
FOK Kin Ning, Canning (Deputy Chairman)
Frank John SIXT
KAM Hing Lam (Group Managing Director)
IP Tak Chuen, Edmond (Deputy Chairman)
Andrew John HUNTER (Deputy Managing Director)
CHAN Loi Shun (Chief Financial Officer)
CHEN Tsien Hua

Independent Non-executive Directors

CHEONG Ying Chew, Henry
KWOK Eva Lee
SNG Sow-mei alias POON Sow Mei
LAN Hong Tsung, David
Paul Joseph TIGHE

Non-executive Directors

LEE Pui Ling, Angelina
George Colin MAGNUS

Alternate Directors

MAN Ka Keung, Simon
(alternate to IP Tak Chuen, Edmond)
Eirene YEUNG
(alternate to KAM Hing Lam)

AUDIT COMMITTEE

Paul Joseph TIGHE (Chairman)
CHEONG Ying Chew, Henry
SNG Sow-mei alias POON Sow Mei
LAN Hong Tsung, David

REMUNERATION COMMITTEE

CHEONG Ying Chew, Henry (Chairman)
LI Tzar Kuoi, Victor
SNG Sow-mei alias POON Sow Mei

NOMINATION COMMITTEE

KWOK Eva Lee (Chairperson)
LI Tzar Kuoi, Victor
CHEONG Ying Chew, Henry

SUSTAINABILITY COMMITTEE

IP Tak Chuen, Edmond (Chairman)
Paul Joseph TIGHE
LAN Hong Tsung, David
Eirene YEUNG

EXECUTIVE COMMITTEE

LI Tzar Kuoi, Victor (Chairman)
KAM Hing Lam
IP Tak Chuen, Edmond
Andrew John HUNTER
CHAN Loi Shun
CHEN Tsien Hua
CHAN Kee Ham, Ivan
LUN Pak Lam
LUK Sai Hong, Victor
TONG BARNES Wai Che, Wendy
Duncan Nicholas MACRAE
CHIU Yue Seng

COMPANY SECRETARY

Eirene YEUNG

AUTHORISED REPRESENTATIVES

IP Tak Chuen, Edmond
Eirene YEUNG

PRINCIPAL BANKERS

Australia and New Zealand Banking Group Limited
Bank of China (Hong Kong) Limited
Barclays Bank PLC
BNP Paribas
Canadian Imperial Bank of Commerce
Mizuho Bank, Ltd.
MUFG Bank, Ltd.
Commonwealth Bank of Australia
The Hongkong and Shanghai Banking Corporation Limited

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

LEGAL ADVISERS

Woo, Kwan, Lee & Lo

REGISTERED OFFICE

Clarendon House, Church Street, Hamilton HM11, Bermuda

PRINCIPAL PLACE OF BUSINESS

12th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Investor Services (Bermuda) Limited
5 Reid Street, PO Box HM 1475,
Hamilton HM FX, Bermuda
(Location of principal register of members at Clarendon House, Church Street, Hamilton HM 11, Bermuda)

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODES

Stock Exchange of Hong Kong: 1038
London Stock Exchange: CKI
Bloomberg: 1038 HK
Reuters: 1038.HK

WEBSITE

www.cki.com.hk

INVESTOR RELATIONS

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KEY DATES

Interim Results Announcement	14th August, 2024
Record Date for Interim Dividend	13th September, 2024
Payment of Interim Dividend	25th September, 2024

CHAIRMAN'S LETTER

GROWTH MOMENTUM CONTINUES ON STRONG SOLID FOUNDATION

CK Infrastructure Holdings Limited ("CKI", the "Company" or the "Group") achieved a stable performance during the first half of 2024. While underlying uncertainties stemming from weak economies, high interest rates and ongoing geopolitical tensions remain in the global markets, CKI continues to provide steady operating results from a diverse portfolio of infrastructure businesses.

For the six months ended 30th June, 2024, the Group recorded profit attributable to shareholders of HK 4,311 million, representing an increase of 2% as compared with the same period last year.

During the period under review, two acquisitions in the United Kingdom were made. These meaningful additions further strengthen the Group's portfolio.

DIVIDEND GROWTH

The Board of Directors of CKI (the "Board") has declared an interim dividend for 2024 of HK 0.72 per share (2023: HK 0.71 per share), representing 1.4% growth over the corresponding period last year. The interim dividend will be paid on Wednesday, 25th September, 2024, to shareholders whose names appear on the Register of Members of the Company at the close of business on Friday, 13th September, 2024. As at the date hereof, the Company does not hold any treasury shares (whether in the Central Clearing and Settlement System, or otherwise).

BUSINESS REVIEW

Power Assets

Profit contribution from Power Assets was HK 1,082 million, an increase of 2% as compared to the same period last year. Operational performance of businesses in Power Assets's portfolio continued to be resilient. In April, HK Electric entered into a contract to construct a new gas-fired generation unit, another step in advancing towards the phasing out of coal-fired generation by 2035.

United Kingdom Infrastructure Portfolio

Profit contribution from the United Kingdom was HK 1,865 million, an increase of 17% as compared with the same period last year. (In local currency, the result was an increase of 14%.) This positive growth can be mainly attributed to higher revenue, lower finance charges borne by the portfolio's businesses, and higher foreign currency exchange between the Pound Sterling and the Hong Kong Dollar.

UK Power Networks ("UKPN") performed strongly despite the fact that results were negatively impacted by the commencement of the new regulatory period in April last year. During the period under review, UK Power Networks Services, the non-regulated arm of UKPN, acquired a 69 MW renewable energy portfolio, comprising mainly solar assets. With 90% of the revenue underpinned by long-term agreements and renewable subsidies from the United Kingdom government, this additional business is poised to generate recurrent and stable returns and cashflows. It also expands the Group's renewable energy capacity - a much in demand commodity - in the country.

Northern Gas Networks and Wales & West Gas Networks reported solid earnings, benefitting from good operating performances and lower finance costs. Both companies are actively working on hydrogen-related projects as they make further inroads into contributing towards the country's net zero target.

In July 2024, Northumbrian Water received the draft determination for the regulatory period from 2025-2030, potentially providing for higher allowed returns and higher total expenditure allowances. The final determination will be announced at the end of the year. Possible investments over the next five-year period of more than £4.5 billion have been proposed by Northumbrian Water for upgrading the network to improve water quality, enhancing environmental performance, upgrading water treatment and monitoring, as well as ensuring reliable and resilient water supply.

UK Rails achieved a satisfactory performance in the first half of 2024. Upgrade and modification projects for a number of fleets are progressing smoothly as planned.

At the end of April 2024, CKI, alongside strategic partners CK Asset and Power Assets, completed the acquisition of Phoenix Energy, the largest gas distribution network in Northern Ireland. The enterprise value of the entire transaction was approximately HK 7.4 billion. CKI owns 40% of the shareholding of this company. Phoenix Energy covers 78% of gas connections in Northern Ireland and serves 48% of the population there. Operating under a regulatory framework, Phoenix Energy provides CKI with stable cashflows, immediate yield and recurring profits.

Australian Infrastructure Portfolio

Profit contribution from the portfolio of infrastructure investments in Australia increased 5% over the previous period to HK 864 million. (In local currency, the result was an increase of 7%.) The increase is mainly attributed to higher revenues generated from the various businesses.

SA Power Networks is currently working on its draft proposal for the upcoming regulatory reset for the period 2025-2030 and will submit its proposal in December. In May, SA Power Networks became the first Australian electricity distribution network to receive certification from the Climate Bond Initiative.

Victoria Power Networks and United Energy, the Group's electricity distribution networks in the state of Victoria, implemented prompt remedial works after severe storms hit the state in January and February. Beon, the unregulated businesses of Victoria Power Networks, has been awarded a number of solar and battery projects amidst the country's ramp up on renewable energy construction.

Australian Gas Infrastructure Group (AGIG), which consists of Australian Gas Networks, Multinet Gas Networks and the Dampier Bunbury Pipeline, recorded good operational performance. AGIG is a leader in Australia's renewable hydrogen industry. In South Australia, Hydrogen Park South Australia ("HyP SA") is the largest operational electrolyser in the country. It supplies about 3,700 customers in southern Adelaide with a blend of up to 10% renewable hydrogen in the gas network - a first in Australia. Other renewable hydrogen projects being developed by AGIG include Hydrogen Park Gladstone ("HyP Gladstone"), which will soon commence blending renewable hydrogen into the network, and Hydrogen Park Murray Valley ("HyP MV"), of which the electrolyser is under construction.

Performance from Energy Developments ("EDL") was stable. Expansion of the Agnew power station in Western Australia was completed in April, with increased gas generation complementing the solar, wind and battery facilities for the gold mine, yielding additional revenue to EDL.

Infrastructure Portfolio in Continental Europe

In Continental Europe, profit contribution was HK 419 million, a slight decrease of 1%. (In local currency, the result was the same as last year.) During the period under review, it achieved a stable performance. The reconstruction of Dutch Enviro Energy's waste-to-energy plant in Rozenburg subsequent to the fire incident last year has progressed well.

Canadian Infrastructure Portfolio

Profit contribution from Canada was HK 301 million, a decrease of 25% from the corresponding period last year. (In local currency, the result was a decrease of 25%.) The performance was mainly impacted by lower contribution from Canadian Power due to the absence of last year same period's particularly high energy prices. Canadian Midstream Assets recorded a solid performance, Reliance Home Comfort satisfactory operations, while Park'N Fly saw strong demand in its key markets of Toronto and Montreal, boosting revenues.

New Zealand Portfolio

Net profit contribution from New Zealand increased 11% to HK 80 million during the first half. (In local currency, the result was an increase of 13%.) A strong performance was realised from Enviro NZ, while the Draft Decision for the regulatory period commencing April 2025 for Wellington Electricity was released in May with the Final Decision due in November.

Hong Kong and Mainland China Business

In Hong Kong and Mainland China, CKI's portfolio recorded profit contribution of HK 96 million, a decrease of 6%. The toll road operations in Mainland China saw low traffic volume, while both pricing and sales volume were low for the infrastructure materials manufacturing business in Mainland China.

STRONG FINANCIAL PLATFORM

CKI's financial position continued to be strong and robust. Cash on hand was HK 9.2 billion. The net debt to net total capital ratio was a healthy 9.8% as at 30th June, 2024, and an industry low of 47.8% when sharing of net debt in infrastructure investment portfolio on a look-through basis. This sound underlying foundation provides the Group with the financial flexibility to weather any market uncertainties and form a solid backing for new acquisition opportunities.

Standard & Poor's has reaffirmed the Group's credit rating of "A/Stable" in February.

CONTINUED PROGRESS IN ENVIRONMENTAL SUSTAINABILITY

CKI continues to make encouraging progress and achievements in the areas of sustainability and decarbonisation. The electricity distribution networks are making investments in systems to support their local communities towards achieving net zero with initiatives such as smart grid, EV charging facilities and integration systems with solar, wind and battery. The gas distribution networks in the United Kingdom and Australia continue to work on clean hydrogen and biomethane projects, while EDL's sustainable energy production from landfill gas is making good headway. Other notable initiatives include UK Rails's battery trains, Dutch Enviro Energy's carbon capture project, Canadian Power's Okanagan wind farms, HK Electric's gas-fired generation unit, and UK Power Networks Services's newly added renewables portfolio, which consists of 70 renewable generation assets including 65 solar photovoltaic, four onshore wind and one hydro generation assets.

CKI will also continue to study new investment opportunities that arise from this global decarbonisation journey as part of the overall business development strategy.

SUBSEQUENT EVENT

On 14th August, 2024, it was announced that a consortium comprising CKI, CK Asset and Power Assets, which will own 40%, 40% and 20% interests in the portfolio, respectively, had entered into an agreement to acquire a portfolio of operating onshore wind farms in the United Kingdom for a purchase price of approximately £350 million (approximately HK 3.5 billion). This marks CKI's third acquisition in 2024. The transaction is expected to be completed in September. The portfolio comprises of 32 wind farms located in England, Scotland and Wales, totalling 175 MW in installed capacity and 137 MW in net attributable capacity. The portfolio will provide immediate returns, stable cashflows and recurring profit contributions. Revenues are generated from (i) government subsidies, which are inflation-linked; and (ii) power revenue, including from power purchase agreements as well as from selling power to the market.

OUTLOOK

Market uncertainties persist around the world as interest rates remain high and geopolitical tensions pervade headlines. With strong recurring income and predictable cashflow, CKI has shown its resilience during difficult financial times.

Despite the challenging backdrop, CKI is in an advantageous position to explore new acquisitions with its strategic partners within the CK Group, including CK Asset and Power Assets, who also have very solid financials. Given the higher interest rate environment and tightened liquidity, the barriers to entry in the infrastructure sector are expected to be heightening, benefitting existing players with operational experience and financial strength like ourselves.

As we broaden the diversity of our infrastructure portfolio in terms of industry sector and geographic location, the Group is also focused on driving organic growth, nurturing more synergies within our business units, and pursuing other meaningful growth opportunities that arise from the ever-changing environment.

As always, we can never overstate our emphasis on fiscal responsibility. By carefully offsetting continued earnings growth with a comfortable gearing position, we strive to capture the optimum balance between stability and growth. In addition, there is no "must win" mantra when it comes to our acquisition bids.

I would like to take this opportunity to thank the Board, our staff and our stakeholders for their continued support and commitment to the Group.

VICTOR T K LI

Chairman

14th August, 2024

FINANCIAL REVIEW

FINANCIAL RESOURCES, TREASURY ACTIVITIES AND GEARING RATIO

FINANCIAL RESOURCES, TREASURY ACTIVITIES AND GEARING RATIO

The Group's capital expenditure and investments were funded from cash on hand, internal cash generation, loans, notes, bonds, share placement and other project loans.

As at 30th June, 2024, cash and bank deposits on hand amounted to HK 9,180 million and the total borrowings of the Group amounted to HK 23,400 million, which included Hong Kong dollar borrowings of HK 2,673 million and foreign currency borrowings of HK 20,727 million. Of the total borrowings, 35 per cent were repayable in 2024, 65 per cent were repayable between 2025 and 2028. The Group has secured loan facilities with certain banks for borrowings to be refinanced in 2024. The Group's financing activities continue to be well received and fully supported by its bankers.

The Group adopts conservative treasury policies in cash and financial management. To achieve better risk control and minimise the cost of funds, the Group's treasury activities are centralised. Cash is generally placed in short-term deposits mostly denominated in U.S. dollars, Hong Kong dollars, Australian dollars, New Zealand dollars, British pound, Canadian dollars or Renminbi. The Group's liquidity and financing requirements are reviewed regularly. The Group will continue to maintain a strong capital structure when considering financing for new investments or maturity of bank loans.

As at 30th June, 2024, the Group maintained a net debt position with a net debt to net total capital ratio of 9.8 per cent. This was based on HK 14,220 million of net debt and HK 145,574 million of net total capital, which represents the total borrowings plus total equity net of cash and bank deposits. This ratio was higher than that of 7.7 per cent at the year end of 2023. This change was mainly due to the fund utilised for the investment in a gas distribution network operator in Northern Ireland during the period.

The net debt to net total capital ratio would be 47.8 per cent by sharing of net debt in infrastructure investment portfolio on a look-through basis, which was based on HK 120,115 million of net debt and HK 251,469 million of net total capital. This ratio was slightly higher than that of 46.4 per cent at the year end of 2023.

To minimise currency risk exposure in respect of its investments in other countries, the Group generally hedges those investments with (i) currency swaps and (ii) the appropriate level of borrowings denominated in the local currencies. The Group also entered into certain interest rate swaps to mitigate interest rate risks. As at 30th June, 2024, the notional amounts of these derivative instruments amounted to HK 52,690 million.

CHARGE ON GROUP ASSETS

As at 30th June, 2024, certain assets were pledged to secure bank borrowings totalling HK 1,580 million granted to the Group.

CONTINGENT LIABILITIES

As at 30th June, 2024, the Group was subject to the following contingent liabilities:

HK million	
Other guarantees given in respect of an affiliated company	68
Performance bond indemnities	168
Sub-contractor warranties	24
Total	260

EMPLOYEES

The Group, including its subsidiaries but excluding affiliated companies, employs a total of 2,408 employees. Employees' cost (excluding directors' emoluments) amounted to HK 521 million. The Group ensures that the pay levels of its employees are competitive and that its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

Preferential subscription of 2,978,000 new shares of the Company was given to those employees who had subscribed for shares of HK 1.00 each in the Company at HK 12.65 per share on the flotation of the Company in 1996. The Group does not have any share option scheme for employees.

DIRECTORS' BIOGRAPHICAL INFORMATION

LI Tzar Kuoi, Victor, aged 60, has been the Chairman of the Company since its incorporation in May 1996. He has been a member of the Remuneration Committee of the Company since March 2005, the Chairman of the Executive Committee of the Company since April 2005 and a member of the Nomination Committee of the Company since January 2019. Mr. Li is the Chairman and Executive Director of CK Hutchison Holdings Limited, and the Chairman and Managing Director and the Chairman of the Executive Committee of CK Asset Holdings Limited. He is also the Chairman of CK Life Sciences Int'l., (Holdings) Inc., a Non-executive Director of Power Assets Holdings Limited and HK Electric Investments Manager Limited ("HKEIM") as the trustee-manager of HK Electric Investments, and a Non-executive Director and the Deputy Chairman of HK Electric Investments Limited. Except for HKEIM, all the companies/investment trust mentioned above are listed in Hong Kong. Mr. Li is also the Deputy Chairman of Li Ka Shing Foundation Limited and Li Ka Shing (Global) Foundation, and the Member Deputy Chairman of Li Ka Shing (Canada) Foundation. He serves as a member of the 14th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China and a member of the Chief Executive's Council of Advisers of the Hong Kong Special Administrative Region ("HKSAR"). He is also Vice Chairman of the Hong Kong General Chamber of Commerce. Mr. Li is the Honorary Consul of Barbados in Hong Kong and is awarded the Grand Officer of the Order of the Star of Italy. He is a director of certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), and a director of certain companies controlled by certain substantial shareholders of the Company. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Civil Engineering and a degree of Doctor of Laws, *honoris causa* (LL.D.). Mr. Li is a nephew of Mr. Kam Hing Lam, the Group Managing Director of the Company.

KAM Hing Lam, aged 77, has been the Group Managing Director of the Company since its incorporation in May 1996 and a member of the Executive Committee of the Company since April 2005. He is the Deputy Managing Director of CK Hutchison Holdings Limited, the Deputy Managing Director and Executive Committee Member of CK Asset Holdings Limited, and the President of CK Life Sciences Int'l., (Holdings) Inc. All the companies mentioned above are listed companies. Mr. Kam is also the Chairman of Hui Xian Asset Management Limited, which manages Hui Xian Real Estate Investment Trust, a real estate investment trust listed on The Stock Exchange of Hong Kong Limited ("SEHK"). Mr. Kam is a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company. He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. Mr. Kam is an uncle of Mr. Li Tzar Kuoi, Victor, the Chairman of the Company.

IP Tak Chuen, Edmond, aged 72, has been an Executive Director of the Company since its incorporation in May 1996, the Deputy Chairman of the Company since February 2003, a member of the Executive Committee of the Company since April 2005 and the Chairman of the Sustainability Committee of the Company since December 2020. He is Deputy Managing Director of CK Hutchison Holdings Limited, and the Deputy Chairman and Executive Committee Member of CK Asset Holdings Limited. He is also the Senior Vice President and Chief Investment Officer of CK Life Sciences Int'l., (Holdings) Inc. All the companies mentioned above are listed companies. Mr. Ip is also a Non-executive Director of Hui Xian Asset Management Limited, which manages Hui Xian Real Estate Investment Trust, a real estate investment trust listed on SEHK. He is a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company. He holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration.

FOK Kin Ning, Canning, aged 72, has been an Executive Director and Deputy Chairman of the Company since March 1997. Mr. Fok is the Deputy Chairman of CK Hutchison Holdings Limited. Mr. Fok is also the Chairman of Hutchison Telecommunications Hong Kong Holdings Limited, TPG Telecom Limited, HK Electric Investments Manager Limited as the trustee-manager of HK Electric Investments, and HK Electric Investments Limited and the Executive Chairman of CK Hutchison Group Telecom Holdings Limited ("CKHGT"). Mr. Fok is also the Deputy President Commissioner of PT Indosat Tbk. Except for HKEIM and CKHGT, all the companies/investment trust mentioned above are listed in Hong Kong or overseas. Mr. Fok is a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company. He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a fellow of Chartered Accountants Australia and New Zealand.

Frank John SIXT, aged 72, has been an Executive Director of the Company since its incorporation in May 1996. Mr. Sixt is the Group Co-Managing Director and Group Finance Director of CK Hutchison Holdings Limited. He is also the Non-executive Chairman of TOM Group Limited, the Chairman and an Alternate Director of Hutchison Telecommunications (Australia) Limited, a Non-executive Director of TPG Telecom Limited, a Director of Cenovus Energy Inc., and an Alternate Director of HK Electric Investments Manager Limited as the trustee-manager of HK Electric Investments, and HK Electric Investments Limited. Except for HKEIM, all the companies/investment trust mentioned above are listed in Hong Kong or overseas. He has almost four decades of legal, global finance and risk management experience, and possesses deep expertise in overseeing financial reporting system, risk management and internal control systems as well as sustainability issues and related risks. Mr. Sixt is a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company. He holds a Master's degree in Arts and a Bachelor's degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Quebec and Ontario, Canada.

Andrew John HUNTER, aged 65, has been an Executive Director of the Company since December 2006, Deputy Managing Director of the Company since May 2010 and a member of the Executive Committee of the Company since March 2007. He acted as the Chief Operating Officer of the Company from December 2006 to May 2010. Mr. Hunter is the Chairman and Executive Director of Power Assets Holdings Limited. He is also an Executive Director of CK Hutchison Holdings Limited. All the companies mentioned above are listed companies. Prior to the appointment to the board of Power Assets Holdings Limited in 1999, Mr. Hunter was the Finance Director of the Hutchison Property Group. He holds a Master of Arts degree and a Master's degree in Business Administration. He is a member of the Institute of Chartered Accountants of Scotland and of the Hong Kong Institute of Certified Public Accountants. He has over 40 years of experience in accounting and financial management.

CHAN Loi Shun, aged 62, has been an Executive Director of the Company since January 2011, Chief Financial Officer of the Company since January 2006 and a member of the Executive Committee of the Company since April 2005. He joined the CK Group in January 1992. Mr. Chan is also an Executive Director of Power Assets Holdings Limited, HK Electric Investments Manager Limited as the trustee-manager of HK Electric Investments, and HK Electric Investments Limited. Except for HKEIM, all the companies/investment trust mentioned above are listed in Hong Kong. Mr. Chan is a director of certain companies controlled by a substantial shareholder of the Company within the meaning of Part XV of the SFO. Mr. Chan is a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants and also a member of the Institute of Certified Management Accountants (Australia).

CHEN Tsien Hua, aged 62, has been an Executive Director of the Company since January 2017, a member of the Executive Committee of the Company since March 2007 and the Head of Business Development of the Company since 2005. She joined Hutchison Whampoa Limited in August 1992 and has been with the Company since July 1996. Ms. Chen holds a Bachelor's degree in Social Sciences and a Master's degree in Business Administration.

CHEONG Ying Chew, Henry, aged 76, has been an Independent Non-executive Director of the Company since its incorporation in May 1996. He has been a member of the Audit Committee of the Company since December 1998 and acted as the Chairman of the Audit Committee of the Company from December 1998 to December 2006. Mr. Cheong has been a member of the Remuneration Committee of the Company since January 2005 and the Chairman of the Remuneration Committee of the Company since January 2012. Mr. Cheong has also been a member of the Nomination Committee of the Company since February 2024. He is also an Independent Non-executive Director of CK Asset Holdings Limited, New World Department Store China Limited and Skyworth Group Limited, and an Independent Director of BTS Group Holdings Public Company Limited. Mr. Cheong is an Executive Director and the Deputy Chairman of Worldsec Limited. All the companies mentioned above are listed companies. He holds a Bachelor of Science degree in Mathematics and a Master of Science degree in Operational Research and Management.

KWOK Eva Lee, aged 82, has been an Independent Non-executive Director of the Company since September 2004. She has been a member of the Nomination Committee of the Company since January 2019 and the Chairperson of the Nomination Committee of the Company since December 2020. She acted as a member of the Audit Committee of the Company from September 2004 to June 2019. She is also an

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

SNG Sow-mei alias POON Sow Mei, aged 83, has been an Independent Non-executive Director of the Company since September 2004. She has been a member of the Audit Committee of the Company since September 2004 and a member of the Remuneration Committee of the Company since September 2022. She acted as the Chairperson of the Audit Committee of the Company from July 2020 to May 2022. She is an Independent Non-executive Director of CK Asset Holdings Limited, a listed company. She is also an Independent Non-executive Director of ESR Asset Management (Prosperity) Limited (formerly known as ARA Asset Management (Prosperity) Limited), which manages Prosperity Real Estate Investment Trust, a real estate investment trust listed on SEHK. Mrs. Sng is also a member of the Audit Committee and the Nomination Committee of ESR Asset Management (Prosperity) Limited. Mrs. Sng was previously an Independent Non-executive Director, the Lead Independent Director and a member of the Audit Committee of Hutchison Port Holdings Management Pte. Limited, as the trustee-manager of Hutchison Port Holdings Trust, a business trust listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"), an Independent Director and a member of the Audit Committee of ESR Trust Management (Suntec) Limited (formerly known as ARA Trust Management (Suntec) Limited), which manages Suntec Real Estate Investment Trust, a real estate investment trust listed on SGX-ST, and an Independent Non-executive Director and a member of the Audit Committee of ESR Asset Management (Fortune) Limited (formerly known as ARA Asset Management (Fortune) Limited), which manages Fortune Real Estate Investment Trust, a real estate investment trust listed on the SEHK. Mrs. Sng was also previously a Director of INFA Systems Ltd. and the Senior Consultant (International Business) of Singapore Technologies Electronics Ltd. Prior to her appointment with Singapore Technologies Pte Ltd. where Mrs. Sng was the Director, Special Projects (North East Asia) in 2000 and a Consultant in 2001, Mrs. Sng was the Managing Director of CapitaLand Hong Kong Ltd. for investments in Hong Kong and the region including Japan and Taiwan. In Hong Kong from 1983 to 1997, Mrs. Sng was the Centre Director and then as Regional Director of the Singapore Economic Development Board and Trade Development Board respectively. Mrs. Sng was Singapore's Trade Commissioner in Hong Kong from 1990 to 1997. Mrs. Sng holds a Bachelor of Arts degree from the Nanyang University in Singapore and has wide experience in various fields of industrial investment, business development, strategic and financial management, especially in property investment and management. In 1996, Mrs. Sng was conferred the title of PPA(P) - Pingat Pentadbiran Awam (Perak), the Singapore Public Administration Medal (Silver) by the Republic of Singapore.

LAN Hong Tsung, David, aged 84, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since February 2005, and a member of the Sustainability Committee of the Company since February 2024. Dr. Lan is an Independent Non-executive Director of Cinda Financial Holdings Co., Limited. He is also an Independent Non-executive Director of ESR Asset Management (Prosperity) Limited (formerly known as ARA Asset Management (Prosperity) Limited), which manages Prosperity Real Estate Investment Trust, a real estate investment trust listed on SEHK. He was previously an Independent Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited and SJM Holdings Limited, both are listed companies, for 15 years and 11 years respectively. Dr. Lan was also previously an Independent Non-executive Director of ESR Asset Management (Fortune) Limited (formerly known as ARA Asset Management (Fortune) Limited), which manages Fortune Real Estate Investment

Trust, a real estate investment trust listed on the SEHK. He is the Chairman of David H T Lan Consultants Limited, and holds directorship at Nanyang Commercial Bank, Limited since April 2002 and International Probono Legal Services Association Limited since 2019. Dr. Lan acted as Supervisor of Nanyang Commercial Bank (China), Limited for 12 years and 9 months since December 2007 until his reappointment as Senior Consultant from October 2020. Dr. Lan was a Senior Advisor of Mitsui & Company (Hong Kong) Limited for 19 years till his retirement in March 2019. He was also the President of the International Institute of Management for almost 7 years till his retirement in June 2019. He was the Secretary for Home Affairs of the HKSAR Government till his retirement in July 2000. He had served as civil servant in various capacities for 39 years and was awarded the Gold Bauhinia Star Medal on 1st July, 2000. He was appointed as the 10th and 11th National Committee Member of the Chinese People's Political Consultative Conference of the People's Republic of China. Dr. Lan is a Chartered Secretary and a Fellow Member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. He received his Bachelor of Arts degree from the University of London and completed the Advanced Management Program of the Harvard Business School, Boston. He was also a Fellow at Queen Elizabeth House, University of Oxford. Dr. Lan was conferred with Doctor of Business Administration, honoris causa by University of the West of England, Bristol, Doctor of Humanities, honoris causa by Don Honorio Ventura Technological State University, and holder of Visiting Professorship Awards of Bulacan State University and Tarlac State University.

Paul Joseph TIGHE, aged 68, has been an Independent Non-executive Director of the Company since April 2017. He has been a member of the Audit Committee of the Company since March 2019 and the Chairman of the Audit Committee of the Company since May 2022. He has been a member of the Sustainability Committee of the Company since December 2020. He is also an Independent Non-executive Director of CK Hutchison Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc., both listed companies. Mr. Tighe is a director of a substantial shareholder of the Company within the meaning of Part XV of the SFO, and a director of a company controlled by a substantial shareholder of the Company. He is a former career diplomat with Australia's Department of Foreign Affairs and Trade. He has around 37 years of experience in government and public policy, including 28 years as a diplomat. He has served as Australian Consul-General to Hong Kong and Macau (from 2011 to 2016), Australian Ambassador to Greece, Bulgaria and Albania (from 2005 to 2008), Deputy Head of Mission and Permanent Representative to the United Nations' Economic and Social Commission for Asia and the Pacific at the Australian Embassy in Bangkok (from 1998 to 2001) and as Counsellor in the Australian Delegation to the Organisation for Economic Co-operation and Development in Paris (from 1991 to 1995). In between overseas assignments, Mr. Tighe has held several positions at the headquarters of the Department of Foreign Affairs and Trade in Canberra, including as head of the Department's Trade and Economic Policy Division, head of the Diplomatic Security, Information Management and Services Division, head of the Agriculture and Resources Branch and Director of the International Economic Analysis Section. Before joining the Department of Foreign Affairs and Trade, Mr. Tighe worked in the Overseas Economic Relations Division of the Australian Treasury (from 1986 to 1988), in the Secretariat of the Organisation for Economic Co-operation and Development in Paris (from 1984 to 1986) and in the Australian Industries Assistance Commission (from 1980 to 1984). He holds a Bachelor of Science degree from the University of New South Wales.

LEE Pui Ling, Angelina, aged 75, has been a Non-executive Director of the Company since September 2004 and prior to that an Independent Non-executive Director of the Company from May 1996. Mrs. Lee is a solicitor and a Fellow of the Institute of Chartered Accountants in England and Wales. She holds a Bachelor of Laws degree from and was awarded an Honorary Fellowship by University College London, University of London. Amongst her public appointments, Mrs. Lee was a Member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority and a Non-executive Director of the Securities and Futures Commission. Mrs. Lee is a Non-executive Director of Henderson Land Development Company Limited and TOM Group Limited, and an Independent Non-executive Director of Great Eagle Holdings Limited, all of which are listed companies. Mrs. Lee is also a director of a company controlled by a substantial shareholder of the Company within the meaning of Part XV of the SFO.

George Colin MAGNUS, aged 88, acted as an Executive Director and Deputy Chairman of the Company from May 1996 to October 2005, has been a Non-executive Director of the Company since November 2005. He is also a Non-executive Director of CK Hutchison Holdings Limited and an Independent Non-executive Director of HK Electric Investments Manager Limited as the trustee-manager of HK Electric Investments, and HK Electric Investments Limited. He acted as an Executive Director of Cheung Kong (Holdings) Limited ("CKH") since 1980 and Deputy Chairman since 1985 until he retired from these offices in October 2005. He has been a Non-executive Director of CKH since November 2005 until his resignation in June 2015. He has been an Executive Director of Hutchison Whamoa Limited ("HWI") since 1980 and was re-designated as a

been an Executive Director of Hutchison Whampoa Limited (HWE) since 1988 and was re-designated as a Non-executive Director since November 2005 until his resignation in June 2015. He served as Deputy Chairman of HWL from 1984 to 1993. Mr. Magnus was previously the Chairman of Power Assets Holdings Limited (formerly known as Hongkong Electric Holdings Limited) from 1993 to 2005, a Non-executive Director from 2005 to 2012 and an Independent Non-executive Director until January 2014. Except for HKEIM, CKH and HWL, all the companies/investment trust mentioned above are listed in Hong Kong. He is a director of a substantial shareholder of the Company within the meaning of Part XV of the SFO. He holds a Master's degree in Economics from King's College, Cambridge.

MAN Ka Keung, Simon, aged 67, has been an Alternate Director to Mr. Ip Tak Chuen, Edmond, Deputy Chairman of the Company, since February 2008. He joined the CK Group in December 1987. He is Executive Committee Member and General Manager of Accounts Department of CK Asset Holdings Limited, a listed company. He is a director of certain companies controlled by a substantial shareholder of the Company within the meaning of Part XV of the SFO. He has over 43 years of experience in accounting, auditing, tax and finance. He holds a Bachelor's degree in Economics and is a member of Chartered Accountants Australia and New Zealand.

Eirene YEUNG, aged 63, Alternate Director to Mr. Kam Hing Lam, the Group Managing Director of the Company, and the Company Secretary and a member of the Sustainability Committee of the Company. She is also Executive Committee Member and Company Secretary, and General Manager of Company Secretarial Department of CK Asset Holdings Limited. She is also the Company Secretary of CK Life Sciences Int'l., (Holdings) Inc. Ms. Yeung is a Non-executive Director of ESR Asset Management (Fortune) Limited (formerly known as ARA Asset Management (Fortune) Limited), the manager of Fortune Real Estate Investment Trust. All the companies/investment trust mentioned above are listed in Hong Kong. She is a director of certain companies controlled by a substantial shareholder of the Company within the meaning of Part XV of the SFO. Ms. Yeung joined the CK Group in August 1994. She is a solicitor of the High Court of the HKSAR and a non-practising solicitor of the Senior Courts of England and Wales. She is also a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

CONSOLIDATED INCOME STATEMENT

for the six months ended 30th June

HK million	Notes	Unaudited	
		2024	2023
Turnover	2	19,090	19,534
Sales and interest income from			
infrastructure investments	2	2,478	3,180
Other income	3	347	387
Operating costs	4	(1,918)	(2,107)
Finance costs		(415)	(370)
Exchange gain		108	133
Share of results of associates		1,351	1,239
Share of results of joint ventures		2,626	2,047
Profit before taxation		4,577	4,509
Taxation	5	(53)	(50)
Profit for the period	6	4,524	4,459
Attributable to:			
Shareholders of the Company		4,311	4,239
Owners of perpetual capital securities		219	219
Non-controlling interests		(6)	1
		4,524	4,459
Earnings per share	7	HK 1.71	HK 1.68

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30th June

HK million	Unaudited 2024	2023
Profit for the period	4,524	4,459
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
(Loss)/Gain from fair value changes of derivatives designated as effective cash flow hedges	(15)	10
Gain/(Loss) from fair value changes of derivatives designated as effective net investment hedges	617	(1,233)
Exchange differences on translation of financial statements of foreign operations	(1,339)	3,424
Share of other comprehensive income of associates	16	1,053
Share of other comprehensive income of joint ventures	425	796
Income tax relating to components of other comprehensive income	(158)	(256)
	(454)	3,794
Items that will not be reclassified to profit or loss:		
Share of other comprehensive (expense)/income of associates	(286)	22
Share of other comprehensive (expense)/income of joint ventures	(1,153)	134
Income tax relating to components of other comprehensive income	335	(41)
	(1,104)	115
Other comprehensive (expense)/income for the period	(1,558)	3,909
Total comprehensive income for the period	2,966	8,368
Attributable to:		
Shareholders of the Company	2,755	8,151
Owners of perpetual capital securities	219	219
Non-controlling interests	(8)	(2)
	2,966	8,368

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HK million	Unaudited Notes 30/6/2024	Audited 31/12/2023
Property, plant and equipment	3,113	3,079
Investment properties	408	408
Interests in associates	38,440	39,240
Interests in joint ventures	104,690	104,093
Other financial assets	1,541	1,542
Derivative financial instruments	770	624
Goodwill and intangible assets	2,219	2,299
Deferred tax assets	-	1
Total non-current assets	151,181	151,286
Inventories	177	178
Derivative financial instruments	685	536
Debtors and prepayments	9 772	796
Bank balances and deposits	9,180	13,077
Total current assets	10,814	14,587
Bank and other loans	13,165	9,024
Derivative financial instruments	43	1,072

Creditors, accruals and others	10	5,958	5,902
Taxation		47	101
Total current liabilities		19,213	16,099
Net current liabilities		(8,399)	(1,512)
Total assets less current liabilities		142,782	149,774
Bank and other loans		10,235	15,173
Derivative financial instruments		353	465
Deferred tax liabilities		499	505
Other non-current liabilities		341	360
Total non-current liabilities		11,428	16,503
Net assets		131,354	133,271
Representing:			
Share capital	11	2,520	2,520
Reserves		118,867	120,773
Equity attributable to shareholders of the Company		121,387	123,293
Perpetual capital securities		9,885	9,885
Non-controlling interests		82	93
Total equity		131,354	133,271

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30th June, 2024

HK million	Attributable to shareholders of the Company								Perpetual capital securities	Non-controlling interests	Total
	Share capital	Share premium	Contributed surplus	Property revaluation reserve	Hedging reserve	Exchange translation reserve	Retained profits	Sub-total			
At 1st January, 2024 (audited)	2,520	16,185	6,062	68	1,620	(7,011)	103,849	123,293	9,885	93	133,271
Profit for the period	-	-	-	-	-	-	4,311	4,311	219	(6)	4,524
Loss from fair value changes of derivatives designated as effective cash flow hedges	-	-	-	-	(15)	-	-	(15)	-	-	(15)
Gain from fair value changes of derivatives designated as effective net investment hedges	-	-	-	-	-	617	-	617	-	-	617
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	(1,337)	-	(1,337)	-	(2)	(1,339)
Share of other comprehensive income/(expense) of associates	-	-	-	-	186	(170)	(286)	(270)	-	-	(270)
Share of other comprehensive income/(expense) of joint ventures	-	-	-	-	425	-	(1,153)	(728)	-	-	(728)
Income tax relating to components of other comprehensive income	-	-	-	-	(158)	-	335	177	-	-	177
Total comprehensive income/(expense) for the period	-	-	-	-	438	(890)	3,207	2,755	219	(8)	2,966
Dividend paid	-	-	-	-	-	-	(4,661)	(4,661)	-	(3)	(4,664)
Distribution paid on perpetual capital securities	-	-	-	-	-	-	-	-	(219)	-	(219)
At 30th June, 2024 (unaudited)	2,520	16,185	6,062	68	2,058	(7,901)	102,395	121,387	9,885	82	131,354

At 1st January, 2023 (audited)	2,520	16,185	6,062	68	1,552	(8,936)	101,942	119,393	9,885	104	129,382
Profit for the period	-	-	-	-	-	-	4,239	4,239	219	1	4,459
Gain from fair value changes of derivatives designated as effective cash flow hedges	-	-	-	-	10	-	-	10	-	-	10
Loss from fair value changes of derivatives designated as effective net investment hedges	-	-	-	-	-	(1,233)	-	(1,233)	-	-	(1,233)
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	3,427	-	3,427	-	(3)	3,424
Share of other comprehensive income of associates	-	-	-	-	236	817	22	1,075	-	-	1,075
Share of other comprehensive income of joint ventures	-	-	-	-	796	-	134	930	-	-	930
Income tax relating to components of other comprehensive income	-	-	-	-	(256)	-	(41)	(297)	-	-	(297)
Total comprehensive income/(expense) for the period	-	-	-	-	786	3,011	4,354	8,151	219	(2)	8,368
Dividend paid	-	-	-	-	-	-	(4,611)	(4,611)	-	-	(4,611)
Distribution paid on perpetual capital securities	-	-	-	-	-	-	-	-	(219)	-	(219)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30th June

HK million	Notes	Unaudited	
		2024	2023
Net cash from operating activities	12a	641	1,686
Net cash from investing activities	12b	443	38
Net cash utilised in financing activities		(4,981)	(7,716)
Net decrease in cash and cash equivalents		(3,897)	(5,992)
Cash and cash equivalents at 1st January		13,077	18,045
Cash and cash equivalents at 30th June		9,180	12,053

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is identical to the International Accounting Standard 34 "Interim Financial Reporting" issued by International Accounting Standards Board ("IASB"), as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange").

The accounting policies adopted for the preparation of the consolidated interim financial statements are consistent with those set out in the Group's consolidated annual financial statements for the year ended 31st December, 2023, except for adoption of the amendments to Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA and International Financial Reporting Standards ("IFRS") issued by the IASB, which are effective to the Group for accounting periods beginning on 1st January, 2024. The adoption of those amendments to HKFRSs and IFRSs has no material impact on the Group's results and financial position for the current or prior periods and does not result in any significant change in accounting policies of the Group.

2. TURNOVER

Turnover represents net sales of infrastructure materials, interest income from loans granted to associates and joint ventures, sales of waste management services and share of turnover of joint ventures. Sales of infrastructure materials and waste management services were substantially recognised at a point in time.

Turnover comprises both sales and interest income from infrastructure investments and share of turnover of joint ventures as follows:

HK million	Six months ended 30th June	
	2024	2023
Sales of infrastructure materials	751	981
Interest income from loans granted to associates	52	136
Interest income from loans granted to joint ventures	698	1,076
Sales of waste management services	977	987
Sales and interest income from infrastructure investments	2,478	3,180
Share of turnover of joint ventures	16,612	16,354
Turnover	19,090	19,534

3. OTHER INCOME

Other income includes the following:

Six months ended
30th June

HK million	30th June	
Bank interest income	2024	2023
	303	350

4. OPERATING COSTS

Operating costs include the following:

	Six months ended	
	30th June	
HK million	2024	2023
Cost of inventories sold	702	907
Cost of services provided	580	599
Depreciation of property, plant and equipment	149	149
Amortisation of intangible assets	9	16

5. TAXATION

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

	Six months ended	
	30th June	
HK million	2024	2023
Current taxation - Hong Kong	1	1
Current taxation - outside Hong Kong	33	25
Deferred taxation	19	24
Total	53	50

6. PROFIT FOR THE PERIOD AND SEGMENT INFORMATION

for the six months ended 30th June

HK million	Investments In Power Assets Holdings Limited	Infrastructure Investments										Total before unallocated items		Unallocated items		Consolidated				
		United Kingdom		Australia		Continental Europe		Hong Kong and Mainland China		Canada		New Zealand		2024	2023	2024	2023	2024	2023	
Turnover	-	-	9,094	9,185	3,507	3,308	2,361	2,514	1,477	1,696	1,410	1,580	1,241	1,251	19,090	19,534	-	-	19,090	19,534
Sales and interest income from infrastructure investments	-	-	212	579	327	410	110	107	751	981	101	116	977	987	2,478	3,180	-	-	2,478	3,180
Bank interest income	-	-	-	-	-	-	-	-	33	27	-	-	2	1	35	28	268	322	303	350
Other income	-	-	-	-	-	-	-	-	24	35	-	-	3	2	27	37	17	-	44	37
Change in fair value of other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5)	-	(5)
Depreciation and amortisation	-	-	-	-	-	-	-	-	(51)	(53)	-	-	(106)	(112)	(157)	(165)	(1)	-	(158)	(165)
Other operating expenses	-	-	-	-	-	-	-	-	(766)	(980)	-	-	(782)	(796)	(1,548)	(1,776)	(212)	(161)	(1,760)	(1,937)
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-	(54)	(50)	(54)	(50)	(361)	(320)	(415)	(370)
Exchange (loss)/gain	-	-	-	-	-	-	-	-	(4)	(9)	-	-	-	-	(4)	(9)	112	142	108	133
Share of results of associates and joint ventures	1,082	1,066	1,865	1,013	537	416	309	317	105	105	242	322	49	47	3,977	3,286	-	-	3,977	3,286
Profit/(Loss)																				
before taxation	1,082	1,066	1,865	1,592	864	826	419	424	92	106	343	438	89	79	4,754	4,531	(177)	(22)	4,577	4,509
Taxation	-	-	-	-	-	-	-	-	(2)	(3)	(42)	(36)	(9)	(7)	(53)	(46)	-	(4)	(53)	(50)
Profit/(Loss) for the period	1,082	1,066	1,865	1,592	864	826	419	424	90	103	301	402	80	72	4,701	4,485	(177)	(26)	4,524	4,459
Attributable to:																				
Shareholders of the Company	1,082	1,066	1,865	1,592	864	826	419	424	96	102	301	402	80	72	4,707	4,484	(396)	(245)	4,311	4,239
Owners of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	219	219	219	219
Non-controlling interests	-	-	-	-	-	-	-	-	(6)	1	-	-	-	-	(6)	1	-	-	(6)	1
	1,082	1,066	1,865	1,592	864	826	419	424	90	103	301	402	80	72	4,701	4,485	(177)	(26)	4,524	4,459

Segment profit attributable to shareholders of the Company represents the profit earned by each segment after the profit attributable to owners of perpetual capital securities and non-controlling interests without allocation of gains or losses from treasury activities, corporate overheads and other expenses of the Group's head office.

7. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of the Company of HK 4,311 million (2023: HK 4,239 million) and on 2,519,610,945 shares (2023: 2,519,610,945 shares) in issue during the interim period.

issue during the interim period.

8. INTERIM DIVIDEND

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

HK million	Six months ended 30th June	
	2024	2023
Interim dividend of HK 0.72 per share (2023: HK 0.71 per share)	1,814	1,789

9. DEBTORS AND PREPAYMENTS

Included in debtors and prepayments are trade debtors of HK 287 million (HK 363 million at 31st December, 2023) and their aging analysis is as follows:

HK million	30/6/2024	31/12/2023
Less than 1 month	211	199
1 to 3 months	45	102
More than 3 months but less than 12 months	23	54
More than 12 months	18	18
Gross total	297	373
Loss allowance	(10)	(10)
Total after allowance	287	363

Trade with customers is carried out largely on credit, except for new customers, residential customers of waste management services and customers with unsatisfactory payment records, where payment in advance is normally required. Invoices are normally due within 1 month of issuance, except for certain well-established customers, where the terms are extended to 2 months, and certain customers with disputed items, where the terms are negotiated individually. Each customer has a maximum credit limit, which was granted and approved by senior management in accordance with the laid-down credit review policy and procedures.

10. CREDITORS, ACCRUALS AND OTHERS

Included in creditors, accruals and others are trade creditors of HK 250 million (HK 329 million at 31st December, 2023) and their aging analysis is as follows:

HK million	30/6/2024	31/12/2023
Current	130	211
1 month	64	42
2 to 3 months	27	39
Over 3 months	29	37
Total	250	329

11. SHARE CAPITAL

There were no movements in the share capital of the Company in the six months ended 30th June, 2024.

12. NOTE TO CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

a) Funds from operations

HK million	Six months ended 30th June	
	2024	2023
Net cash from operating activities	641	1,686
Dividends received from associates	1,566	1,660
Dividends received from joint ventures	1,126	691
Funds from operations*	3,333	4,037

* Funds from operations represent net cash from operating activities and dividends received from associates and joint ventures.

b) Net cash from investing activities include the following:

HK million	Six months ended 30th June	
	2024	2023
Investment in joint ventures	(1,377)	(40)

13. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Except for certain investments in securities which are stated at cost, the carrying values of all financial assets and financial liabilities approximate to their fair values.

The fair value of the Group's financial instruments and non-financial instruments are grouped into Level 1 to 3 with reference to the observability and significance of the inputs used in the valuation technique 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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 30th June, 2024, investment properties amounting to HK 408 million (HK 408 million at 31st December, 2023) and unlisted investment in securities amounting to HK 352 million (HK 353 million at 31st December, 2023) were measured at fair value based on value inputs, other than quoted prices, that are observable either directly or indirectly. Other investments amounting to HK 1,189 million (HK 1,189 million at 31st December, 2023) were measured at fair value based on value inputs that are not observable market data but change of these value inputs to reasonable possible alternatives would not have material effect on the Group's results and financial position.

Derivative financial instruments were measured at fair value based on value inputs, other than quoted prices, that are observable either directly or indirectly.

14. COMMITMENTS

The Group's capital commitments outstanding at 30th June, 2024 and not provided for in the consolidated interim financial statements are as follows:

HK million	Contracted but not provided for	
	30/6/2024	31/12/2023
Investments in joint ventures	1	3
Plant and machinery	180	131
Other financial assets	128	139
Total	309	273

15. CONTINGENT LIABILITIES

The contingent liabilities of the Group are as follows:

HK million	30/6/2024	31/12/2023
Other guarantee given in respect of a joint venture	68	142
Performance bond indemnities	168	174
Sub-contractor warranties	24	22
Total	260	338

16. EVENT AFTER THE REPORTING PERIOD

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

17. REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The consolidated interim financial statements are unaudited, but have been reviewed by the Audit Committee.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that to the best of their knowledge:

- the financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants, which is identical to the International Accounting Standard 34 "Interim Financial Reporting" issued by International Accounting Standards Board, as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- this Interim Report 2024 includes a fair review of the information required by:
 - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules ("DTR") sourcebook of the UK's Financial Conduct Authority, being an indication of important events that have occurred during the first six months of the financial year ending 31st December, 2024 and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
 - DTR 4.2.8R, being related party transactions that have taken place in the first six months of the financial year ending 31st December, 2024, which have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the 2023 Annual Report that could materially affect the financial position or performance of the Group during the first six months of the financial year ending 31st December, 2024.

On behalf of the Board

Victor T K LI

Chairman

14th August, 2024

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

As at 30th June, 2024, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Rules Governing the Listing of Securities, to be notified to the Company and the Stock Exchange, were as follows:

(1) LONG POSITIONS IN SHARES

Name of Company	Name of Director	Capacity	Number of Ordinary Shares/Share Stapled Units				Total	Approximate % of Shareholding
			Personal Interests	Family Interests	Corporate Interests	Other Interests		
Company	Li Tzar Kuoi, Victor	Interest of child or spouse & beneficiary of trusts	-	227,000	-	5,428,000 (Note 1)	5,655,000	0.22%
	Kam Hing Lam	Beneficial owner	100,000	-	-	-	100,000	0.003%
CK Hutchison Holdings Limited	Li Tzar Kuoi, Victor	Beneficial Owner, interest of child or spouse, interest of controlled corporations & beneficiary of trusts	220,000	405,200	2,572,350 (Note 3)	1,162,632,010 (Note 2)	1,165,829,560	30.43%

	Kam Hing Lam	Beneficial owner & interest of child or spouse	51,040	57,360	-	-	108,400	0.002%
	Fok Kin Ning, Canning	Interest of controlled corporation	-	-	6,011,438 (Note 9)	-	6,011,438	0.15%
	Frank John Sixt	Beneficial owner	166,800	-	-	-	166,800	0.004%
	Lan Hong Tsung, David	Beneficial owner	13,680	-	-	-	13,680	0.0003%
	Lee Pui Ling, Angelina	Beneficial owner	111,334	-	-	-	111,334	0.002%
CK Hutchison Holdings Limited	George Colin Magnus	Beneficial owner, interest of child or spouse & founder & beneficiary of a discretionary trust	85,361	16,771	-	833,868 (Note 10)	936,000	0.02%
	Man Ka Keung, Simon	Beneficial owner & interest of child or spouse	9,895 (Note 11)	11,895 (Note 11)	-	-	11,895	0.0003%
Power Assets Holdings Limited	Kam Hing Lam	Interest of child or spouse	-	100,000	-	-	100,000	0.004%
	Lee Pui Ling, Angelina	Beneficial owner	8,800	-	-	-	8,800	0.0004%
HK Electric Investments and HK Electric Investments Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation & beneficiary of trusts	-	-	5,170,000 (Note 5)	2,700,000 (Note 6)	7,870,000	0.08%
	Kam Hing Lam	Interest of child or spouse	-	1,025,000	-	-	1,025,000	0.01%
	Fok Kin Ning, Canning	Interest of controlled corporation	-	-	2,000,000 (Note 9)	-	2,000,000	0.02%
	Lee Pui Ling, Angelina	Beneficial owner	2,000	-	-	-	2,000	0.00002%
Hutchison Telecommunications (Australia) Limited	Fok Kin Ning, Canning	Beneficial owner & interest of controlled corporation	4,100,000	-	1,000,000 (Note 9)	-	5,100,000	0.037%
	Frank John Sixt	Beneficial owner	1,000,000	-	-	-	1,000,000	0.007%
Hutchison Telecommunications Hong Kong Holdings Limited	Li Tzar Kuoi, Victor	Interest of child or spouse, interest of controlled corporations & beneficiary of trusts	-	192,000	353,047,203 (Note 7)	53,604,826 (Note 8)	406,844,029	8.44%
	Fok Kin Ning, Canning	Interest of controlled corporation	-	-	1,202,380 (Note 9)	-	1,202,380	0.024%
	Frank John Sixt	Beneficial owner	255,000	-	-	-	255,000	0.005%
	George Colin Magnus	Beneficial owner & interest of child or spouse	13,201	132	-	-	13,333	0.0002%

(2) LONG POSITIONS IN DEBENTURES

Name of Company	Name of Director	Capacity	Amount of Debentures				Total
			Personal Interests	Family Interests	Corporate Interests	Other Interests	
Cheung Kong Infrastructure Finance (BVI) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	-	-	US 10,000,000 4.2% Guaranteed Perpetual Capital Securities (Note 4)	-	US 10,000,000 4.2% Guaranteed Perpetual Capital Securities

Notes:

1. The discretionary beneficiaries of each of The Li Ka-Shing Unity Discretionary Trust ("DT1") and another discretionary trust ("DT2") are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard. Each of the trustees of DT1 and DT2 holds units in The Li Ka-Shing Unity Trust ("UT1") but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of UT1 holds a total of 5,428,000 shares of the Company.

The entire issued share capital of TUT1 and of the trustees of DT1 and DT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Unity Holdco. TUT1 is interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Unity Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as aforesaid.

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

2. The 1,162,632,010 shares in CK Hutchison Holdings Limited ("CK Hutchison") comprise:
 - (a) 1,005,817,044 shares held by TUT1 as trustee of UT1 together with certain companies which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT1 related companies"). By virtue of being a director of the Company and a discretionary beneficiary of each of DT1 and DT2 as described in Note 1 above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said shares of CK Hutchison held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO.
 - (b) 72,387,720 shares held by Li Ka-Shing Castle Trustee Company Limited ("TUT3") as trustee of The Li Ka-Shing Castle Trust ("UT3") together with certain companies which TUT3 as trustee of UT3 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT3 related companies"). The discretionary beneficiaries of each of the two discretionary trusts ("DT3" and "DT4") are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard. Each of the trustees of DT3 and DT4 holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust.

The entire issued share capital of TUT3 and of the trustees of DT3 and DT4 are owned by Li Ka-Shing Castle Holdings Limited ("Castle Holdco"). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Castle Holdco. TUT3 is only interested in the shares of CK Hutchison by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of CK Hutchison independently without any reference to Castle Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Castle Holdco as aforesaid.

By virtue of the above and as a director of the Company and a discretionary beneficiary of each of DT3 and DT4, Mr. Li Tzar Kuoi, Victor is also taken to have a duty of disclosure in relation to the said 72,387,720 shares of CK Hutchison held by TUT3 as trustee of UT3 and TUT3 related companies under the SFO.

- (c) 84,427,246 shares held by a company controlled by Li Ka-Shing Castle Trustee Corporation Limited as trustee of DT3.
3. The 2,572,350 shares in CK Hutchison comprise:

- (a) 2,272,350 shares held by certain companies in which Mr. Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.
 - (b) 300,000 shares held by Li Ka Shing Foundation Limited ("LKSF"). By virtue of the terms of the constituent documents of LKSF, Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.
4. Such interests are held by a company of which Mr. Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings.
5. The 5,170,000 share stapled units in HK Electric Investments and HK Electric Investments Limited ("HKEI") are held by LKSF. By virtue of the terms of the constituent documents of LKSF, Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.
6. The 2,700,000 share stapled units in HKEI are held by TUT1 as trustee of UT1. By virtue of being a director of the Company and a discretionary beneficiary of each of DT1 and DT2 as described in Note 1 above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said 2,700,000 shares stapled units of HKEI held by TUT1 as trustee of UT1 under the SFO.
7. The 353,047,203 shares in Hutchison Telecommunications Hong Kong Holdings Limited ("HTHK") comprise:
 - (a) 2,519,250 shares held by certain companies in which Mr. Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.
 - (b) 350,527,953 shares held by LKSF. By virtue of the terms of the constituent documents of LKSF, Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.
8. The 53,604,826 shares in HTHK comprise:
 - (a) 153,280 shares held by TUT3 as trustee of UT3. By virtue of being a director of the Company and a discretionary beneficiary of each of DT3 and DT4 as described in Note 2(b) above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said 153,280 shares of HTHK held by TUT3 as trustee of UT3 under the SFO.
 - (b) 53,451,546 shares held by TUT1 as trustee of UT1 together with a company which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings ("TUT1 related company"). By virtue of being a director of the Company and a discretionary beneficiary of each of DT1 and DT2 as described in Note 1 above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said 53,451,546 shares of HTHK held by TUT1 as trustee of UT1 and TUT1 related company under the SFO.
9. Such interests are held by a company which is equally owned by Mr. Fok Kin Ning, Canning and his wife.
10. Such interests comprise 184,000 shares held by a company controlled by a trust under which Mr. George Colin Magnus is a discretionary beneficiary and 649,868 shares indirectly held by a trust of which Mr. George Colin Magnus is the settlor and a discretionary beneficiary.
11. Such 9,895 shares are jointly held by Mr. Man Ka Keung, Simon and his wife, the remaining 2,000 shares are held by his wife.

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 30th June, 2024, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be

notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at 30th June, 2024, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

LONG POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES OF THE COMPANY

Name	Capacity	Number of		Approximate % of Shareholding
		Ordinary Shares	Total	
Hutchison Infrastructure Holdings Limited	Beneficial owner	1,906,681,945	1,906,681,945	75.67%
Aspire Rich Limited	Interest of controlled corporation	1,906,681,945 (Note i)	1,906,681,945	75.67%
Robust Faith Limited	Interest of controlled corporation	1,906,681,945 (Note i)	1,906,681,945	75.67%
CK Hutchison Capital Securities (2) Limited	Interest of controlled corporations	1,906,681,945 (Note ii)	1,906,681,945	75.67%
CK Hutchison Capital Securities (3) Limited	Interest of controlled corporations	1,906,681,945 (Note iii)	1,906,681,945	75.67%
CK Hutchison Global Investments Limited	Interest of controlled corporations	1,906,681,945 (Note iv)	1,906,681,945	75.67%
CK Hutchison Holdings Limited	Interest of controlled corporations	1,906,681,945 (Note v)	1,906,681,945	75.67%

Notes:

- i. This represents the same block of shares in the Company as shown against the name of Hutchison Infrastructure Holdings Limited ("HIHL") above. Since HIHL is equally controlled by Aspire Rich Limited ("Aspire Rich") and Robust Faith Limited ("Robust Faith"), each of Aspire Rich and Robust Faith is deemed to be interested in the same number of shares in which HIHL is interested under the SFO.
- ii. As Aspire Rich is wholly-owned by CK Hutchison Capital Securities (2) Limited ("CK 2"), CK 2 is deemed to be interested in the same number of shares in which Aspire Rich is deemed to be interested under the SFO.
- iii. As Robust Faith is wholly-owned by CK Hutchison Capital Securities (3) Limited ("CK 3"), CK 3 is deemed to be interested in the same number of shares in which Robust Faith is deemed to be interested under the SFO.
- iv. As CK 2 and CK 3 are wholly-owned by CK Hutchison Global Investments Limited ("CK Global"), CK Global is deemed to be interested in the same number of shares in which CK 2 and CK 3 are deemed to be interested under the SFO.
- v. As CK Global is wholly-owned by CK Hutchison Holdings Limited ("CK Hutchison"), CK Hutchison is deemed to be interested in the same number of shares in which CK Global is deemed to be interested under the SFO.

Save as disclosed above, as at 30th June, 2024, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE

The Board of Directors ("Board") and the management of the Company are committed to the maintenance of good corporate governance practices and procedures at the Company and its subsidiaries ("Group"). The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholder value. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders.

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code ("CG Code") as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") throughout the six months ended 30th June, 2024.

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

(1) BOARD COMPOSITION AND BOARD PRACTICES

The Board, accountable to the shareholders under the leadership of the Chairman of the Board ("Chairman"), leads, directs and supervises the Company's affairs to enable the long-term success of the Company. The Board is responsible for shaping and monitoring the corporate culture, setting long-term strategic objectives, policies and directions of the Company with appropriate focus on values creation and risk management. The Board evaluates the Group's operating, financial and sustainability performance and oversees the executive management of the Company.

As at 30th June, 2024 and as the date of this Interim Report, the Board consists of fifteen Directors, comprising eight Executive Directors (including the Chairman, Group Managing Director, two Deputy Chairmen, Deputy Managing Director, Chief Financial Officer and two Executive Directors), two Non-executive Directors and five Independent Non-executive Directors. Two Alternate Directors have been appointed. Throughout the six months ended 30th June, 2024 and up to the date of this Interim Report, one-third of the Board are Independent Non-executive Directors and more than one of them have appropriate professional qualifications, or accounting or related financial management expertise. All Directors (including Non-executive Directors) are subject to retirement by rotation at least once every three years. Retiring Directors are eligible for re-election by shareholders at general meetings in accordance with the Company's Bye-laws and the CG Code.

The positions of Chairman and Group Managing Director are currently held by separate individuals with a view to maintaining an effective segregation of duties respecting management of the Board and the day-to-day management of the Group's business.

All Directors make active contribution to the affairs of the Board and the Board acts in the best interests of the Group. In addition to regular Board meetings, the Chairman meets with the Independent Non-executive Directors without the presence of other Directors twice every year, providing an exclusive platform for Independent Non-executive Directors to raise concerns, exchange views and discuss issues about the Company or its business, such as corporate governance enhancement, efficiency of the Board and any other matters they may wish to discuss without the presence of the Executive Directors and the management.

The Company Secretary, reporting to the Chairman, advises the Board on corporate governance and other regulatory compliance matters and is responsible for keeping the Board abreast of developments in the law, rules and regulations that may affect the Company's business and

developments in the law, rules and regulations that may affect the Company's business and operations. The Company Secretary also assists the Board in monitoring the Company's compliance with Board procedures and the requirements under the Listing Rules and other applicable law, rules and regulations.

(2) MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the "Model Code for Securities Transactions by Directors of Listed Issuers" under Appendix C3 to the Listing Rules ("Model Code"). The Company will review and revise its code regarding directors' securities transactions to reflect any amendments to Appendix C3 to the Listing Rules from time to time. All Directors have confirmed that they have complied with the required standards set out in the Model Code regarding their dealings in securities of the Company during the six months ended 30th June, 2024.

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

(3) RISK MANAGEMENT AND INTERNAL CONTROL

The Company has an internal audit function in place to conduct ongoing an independent assessment of the Group's risk management (including significant risks relating to Environment, Social and Governance ("ESG")) and internal control systems and review of their effectiveness in accordance with the CG Code. The Group Internal Audit prepares its audit plan using a risk based methodology in consultation with, but independent of, the management for review by the audit committee of the Company ("Audit Committee"). The audit work focuses on financial, operational and compliance controls review and those areas of the Group's activities with greatest perceived risks (including ESG risks). An integral part of the internal audit function is to monitor and ensure effective implementation of the risk management and internal control systems.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group for the six months ended 30th June, 2024.

(4) AUDIT COMMITTEE

The Audit Committee comprises four members, all of whom are Independent Non-executive Director. The Audit Committee is chaired by Mr. Paul Joseph Tighe with Mr. Cheong Ying Chew, Henry, Mrs. Sng Sow-mei alias Poon Sow Mei and Mr. Lan Hong Tsung, David as members. The Audit Committee is responsible for overseeing the Group's financial reporting, risk management and internal control systems, monitoring the integrity of the Group's financial information, overseeing the relationship with the external auditor of the Company, reviewing the arrangements that the Company's employees may use, in confidence and anonymity, to raise concerns about possible improprieties and ensuring proper arrangements are in place for fair and independent investigations and follow-up actions, and performing corporate governance functions delegated by the Board.

The Group's interim report for the six months ended 30th June, 2024 have been reviewed by the Audit Committee.

(5) REMUNERATION COMMITTEE

A majority of the members of the Company's Remuneration Committee are Independent Non-executive Directors. The Remuneration Committee is chaired by Mr. Cheong Ying Chew, Henry, an

Independent Non-executive Director, with another Independent Non-executive Directors, Mrs. Sng Sow-mei alias Poon Sow Mei and the Chairman, Mr. Victor T K Li, as members. The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration packages of all Directors and the senior management, making recommendations on the remuneration of Non-executive Directors and, with delegated responsibility, determining the remuneration packages of individual Executive Directors and senior management, with reference to the corporate goals and objectives of the Board resolved from time to time.

(6) NOMINATION COMMITTEE

A majority of the members of the Company's Nomination Committee are Independent Non-executive Directors. The Nomination Committee is chaired by Mrs. Kwok Eva Lee, an Independent Non-executive Director, with another Independent Non-executive Director, Mr. Cheong Ying Chew, Henry and the Chairman, Mr. Victor T K Li, as members. The principal responsibilities of the Nomination Committee include reviewing the structure, size, diversity profile and skills matrix of the Board and the independence of the Independent Non-executive Directors, making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors and reviewing the Director Nomination Policy and the Board Diversity Policy of the Company periodically.

(7) SUSTAINABILITY COMMITTEE

The Sustainability Committee comprises three Directors, a majority of whom are Independent Non-executive Directors, and the Company Secretary. The Sustainability Committee is chaired by Mr. Ip Tak Chuen, Edmond, Deputy Chairman. Other members include two Independent Non-executive Directors, Mr. Lan Hong Tsung, David and Mr. Paul Joseph Tighe, and the Company Secretary, Ms. Eirene Yeung. The principal responsibilities of the Sustainability Committee include overseeing management, and advising the Board, on the development and implementation of the sustainability initiatives of the Group, including reviewing the related sustainability and ESG policies and practices, and assessing and making recommendations on matters concerning the Group's sustainability development and sustainability and ESG risks and opportunities.

(8) INVESTOR RELATIONS AND SHAREHOLDERS ENGAGEMENT

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

The Company commits to engaging stakeholders in ongoing dialogues to understand their evolving needs, concerns and expectations. The Company establishes different forms of engagement for different groups of stakeholders to keep consistent interactions and maintains different communication channels for shareholders and investors to communicate their views on matters regarding the Company's businesses and affairs. These channels include (i) corporate communications^{Note 1} published on the websites of the Company and the Stock Exchange with notice of availability of corporate communications to be distributed to shareholders^{Note 2} by email or by post (where applicable) (and, in case of actionable corporation communications^{Note 3}, further disseminated to shareholders in accordance with the Listing Rules); (ii) general meetings which provide a forum for shareholders to raise comments and exchange views with the Board; (iii) updated and key information regarding the Group available on the website of the Company; (iv) the Company's website which offers a communication platform between the Company and its shareholders and stakeholders; (v) press conferences and briefing meetings with analysts held from time to time, where applicable, to provide updates on the performance of the Group; (vi) the Company's Branch Share Registrar who deals with shareholders for share registration and related matters; (vii) the Corporate Affairs Department of the Company handling enquiries from shareholders and investors generally; and (viii) other dedicated communication channels, activities and events operated or organised by designated business units and departments at various levels engaging different groups of stakeholders.

Notes:

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

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30th June, 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury share). As at 30th June, 2024, the Company and its subsidiaries did not hold any treasury shares (whether in the Clearing and Settlement System, or otherwise).

DISCLOSURE UNDER CHAPTER 13 OF THE LISTING RULES

The following information is disclosed in accordance with Rule 13.22 of Chapter 13 of the Listing Rules:

As at 30th June, 2024, the Group's financial assistance to certain affiliated companies exceeded the assets ratio of 8 per cent. A combined statement of financial position of the affiliated companies as at 30th June, 2024 is set out below:

HK million	
Non-current assets	508,053
Current assets	28,982
Current liabilities	(67,853)
Non-current liabilities	(285,105)
Net assets	184,077
Share capital	55,355
Reserves	128,028
Non-controlling interests	694
Total equity	184,077

As at 30th June, 2024, the consolidated attributable interest of the Group in these affiliated companies amounted to HK 83,565 million.

RISK FACTORS

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

GLOBAL ECONOMY

Continued trade protectionism, fluctuation of major currencies, supply chain disruptions, persistent high interest rates and inflationary pressure in some countries, tight fiscal policy and monetary policy, high commodity prices and energy costs, cost of living crisis, continuing geopolitical tensions and increasing climate risks have created uncertainties and volatility in the world economy and global financial markets. Continued slowdown in global economic growth could lead to economic contractions in certain markets, commercial and consumer delinquencies, weakened consumer confidence, and increased market volatility and decline in the value of the assets.

The Group is a diversified infrastructure investment company with businesses presently in Hong Kong, Mainland China, the United Kingdom ("UK"), Continental Europe, Australia, New Zealand, Canada and the United States. Any adverse economic, social and/or political conditions in those countries and places in which the Group operates may potentially impact on the Group's businesses, financial condition or results of operations, asset values and liabilities.

ECONOMIC CONDITIONS AND INTEREST RATES

The industries in which the Group operates are affected by the economic conditions of the various places where the Group's investments or operations are located, the population growth of these places, market to market value of securities investments, the currency environment and interest rates cycles. There can be no assurance that the combination of the above factors the Group experiences in the future will not adversely affect its financial condition or results of operations.

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

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

CONCENTRATION IN GEOGRAPHICAL MARKETS AND BUSINESS TYPES

The business operation of the Group may be viewed as substantially concentrated in certain geographical markets or in one particular or more types of business. If and when the Group's operations are exposed to any deterioration in the economic, social or political conditions as well as any incidence of social unrest, strike, riot, civil disturbance or disobedience or terrorism, or even outbreaks of epidemics in such geographical markets or business segments, the adverse circumstances may materially disrupt the Group's operations and, in turn, impact the revenue, profitability and financial condition of the Group.

HIGHLY COMPETITIVE MARKETS

Unlike the Group's regulated businesses, which do not experience significant competition, some of the Group's non-regulated business, such as the Group's waste management, off-airport car parking, rolling stock leasing, cement and household infrastructure businesses, face competition across the diverse markets in which they operate. New market entrants and intensified price competition among existing market players could adversely affect the Group's businesses, financial condition, results of operations or growth prospects. Competition risks faced by the Group include (a) possible restrictions on the access by the shuttle buses operated by the Group's off- airport car parking businesses as imposed by the airport authorities that operates the on-airport car parking businesses; (b) the availability of rail link services from city centre to airport which may reduce the usage of the off-airport car park; and (c) significant competition and pricing pressure from other competitors attempting to capture a higher level of market share. Such risks may adversely affect the financial performance of the Group's operation.

INFRASTRUCTURE MARKET

The Group has historically focused, and continues to focus, its portfolio on regulated businesses in the power and infrastructure sectors. The infrastructure market is highly regulated. Some of the investments owned by the Group in the power and infrastructure sectors (for example, water, gas and electricity) are subject to regulatory pricing and strict adherence must be made to the licence requirements, codes and

guidelines established by the relevant regulatory authorities from time to time. Failure to comply with these licence requirements, codes or guidelines may lead to penalties, or, in extreme circumstances, amendment, suspension or cancellation of the relevant licences by the authorities. Many of the Group's regulated businesses have recently been undergoing challenging regulatory resets with lower permitted return and restrictions on shareholders' distribution under certain circumstances. Interest and inflation rates, high energy cost, energy windfall tax, cap on the energy retail prices in certain markets as well as tougher stances adopted by regulators may affect the returns of the Group's infrastructure businesses. Any operational practices that are significantly out of step with community expectations can lead to concerns with regulators or local or national governments, and may ultimately lead to more stringent regulatory resets, regulatory oversight as well as negative publicity that could also have a reputational impact.

The distribution and transmission networks of the Group's utilities investments are also exposed to supply interruptions. If an extreme weather and climate event, earthquake, storm, flood, fire, sabotage, terrorist attack, outbreaks of epidemics or any other unplanned event interrupts service, the loss of cash flow resulting from the interruption and the cost of recovery from network damage could be considerable and potentially cause poor customer perceptions and may also lead to claims and litigation. Moreover, some losses from events such as terrorist attacks may not be recoverable. The Russia-Ukraine conflict and the instability in the Middle East will continue to put energy supply at risk and cause substantial price volatility. Increases in the number or duration of supply interruptions could result in material increases in the costs associated with the operation of the distribution and transmission networks. The capacity factor (load factor) of the wind farms acquired by the Group could also be affected by the wind conditions, which could result in the fluctuation of revenues. Some investments in non-regulated business may also be impacted by regulatory reform. All of these uncertain factors could have a material adverse effect on the businesses, financial condition, results of operations or growth prospects of the Group.

CRUDE OIL MARKETS

The Group's investment in Husky Midstream Limited Partnership ("HMLP") comprises oil pipelines, storage facilities and ancillary assets in Canada. Its results of operation and financial condition may be dependent on the prices received for refined products and crude oil of Cenovus Energy Inc. ("Cenovus"). Fluctuation of crude oil prices could impact the value and quantity of Cenovus' oil production. HMLP also has other customers apart from Cenovus and their demand for HMLP's services may depend on prices received for their refined products and crude oil. Prices for refined products and crude oil are based on local and global supply and demand as well as availability and costs of transportation. Supply and demand may be affected by a number of factors including, but not limited to, actions taken by the Organisation of the Petroleum Exporting Countries (OPEC), non-OPEC crude oil supply, social and political conditions in oil producing countries, the occurrence of natural disasters, general and specific economic conditions, technological developments, prevailing weather patterns and the availability of alternate sources of energy. Furthermore, HMLP is also susceptible to unforeseen pipeline releases at rivers or nature reserves. If the above events occurred or further occurred, it may adversely affect the Group's financial condition and results of operations.

CAPEX INVESTMENT

Capex investment plans for regulated business are proposed and planned based on the asset conditions, regulatory compliance and government initiative, such as net zero emission and hydrogen plan. Aggressive targets could require huge capital investment in a short period of time. That would cause concerns on: affordability of the customers for the increase in tariff; construction is constrained by the availability of labour and resources. Excess demand would further drag up capital investment project costs, which might cause cost of funding not being able to be justified by the weighted average cost of capital (WACC) return allowed by the regulator.

A significant amount of capital expenditure is also required for the Group to maintain the assets of its existing businesses. While the relevant asset companies have their own asset management plans, there is a risk that due to unforeseen events, capital expenditure required for the replacement of assets could exceed budgeted amounts and hence affect the businesses, financial condition, results of operations or growth prospects of the Group.

CURRENCY FLUCTUATIONS

The Group is a global infrastructure group and is exposed to potential currency fluctuations in these countries and territories in which the Group operates, particularly with respect to U.S. dollars, Hong Kong dollars, Australian dollars, New Zealand dollars, British pounds sterling, Canadian dollars and Euros. The results of the Group are recorded in Hong Kong dollars but its various subsidiaries, associates and joint ventures may receive revenue and incur expenses in other currencies. Any currency fluctuations on translation of the accounts of these subsidiaries, associates and joint ventures and also on the repatriation of earnings, equity investments and loans may therefore impact the Group's financial condition or results of operations, asset values and liabilities.

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

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

CYBERSECURITY

With the fast expanding adoption of internet, networking, information and operational technology, rapid development of artificial intelligence (AI) technology, cyber fraud, cyber attacks and security breaches around the world are occurring at a higher frequency and intensity. As the Group's businesses focus on power and infrastructure sectors, they could be particularly prone to cyber-attacks and security breaches due to their structural importance. The Group's critical utility, data and information assets are not immune from attack, damage or unauthorised access. Cybersecurity risks could have material adverse effect on the operational and business performance, as well as the business reputation of the Group. The Group continuously strives to enhance the cybersecurity protection of its business.

There can be no assurance that the Group will be free from cyber fraud, cyber attacks or security breaches or that it will not experience any major damage to its assets or activities. Cyber fraud, cyber-attacks or security breaches suffered by the Group's systems could result in significant impact on the Group's business reputation, businesses, financial condition, results of operations or growth prospects. As threats related to cyber security develop and grow, the Group and its businesses may also find it necessary to make further investments to enhance cybersecurity, which may impact the Group's results of operations and financial condition.

LABOUR

The labour markets in which the Group operates are undergoing major short- and long-term structural changes. Unemployment rates are at lows and people are seeking to improve work life balance. There is a high level of uncertainty in labour availability and cost. There is no assurance that the situation will improve anytime soon. Turnover of key personnel may lead to disruption of businesses.

SUPPLY CHAIN DISRUPTIONS

Geopolitical tensions have disrupted supply of raw materials, transportation and port operations. In addition to escalating costs, unpredictable lead time and quality issues, there are widespread shortages of shipping availability. Increase in energy and oil prices has added complexity to the disruption. Global disruptions have spilled over to domestic supply chains. Specific domestic issues include shortage of labour which is particularly acute in some areas the Group is operating in. There is no assurance that the situation will improve anytime soon.

STRATEGIC PARTNERS

Most of the Group's businesses are conducted through non wholly-owned subsidiaries, associates, internal joint ventures, and, to a lesser extent, external joint ventures in which the Group shares control and strategic alliances had been formed by the Group with other strategic or business partners. There can be no assurance that any of the external strategic or business partners will continue their relationships with

the Group in the future or that the Group will be able to pursue its stated strategies with respect to its non wholly-owned subsidiaries, associates and joint ventures and the markets in which they operate. Furthermore, the joint venture partners may (a) have economic or business interests or goals that are inconsistent with those of the Group; (b) take actions contrary to the Group's policies or objectives; (c) undergo a change of control; (d) experience financial and other difficulties; or (e) be unable or unwilling to fulfill their obligations under the joint ventures, which may affect the Group's businesses, financial condition, results of operations or growth prospects.

IMPACT OF POSSIBLE ECONOMIC SANCTIONS ON BUSINESS PARTNERS, SUPPLIERS, CUSTOMERS OR BUSINESSES IN GENERAL

Governments and multinational organisations (including but not limited to the State Department and the Department of the Treasury's Office of Foreign Assets Control of the United States, His Majesty's Treasury, the Office of Financial Sanctions Implementation or other UK government agency, the European Union ("EU") or any member state thereof and the United Nations), from time to time administer certain laws and regulations that impose restrictions with respect to activities, transmission of funds or transactions with certain countries, governments, entities and individuals that are the subject of economic sanctions. There can be no assurance that such sanctions or other restrictions will not affect the jurisdictions in which the Group conducts its business, any of the Group's business partners, suppliers, customers or otherwise. To the extent that any such sanction or restriction is imposed in any jurisdictions where the Group's business operates, the Group may need to cease operations in those jurisdictions and suffer losses in that regard. If any of the Group's business partners or suppliers is impacted by sanctions or restrictions, the provision of goods, services or support by them may be disrupted or discontinued, which may affect the Group's ability to continue to operate related businesses. If any of the Group's business partners is affected by sanctions or restrictions, the discontinuation or disruption of strategic alliances with such business partners may also affect the Group's ability to continue to operate related businesses and/or may result in suspension of operations. There can be no assurance that the Group will be able to obtain alternative goods, services, support or alliance it needs for the operation of its business, in a timely manner or at competitive terms, and no assurance that any compensation recoverable from business partners or suppliers for the discontinued or disrupted supply, service, support or alliance will be available or adequate. If any of the Group's customers are affected by sanctions or restrictions, the Group may be forced to discontinue the provision of services or goods to such customers and the Group will suffer losses in that regard. If any of the Group's assets are in the possession of such customers, there can be no assurance that such assets can be repossessed by the Group especially if such assets are located in countries or regions subject to sanctions or restrictions and no assurance that any compensation recoverable from such customers or insurers for the Group's failure to repossess such assets will be available. Any of these factors could have a material adverse effect on the Group's financial condition and results of operations.

MERGERS AND ACQUISITIONS

The Group has undertaken significant merger and acquisition activities in the past, and as part of its strategic growth plans, expects to continue to do so in the future if there are appropriate acquisition opportunities in the market. In pursuit of new business opportunities, the Group is experiencing more intense competition where competing bidders are more aggressive in the valuation of the assets on the back of abundant market liquidity and lower return requirements, and a willingness to take market risk. Although due diligence and detailed analysis are conducted before merger and acquisition activities are undertaken, there can be no assurance that these can fully expose all hidden problems, potential liabilities and unresolved disputes that the target company may have. In addition, valuations and analyses on the target company conducted by the Group and by professionals alike are based on numerous assumptions, and there can be no assurance that those assumptions are correct or appropriate or that they will receive universal recognition. Relevant facts and circumstances used in the analyses could have changed over time, and new facts and circumstances may come to light as to render the previous assumptions and the valuations and analyses based thereon obsolete.

Some of these merger and acquisition activities are subject to regulatory approvals in overseas countries and there can be no assurance that such approvals will be obtained, and even if granted, there may be burdensome conditions attached to such approvals. There might be longer and more complicated foreign investment approval processes in particular for "sensitive" infrastructure assets such as electricity and gas networks. The increasing geopolitical tensions have accelerated these trends as governments have

Furthermore, the increasing geopolitical tensions have accelerated these trends as governments have responded with additional foreign investment regulations to protect local enterprises from foreign acquisitions and also to protect strategic assets from foreign control. The Group may not necessarily be able to successfully integrate the target business into the Group and may not be able to derive any synergy from the acquisition, leading to an increase in costs, time and resources. For merger and acquisition activities undertaken overseas, the Group may also be exposed to different and changing political, social, legal and regulatory requirements at the local, national and international level. The Group may also need to face different cultural issues when dealing with local employees, customers, governmental authorities and pressure groups.

IMPACT OF LOCAL, NATIONAL AND INTERNATIONAL REGULATIONS

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

Political, regulatory and media attention has increased significantly towards privatised companies in countries in which the Group operates. Regulators in some of these countries have warned of increasingly onerous regulatory resets, and some major political parties are promoting policies to bring energy, water and railways back into public ownership, which could potentially have serious and material consequences for the Group if such regulations and policies are enacted. Group companies are responding to these risks by focusing on their core strategies of delivering and outperforming regulatory outputs such as safety, reliability and customer service, at the lowest cost possible; by conveying the positive benefits to customers of the services they provide; and by engaging collaboratively with regulators and politicians to demonstrate the advantages of private ownership.

COMPLIANCE WITH PERSONAL DATA PROTECTION LEGISLATION

In the ordinary course of its operations, various businesses of the Group collect, store and use data that is protected by personal data protection laws in the different countries in which they operate. As regulatory focus on privacy issues continues to increase and worldwide laws and regulations concerning the handling of personal information expand and become more complex, potential risks related to personal data collection and use within the Group's businesses are expected to intensify.

In the event that any relevant business of the Group is unable to meet its obligations under applicable data protection laws, it may be subject to regulatory actions or civil claims. The cost of regulatory or legal actions, and any monetary 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.

HEALTH AND SAFETY LAWS OR REGULATIONS

Many aspects of the Group's businesses and their operations are inherently dangerous, such as the operation and maintenance of electricity generation and distribution businesses, and gas transmission and distribution businesses which have the potential to trigger operational hazards. In addition, certain operational aspects of the Group's businesses that are not currently regarded or proven to have adverse effects could be later found to be hazardous, such as the operations effected by electric and magnetic fields.

The Group's businesses are subject to laws and regulations governing health and safety matters to protect both the public, employees and contractors, who could potentially be harmed by these activities, as

well as laws and regulations relating to pollution, the protection of the environment, and the use and disposal of hazardous substances and waste materials, which are all subject to change in the future. Any breach of these obligations, or even incidents that do not amount to a breach could adversely affect the Group's results of operations and reputation.

The Group and its businesses are also increasingly subject to regulations in relation to climate change. While the Group commits significant expenditure towards complying with these laws and regulations, the cost of future environmental obligations is often inherently difficult to estimate. If additional and more onerous requirements are imposed on the Group or its businesses are less able to recover additional costs imposed, the Group's business, results of operations and financial condition may be materially and adversely affected.

ENVIRONMENTAL REGULATIONS

The Group is required to comply with numerous laws and regulations relating to the protection of the environment and land use in the UK, Australia, New Zealand, Continental Europe, Canada, Hong Kong, Mainland China and elsewhere. These laws and regulations may change over time.

The Group believes that it and its businesses have obtained all material environmental approvals currently required to operate their facilities. However, the Group and its businesses may incur significant additional costs as a result of current and future environmental regulations and requirements to obtain approvals. In addition, there can be no assurance that the requirements to obtain such approvals may not become more stringent in the future and that such approvals would be renewed when they expire. Furthermore, there is a risk that some environmental agencies may seek to retroactively alter certain permitting conditions, particularly in cases where certain practices were established and agreed upon in principle but were not documented.

In addition, the Group's businesses may be significantly impacted by evolving environmental regulations and decarbonisation efforts in the countries where they operate.

Failure to comply with environmental laws and regulations could result in the imposition of civil or criminal liabilities, the imposition of liens or fines and additional expenditures to bring the facilities into compliance, which would have a material adverse effect on the Group's business, financial condition, results of operations or growth prospects.

IMPACT OF NEW ACCOUNTING STANDARDS

The International Accounting Standards Board has from time to time issued a number of new and revised International Financial Reporting Standards ("IFRS"). The International Accounting Standards Board may in the future issue new and revised standards and interpretations. In addition, interpretations on the application of the IFRS will continue to develop. These factors may require the Group to adopt new accounting policies. The adoption of new accounting policies or new IFRS might or could have a significant impact on the Group's financial position or results of operations.

CONNECTED TRANSACTIONS

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

RISKS ARISING FROM CLIMATE CHANGE

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

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

TRANSITION RISKS

Pressure on businesses to support the transition to low-carbon economic systems is rising. In a low-carbon economy, emissions are minimised through the use of low-carbon resources, while resource efficiency is maximised by the reduction of wasteful and high-emissions consumption. Infrastructure businesses faced unexpected pressure from regulatory, legal, market, technological, and reputational risks generated by the transition which could have a material impact on the Group's businesses and adversely affect the Group's financial condition and results of operations. For example, additional legal and/or regulatory measures imposing limitation on GHG emissions or efficiency improvements, may results in potential litigation, operation restriction and significant compliance cost.

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, storms, drought, bushfires, frost and similar disasters and the occurrence of any of these disasters could disrupt the Group's business and materially and adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

There can be no assurance that earthquakes, floods, storms, drought, bushfires, extreme weather or other natural disasters will not occur and result in major damage to the Group's infrastructure projects, or assets or facilities or on the general supporting infrastructure facilities in the vicinity, which could adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

REPUTATIONAL RISKS

The Group's portfolio is primarily comprised of regulated businesses, and maintaining trust in the Group is critical to its ability to maintain strong relationships with the relevant regulators as well as investors and employees. Damage to the Group's reputation can therefore cause significant harm to its business and prospects. The Group also has strategic alliances with its affiliated companies, and the Group's reputation could also be harmed by the failure of an affiliate, a vendor or other third parties with which it does business, to comply with laws or regulations.

In addition, any failure or perceived failure of any of the Group's portfolio businesses to deliver appropriate standards of service and quality or to handle or use confidential information appropriately can result in user or regulators' dissatisfaction, litigation and heightened regulatory scrutiny, all of which can lead to lost turnover, higher operating costs and harm to the Group's and its businesses' reputation. Adverse publicity or negative information posted on social media regarding the Group or its businesses, whether or not true, may result in reputational harm, and have a material adverse effect on the Group's business and

prospects. Should any of these or other events or factors that can undermine the Group's reputation occur, there is no assurance that the additional costs and expenses that it may need to incur to address the issues giving rise to the reputational harm could not adversely affect its business and results of operations.

PUBLIC HEALTH EMERGENCY

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

POTENTIAL RISKS IN RELATION TO WITHDRAWAL OF THE UK FROM EUROPEAN UNION'S MEMBERSHIP ("BREXIT")

The UK left the EU on 31st January, 2020. The Trade and Cooperation Agreement between the UK and the EU, which was signed on 30th December, 2020 and applied provisionally as from 1st January, 2021, entered into force on 1st May, 2021. It sets out preferential arrangements in various aspects such as trade, security, areas on ongoing collaboration/cooperation and governance. Brexit has continued to create significant uncertainty about the new economic and social partnership between the UK and the EU, and has impacted trade intensity, labour availability, supply chain, exchange rates and gross domestic product levels in the UK.

SOCIAL INCIDENTS, TERRORIST THREATS AND GEOPOLITICAL TENSIONS

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

DIVIDENDS

Since its listing on the Hong Kong Stock Exchange in 1996, the Company has grown its dividends in each of the past 27 years. However, the Company's track record of dividend payment may not continue in the future. The Company's principal assets consist of its ownership stakes in its operating portfolio businesses. The Company's ability to pay dividends and fulfil its obligations depends, among other factors, on the ability of its portfolio businesses to distribute dividends, repay intercompany loans provided by the Company or extend intercompany loans to the Company. The Group's portfolio businesses are subject to regulations that may limit the amount of dividends, loans or advances they may make to the Company.

In addition, the Company's ability to pay dividends may be constrained by business considerations, such as the impact of dividends on the Company's credit ratings or competitive position. Furthermore, as a Bermuda incorporated company and under the Bye-laws, the Company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due or (ii) the realisable value of its assets would thereby become less than the aggregate of its liabilities and its issued share capital and share premium account.

DUAL LISTING OF THE COMPANY'S SHARES

Dual listing of the Company's shares on the Hong Kong Stock Exchange and the London Stock Exchange

Dual listing of the Company's shares on the Hong Kong Stock Exchange and the London Stock Exchange may lead to an inefficient market in the shares as it results in differences in liquidity, settlement and clearing systems, trading currencies, prices and transaction costs between the Hong Kong Stock Exchange and the London Stock Exchange. These and other factors can hinder the transferability of the Shares between the two exchanges.

The Company's shares are quoted and traded in Hong Kong dollars on the Hong Kong Stock Exchange. The shares will be quoted and traded in Pound Sterling on the London Stock Exchange. The market price of the shares on those exchanges may also differ due to exchange rate fluctuations.

Consequently, the trading in, and liquidity of, the Company's shares will be split between these two exchanges. The characteristics of the Hong Kong and UK capital markets are different. The Hong Kong Stock Exchange and the London Stock Exchange have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, market regulations, and investor bases. As a result of these differences, the price of the Shares may fluctuate and may at any time be different on the Hong Kong Stock Exchange and the London Stock Exchange, even allowing for currency differences. This could adversely affect the trading of the Shares on these exchanges and increase their price volatility and adversely affect the price and liquidity of the Shares on these exchanges.

PAST PERFORMANCE AND FORWARD LOOKING STATEMENTS

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

This interim report 2024 (both English and Chinese versions) ("Interim Report") has been published on the Company's website (<https://www.cki.com.hk>) and the website of Hong Kong Exchanges and Clearing Limited (<https://www.hkexnews.hk>) with notice of availability distributed to shareholders by email (if shareholders have provided a valid email address) or by post (if shareholders have not provided an email address or the email address is invalid). A copy of the English version has also been submitted to the National Storage Mechanism and will shortly be available for inspection at: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

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

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

Shareholders may at any time choose to change their choice as to the language of the Company's corporate communications (including but not limited to the Interim Report) by reasonable prior notice in writing to the Company c/o the Company's Branch Share Registrar by email to cki.ecom@computershare.com.hk or by post to 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Shareholders who have requested receiving the Company's corporate communications in printed form in either English or Chinese version will receive both English and Chinese versions of the Interim Report since both language versions are bound together into one booklet.

In order to receive actionable corporate communications by email, shareholders are also required to follow the relevant instructions set out in the "Dissemination of Corporate Communications" under the "Investor Information" section of the Company's website, to complete the relevant Request Form and return the

completed form to the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited.

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