Notes to the Financial Statements

1 General information

CK Hutchison Holdings Limited (the "Company" or "CKHH") is a company incorporated in the Cayman Islands with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") as at and for the year ended 31 December 2024 (the "Annual Financial Statements") were authorised for issue by the Company's board of directors on 20 March 2025.

The Chairman's Statement, the Operations Review, the Group Capital Resources and Liquidity, and the Risk Factors, issued outside the Annual Financial Statements as part of the announcement of the Group's results for the year ended 31 December 2024 and the Group's 2024 Annual Report, include discussions of the performance of the Group's businesses for the current year, the principal risk and uncertainties affecting the Group's businesses, the important corporate transactions concluded since the end of the 2023 financial year, and the Group's liquidity and financial profile.

2 Use of judgements, assumptions and estimates

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

In preparing the Annual Financial Statements, the Group has made accounting related estimates based on judgements and assumptions about current and, for some estimates, future economic and market conditions that the Group considers are relevant and reasonable. It is reasonably possible that actual achievements, results, performances or other future events or conditions could differ from those on which the estimates are based. This could result in materially different estimates, judgements and assumptions from those used for the purposes of the Annual Financial Statements. Hence, our accounting estimates, judgements and assumptions could change over time in response to how these events and conditions develop. Note 45 sets out further information on our significant accounting judgements, estimates and assumptions applied in preparing the Annual Financial Statements.

3 Basis of preparation

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

The Annual Financial Statements have been prepared on a historical cost basis, except that defined benefit plans plan assets, investment properties, certain financial assets and liabilities (including derivative instruments) are measured at fair values.

There were no new accounting standards or interpretations adopted during the year ended 31 December 2024 that had a significant effect on the Group in 2024. A summary of the amendments to HKFRS adopted by the Group in the current year and the Group's material accounting policies are included in note 46.

4 Revenue

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

	2024 HK$ million	2023 HK$ million
Sale of goods	**162,682**	161,147
Revenue from services	**110,586**	105,838
Interest	**7,969**	8,448
Dividend income	**114**	142
	281,351	275,575

4 Revenue (continued)

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

(i) By segments *

	Revenue from contracts with customers				
	recognised at a point in time HK$ million	recognised over time HK$ million	Subtotal HK$ million	Revenue from other sources HK$ million	2024 Total HK$ million
Ports and Related Services	–	34,133	34,133	154	34,287
Retail	135,918	42	135,960	–	135,960
Infrastructure	3,564	–	3,564	1,894	5,458
Telecommunications **					
CK Hutchison Group Telecom					
3 Group Europe	*13,020*	*68,669*	*81,689*	*12*	*81,701*
Hutchison Telecommunications Hong Kong Holdings	*1,221*	*3,561*	*4,782*	*–*	*4,782*
Corporate and Others	*–*	*699*	*699*	*1,049*	*1,748*
	14,241	72,929	87,170	1,061	88,231
Finance & Investments and Others **	11,227	1,112	12,339	5,076	17,415
	164,950	108,216	273,166	8,185	281,351

	Revenue from contracts with customers				
	recognised at a point in time HK$ million	recognised over time HK$ million	Subtotal HK$ million	Revenue from other sources HK$ million	2023 Total HK$ million
Ports and Related Services	–	30,794	30,794	160	30,954
Retail	133,624	48	133,672	–	133,672
Infrastructure	3,728	–	3,728	2,877	6,605
Telecommunications **					
CK Hutchison Group Telecom					
3 Group Europe	*12,652*	*67,558*	*80,210*	*12*	*80,222*
Hutchison Telecommunications Hong Kong Holdings	*1,364*	*3,532*	*4,896*	*–*	*4,896*
Corporate and Others	*26*	*444*	*470*	*1,095*	*1,565*
	14,042	71,534	85,576	1,107	86,683
Finance & Investments and Others **	12,022	1,096	13,118	4,543	17,661
	163,416	103,472	266,888	8,687	275,575

* See note 5 for operating segment information.

** Hutchison Asia Telecommunications, reported previously in this note under "Telecommunications", is grouped within and reported as a part of "Finance & Investments and Others" with effect from 1 January 2024. Comparative information has been reclassified to conform to this presentation. See note 5(a) under "Telecommunications" for further details.

4 Revenue (continued)

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

(ii) By geographical locations *

	Revenue from contracts with customers				
	recognised at a point in time HK$ million	recognised over time HK$ million	Subtotal HK$ million	Revenue from other sources HK$ million	2024 Total HK$ million
Hong Kong	24,334	4,171	28,505	258	28,763
Mainland China	16,590	240	16,830	3	16,833
The People's Republic of China	40,924	4,411	45,335	261	45,596
Europe	77,047	82,372	159,419	1,630	161,049
Canada	–	1	1	203	204
Asia, Australia and Others	35,752	20,320	56,072	1,015	57,087
	112,799	102,693	215,492	2,848	218,340
	153,723	107,104	260,827	3,109	263,936
Finance & Investments and Others	11,227	1,112	12,339	5,076	17,415
	164,950	108,216	273,166	8,185	281,351

	Revenue from contracts with customers				
	recognised at a point in time HK$ million	recognised over time HK$ million	Subtotal HK$ million	Revenue from other sources HK$ million	2023 Total HK$ million
Hong Kong	25,402	4,167	29,569	288	29,857
Mainland China	19,817	231	20,048	24	20,072
The People's Republic of China	45,219	4,398	49,617	312	49,929
Europe	72,857	80,145	153,002	1,707	154,709
Canada	–	–	–	229	229
Asia, Australia and Others	33,318	17,833	51,151	1,896	53,047
	106,175	97,978	204,153	3,832	207,985
	151,394	102,376	253,770	4,144	257,914
Finance & Investments and Others	12,022	1,096	13,118	4,543	17,661
	163,416	103,472	266,888	8,687	275,575

* See note 5 for operating segment information.

4 Revenue (continued)

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

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

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

	2024	2023
	HK$ million	HK$ million
Trade receivables, which are included in "Trade receivables and other current assets" (see note 24)	**15,327**	16,297
Contract assets (see notes 21 and 24)	**7,121**	7,580
Contract liabilities (see note 26)	**(5,500)**	(5,948)

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. In 2024, HK$717 million (2023: HK$653 million) was recognised in the consolidated income statement as provision for expected credit losses on trade receivables.

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. In 2024, HK$1,018 million (2023: HK$927 million) was recognised in the consolidated income statement as provision for expected credit losses on contract assets.

Contract liabilities primarily relate to the Group's unfulfilled performance obligations for which consideration has been received at the reporting date. On fulfilment of its obligations, the contract liability is recognised in revenue in the period when the performance obligations are fulfilled. HK$4,792 million (2023: HK$4,614 million) was recognised as revenue in 2024 that was included in the contract liability balance at the beginning of the year.

(d) Transaction price allocated to the remaining performance obligations

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

	2024	2023
	HK$ million	HK$ million
Within one year	**12,200**	15,384
More than one year	**7,121**	5,195
	19,321	20,579

5 Operating segment information

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

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

Segment information sets out in this note is organised into these four core businesses, as follows:

Ports and Related Services:

This division is the world's leading port network, and has interests in 53 ports comprising 295 operational berths in 24 countries as at 31 December 2024. The division comprises the Group's 80% interest in the Hutchison Ports group of companies and its 30.07% interest in a listed associated company Hutchison Port Holdings Trust ("HPH Trust"). Results of HPH Trust are included in the segment results (under Ports and Related Services) based on the Group's effective shareholdings (net of non-controlling interests) in HPH Trust.

Retail:

The retail division consists of the AS Watson ("ASW") group of companies, the world's largest international health and beauty retailer with a 170 million loyalty member base. ASW operated 12 retail brands with 16,951 stores in 30 markets worldwide as at 31 December 2024.

Infrastructure:

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

Telecommunications:

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

Hutchison Asia Telecommunications, previously presented under "Telecommunications" in this operating segment note, is grouped within and presented as a part of "Finance & Investments and Others" with effect from 1 January 2024. This is to conform to a change in the composition of internal management reporting to the Group's most senior executive management. Comparative operating segment information in this note has been reclassified to conform to this new presentation.

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

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

5 Operating segment information (continued)

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

Segment information sets out below is presented, except where indicated otherwise, on a Pre-HKFRS 16 basis together with reconciliations to the total under the Post-HKFRS 16 basis. Section (c) of this note includes reconciliation from Pre-HKFRS 16 basis metrics to Post-HKFRS 16 basis metrics for the Group's consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flows for the current and comparative years, and the Group's consolidated statement of financial position as at 31 December 2024 and 31 December 2023.

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

(b) Segment results, assets and liabilities

(i) An analysis of revenue by segments

	Revenue							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
Ports and Related Services	**34,287**	**10,995**	**45,282**	**9%**	30,954	9,897	40,851	9%
Retail	**135,960**	**54,233**	**190,193**	**40%**	133,672	49,672	183,344	40%
Infrastructure	**5,458**	**49,866**	**55,324**	**12%**	6,605	48,109	54,714	12%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	*81,701*	*9*	*81,710*	*18%*	*80,222*	*9*	*80,231*	*17%*
Hutchison Telecommunications Hong Kong Holdings	*4,782*	*–*	*4,782*	*1%*	*4,896*	*–*	*4,896*	*1%*
Corporate and Others	*1,748*	*131*	*1,879*	*–*	*1,565*	*122*	*1,687*	*–*
	88,231	**140**	**88,371**	**19%**	86,683	131	86,814	18%
Finance & Investments and Others	**17,415**	**80,097**	**97,512**	**20%**	17,661	78,174	95,835	21%
	281,351	**195,331**	**476,682**	**100%**	275,575	185,983	461,558	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**–**	**1,296**	**1,296**		–	1,158	1,158	
Divesture of infrastructure investments	**–**	**901**	**901**		–	813	813	
	281,351	**197,528**	**478,879**		275,575	187,954	463,529	
HKFRS 16 impact	**–**	**–**	**–**		–	–	–	
	281,351	**197,528**	**478,879**		275,575	187,954	463,529	

5 Operating segment information (continued)

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

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

(ii) An analysis of EBITDA by segments

	EBITDA (LBITDA) (xiv)							
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2024 Total HK$ million	%	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
Ports and Related Services	12,098	4,074	16,172	16%	10,104	3,524	13,628	13%
Retail	11,274	5,121	16,395	16%	11,335	4,891	16,226	15%
Infrastructure	1,765	27,849	29,614	29%	3,364	25,837	29,201	28%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	*22,689*	*433*	*23,122*	*22%*	*21,059*	*289*	*21,348*	*20%*
Hutchison Telecommunications Hong Kong Holdings	*1,236*	*54*	*1,290*	*1%*	*1,182*	*61*	*1,243*	*1%*
Corporate and Others	*(256)*	*(27)*	*(283)*	–	*(240)*	*(10)*	*(250)*	–
	23,669	460	24,129	23%	22,001	340	22,341	21%
Finance & Investments and Others (xvi) (xvii)	(176)	16,466	16,290	16%	5,631	17,853	23,484	23%
EBITDA	48,630	53,970	102,600	100%	52,435	52,445	104,880	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	–	909	909		–	780	780	
EBITDA ^	48,630^	54,879^	103,509^		52,435^	53,225^	105,660^	
Depreciation and amortisation	(26,391)	(22,047)	(48,438)		(25,957)	(20,623)	(46,580)	
Interest expenses and other finance costs	(10,678)	(8,977)	(19,655)		(9,720)	(10,427)	(20,147)	
Current tax	(4,199)	(4,594)	(8,793)		(4,123)	(3,582)	(7,705)	
Deferred tax credit (charge)	(528)	(1,665)	(2,193)		1,083	(1,878)	(795)	
Non-controlling interests	(6,829)	(571)	(7,400)		(6,708)	(482)	(7,190)	
	5	17,025	17,030		7,010	16,233	23,243	
HKFRS 16 impact								
EBITDA ^	17,132^	5,376^	22,508^		16,959^	5,470^	22,429^	
Depreciation and amortisation	(14,069)	(4,112)	(18,181)		(14,126)	(4,101)	(18,227)	
Interest expenses and other finance costs	(2,714)	(1,681)	(4,395)		(2,507)	(1,546)	(4,053)	
Current tax	10	–	10		4	–	4	
Deferred tax	–	52	52		33	72	105	
Non-controlling interests	64	–	64		(1)	–	(1)	
	428	16,660	17,088		7,372	16,128	23,500	
^ Reconciliation to Post-HKFRS 16 basis EBITDA:								
Pre-HKFRS 16 basis EBITDA per above	48,630	54,879	103,509		52,435	53,225	105,660	
HKFRS 16 impact per above	17,132	5,376	22,508		16,959	5,470	22,429	
Post-HKFRS 16 basis EBITDA (see note 33(a)(i))	65,762	60,255	126,017		69,394	58,695	128,089	

5 Operating segment information (continued)

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

(iii) An analysis of EBIT by segments

	EBIT (LBIT) (xv)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
Ports and Related Services	**9,239**	**2,634**	**11,873**	**22%**	7,261	2,067	9,328	16%
Retail	**8,766**	**4,252**	**13,018**	**24%**	8,785	4,103	12,888	22%
Infrastructure	**1,490**	**17,690**	**19,180**	**35%**	3,079	16,483	19,562	33%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe								
EBITDA before the following non-cash items:	**22,689**	**433**	**23,122**		21,059	289	21,348	
Depreciation	**(11,852)**	**(351)**	**(12,203)**		(11,489)	(260)	(11,749)	
Amortisation of licence fees, other rights, customer acquisition and retention costs	**(7,316)**	**–**	**(7,316)**		(7,199)	–	(7,199)	
EBIT – 3 Group Europe	**3,521**	**82**	**3,603**	**6%**	2,371	29	2,400	4%
Hutchison Telecommunications Hong Kong Holdings	**154**	**14**	**168**	**–**	100	16	116	–
Corporate and Others	**(259)**	**(27)**	**(286)**	**–**	(241)	(10)	(251)	–
	3,416	**69**	**3,485**	**6%**	2,230	35	2,265	4%
Finance & Investments and Others (xvi) (xvii)	**(672)**	**7,547**	**6,875**	**13%**	5,123	9,402	14,525	25%
EBIT	**22,239**	**32,192**	**54,431**	**100%**	26,478	32,090	58,568	100%
Portion attributable to:								
Non-controlling interests of HPH Trust	**–**	**640**	**640**		–	512	512	
EBIT ^	**22,239^**	**32,832^**	**55,071^**		26,478^	32,602^	59,080^	
Interest expenses and other finance costs	**(10,678)**	**(8,977)**	**(19,655)**		(9,720)	(10,427)	(20,147)	
Current tax	**(4,199)**	**(4,594)**	**(8,793)**		(4,123)	(3,582)	(7,705)	
Deferred tax credit (charge)	**(528)**	**(1,665)**	**(2,193)**		1,083	(1,878)	(795)	
Non-controlling interests	**(6,829)**	**(571)**	**(7,400)**		(6,708)	(482)	(7,190)	
	5	**17,025**	**17,030**		7,010	16,233	23,243	
HKFRS 16 impact								
EBIT ^	**3,063^**	**1,264^**	**4,327^**		2,833^	1,369^	4,202^	
Interest expenses and other finance costs	**(2,714)**	**(1,681)**	**(4,395)**		(2,507)	(1,546)	(4,053)	
Current tax	**10**	**–**	**10**		4	–	4	
Deferred tax	**–**	**52**	**52**		33	72	105	
Non-controlling interests	**64**	**–**	**64**		(1)	–	(1)	
	428	**16,660**	**17,088**		7,372	16,128	23,500	
^ Reconciliation to Post-HKFRS 16 basis EBIT:								
Pre-HKFRS 16 basis EBIT per above	**22,239**	**32,832**	**55,071**		26,478	32,602	59,080	
HKFRS 16 impact per above	**3,063**	**1,264**	**4,327**		2,833	1,369	4,202	
Post-HKFRS 16 basis EBIT	**25,302**	**34,096**	**59,398**		29,311	33,971	63,282	

5 Operating segment information (continued)

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

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

	Depreciation and amortisation					
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million
Ports and Related Services	**2,859**	**1,440**	**4,299**	2,843	1,457	4,300
Retail	**2,508**	**869**	**3,377**	2,550	788	3,338
Infrastructure	**275**	**10,159**	**10,434**	285	9,354	9,639
Telecommunications						
CK Hutchison Group Telecom						
3 Group Europe	*19,168*	*351*	*19,519*	*18,688*	*260*	*18,948*
Hutchison Telecommunications Hong Kong Holdings	*1,082*	*40*	*1,122*	*1,082*	*45*	*1,127*
Corporate and Others	*3*	*–*	*3*	*1*	*–*	*1*
	20,253	**391**	**20,644**	19,771	305	20,076
Finance & Investments and Others	**496**	**8,919**	**9,415**	508	8,451	8,959
	26,391	**21,778**	**48,169**	25,957	20,355	46,312
Portion attributable to:						
Non-controlling interests of HPH Trust	**–**	**269**	**269**	–	268	268
	26,391	**22,047**	**48,438**	25,957	20,623	46,580
Divesture of infrastructure investments	**–**	**212**	**212**	–	176	176
	26,391	**22,259**	**48,650**	25,957	20,799	46,756
HKFRS 16 impact	**14,069**	**4,112**	**18,181**	14,126	4,101	18,227
	40,460	**26,371**	**66,831**	40,083	24,900	64,983

(v) An analysis of capital expenditure by segments

	Capital expenditure [(xxii)]							
	Fixed assets HK$ million	**Telecom-munications licences HK$ million**	**Brand names and other rights HK$ million**	**2024 Total HK$ million**	Fixed assets HK$ million	Telecom-munications licences HK$ million	Brand names and other rights HK$ million	2023 Total HK$ million
Ports and Related Services	**3,804**	**–**	**16**	**3,820**	5,511	–	10	5,521
Retail	**3,240**	**–**	**–**	**3,240**	2,814	–	–	2,814
Infrastructure	**363**	**–**	**–**	**363**	320	–	2	322
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	*12,408*	*59*	*1,897*	*14,364*	*12,450*	*1,937*	*1,663*	*16,050*
Hutchison Telecommunications Hong Kong Holdings	*434*	*–*	*–*	*434*	*481*	*–*	*–*	*481*
Corporate and Others	*1*	*–*	*–*	*1*	*2*	*–*	*–*	*2*
	12,843	**59**	**1,897**	**14,799**	12,933	1,937	1,663	16,533
Finance & Investments and Others	**345**	**13**	**–**	**358**	301	19	–	320
	20,595	**72**	**1,913**	**22,580**	21,879	1,956	1,675	25,510
HKFRS 16 impact	**(230)**	**–**	**–**	**(230)**	(209)	–	–	(209)
	20,365	**72**	**1,913**	**22,350**	21,670	1,956	1,675	25,301

5 Operating segment information (continued)

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

(vi) An analysis of total assets by segments

	Total assets							
	Segment assets (xx) HK$ million	Deferred tax assets HK$ million	Investments in associated companies and interests in joint ventures HK$ million	2024 Total assets HK$ million	Segment assets (xx) HK$ million	Deferred tax assets HK$ million	Investments in associated companies and interests in joint ventures HK$ million	2023 Total assets HK$ million
Ports and Related Services	70,019	490	22,825	93,334	75,587	609	21,519	97,715
Retail	201,748	1,701	16,999	220,448	201,155	1,802	17,233	220,190
Infrastructure	54,777	1	168,113	222,891	59,577	2	171,277	230,856
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	*263,429*	*14,162*	*2,664*	*280,255*	*275,196*	*16,858*	*2,628*	*294,682*
Hutchison Telecommunications Hong Kong Holdings	*15,208*	*1*	*112*	*15,321*	*15,776*	*2*	*109*	*15,887*
Corporate and Others	*25,226*	*–*	*3*	*25,229*	*26,995*	*–*	*1*	*26,996*
	303,863	14,163	2,779	320,805	317,967	16,860	2,738	337,565
Finance & Investments and Others	121,400	68	85,603	207,071	131,868	64	89,124	221,056
	751,807	16,423	296,319	1,064,549	786,154	19,337	301,891	1,107,382
HKFRS 16 impact	48,532	1,717	(2,256)	47,993	51,700	1,737	(1,916)	51,521
	800,339	18,140	294,063	1,112,542	837,854	21,074	299,975	1,158,903

(vii) An analysis of total liabilities by segments

	Total liabilities							
	Segment liabilities (xx) HK$ million	Current & non-current borrowings (xxi) and other non-current liabilities HK$ million	Current & deferred tax liabilities HK$ million	2024 Total liabilities HK$ million	Segment liabilities (xx) HK$ million	Current & non-current borrowings (xxi) and other non-current liabilities HK$ million	Current & deferred tax liabilities HK$ million	2023 Total liabilities HK$ million
Ports and Related Services	11,044	10,385	4,531	25,960	11,591	14,867	4,535	30,993
Retail	28,340	6,626	10,369	45,335	27,748	7,056	10,900	45,704
Infrastructure	6,809	19,131	535	26,475	7,236	24,551	615	32,402
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	*28,865*	*14,883*	*3,622*	*47,370*	*32,856*	*16,319*	*3,935*	*53,110*
Hutchison Telecommunications Hong Kong Holdings	*1,657*	*2,118*	*198*	*3,973*	*1,835*	*2,249*	*123*	*4,207*
Corporate and Others	*865*	*44,914*	*46*	*45,825*	*1,105*	*44,428*	*26*	*45,559*
	31,387	61,915	3,866	97,168	35,796	62,996	4,084	102,876
Finance & Investments and Others	9,714	191,885	2,739	204,338	8,642	198,493	4,462	211,597
	87,294	289,942	22,040	399,276	91,013	307,963	24,596	423,572
HKFRS 16 impact	63,067	(1,695)	(698)	60,674	66,865	(1,225)	(858)	64,782
	150,361	288,247	21,342	459,950	157,878	306,738	23,738	488,354

5 Operating segment information (continued)

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

(viii) An analysis of revenue by geographical locations

	Revenue (xix)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
Hong Kong	**28,763**	**5,143**	**33,906**	**7%**	29,857	4,554	34,411	8%
Mainland China	**16,833**	**7,506**	**24,339**	**5%**	20,072	7,264	27,336	6%
The People's Republic of China	**45,596**	**12,649**	**58,245**	**12%**	49,929	11,818	61,747	14%
Europe	**161,049**	**83,323**	**244,372**	**52%**	154,709	76,970	231,679	50%
Canada	**204**	**3,151**	**3,355**	**1%**	229	3,633	3,862	1%
Asia, Australia and Others	**57,087**	**16,111**	**73,198**	**15%**	53,047	15,388	68,435	14%
	218,340	**102,585**	**320,925**	**68%**	207,985	95,991	303,976	65%
	263,936	**115,234**	**379,170**	**80%**	257,914	107,809	365,723	79%
Finance & Investments and Others	**17,415**	**80,097**	**97,512**	**20%**	17,661	78,174	95,835	21%
	281,351	**195,331**	**476,682 ****	**100%**	275,575	185,983	461,558 **	100%

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

(ix) An analysis of EBITDA by geographical locations

	EBITDA (LBITDA) (xiv)							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
Hong Kong	**469**	**1,884**	**2,353**	**2%**	1,182	1,686	2,868	3%
Mainland China	**613**	**2,577**	**3,190**	**3%**	1,484	2,222	3,706	4%
The People's Republic of China	**1,082**	**4,461**	**5,543**	**5%**	2,666	3,908	6,574	7%
Europe	**34,121**	**22,393**	**56,514**	**55%**	31,516	20,612	52,128	49%
Canada	**199**	**1,834**	**2,033**	**2%**	230	1,978	2,208	2%
Asia, Australia and Others	**13,404**	**8,816**	**22,220**	**22%**	12,392	8,094	20,486	19%
	47,724	**33,043**	**80,767**	**79%**	44,138	30,684	74,822	70%
	48,806	**37,504**	**86,310**	**84%**	46,804	34,592	81,396	77%
Finance & Investments and Others (xvi) (xvii)	**(176)**	**16,466**	**16,290**	**16%**	5,631	17,853	23,484	23%
	48,630	**53,970**	**102,600 ##**	**100%**	52,435	52,445	104,880 ##	100%

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

5 Operating segment information (continued)

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

(x) An analysis of EBIT by geographical locations

	EBIT (LBIT) (xv)							
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2024 Total HK$ million	%	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
Hong Kong	(1,017)	945	(72)	–	(342)	741	399	1%
Mainland China	(110)	1,822	1,712	3%	632	1,460	2,092	3%
The People's Republic of China	(1,127)	2,767	1,640	3%	290	2,201	2,491	4%
Europe	12,911	15,499	28,410	52%	10,865	14,376	25,241	43%
Canada	200	1,155	1,355	2%	229	1,308	1,537	3%
Asia, Australia and Others	10,927	5,224	16,151	30%	9,971	4,803	14,774	25%
	24,038	21,878	45,916	84%	21,065	20,487	41,552	71%
	22,911	24,645	47,556	87%	21,355	22,688	44,043	75%
Finance & Investments and Others (xvi) (xvii)	(672)	7,547	6,875	13%	5,123	9,402	14,525	25%
	22,239	32,192	54,431 @@	100%	26,478	32,090	58,568 @@	100%

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

(xi) An analysis of capital expenditure by geographical locations

	Capital expenditure (xxii)							
	Fixed assets HK$ million	Telecom-munications licences HK$ million	Brand names and other rights HK$ million	2024 Total HK$ million	Fixed assets HK$ million	Telecom-munications licences HK$ million	Brand names and other rights HK$ million	2023 Total HK$ million
Hong Kong	1,241	–	–	1,241	1,389	–	–	1,389
Mainland China	668	–	–	668	658	–	–	658
The People's Republic of China	1,909	–	–	1,909	2,047	–	–	2,047
Europe	15,088	59	1,897	17,044	14,799	1,088	1,663	17,550
Asia, Australia and Others	3,253	–	16	3,269	4,732	849	12	5,593
	18,341	59	1,913	20,313	19,531	1,937	1,675	23,143
	20,250	59	1,913	22,222	21,578	1,937	1,675	25,190
Finance & Investments and Others	345	13	–	358	301	19	–	320
	20,595	72	1,913	22,580	21,879	1,956	1,675	25,510
HKFRS 16 impact	(230)	–	–	(230)	(209)	–	–	(209)
	20,365	72	1,913	22,350	21,670	1,956	1,675	25,301

5 Operating segment information (continued)

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

(xii) An analysis of total assets by geographical locations

	Total assets							
	Segment assets (xx)	Deferred tax assets	Investments in associated companies and interests in joint ventures	2024 Total assets	Segment assets (xx)	Deferred tax assets	Investments in associated companies and interests in joint ventures	2023 Total assets
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong	47,825	287	10,631	58,743	48,053	161	10,656	58,870
Mainland China	29,076	570	15,298	44,944	33,223	688	15,184	49,095
The People's Republic of China	76,901	857	25,929	103,687	81,276	849	25,840	107,965
Europe	432,453	14,787	119,130	566,370	444,041	17,614	117,538	579,193
Canada	4,969	1	10,980	15,950	4,333	2	12,329	16,664
Asia, Australia and Others	116,084	710	54,677	171,471	124,636	808	57,060	182,504
	553,506	15,498	184,787	753,791	573,010	18,424	186,927	778,361
	630,407	16,355	210,716	857,478	654,286	19,273	212,767	886,326
Finance & Investments and Others	121,400	68	85,603	207,071	131,868	64	89,124	221,056
	751,807	16,423	296,319	1,064,549	786,154	19,337	301,891	1,107,382
HKFRS 16 impact	48,532	1,717	(2,256)	47,993	51,700	1,737	(1,916)	51,521
	800,339	18,140	294,063	1,112,542	837,854	21,074	299,975	1,158,903

5 Operating segment information (continued)

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

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

The Group's EBITDA and EBIT for the year ended 31 December 2024 included the losses attributable to shareholders from the impairment charge against the assets of the Group's telecommunications business in Vietnam of HK$1,859 million and other provisions of HK$1,881 million (see note 5(b)(xvii)).

An analysis of EBITDA by segments

	EBITDA (LBITDA) (xiv)							
	Company and Subsidiaries	**Associates and JV**	**2024 Total**		Company and Subsidiaries	Associates and JV	2023 Total	
	HK$ million	**HK$ million**	**HK$ million**	**%**	HK$ million	HK$ million	HK$ million	%
EBITDA before the following one-off item								
Ports and Related Services	**12,098**	**4,074**	**16,172**	**15%**	10,104	3,524	13,628	13%
Retail	**11,274**	**5,121**	**16,395**	**15%**	11,335	4,891	16,226	15%
Infrastructure	**1,765**	**27,849**	**29,614**	**28%**	3,364	25,837	29,201	28%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***22,689***	***433***	***23,122***	***22%***	*21,059*	*289*	*21,348*	*20%*
Hutchison Telecommunications Hong Kong Holdings	***1,236***	***54***	***1,290***	***1%***	*1,182*	*61*	*1,243*	*1%*
Corporate and Others	***(256)***	***(27)***	***(283)***	**–**	*(240)*	*(10)*	*(250)*	–
	23,669	**460**	**24,129**	**23%**	22,001	340	22,341	21%
Finance & Investments and Others (xvi)	**3,564**	**16,466**	**20,030**	**19%**	5,631	17,853	23,484	23%
	52,370	**53,970**	**106,340**	**100%**	52,435	52,445	104,880	100%
One-off item								
Impairment of telecommunications business in Vietnam and other provisions (xvii)	**(3,740)**	**–**	**(3,740)**		–	–	–	
	48,630	**53,970**	**102,600 ##**		52,435	52,445	104,880 ##	

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

5 Operating segment information (continued)

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

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

An analysis of EBITDA by geographical locations

	EBITDA (LBITDA) (xiv)							
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2024 Total HK$ million	%	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
EBITDA before the following one-off item								
Hong Kong	469	1,884	2,353	2%	1,182	1,686	2,868	3%
Mainland China	613	2,577	3,190	3%	1,484	2,222	3,706	4%
The People's Republic of China	1,082	4,461	5,543	5%	2,666	3,908	6,574	7%
Europe	34,121	22,393	56,514	53%	31,516	20,612	52,128	49%
Canada	199	1,834	2,033	2%	230	1,978	2,208	2%
Asia, Australia and Others	13,404	8,816	22,220	21%	12,392	8,094	20,486	19%
	47,724	33,043	80,767	76%	44,138	30,684	74,822	70%
	48,806	37,504	86,310	81%	46,804	34,592	81,396	77%
Finance & Investments and Others (xvi)	3,564	16,466	20,030	19%	5,631	17,853	23,484	23%
	52,370	53,970	106,340	100%	52,435	52,445	104,880	100%
One-off item								
Impairment of telecommunications business in Vietnam and other provisions (xvii)	(3,740)	–	(3,740)		–	–	–	
	48,630	53,970	102,600 ##		52,435	52,445	104,880 ##	

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

5 Operating segment information (continued)

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

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

An analysis of EBIT by segments

	EBIT (LBIT) [(xv)]							
	Company and Subsidiaries HK$ million	**Associates and JV HK$ million**	**2024 Total HK$ million**	**%**	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
EBIT before the following one-off item								
Ports and Related Services	**9,239**	**2,634**	**11,873**	**21%**	7,261	2,067	9,328	16%
Retail	**8,766**	**4,252**	**13,018**	**22%**	8,785	4,103	12,888	22%
Infrastructure	**1,490**	**17,690**	**19,180**	**33%**	3,079	16,483	19,562	33%
Telecommunications								
CK Hutchison Group Telecom								
3 Group Europe	***3,521***	***82***	***3,603***	***6%***	*2,371*	*29*	*2,400*	*4%*
Hutchison Telecommunications Hong Kong Holdings	***154***	***14***	***168***	**–**	*100*	*16*	*116*	–
Corporate and Others	***(259)***	***(27)***	***(286)***	**–**	*(241)*	*(10)*	*(251)*	–
	3,416	**69**	**3,485**	**6%**	2,230	35	2,265	4%
Finance & Investments and Others [(xvi)]	**3,068**	**7,547**	**10,615**	**18%**	5,123	9,402	14,525	25%
	25,979	**32,192**	**58,171**	**100%**	26,478	32,090	58,568	100%
One-off item								
Impairment of telecommunications business in Vietnam and other provisions [(xvii)]	**(3,740)**	**–**	**(3,740)**		–	–	–	
	22,239	**32,192**	**54,431** @@		26,478	32,090	58,568 @@	

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

5 Operating segment information (continued)

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

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

An analysis of EBIT by geographical locations

	EBIT (LBIT) (xv)							
	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2024 Total HK$ million	%	Company and Subsidiaries HK$ million	Associates and JV HK$ million	2023 Total HK$ million	%
EBIT before the following one-off item								
Hong Kong	(1,017)	945	(72)	–	(342)	741	399	1%
Mainland China	(110)	1,822	1,712	3%	632	1,460	2,092	3%
The People's Republic of China	(1,127)	2,767	1,640	3%	290	2,201	2,491	4%
Europe	12,911	15,499	28,410	49%	10,865	14,376	25,241	43%
Canada	200	1,155	1,355	2%	229	1,308	1,537	3%
Asia, Australia and Others	10,927	5,224	16,151	28%	9,971	4,803	14,774	25%
	24,038	21,878	45,916	79%	21,065	20,487	41,552	71%
	22,911	24,645	47,556	82%	21,355	22,688	44,043	75%
Finance & Investments and Others (xvi)	3,068	7,547	10,615	18%	5,123	9,402	14,525	25%
	25,979	32,192	58,171	100%	26,478	32,090	58,568	100%
One-off item								
Impairment of telecommunications business in Vietnam and other provisions (xvii)	(3,740)	–	(3,740)		–	–	–	
	22,239	32,192	54,431 @@		26,478	32,090	58,568 @@	

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

5 Operating segment information (continued)

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

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

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

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

(xvii) The balance includes an impairment charge of HK$1,859 million (HK$1,859 million at Post-HKFRS 16 basis, see note 7(e)) against assets of the Group's telecommunications business in Vietnam and provisions totalling HK$1,881 million for exposures relating to the Group's interest in this business. The total amount of HK$3,740 million is at EBITDA and EBIT levels and is reported under "Finance & Investments and Others" in the segment results. In the consolidated income statement, these charges are reported in the line item "Other expenses and losses" with HK$1,859 million presented as "Impairment loss on telecommunications business in Vietnam" and HK$1,881 million included in "Office and general administrative expenses and others".

(xviii) The Group is working with the UK Competition and Markets Authority to put in place the final undertakings in order to close the **3** UK and Vodafone UK merger transaction with completion expected within the first half of 2025.

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

5 Operating segment information (continued)

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

(xx) Segment assets and segment liabilities

Segment assets are assets other than deferred tax assets and investments in associated companies and interests in joint ventures.

Segment liabilities are liabilities other than bank and other debts, interest bearing loans from non-controlling shareholders, tax liabilities (including deferred tax liabilities) and other non-current liabilities.

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

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

	2024 HK$ million	2023 HK$ million
Hong Kong	**73,423**	72,857
Mainland China	**54,341**	57,362
The People's Republic of China	**127,764**	130,219
Europe	**513,988**	523,476
Canada	**59,958**	62,643
Asia, Australia and Others	**185,897**	197,955
	759,843	784,074
	887,607	914,293

The geographical location of these specified non-current assets is based on the physical location of the asset (for fixed assets, right-of-use assets and other operating assets), the location of the operation in which they are allocated (for intangible assets and goodwill), and the location of operations (for associated companies and interests in joint ventures).

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

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

5 Operating segment information (continued)

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

(i) Consolidated Income Statement

	2024			2023		
	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million
Revenue	281,351	–	281,351	275,575	–	275,575
Cost of inventories sold	(106,223)	29	(106,194)	(105,771)	32	(105,739)
Staff costs	(41,591)	–	(41,591)	(39,226)	–	(39,226)
Expensed customer acquisition and retention costs	(15,787)	354	(15,433)	(15,577)	389	(15,188)
Depreciation and amortisation	(26,391)	(14,069)	(40,460)	(25,957)	(14,126)	(40,083)
Other expenses and losses	(69,594)	16,699	(52,895)	(64,633)	16,538	(48,095)
Other income and gains	474	50	524	2,067	–	2,067
Share of profits less losses of:						
Associated companies	7,012	(109)	6,903	8,215	(77)	8,138
Joint ventures	10,013	(256)	9,757	8,018	(28)	7,990
	39,264	2,698	41,962	42,711	2,728	45,439
Interest expenses and other finance costs	(10,678)	(2,714)	(13,392)	(9,720)	(2,507)	(12,227)
Profit before tax	28,586	(16)	28,570	32,991	221	33,212
Current tax	(4,199)	10	(4,189)	(4,123)	4	(4,119)
Deferred tax credit (charge)	(528)	–	(528)	1,083	33	1,116
Profit after tax	23,859	(6)	23,853	29,951	258	30,209
Profit attributable to non-controlling interests and holders of perpetual capital securities	(6,829)	64	(6,765)	(6,708)	(1)	(6,709)
Profit attributable to ordinary shareholders	17,030	58	17,088	23,243	257	23,500
Earnings per share for profit attributable to ordinary shareholders	HK$ 4.45	HK$ 0.01	HK$ 4.46	HK$ 6.07	HK$ 0.07	HK$ 6.14

5 Operating segment information (continued)

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

(ii) Consolidated Statement of Comprehensive Income

	2024			2023		
	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million
Profit after tax	23,859	(6)	23,853	29,951	258	30,209
Other comprehensive income (losses)						
Items that will not be reclassified to profit or loss						
Changes in fair value of equity instruments at fair value through other comprehensive income	(528)	–	(528)	718	–	718
Remeasurement of defined benefit obligations	810	–	810	(1,470)	–	(1,470)
Share of other comprehensive income (losses) of associated companies	(83)	–	(83)	(560)	–	(560)
Share of other comprehensive income (losses) of joint ventures	(945)	–	(945)	269	–	269
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	(90)	–	(90)	376	–	376
	(836)	–	(836)	(667)	–	(667)
Items that may be reclassified to profit or loss						
Changes in fair value of debt instruments at fair value through other comprehensive income	126	–	126	120	–	120
Exchange gains (losses) on translation of foreign operations	(10,064)	521	(9,543)	8,100	(329)	7,771
Exchange losses reclassified to profit or loss	–	–	–	344	(2)	342
Losses on cash flow hedges	(132)	–	(132)	(1,059)	–	(1,059)
Gains (losses) on net investment hedges	1,484	–	1,484	(1,641)	–	(1,641)
Reclassification adjustments for hedging gains included in profit or loss	–	–	–	(1,735)	–	(1,735)
Share of other comprehensive income (losses) of associated companies	(5,658)	(12)	(5,670)	1,812	77	1,889
Share of other comprehensive income (losses) of joint ventures	(5,348)	37	(5,311)	3,748	(20)	3,728
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	5	–	5	4	–	4
	(19,587)	546	(19,041)	9,693	(274)	9,419
Other comprehensive income (losses), net of tax	(20,423)	546	(19,877)	9,026	(274)	8,752
Total comprehensive income	3,436	540	3,976	38,977	(16)	38,961
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	(4,061)	(94)	(4,155)	(7,560)	84	(7,476)
Total comprehensive income (losses) attributable to ordinary shareholders	(625)	446	(179)	31,417	68	31,485

5 Operating segment information (continued)

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

(iii) Consolidated Statement of Financial Position

	2024			2023		
	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million
Non-current assets						
Fixed assets	113,994	(2,217)	111,777	121,957	(2,131)	119,826
Right-of-use assets	–	57,589	57,589	–	61,198	61,198
Leasehold land	5,443	(5,443)	–	5,958	(5,958)	–
Telecommunications licences	63,869	–	63,869	64,264	–	64,264
Brand names and other rights	79,241	–	79,241	83,396	–	83,396
Goodwill	267,325	–	267,325	271,136	–	271,136
Associated companies	140,713	(858)	139,855	144,375	(737)	143,638
Interests in joint ventures	155,606	(1,398)	154,208	157,516	(1,179)	156,337
Deferred tax assets	16,423	1,717	18,140	19,337	1,737	21,074
Liquid funds and other listed investments	8,142	–	8,142	15,786	–	15,786
Other non-current assets	19,589	614	20,203	19,356	506	19,862
	870,345	50,004	920,349	903,081	53,436	956,517
Current assets						
Cash and cash equivalents	121,303	–	121,303	127,323	–	127,323
Inventories	24,923	–	24,923	24,473	–	24,473
Trade receivables and other current assets	47,978	(2,011)	45,967	52,505	(1,915)	50,590
	194,204	(2,011)	192,193	204,301	(1,915)	202,386
Current liabilities						
Bank and other debts	31,427	(471)	30,956	58,785	(461)	58,324
Interest bearing loan from a non-controlling shareholder	1,874	–	1,874	–	–	–
Current tax liabilities	3,431	(63)	3,368	4,215	(49)	4,166
Lease liabilities	–	12,142	12,142	–	13,616	13,616
Trade payables and other current liabilities	84,097	(1,452)	82,645	87,477	(1,058)	86,419
	120,829	10,156	130,985	150,477	12,048	162,525
Net current assets	73,375	(12,167)	61,208	53,824	(13,963)	39,861
Total assets less current liabilities	943,720	37,837	981,557	956,905	39,473	996,378
Non-current liabilities						
Bank and other debts	226,021	(585)	225,436	214,362	(764)	213,598
Interest bearing loans from non-controlling shareholders	1,597	–	1,597	3,245	–	3,245
Lease liabilities	–	52,377	52,377	–	54,307	54,307
Deferred tax liabilities	18,609	(635)	17,974	20,381	(809)	19,572
Pension obligations	3,197	–	3,197	3,536	–	3,536
Other non-current liabilities	29,023	(639)	28,384	31,571	–	31,571
	278,447	50,518	328,965	273,095	52,734	325,829
Net assets	665,273	(12,681)	652,592	683,810	(13,261)	670,549
Capital and reserves						
Share capital	3,830	–	3,830	3,830	–	3,830
Share premium	242,972	–	242,972	242,972	–	242,972
Reserves	296,847	(8,934)	287,913	306,629	(9,396)	297,233
Total ordinary shareholders' funds	543,649	(8,934)	534,715	553,431	(9,396)	544,035
Perpetual capital securities	–	–	–	4,566	–	4,566
Non-controlling interests	121,624	(3,747)	117,877	125,813	(3,865)	121,948
Total equity	665,273	(12,681)	652,592	683,810	(13,261)	670,549

5 Operating segment information (continued)

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

(iv) Consolidated Statement of Cash Flows

	2024			2023		
	Pre-HKFRS 16 basis	**Effect on adoption of HKFRS 16**	**Post-HKFRS 16 basis**	Pre-HKFRS 16 basis	Effect on adoption of HKFRS 16	Post-HKFRS 16 basis
	HK$ million	**HK$ million**	**HK$ million**	HK$ million	HK$ million	HK$ million
	(A)		**(B)**	(A)		(B)
Operating activities						
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	**57,913**	**17,217**	**75,130**	58,574	16,842	75,416
Interest expenses and other finance costs paid (net of capitalisation)	**(10,553)**	**(2,714)**	**(13,267)**	(9,576)	(2,507)	(12,083)
Tax paid	**(4,652)**	**–**	**(4,652)**	(3,931)	–	(3,931)
Funds from operations (Funds from operations under (B) is before principal elements of lease payments)	**42,708**	**14,503**	**57,211**	45,067	14,335	59,402
Changes in working capital	**(2,189)**	**(794)**	**(2,983)**	(7,909)	(56)	(7,965)
Net cash from operating activities	**40,519**	**13,709**	**54,228**	37,158	14,279	51,437
Investing activities						
Purchase of fixed assets	**(20,595)**	**230**	**(20,365)**	(21,879)	209	(21,670)
Additions to telecommunications licences	**(72)**	**–**	**(72)**	(1,956)	–	(1,956)
Additions to brand names and other rights	**(1,913)**	**–**	**(1,913)**	(1,675)	–	(1,675)
Purchase of subsidiary companies, net of cash acquired	**(4,114)**	**–**	**(4,114)**	(55)	–	(55)
Additions to unlisted investments	**(44)**	**–**	**(44)**	(74)	–	(74)
Repayments of loans from associated companies and joint ventures	**1,242**	**–**	**1,242**	2,829	–	2,829
Purchase of and advances to associated companies and joint ventures	**(2,470)**	**–**	**(2,470)**	(819)	–	(819)
Proceeds from disposal of fixed assets	**146**	**–**	**146**	168	–	168
Proceeds from disposal of subsidiary companies, net of cash disposed	**333**	**–**	**333**	2,563	–	2,563
Proceeds from disposal of financial instruments	**–**	**–**	**–**	2,451	–	2,451
Proceeds from partial disposal/disposal of associated companies and joint ventures	**179**	**–**	**179**	734	–	734
Proceeds from disposal of other unlisted investments	**266**	**–**	**266**	74	–	74
Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments	**(27,042)**	**230**	**(26,812)**	(17,639)	209	(17,430)
Disposal of liquid funds and other listed investments	**7,172**	**–**	**7,172**	2,088	–	2,088
Additions to liquid funds and other listed investments	**(262)**	**–**	**(262)**	(73)	–	(73)
Cash flows used in investing activities	**(20,132)**	**230**	**(19,902)**	(15,624)	209	(15,415)
Net cash inflow before financing activities	**20,387**	**13,939**	**34,326**	21,534	14,488	36,022
Financing activities						
New borrowings	**54,806**	**(212)**	**54,594**	58,420	(209)	58,211
Repayment of borrowings	**(60,577)**	**376**	**(60,201)**	(75,558)	197	(75,361)
Principal elements of lease payments	**–**	**(14,103)**	**(14,103)**	–	(14,476)	(14,476)
Net loans from non-controlling shareholders	**466**	**–**	**466**	527	–	527
Issue of equity securities by subsidiary companies to non-controlling shareholders	**624**	**–**	**624**	–	–	–
Proceeds from partial disposal of subsidiary companies	**–**	**–**	**–**	61	–	61
Redemption of perpetual capital securities	**(4,180)**	**–**	**(4,180)**	–	–	–
Dividends paid to ordinary shareholders	**(9,433)**	**–**	**(9,433)**	(10,885)	–	(10,885)
Dividends paid to non-controlling interests	**(7,951)**	**–**	**(7,951)**	(4,694)	–	(4,694)
Distributions paid on perpetual capital securities	**(162)**	**–**	**(162)**	(167)	–	(167)
Cash flows used in financing activities	**(26,407)**	**(13,939)**	**(40,346)**	(32,296)	(14,488)	(46,784)
Decrease in cash and cash equivalents	**(6,020)**	**–**	**(6,020)**	(10,762)	–	(10,762)
Cash and cash equivalents at 1 January	**127,323**	**–**	**127,323**	138,085	–	138,085
Cash and cash equivalents at 31 December	**121,303**	**–**	**121,303**	127,323	–	127,323

5 Operating segment information (continued)

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

(iv) Consolidated Statement of Cash Flows (continued)

	2024			2023		
	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million	Pre-HKFRS 16 basis HK$ million	Effect on adoption of HKFRS 16 HK$ million	Post-HKFRS 16 basis HK$ million
Analysis of cash, liquid funds and other listed investments						
Cash and cash equivalents, as above	121,303	–	121,303	127,323	–	127,323
Liquid funds and other listed investments	8,142	–	8,142	15,786	–	15,786
Total cash, liquid funds and other listed investments	129,445	–	129,445	143,109	–	143,109
Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	259,059	(1,056)	258,003	274,919	(1,225)	273,694
Interest bearing loans from non-controlling shareholders	3,471	–	3,471	3,245	–	3,245
Net debt	133,085	(1,056)	132,029	135,055	(1,225)	133,830
Interest bearing loans from non-controlling shareholders	(3,471)	–	(3,471)	(3,245)	–	(3,245)
Net debt (excluding interest bearing loans from non-controlling shareholders)	129,614	(1,056)	128,558	131,810	(1,225)	130,585

6 Directors' emoluments

	2024 HK$ million	2023 HK$ million
Directors' emoluments	**424**	419

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

As at 31 December 2024 and 31 December 2023, the Company and its subsidiary companies do not have share option scheme. None of the directors have received any share-based payments from the Company or any of its subsidiaries during the year (2023: nil).

In 2024, the five individuals whose emoluments were the highest for the year were directors of the Company. In 2023, the five individuals whose emoluments were the highest for the year were four directors of the Company and one director of a subsidiary of the Company. The remuneration of the director of the subsidiary company consisted of basic salary, allowances and benefits-in-kind of HK$4.94 million; provident fund contribution of HK$0.39 million and discretionary bonus of HK$23.85 million.

6 Directors' emoluments (continued)

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

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

	2024					
Name of directors	Director's fees HK$ million	Basic salaries, allowances and benefits-in-kind HK$ million	Discretionary bonuses HK$ million	Provident fund contributions HK$ million	Inducement or compensation fees HK$ million	Total emoluments HK$ million
Victor T K LI (1) (2)						
Paid by the Company	0.31	5.31	46.04	–	–	51.66
Paid by CKI	0.13	–	30.02	–	–	30.15
	0.44	5.31	76.06	–	–	81.81
FOK Kin Ning, Canning (3)	0.22	8.41	71.57	0.72	–	80.92
Frank John SIXT (3) (4)	0.28	12.07	74.21	–	–	86.56
LAI Kai Ming, Dominic (3)	0.22	7.53	71.52	0.62	–	79.89
IP Tak Chuen, Edmond						
Paid by the Company	0.22	0.45	1.79	–	–	2.46
Paid by CKI	0.10	1.80	2.35	–	–	4.25
	0.32	2.25	4.14	–	–	6.71
KAM Hing Lam						
Paid by the Company	0.22	2.59	8.56	–	–	11.37
Paid by CKI	0.08	4.20	10.57	–	–	14.85
	0.30	6.79	19.13	–	–	26.22
Edith SHIH (3) (4)	0.28	4.99	17.84	0.37	–	23.48
Andrew John HUNTER (5)						
Paid by the Company	0.16	–	1.06	–	–	1.22
Paid by CKI	0.08	14.37	17.67	1.44	–	33.56
	0.24	14.37	18.73	1.44	–	34.78
CHOW Kun Chee, Roland (6)	0.22	–	–	–	–	0.22
CHOW WOO Mo Fong, Susan (6)	0.22	–	–	–	–	0.22
LEE Yeh Kwong, Charles (6)	0.22	–	–	–	–	0.22
George Colin MAGNUS (6)						
Paid by the Company	0.22	–	–	–	–	0.22
Paid by CKI	0.08	–	–	–	–	0.08
	0.30	–	–	–	–	0.30
CHOW Ching Yee, Cynthia (2) (7) (8)	0.39	–	–	–	–	0.39
Graeme Allan JACK (7) (8) (9)	0.02	–	–	–	–	0.02
Philip Lawrence KADOORIE (7)	0.22	–	–	–	–	0.22
LEUNG LAU Yau Fun, Sophie (1) (7)	0.25	–	–	–	–	0.25
Paul Joseph TIGHE (1) (7) (8)						
Paid by the Company	0.37	–	–	–	–	0.37
Paid by CKI	0.20	–	–	–	–	0.20
	0.57	–	–	–	–	0.57
TSIM Sin Ling, Ruth (4) (7) (8) (10)	0.39	–	–	–	–	0.39
WONG Kwai Lam (2) (7) (8)	0.41	–	–	–	–	0.41
WONG Yick-ming, Rosanna (11)	0.15	–	–	–	–	0.15
Total	5.66	61.72	353.20	3.15	–	423.73

6 Directors' emoluments (continued)

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

	2023					
Name of directors	Director's fees HK$ million	Basic salaries, allowances and benefits-in-kind HK$ million	Discretionary bonuses HK$ million	Provident fund contributions HK$ million	Inducement or compensation fees HK$ million	Total emoluments HK$ million
Victor T K LI (1) (2)						
Paid by the Company	0.31	5.14	44.70	–	–	50.15
Paid by CKI	0.13	–	30.02	–	–	30.15
	0.44	5.14	74.72	–	–	80.30
FOK Kin Ning, Canning (3)	0.22	12.28	116.14	1.10	–	129.74
Frank John SIXT (3) (4)	0.28	9.48	59.36	0.53	–	69.65
LAI Kai Ming, Dominic (3)	0.22	6.23	57.22	0.51	–	64.18
IP Tak Chuen, Edmond						
Paid by the Company	0.22	1.72	8.94	–	–	10.88
Paid by CKI	0.10	1.80	11.79	–	–	13.69
	0.32	3.52	20.73	–	–	24.57
KAM Hing Lam						
Paid by the Company	0.22	2.52	8.31	–	–	11.05
Paid by CKI	0.08	4.20	10.82	–	–	15.10
	0.30	6.72	19.13	–	–	26.15
Edith SHIH (3) (4)	0.28	4.84	16.22	0.36	–	21.70
CHOW Kun Chee, Roland (6)	0.22	–	–	–	–	0.22
CHOW WOO Mo Fong, Susan (6)	0.22	–	–	–	–	0.22
LEE Yeh Kwong, Charles (6)	0.22	–	–	–	–	0.22
George Colin MAGNUS (6)						
Paid by the Company	0.22	–	–	–	–	0.22
Paid by CKI	0.08	–	–	–	–	0.08
	0.30	–	–	–	–	0.30
LEE Wai Mun, Rose (12)	0.33	–	–	–	–	0.33
CHOW Ching Yee, Cynthia (7) (8) (13)	0.02	–	–	–	–	0.02
Philip Lawrence KADOORIE (7)	0.22	–	–	–	–	0.22
LEUNG LAU Yau Fun, Sophie (1) (7)	0.25	–	–	–	–	0.25
Paul Joseph TIGHE (7) (8)						
Paid by the Company	0.35	–	–	–	–	0.35
Paid by CKI	0.20	–	–	–	–	0.20
	0.55	–	–	–	–	0.55
WONG Kwai Lam (2) (7) (8)	0.41	–	–	–	–	0.41
WONG Yick-ming, Rosanna (1) (2) (4) (7)	0.37	–	–	–	–	0.37
Total	5.17	48.21	363.52	2.50	–	419.40

(1) Member of the Nomination Committee.

(2) Member of the Remuneration Committee.

(3) Directors' fees to these Directors from the Company's listed subsidiaries during the period they served as directors have been paid to the Company and are not included in the amounts above.

(4) Member of the Sustainability Committee.

(5) Appointed on 1 April 2024.

(6) Non-executive Director.

(7) Independent Non-executive Director. The total emoluments of the Independent Non-executive Directors of the Company are HK$2.40 million (2023: HK$2.15 million).

(8) Member of the Audit Committee.

(9) Appointed on 13 December 2024.

(10) Appointed on 2 January 2024.

(11) Former Independent Non-executive Director and member of each of the Nomination Committee, Remuneration Committee and Sustainability Committee. Retired on 23 May 2024.

(12) Former Independent Non-executive Director and member of the Audit Committee. Resigned on 14 December 2023.

(13) Appointed on 14 December 2023.

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

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

	2024 HK$ million	2023 HK$ million
Cost of goods sold: [(a)]		
included in "Cost of inventories sold"	**106,194**	105,739
included in "Expensed customer acquisition and retention costs"	**9,299**	9,456
	115,493	115,195

	2024 HK$ million	2023 HK$ million
Depreciation and amortisation: [(b)]		
Fixed assets (see note 12)	**17,862**	17,550
Right-of-use assets (see note 13(b))	**14,631**	14,651
Telecommunications licences (see note 14)	**907**	953
Brand names and other rights (see note 15)	**3,157**	3,262
Customer acquisition and retention costs (see note 21(a))	**3,903**	3,667
	40,460	40,083

	2024 HK$ million	2023 HK$ million
Other expenses and losses:		
Cost of providing services [(c)]	**(30,385)**	(29,435)
Office and general administrative expenses and others (see note 5(b)(xvii))	**(9,716)**	(7,740)
Expenses relating to short-term leases (see note 13(b))	**(850)**	(498)
Expenses relating to leases of low-value assets that are not short-term leases (see note 13(b))	**(491)**	(568)
Expenses relating to variable lease payments not included in lease liabilities (see note 13(b))	**(2,168)**	(2,253)
Advertising and promotion expenses	**(4,717)**	(4,783)
Legal and professional fees	**(2,147)**	(2,101)
Auditors' remuneration [(d)]	**(548)**	(397)
Impairment loss on telecommunications business in Vietnam [(e)]	**(1,859)**	–
Loss on disposal of a subsidiary company (see note 33(d))	**–**	(250)
Loss on disposal of associated companies and joint ventures	**(14)**	(70)
	(52,895)	(48,095)

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

	2024 HK$ million	2023 HK$ million
Other income and gains:		
Gains on disposals of subsidiary companies (see note 33(d))	**364**	–
Gains on disposals of interests in associated companies and joint ventures	**–**	228
A gain on disposal of financial instruments [f]	**–**	1,829
Others	**160**	10
	524	2,067

(a) Cost of goods sold of HK$115,493 million (2023: HK$115,195 million) is contributed by Retail segment of HK$94,091 million (2023: HK$92,765 million), Infrastructure segment of HK$1,505 million (2023: HK$1,654 million), Telecommunications segment of HK$11,889 million (2023: HK$12,212 million) and Finance & Investments and Others segment of HK$8,008 million (2023: HK$8,564 million).

(b) See note 5(b)(iv) for contribution by segments.

(c) Cost of providing services of HK$30,385 million (2023: HK$29,435 million) includes telecommunication network related costs of HK$19,653 million (2023: HK$19,093 million), repair and maintenance of HK$4,145 million (2023: HK$4,160 million) and others of HK$6,587 million (2023: HK$6,182 million). The balance is contributed by Ports and Related Services segment of HK$6,974 million (2023: HK$6,441 million), Retail segment of HK$313 million (2023: HK$277 million), Infrastructure segment of HK$830 million (2023: HK$1,164 million), Telecommunications segment of HK$21,745 million (2023: HK$21,089 million) and Finance & Investments and Others segment of HK$523 million (2023: HK$464 million).

(d) Auditors' remuneration of HK$548 million (2023: HK$397 million) are charged for audit and audit related work performed by the Company's auditor, PricewaterhouseCoopers of HK$407 million (2023: HK$262 million) and performed by other auditors of HK$76 million (2023: HK$14 million), and for non-audit work, including tax compliance and other tax related services, and other services, performed by the Company's auditor, PricewaterhouseCoopers of HK$22 million (2023: HK$71 million) and performed by other auditors of HK$43 million (2023: HK$50 million).

(e) Impairment loss

For the current year, an impairment loss of HK$1,859 million arose in the telecommunications business in Vietnam which is included as part of the "Finance & Investments and Others" segment in note 5.

The Group's telecommunications businesses in Vietnam principally engage in providing 3G and 4G mobile network services. The heightened competition and challenging operating environment in the Vietnam's telecommunications market led the Group to carry out an impairment test on this business at 31 December 2024, by comparing the carrying amount of this business with its recoverable amount. As a result, the Group recognised an impairment loss of HK$1,859 million, of which HK$1,236 million against fixed assets, HK$500 million against right-of-use assets and HK$123 million against other assets. The impairment loss was primarily resulted from the lowered expectation on growth and reported service revenues of 3G and 4G services of the Vietnam's businesses. The recoverable amount of this business was determined based on the value-in-use ("VIU") calculations. The VIU calculations used discounted cash flow projections based on the latest financial budget covering a five-year period and business plan approved by the management. Key assumptions and estimates used to prepare the discounted cash flow model include a post-tax discount rate of 10.1% and a growth rate of 0% reflecting the latest market conditions and that the business has yet to initiate a plan to invest in commercialisation of 5G.

(f) See note 5(b)(xvi).

8 Interest expenses and other finance costs

	2024 HK$ million	2023 HK$ million
Bank loans and overdrafts	**4,596**	4,384
Other loans	**4**	4
Notes and bonds	**5,672**	5,057
Interest bearing loans from non-controlling shareholders	**159**	124
Other finance costs	**100**	234
Amortisation of loan facilities fees and premiums or discounts relating to debts	**248**	237
Other non-cash interest adjustments [(a)]	**(123)**	(93)
	10,656	9,947
Less: interest capitalised	**(21)**	(266)
Interest on lease liabilities (see note 13(b))	**2,757**	2,546
	13,392	12,227

(a) Other non-cash interest adjustments represent amortisation of acquisition-date fair value adjustments relating to debts of HK$338 million (2023: HK$341 million) net with accretion expense associated with an increase in the present value of certain obligations over time.

9 Tax

	2024 HK$ million	2023 HK$ million
Current tax charge		
Hong Kong	**167**	216
Outside Hong Kong	**4,022**	3,903
	4,189	4,119
Deferred tax charge (credit)		
Hong Kong	**(60)**	(37)
Outside Hong Kong	**588**	(1,079)
	528	(1,116)
	4,717	3,003

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

9 Tax (continued)

Hong Kong profits tax has been provided for at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits less estimated available tax losses. Tax outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses.

The tax charged to the consolidated income statement of HK$4,717 million (2023: HK$3,003 million) differs from the tax charge of HK$3,961 million (2023: HK$2,982 million) that would apply if the Group's pre-tax profits (before share of results of the associated companies and joint ventures) had been taxed at the statutory rates of the countries in which the profits arose. The differences are set out as follows:

	2024 HK$ million	2023 HK$ million
Tax calculated at the domestic rates applicable in the jurisdiction concerned	**3,961**	2,982
Tax effect of:		
Tax losses not recognised	**1,524**	1,824
Income or gains not subject to tax	**(1,843)**	(1,112)
Expenses not deductible for tax purposes	**3,036**	1,847
Recognition of previously unrecognised tax losses	**–**	(32)
Utilisation of previously unrecognised tax losses	**(440)**	(200)
Under (over) provision in prior years	**1,055**	(855)
Other temporary differences	**(2,576)**	(1,451)
Total tax for the year	**4,717**	3,003

The Group is within the scope of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development. The Group applies the HKAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. While the Pillar Two legislation, including the tax law that implements the global minimum tax and qualified domestic minimum top-up tax, is not yet enacted or substantially enacted in Hong Kong as of the reporting date, it is expected that the new regime will come into effect for the Group's financial year beginning on 1 January 2025. For certain other jurisdictions where the Group has operations, Pillar Two legislation has come into effect as of 1 January 2024. Based on the assessment for the year ended 31 December 2024, the Group does not expect to have any Pillar Two exposure (including current tax) arising in these jurisdictions. Overall, based on the assessment for the year ended 31 December 2024 and the information currently available, the impact of these rules on the Group's income tax position is not expected to be material.

10 Earnings per share for profit attributable to ordinary shareholders

The calculation of earnings per share is based on profit attributable to ordinary shareholders of the Company of HK$17,088 million (2023: HK$23,500 million) and 3,830,044,500 shares in issue during the year of 2024 (2023: 3,830,044,500 shares).

The Company and its subsidiary companies do not have share option scheme or other dilutive potential ordinary shares as at 31 December 2024 and 31 December 2023. Certain of the Company's associated companies have employee share options outstanding as at 31 December 2024 and 31 December 2023. The employee share options of these associated companies outstanding as at 31 December 2024 and 31 December 2023 did not have a dilutive effect on earnings per share.

11 Distributions and dividends

(a) Distribution paid on perpetual capital securities

	2024 HK$ million	2023 HK$ million
Distribution paid on perpetual capital securities	**162**	167

(b) Dividends

	2024 HK$ million	2023 HK$ million
Interim dividend, paid of HK$0.688 per share (2023: HK$0.756 per share)	**2,635**	2,896
Final dividend, proposed of HK$1.514 per share (2023: HK$1.775 per share)	**5,799**	6,798
	8,434	9,694

The final dividend proposed after the end of the reporting period has not been recognised as a liability at 31 December 2024. The amount of the 2024 proposed final dividend is expected to be paid on 12 June 2025 out of retained profit.

12 Fixed assets

	Land and buildings HK$ million	Telecom-munications network assets HK$ million	Other assets [a] HK$ million	Total HK$ million
Cost				
At 1 January 2023	28,981	70,505	88,835	188,321
Additions	1,291	2,243	18,136	21,670
Relating to subsidiaries acquired (see note 33(c))	–	–	6	6
Disposals	(273)	(908)	(2,637)	(3,818)
Transfer between categories	255	7,818	(8,073)	–
Exchange translation differences	685	2,580	2,512	5,777
At 31 December 2023 and 1 January 2024	**30,939**	**82,238**	**98,779**	**211,956**
Additions	**1,404**	**2,296**	**16,665**	**20,365**
Relating to subsidiaries acquired (see note 33(c))	**–**	**451**	**177**	**628**
Disposals	**(310)**	**(5,109)**	**(6,125)**	**(11,544)**
Relating to subsidiaries disposed (see note 33(d))	**(119)**	**–**	**(5,096)**	**(5,215)**
Transfer between categories	**431**	**6,118**	**(6,549)**	**–**
Exchange translation differences	**(1,221)**	**(3,785)**	**(3,541)**	**(8,547)**
At 31 December 2024	**31,124**	**82,209**	**94,310**	**207,643**
Accumulated depreciation and impairment				
At 1 January 2023	7,210	30,943	37,518	75,671
Charge for the year	1,093	8,256	8,201	17,550
Disposals	(270)	(783)	(2,424)	(3,477)
Transfer between categories	–	(42)	42	–
Exchange translation differences	333	1,327	726	2,386
At 31 December 2023 and 1 January 2024	**8,366**	**39,701**	**44,063**	**92,130**
Charge for the year	**1,104**	**8,991**	**7,767**	**17,862**
Impairment recognised (see note 7(e))	**–**	**1,221**	**15**	**1,236**
Disposals	**(308)**	**(5,047)**	**(5,946)**	**(11,301)**
Relating to subsidiaries disposed (see note 33(d))	**(119)**	**–**	**(383)**	**(502)**
Transfer between categories	**–**	**4**	**(4)**	**–**
Exchange translation differences	**(116)**	**(1,842)**	**(1,601)**	**(3,559)**
At 31 December 2024	**8,927**	**43,028**	**43,911**	**95,866**
Net book value				
At 31 December 2024	**22,197**	**39,181**	**50,399**	**111,777**
At 31 December 2023	22,573	42,537	54,716	119,826
At 1 January 2023	21,771	39,562	51,317	112,650

(a) Net book value of other assets of HK$50,399 million (2023: HK$54,716 million) primarily relate to fixed assets used in business of Ports and related services of HK$17,094 million (2023: HK$21,837 million), Telecommunications of HK$23,715 million (2023: HK$23,411 million), and Infrastructure of HK$1,259 million (2023: HK$1,476 million).

As at 31 December 2024, other assets with a net book value of HK$15,433 million (2023: HK$22,227 million) are assets under construction.

12 Fixed assets (continued)

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

	2024 HK$ million	2023 HK$ million
Within 1 year	**81**	80
Between 1 and 2 years	**18**	13
Between 2 and 3 years	**4**	2
Between 3 and 4 years	**2**	2
Between 4 and 5 years	**2**	6
After 5 years	**4**	1
	111	104

13 Leases

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

	2024 HK$ million	2023 HK$ million
Right-of-use assets		
Container terminals	**14,818**	15,312
Retail stores	**19,924**	20,653
Telecommunications network infrastructure sites	**12,956**	14,688
Leasehold land	**5,443**	5,958
Other assets	**4,448**	4,587
	57,589	61,198
Lease liabilities		
Current	**12,142**	13,616
Non-current	**52,377**	54,307
	64,519	67,923

Additions to the right-of-use assets and lease liabilities during the year ended 31 December 2024 were HK$7,567 million (2023: HK$8,871 million) and HK$7,534 million (2023: HK$8,871 million), respectively.

13 Leases (continued)

(b) Group as a lessee – additional disclosures

	2024 **HK$ million**	2023 HK$ million
Depreciation charge of right-of-use assets (included in "Depreciation and amortisation")		
Container terminals	**949**	1,080
Retail stores	**6,521**	6,721
Telecommunications network infrastructure sites	**5,585**	5,203
Leasehold land	**348**	348
Other assets	**1,228**	1,299
	14,631	14,651
Interest on lease liabilities (included in "Interest expenses and other finance costs")	**2,757**	2,546
Expenses relating to short-term leases (included in "Other expenses and losses")	**850**	498
Expenses relating to leases of low-value assets that are not short-term leases (included in "Other expenses and losses")	**491**	568
Expenses relating to variable lease payments not included in lease liabilities (included in "Other expenses and losses")	**2,168**	2,253

The total cash outflow for leases in 2024 was HK$20,235 million (2023: HK$20,025 million), of which HK$6,132 million (2023: HK$5,549 million) is included in operating cash flows and HK$14,103 million (2023: HK$14,476 million) is included in financing cash flows (see note 33(e)).

Variable lease payments

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

A 1% increase in sales across all stores / operations in the companies with leases containing variable lease payment terms that are linked to sales would increase total lease payments by approximately 0.1% or HK$17 million (2023: approximately 0.1% or HK$20 million).

13 Leases (continued)

(b) Group as a lessee – additional disclosures (continued)

Extension and termination options

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

As at 31 December 2024, in accordance with the applicable provision in HKFRS 16, potential future cash outflows of HK$7,021 million (2023: HK$8,635 million) (undiscounted) have not been included in calculating the lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated).

Residual value guarantees

As at 31 December 2024, no residual value guarantee (2023: HK$15 million) is expected to be payable and include in calculating the lease liabilities.

Leases not yet commenced to which the lessee is committed

At 31 December 2024, the Group is committed to leases that are not yet commenced, and the lease payments payable under which amounted to HK$94 million (2023: HK$19 million). This amount has not been included in calculating the lease liabilities as at 31 December 2024.

Restriction or covenants imposed by leases

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

(c) Group as a lessor

	2024 HK$ million	2023 HK$ million
Income from subleasing right-of-use assets (included in "Other expenses and losses")	**116**	182

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

	2024 HK$ million	2023 HK$ million
Within 1 year	**87**	153
Between 1 and 2 years	**31**	70
Between 2 and 3 years	**21**	49
Between 3 and 4 years	**16**	37
Between 4 and 5 years	**10**	33
After 5 years	**9**	27
	174	369

In addition, the Group has recognised income of HK$244 million (2023: HK$217 million) from leasing of fixed assets for the year ended 31 December 2024.

14 Telecommunications licences

	2024 HK$ million	2023 HK$ million
Net book value		
At 1 January	**64,264**	60,689
Additions	**72**	1,956
Relating to subsidiaries acquired (see note 33(c))	**3,368**	–
Amortisation for the year	**(907)**	(953)
Exchange translation differences	**(2,928)**	2,572
At 31 December	**63,869**	64,264
Cost	**71,600**	71,396
Accumulated amortisation and impairment	**(7,731)**	(7,132)
	63,869	64,264

The Group's telecommunications licences in the UK and Italy are considered to have an indefinite useful life. At 31 December 2024, telecommunications licences with indefinite useful life in the UK and Italy with a carrying value of HK$19,737 million and HK$31,704 million respectively (2023: HK$19,914 million and HK$33,781 million respectively) have been allocated to the Telecommunications segment.

15 Brand names and other rights

	Brand names HK$ million	Other rights HK$ million	Total HK$ million
Net book value			
At 1 January 2023	66,899	16,795	83,694
Additions	–	1,675	1,675
Amortisation for the year	(11)	(3,251)	(3,262)
Relating to subsidiaries acquired (see note 33(c))	3	6	9
Exchange translation differences	1,163	117	1,280
At 31 December 2023 and 1 January 2024	**68,054**	**15,342**	**83,396**
Additions	**–**	**1,913**	**1,913**
Amortisation for the year	**(11)**	**(3,146)**	**(3,157)**
Relating to subsidiaries acquired (see note 33(c))	**–**	**18**	**18**
Exchange translation differences	**(1,484)**	**(1,445)**	**(2,929)**
At 31 December 2024	**66,559**	**12,682**	**79,241**
Cost	**66,661**	**32,660**	**99,321**
Accumulated amortisation and impairment	**(102)**	**(19,978)**	**(20,080)**
	66,559	**12,682**	**79,241**

Brand names considered to have an indefinite useful life are not subject to amortisation. The carrying value of brand names with indefinite useful life at 31 December 2024 of HK$49,181 million (2023: HK$49,730 million) and HK$17,235 million (2023: HK$18,156 million) has been attributed to Retail segment and the Telecommunications segment respectively.

Other rights, primarily include operating and service content rights, and resource consents and customer lists. These rights are amortised over their finite useful lives. At 31 December 2024, the carrying value of these rights amounted to HK$8,423 million (2023: HK$9,773 million) and HK$4,259 million (2023: HK$5,569 million) respectively.

16 Goodwill

	2024 HK$ million	2023 HK$ million
Net book value		
At 1 January	**271,136**	268,008
Relating to subsidiaries acquired (see note 33(c))	**1,451**	75
Exchange translation differences	**(5,262)**	3,053
At 31 December	**267,325**	271,136
Cost	**291,757**	297,159
Accumulated impairment	**(24,432)**	(26,023)
	267,325	271,136

Goodwill is monitored by the management at the level of the operating segments identified (see note 5). As at 31 December 2024, the carrying amount of goodwill are mainly allocated to Telecommunications segment of HK$81,085 million (2023: HK$84,897 million), Retail segment of HK$114,095 million (2023: HK$114,099 million), and Infrastructure segment of HK$39,129 million (2023: HK$39,123 million).

Management tests whether goodwill and intangible assets that have an indefinite useful life (including certain telecommunications licences and brand names as set out in notes 14 and 15) have suffered any impairment on an annual basis and when there is an indication these assets may be impaired. The annual tests of goodwill and intangible assets with indefinite useful life for impairment were conducted at 31 December 2024. The results of the impairment tests undertaken as of 31 December 2024 indicated no impairment charge was necessary for the Group. Set out below are additional information about the estimates used to measure recoverable amounts in the 31 December 2024 annual impairment tests for the Telecommunications and Retail operations.

16 Goodwill (continued)

The recoverable amounts of the Group's Telecommunications operations at 31 December 2024 were determined based on VIU calculations. VIU is measured using discounted cash flow projections for the next five years and a calculated terminal value at the end of the five-year period. The cash flows are based on the latest approved financial budgets of the relevant telecommunications business for the next five years. Management prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of assumptions and estimates involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Key assumptions, include revenues, service margin, operating costs, growth rates used for the budget periods, and selection of discount rates and the terminal growth rate used to extrapolate cash flow projections to estimate the terminal value at the end of the five-year period. The VIU amount derived from the cash flow projections is sensitive to the discount rate used for the cash flow projections and the growth rate used for extrapolation purposes as well as the 5G revenue expectations. A discount rate (pre-tax) ranging from 4.8% to 9.6% (2023: 5.4% to 11.0%) has been applied. A growth rate, for the purpose of impairment testing calculation, ranging from 1% to 2% p.a. (2023: 1% to 2% p.a.), which is not expected to exceed the anticipated economic growth for the underlying business units, is used to extrapolate cash flow projections to estimate the terminal value of the underlying business units at the end of the five-year period.

The recoverable amounts of the Group's Retail operations at 31 December 2024 were determined based on fair value less costs of disposal ("FVLCD") calculation. Fair value is measured using discounted cash flow projections for the next five years and a calculated terminal value at the end of the five-year period (a Level 3 fair value hierarchy). The cash flows are based on the latest approved financial budgets for the next five years. Management prepared the financial budgets reflecting current and prior year performances and experience, market development expectations, including the expected market share and growth momentum, and where available and appropriate, observable market data. There are a number of assumptions and estimates involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. Key assumptions, include the expected growth in revenues and gross margin, inventory level, volume and operating costs, timing of future capital expenditures, growth rates used for the budget periods, and selection of discount rates and the terminal growth rate used to extrapolate cash flow projections to estimate the terminal value at the end of the five-year period. The FVLCD amount derived from the cash flow projections is sensitive to the discount rate used for the discounted cash flow projections and the growth rate used for extrapolation purposes. A discount rate (post-tax) of 7.0% (2023: 8.4%) has been applied. In estimating the terminal value at the end of the five-year period, a growth rate, for the purpose of impairment testing calculation, of 2.6% p.a. (2023: 3.9% p.a.), which is not expected to exceed the anticipated economic growth for the business, has been used to extrapolate cash flow projections.

The results of the impairment tests undertaken as at 31 December 2024 and 2023 indicated no impairment charge was necessary for goodwill and intangible assets of the Group. In performing the impairment tests for these assets, the management has considered and assessed reasonably possible changes for key assumptions and has not identified any instance that could cause the recoverable amount to fall below the carrying value.

Please refer to note 45(b)(i) for the significant accounting judgement applied, estimates and assumptions made in assessing whether goodwill has suffered any impairment.

17 Associated companies

	2024 HK$ million	2023 HK$ million
Unlisted shares	**11,193**	9,071
Listed shares, Hong Kong	**62,919**	62,919
Listed shares, outside Hong Kong	**80,612**	80,837
Share of undistributed post acquisition reserves	**(16,005)**	(12,081)
	138,719	140,746
Amounts due from (net with amounts due to) associated companies [(a)]	**1,136**	2,892
	139,855	143,638

The market value of the above listed investments at 31 December 2024 was HK$111,361 million (2023: HK$112,390 million), inclusive of HK$37,292 million (2023: HK$41,370 million) and HK$41,598 million (2023: HK$34,614 million) for Cenovus Energy and Power Assets Holdings Limited ("Power Assets") respectively.

There are no material contingent liabilities relating to the Group's interests in associated companies, save for those disclosed in note 36.

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

	2024 HK$ million	2023 HK$ million
Amounts due from associated companies [(i)]		
Interest free	**428**	410
Interest bearing at fixed rates [(ii)]	**839**	2,618
Interest bearing at floating rates [(iii)]	**404**	407
	1,671	3,435
Amounts due to associated companies [(iv)]		
Interest free	**535**	543
Amounts due from (net with amounts due to) associated companies	**1,136**	2,892

17 Associated companies (continued)

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

(i) At 31 December 2024 and 2023, the amounts due from associated companies are unsecured and have no fixed terms of repayment.

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

(ii) At 31 December 2024, HK$839 million (2023: HK$2,618 million) bear interests at fixed rates ranging from approximately 4.7% to 11.2% (2023: 4.7% to 11.2%) per annum.

(iii) At 31 December 2024, HK$404 million (2023: HK$407 million) bear interests at floating rates ranging from approximately 5.0% to 5.8% (2023: 6.0% to 6.4%) per annum with reference to Euro Interbank Offered Rate ("EURIBOR") and Hong Kong Interbank Offered Rate ("HIBOR"), where applicable.

(iv) At 31 December 2024 and 2023, the amounts due to associated companies are unsecured and have no fixed terms of repayment.

(b) Material associated companies

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

	2024		2023	
	Cenovus Energy HK$ million	**Power Assets HK$ million**	Cenovus Energy HK$ million	Power Assets HK$ million
Dividends received from associated companies	**1,465**	**2,164**	964	2,164
Gross amount of the following items of the associated companies [i]:				
Total revenue	**309,396**	**919**	304,130	1,292
EBITDA	**54,433**	**18,747**	60,278	18,733
EBIT	**26,321**	**12,577**	33,224	13,077
Other comprehensive income (losses)	**(17,735)**	**(1,785)**	3,706	1,901
Total comprehensive income (losses)	**(2,315)**	**4,334**	25,882	7,904
Current assets	**56,344**	**3,488**	57,898	4,359
Non-current assets	**347,556**	**128,219**	367,380	128,973
Current liabilities	**39,755**	**4,077**	36,763	3,249
Non-current liabilities	**104,803**	**2,924**	112,439	3,701
Net assets (net of preferred shares and non-controlling interests)	**257,274**	**124,706**	272,773	126,382
Reconciliation to the carrying amount of the Group's interests in associated companies:				
Group's interest	**17.4%**	**36.0%**	16.9%	36.0%
Group's share of net assets	**44,677**	**44,912**	46,180	45,515
Carrying amount	**44,677**	**44,912**	46,180	45,515

17 Associated companies (continued)

(b) Material associated companies (continued)

The carrying amount of the Group's interests in all individually immaterial associated companies that are accounted for using the equity method of accounting is HK$50,266 million (2023: HK$51,943 million).

	2024				2023			
	Cenovus Energy HK$ million	Power Assets HK$ million	Other associated companies HK$ million	Total HK$ million	Cenovus Energy HK$ million	Power Assets HK$ million	Other associated companies HK$ million	Total HK$ million
Group's share of the following items of the associated companies [i]:								
Profits less losses after tax	3,041	2,204	1,658	6,903	3,963	2,161	2,014	8,138
Other comprehensive income (losses)	(3,080)	(643)	(2,030)	(5,753)	627	685	17	1,329
Total comprehensive income (losses)	(39)	1,561	(372)	1,150	4,590	2,846	2,031	9,467

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

Particulars regarding the principal associated companies are set forth on pages 255 to 258.

18 Interests in joint ventures

	2024 HK$ million	2023 HK$ million
Unlisted shares	133,389	127,116
Share of undistributed post acquisition reserves	4,136	7,154
	137,525	134,270
Amounts due from (net with amounts due to) joint ventures [a]	16,683	22,067
	154,208	156,337

There are no material contingent liabilities relating to the Group's interests in the joint ventures, save for those disclosed in note 36.

18 Interests in joint ventures (continued)

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

	2024 HK$ million	2023 HK$ million
Amounts due from joint ventures (i)		
Interest free	**2,525**	2,239
Interest bearing at fixed rates (ii)	**5,972**	7,972
Interest bearing at floating rates (iii)	**8,456**	12,166
	16,953	22,377
Amounts due to joint ventures (iv)		
Interest free	**270**	310
Amounts due from (net with amounts due to) joint ventures	**16,683**	22,067

(i) At 31 December 2024 and 2023, the amounts due from joint ventures are unsecured and have no fixed terms of repayment except for HK$322 million which are repayable within one year (2023: HK$32 million which are repayable within one to two years).

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

(ii) At 31 December 2024, HK$5,972 million (2023: HK$7,972 million) bear interests at fixed rates ranging from approximately 4.2% to 10.0% (2023: 4.4% to 11.0%) per annum.

(iii) At 31 December 2024, HK$8,456 million (2023: HK$12,166 million) bear interests at floating rates ranging from approximately 3.7% to 7.7% (2023: 4.1% to 8.3%) per annum with reference to Australian Bank Bill Swap Reference Rate, EURIBOR and HIBOR, where applicable.

(iv) At 31 December 2024 and 2023, the amounts due to joint ventures are unsecured and have no fixed terms of repayment.

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

	2024 HK$ million	2023 HK$ million
Profits less losses after tax	**9,757**	7,990
Other comprehensive income (losses)	**(6,256)**	3,997
Total comprehensive income	**3,501**	11,987
Capital commitments	**3,929**	13,880

As at 31 December 2024 and 2023, no interests in joint ventures are individually material to the Group. Particulars regarding the principal joint ventures are set forth on pages 255 to 258.

19 Deferred tax

	2024 HK$ million	2023 HK$ million
Deferred tax assets	**18,140**	21,074
Deferred tax liabilities	**17,974**	19,572
Net deferred tax assets	**166**	1,502

Movements in net deferred tax assets are summarised as follows:

	2024 HK$ million	2023 HK$ million
At 1 January	**1,502**	(781)
Relating to subsidiaries acquired	**(354)**	3
Relating to subsidiaries disposed	**35**	–
Transfer to current tax	**(15)**	6
Net credit (charge) to other comprehensive income	**(85)**	380
Net credit (charge) to the consolidated income statement		
Tax losses	**(1,184)**	1,617
Accelerated depreciation allowances	**(1,005)**	(62)
Fair value adjustments arising from acquisitions	**(154)**	(551)
Withholding tax on undistributed profits	**49**	(48)
Other temporary differences	**1,766**	160
Exchange translation differences	**(389)**	778
At 31 December	**166**	1,502

Analysis of net deferred tax assets:

	2024 HK$ million	2023 HK$ million
Tax losses	**15,289**	16,865
Accelerated depreciation allowances	**(3,365)**	(2,425)
Fair value adjustments arising from acquisitions	**(12,492)**	(12,268)
Revaluation of investment properties and other investments	**24**	20
Withholding tax on undistributed profits	**(842)**	(912)
Other temporary differences	**1,552**	222
	166	1,502

19 Deferred tax (continued)

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

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

At 31 December 2024, the Group has recognised accumulated deferred tax assets amounting to HK$18,140 million (2023: HK$21,074 million) of which HK$14,269 million (2023: HK$16,973 million) relates to **3** Group Europe.

Note 45(b)(v) contains information about the estimates, assumptions and judgements relating to the recognition of deferred tax assets for unutilised tax losses carried forward.

The amounts of unutilised tax losses and deductible temporary differences for which no deferred tax assets is recognised in the consolidated statement of financial position at 31 December 2024 were HK$502,204 million (2023: HK$531,915 million) and HK$25,794 million (2023: HK$27,472 million), respectively, totalling HK$527,998 million (2023: HK$559,387 million). The current year's amounts included balances that are subject to agreement by relevant tax authorities.

These unutilised tax losses and deductible temporary differences can be carried forward against future taxable income. Of the total amounts unrecognised, HK$166,087 million (2023: HK$174,454 million) has no expiry date, HK$8,008 million (2023: HK$8,269 million) is expected to expire within 10 years and the remaining balances is expected to expire after 10 years.

20 Liquid funds and other listed investments

	2024 HK$ million	2023 HK$ million
Financial assets at amortised cost		
Managed funds – cash and cash equivalents, outside Hong Kong [(c)]	34	50
Financial assets at fair value through other comprehensive income ("FVOCI") [(d)]		
Listed equity securities, Hong Kong [(e)]	536	608
Listed equity securities, outside Hong Kong [(e)]	747	8,589
Managed funds – listed debt securities, outside Hong Kong [(b)] [(f)]	6,825	6,539
	8,142	15,786

(a) At 31 December, liquid funds and other listed investments totalling HK$8,142 million (2023: HK$15,786 million) are denominated in the following currencies:

	2024		2023	
	Financial assets at amortised cost Percentage	Financial assets at FVOCI Percentage	Financial assets at amortised cost Percentage	Financial assets at FVOCI Percentage
HK dollar	–	7%	–	4%
US dollar	100%	84%	100%	42%
Other currencies	–	9%	–	54%
	100%	100%	100%	100%

See note 40(a) for further analysis.

20 Liquid funds and other listed investments (continued)

(b) At 31 December, listed debt securities totalling HK$6,825 million (2023: HK$6,539 million) presented above are analysed as follows:

	2024	2023
	Financial assets at FVOCI	Financial assets at FVOCI
	Percentage	Percentage
Credit ratings		
Aaa/AAA	**15%**	14%
Aa1/AA+	**85%**	86%
	100%	100%
Sectorial		
US Treasury notes	**74%**	72%
Government and government guaranteed notes	**22%**	25%
Others	**4%**	3%
	100%	100%
Weighted average maturity	**1.1 years**	1.8 years
Weighted average effective yield	**2.73%**	1.61%

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

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

(e) These equity securities are not investments held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at FVOCI. As at 31 December 2024, the Group has collar agreements with banks to hedge fair values of certain of these listed equity securities. Fair value surplus of HK$14 million at 31 December 2024 of these collar arrangements are included in current assets (see note 24). For the comparative balance as at 31 December 2023, fair value deficits of HK$297 million and HK$59 million are included in current and non-current liabilities (see notes 26 and 30, respectively).

(f) "Managed funds – listed debt securities" comprised predominately US Treasury notes and government and government guaranteed notes. All (2023: All) of the carrying amount of these assets at 31 December 2024 were rated at Aaa / AAA or Aa1 / AA+. These assets are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was required at the reporting date in respect of these assets.

21 Other non-current assets

	2024 HK$ million	2023 HK$ million
Investment properties (see note 22)	**389**	408
Customer acquisition and retention costs [(a)]	**4,231**	4,290
Contract assets (see note 24(b))	**3,202**	3,826
Unlisted investments		
Financial assets at FVOCI – equity securities [(b)]	**1,933**	2,189
Financial assets at fair value through profit or loss – equity securities	**366**	369
Financial assets at fair value through profit or loss – debt securities	**414**	604
Pension assets (see note 29)	**2,239**	1,428
Derivative financial instruments		
Cash flow hedges		
Interest rate swaps	**–**	52
Cross currency interest rate swaps	**227**	150
Net investment hedges		
Cross currency swaps	**1,281**	572
Other non-current assets [(c)]	**5,921**	5,974
	20,203	19,862

(a) Customer acquisition and retention costs primarily relate to incremental commission costs incurred to obtain telecommunications contracts with customers. The amount of customer acquisition and retention costs shown above is after deducting the amortisation charged to the current year's consolidated income statement of HK$3,903 million (2023: HK$3,667 million). Further, there was no impairment loss in relation to the cost capitalised. The Group applies the practical expedient in paragraph 94 of HKFRS 15, and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the costs that the Group otherwise would have recognised is one year or less.

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

(c) Amount included lease receivables of HK$875 million (2023: HK$507 million), which are considered to be of low credit risk. As a result, insignificant amount of provision for credit loss was made at the reporting date in respect of lease receivables. The expected credit loss was minimal as lease receivables are from entities which are subject to the Group's lease acceptance requirements. There was no unfavourable current conditions and forecast future economic conditions at the reporting date that would require the Group to make a provision for expected credit loss in respect of these assets. The remaining balances are mainly prepayments of telecommunications annual licences fee.

22 Investment properties

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

	2024 **HK$ million**	2023 HK$ million
Valuation		
At 1 January	**408**	408
Decrease in fair value of investment properties	**(19)**	–
At 31 December	**389**	408

At 31 December 2024, investment properties amounting to HK$389 million (2023: HK$408 million) were measured at fair value based on value inputs, other than quoted prices, that were observable either directly or indirectly. The fair values of the investment properties at 31 December 2024 and 2023 were determined based on a valuation carried out by Cushman & Wakefield Limited, professional valuers. The valuation which reflected the highest and best use was arrived at by reference to comparable market transactions and also took reference of capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential of the properties. There were no transfers among Level 1, Level 2 and Level 3 during the year. The Group’s policy is to recognise transfers into/out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

At 31 December 2024 and 2023, the Group’s aggregate future minimum lease receivable under non-cancellable operating leases is not material.

23 Cash and cash equivalents

	2024 **HK$ million**	2023 HK$ million
Cash at bank and in hand	**26,734**	34,000
Short term bank deposits	**94,569**	93,323
	121,303	127,323

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

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

See note 40(a) for further analysis.

24 Trade receivables and other current assets

	2024 HK$ million	2023 HK$ million
Trade receivables [(a)]	**18,825**	20,264
Less: loss allowance provision	**(3,498)**	(3,967)
	15,327	16,297
Other current assets		
Derivative financial instruments		
Fair value hedges – collar agreements	**14**	–
Cash flow hedges		
Interest rate swaps	**7**	–
Forward foreign exchange contracts	**5**	–
Other contracts	**1**	26
Net investment hedges		
Forward foreign exchange contracts	**436**	201
Cross currency swaps	**79**	336
Contract assets [(b)]	**3,919**	3,754
Prepayments	**13,908**	16,361
Other receivables [(c)]	**12,169**	13,491
Current tax receivables	**102**	124
	45,967	50,590

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

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

The Group's five largest customers contributed less than 5% of the Group's revenue for the year ended 31 December 2024 (2023: less than 5%).

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

	2024 HK$ million	2023 HK$ million
Less than 31 days	**11,532**	11,996
Within 31 to 60 days	**1,655**	1,874
Within 61 to 180 days	**1,504**	1,523
Over 180 days	**4,134**	4,871
	18,825	20,264

24 Trade receivables and other current assets (continued)

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

	2024 HK$ million	2023 HK$ million
At 1 January	**3,967**	3,705
Additions	**717**	653
Utilisations	**(936)**	(492)
Write back	**(32)**	(41)
Exchange translation differences	**(218)**	142
At 31 December	**3,498**	3,967

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

	2024			2023		
	Gross carrying amount HK$ million	**Loss allowance provision HK$ million**	**Expected loss rate Percentage**	Gross carrying amount HK$ million	Loss allowance provision HK$ million	Expected loss rate Percentage
Not past due	**9,674**	**106**	**1%**	9,965	89	1%
Past due less than 31 days	**3,114**	**81**	**3%**	3,501	67	2%
Past due within 31 to 60 days	**817**	**29**	**4%**	787	70	9%
Past due within 61 to 180 days	**1,215**	**229**	**19%**	1,291	380	29%
Past due over 180 days	**4,005**	**3,053**	**76%**	4,720	3,361	71%
	18,825	**3,498**		20,264	3,967	

24 Trade receivables and other current assets (continued)

(b) As at 31 December 2024, contract assets of HK$3,919 million (2023: HK$3,754 million) and HK$3,202 million (2023: HK$3,826 million) are included in "Trade receivables and other current assets" (see above) and "Other non-current assets" (see note 21) respectively. These assets are stated at the expected recoverable amount, after netting of provision for estimated impairment losses of HK$1,926 million (2023: HK$1,637 million). The Group measures the loss allowance for its contract assets at an amount equal to the lifetime expected credit losses. Movement on the provision for estimated impairment losses are as follows:

	2024 HK$ million	2023 HK$ million
At 1 January	**1,637**	1,525
Additions	**1,018**	927
Utilisations	**(595)**	(823)
Write back	**(54)**	(55)
Exchange translation differences	**(80)**	63
At 31 December	**1,926**	1,637

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

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

25 Bank and other debts

	2024			2023		
	Current portion HK$ million	**Non-current portion HK$ million**	**Total HK$ million**	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Principal amounts						
Bank loans	**24,896**	**62,944**	**87,840**	24,484	65,036	89,520
Other loans	**4**	**64**	**68**	154	72	226
Notes and bonds	**6,068**	**162,072**	**168,140**	33,755	147,900	181,655
	30,968	**225,080**	**256,048**	58,393	213,008	271,401
Unamortised fair value adjustments arising from acquisitions	**–**	**1,955**	**1,955**	18	2,275	2,293
Subtotal before the following items	**30,968**	**227,035**	**258,003**	58,411	215,283	273,694
Unamortised loan facilities fees and premiums or discounts related to debts	**(12)**	**(1,599)**	**(1,611)**	(87)	(1,685)	(1,772)
	30,956	**225,436**	**256,392**	58,324	213,598	271,922

25 Bank and other debts (continued)

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

	2024			2023		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans	24,896	62,944	87,840	24,484	65,036	89,520
Other loans	4	64	68	154	72	226
Notes and bonds						
HK$2,413 million notes, 3-mth HIBOR^ + 0.32% due 2024	–	–	–	2,413	–	2,413
HK$260 million notes, 4% due 2027	–	260	260	–	260	260
US$750 million notes, 3.25% due 2024	–	–	–	5,850	–	5,850
US$1,500 million notes, 3.625% due 2024	–	–	–	11,700	–	11,700
US$500 million notes, 1.5% due 2026	–	3,900	3,900	–	3,900	3,900
US$500 million notes, 2.75% due 2026	–	3,900	3,900	–	3,900	3,900
US$309 million notes – Series C, 7.5% due 2027	–	2,410	2,410	–	2,410	2,410
US$500 million notes, 3.25% due 2027	–	3,900	3,900	–	3,900	3,900
US$800 million notes, 3.5% due 2027	–	6,240	6,240	–	6,240	6,240
US$1,250 million notes, 4.75% due 2028	–	9,750	9,750	–	9,750	9,750
US$500 million notes, 2.75% due 2029	–	3,900	3,900	–	3,900	3,900
US$750 million notes, 3.625% due 2029	–	5,850	5,850	–	5,850	5,850
US$1,000 million notes, 5.375% due 2029	–	7,800	7,800	–	–	–
US$500 million notes, 4.375% due 2030	–	3,900	3,900	–	–	–
US$750 million notes, 2.5% due 2030	–	5,850	5,850	–	5,850	5,850
US$850 million notes, 2.5% due 2031	–	6,630	6,630	–	6,630	6,630
US$1,039 million notes, 7.45% due 2033	–	8,107	8,107	–	8,107	8,107
US$1,250 million notes, 4.875% due 2033	–	9,750	9,750	–	9,750	9,750
US$500 million notes, 4.75% due 2034	–	3,900	3,900	–	–	–
US$1,000 million notes, 5.5% due 2034	–	7,800	7,800	–	–	–
US$25 million notes – Series D, 6.988% due 2037	–	196	196	–	196	196
US$650 million notes, 3.125% due 2041	–	5,070	5,070	–	5,070	5,070
US$750 million notes, 3.375% due 2049	–	5,850	5,850	–	5,850	5,850
US$750 million notes, 3.375% due 2050	–	5,850	5,850	–	5,850	5,850
EUR600 million bonds, 1% due 2024	–	–	–	5,172	–	5,172
EUR1,000 million notes, 0.875% due 2024	–	–	–	8,620	–	8,620
EUR750 million notes, 1.25% due 2025	6,068	–	6,068	–	6,465	6,465
EUR1,000 million notes, 0.75% due 2026	–	8,090	8,090	–	8,620	8,620
EUR650 million notes, 2% due 2028	–	5,258	5,258	–	5,603	5,603
EUR1,000 million notes, 1.125% due 2028	–	8,090	8,090	–	8,620	8,620
EUR500 million notes, 0.75% due 2029	–	4,045	4,045	–	4,310	4,310
EUR500 million notes, 2% due 2030	–	4,045	4,045	–	4,310	4,310
EUR750 million notes, 1.5% due 2031	–	6,068	6,068	–	6,465	6,465
EUR500 million notes, 1% due 2033	–	4,045	4,045	–	4,310	4,310
GBP303 million notes, 5.625% due 2026	–	2,981	2,981	–	3,010	3,010
GBP500 million notes, 2% due 2027	–	4,920	4,920	–	4,970	4,970
GBP300 million notes, 2.625% due 2034	–	2,952	2,952	–	2,982	2,982
JPY15,000 million notes, 2.6% due 2027	–	765	765	–	822	822
	6,068	162,072	168,140	33,755	147,900	181,655
	30,968	225,080	256,048	58,393	213,008	271,401

^ HIBOR represents the Hong Kong Interbank Offered Rate

25 Bank and other debts (continued)

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

(a) By year of repayment

	2024			2023		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Bank loans						
Within a year	24,896	–	24,896	24,484	–	24,484
After 1 year, but within 2 years	–	22,683	22,683	–	25,326	25,326
After 2 years, but within 5 years	–	40,261	40,261	–	39,710	39,710
	24,896	62,944	87,840	24,484	65,036	89,520
Other loans						
Within a year	4	–	4	154	–	154
After 1 year, but within 2 years	–	4	4	–	4	4
After 2 years, but within 5 years	–	10	10	–	10	10
After 5 years	–	50	50	–	58	58
	4	64	68	154	72	226
Notes and bonds						
Within a year	6,068	–	6,068	33,755	–	33,755
After 1 year, but within 2 years	–	18,871	18,871	–	6,465	6,465
After 2 years, but within 5 years	–	63,188	63,188	–	62,005	62,005
After 5 years	–	80,013	80,013	–	79,430	79,430
	6,068	162,072	168,140	33,755	147,900	181,655
	30,968	225,080	256,048	58,393	213,008	271,401

Under the terms of the major bank and other debts, the Group is required to comply with certain financial and non-financial covenants at the end of the reporting period. If the Group were to breach the covenants, the non-current portion of bank and other debts with carrying amount of HK$224,756 million that subject to the fulfilment of the covenants would become repayable within twelve months after the reporting period. The Group has complied with these covenants throughout the reporting period. There are no indications that the Group would have difficulties complying with the covenants when they will be next tested within twelve months of the reporting date.

(b) By secured and unsecured borrowings

	2024			2023		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Secured borrowings	1,389	1	1,390	1	1,558	1,559
Unsecured borrowings	29,579	225,079	254,658	58,392	211,450	269,842
	30,968	225,080	256,048	58,393	213,008	271,401

25 Bank and other debts (continued)

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

(c) By borrowings at fixed and floating interest rate

	2024			2023		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Borrowings at fixed rate	6,071	162,136	168,207	31,496	147,972	179,468
Borrowings at floating rate	24,897	62,944	87,841	26,897	65,036	91,933
	30,968	225,080	256,048	58,393	213,008	271,401

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

	2024			2023		
	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million	Current portion HK$ million	Non-current portion HK$ million	Total HK$ million
Borrowings at fixed rate	9,200	162,136	171,336	31,496	151,433	182,929
Borrowings at floating rate	21,768	62,944	84,712	26,897	61,575	88,472
	30,968	225,080	256,048	58,393	213,008	271,401

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

The Group has entered into interest rate swap agreements to swap floating interest rate borrowings to fixed interest rate borrowings to mainly mitigate interest rate exposures to certain infrastructure project related borrowings. At 31 December 2024, the notional amount of the outstanding interest rate swap agreements amounted to HK$3,129 million (2023: interest rate swap agreements of HK$3,461 million) (See note 40(i)(ii)).

25 Bank and other debts (continued)

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

(e) By currency

	2024			2023		
	Current portion Percentage	Non-current portion Percentage	Total Percentage	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	7%	44%	51%	8%	41%	49%
Euro	2%	28%	30%	11%	22%	33%
HK dollar	–	6%	6%	1%	4%	5%
British Pound	–	5%	5%	1%	4%	5%
Other currencies	3%	5%	8%	1%	7%	8%
	12%	88%	100%	22%	78%	100%

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

	2024			2023		
	Current portion Percentage	Non-current portion Percentage	Total Percentage	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	7%	44%	51%	8%	41%	49%
Euro	2%	30%	32%	11%	23%	34%
HK dollar	–	6%	6%	1%	4%	5%
British Pound	–	3%	3%	1%	3%	4%
Other currencies	3%	5%	8%	1%	7%	8%
	12%	88%	100%	22%	78%	100%

As at 31 December 2024, the Group had currency swap agreements with banks to swap British Pound principal amount of borrowings equivalent to HK$4,920 million (2023: British Pound principal amount of borrowings equivalent to HK$4,970 million) (see note 40(i)(ii)) to Euro principal amount of borrowings to reflect currency exposures of its underlying businesses.

26 Trade payables and other current liabilities

	2024 HK$ million	2023 HK$ million
Trade payables [a]	**21,861**	23,017
Other current liabilities		
Derivative financial instruments		
Fair value hedges – collar agreements	**–**	297
Cash flow hedges		
Forward foreign exchange contracts	**–**	2
Other contracts	**5**	113
Net investment hedges		
Forward foreign exchange contracts	**155**	1,072
Cross currency swaps	**238**	–
Interest free loans from non-controlling shareholders	**349**	438
Contract liabilities	**5,500**	5,948
Obligations for telecommunications licences and other rights	**861**	621
Provisions (see note 27)	**1,161**	1,552
Expenses and other accruals	**33,411**	36,471
Other payables	**19,104**	16,888
	82,645	86,419

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

	2024 HK$ million	2023 HK$ million
Less than 31 days	**14,782**	15,763
Within 31 to 60 days	**3,825**	3,361
Within 61 to 90 days	**1,308**	1,333
Over 90 days	**1,946**	2,560
	21,861	23,017

(b) The Group's five largest suppliers accounted for less than 19% of the Group's cost of purchases for the year ended 31 December 2024 (2023: less than 17%).

27 Provisions

	Provision for commitments, onerous contracts and other guarantees HK$ million	Closure obligations HK$ million	Assets retirement obligations HK$ million	Others HK$ million	Total HK$ million
At 1 January 2023	18,477	80	1,272	1,289	21,118
Additions	–	69	5	444	518
Interest accretion	–	–	54	–	54
Utilisations	(897)	(18)	(63)	(129)	(1,107)
Write back	(41)	(22)	(38)	(115)	(216)
Exchange translation differences	(384)	2	17	49	(316)
At 31 December 2023 and 1 January 2024	**17,155**	**111**	**1,247**	**1,538**	**20,051**
Additions	**–**	**45**	**187**	**227**	**459**
Interest accretion	**–**	**–**	**33**	**–**	**33**
Utilisations	**(390)**	**(11)**	**(65)**	**(392)**	**(858)**
Write back	**–**	**(49)**	**–**	**(28)**	**(77)**
Exchange translation differences	**(1,451)**	**(2)**	**(33)**	**(90)**	**(1,576)**
At 31 December 2024	**15,314**	**94**	**1,369**	**1,255**	**18,032**

Provisions are analysed as:

	2024 HK$ million	2023 HK$ million
Current portion (see note 26)	**1,161**	1,552
Non-current portion (see note 30)	**16,871**	18,499
	18,032	20,051

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

28 Interest bearing loans from non-controlling shareholders

	2024 HK$ million	2023 HK$ million
Interest bearing loans from non-controlling shareholders are analysed as:		
Current portion	1,874	–
Non-current portion	1,597	3,245
	3,471	3,245

At 31 December 2024 and 2023, these loans mainly bear interest at rates at EURIBOR +2.0%, Stockholm Interbank Offered Rate +2.0% and Stockholm Interbank Offered Rate +0.7% per annum. The carrying amounts of the borrowings approximate their fair values.

29 Pension plans

	2024 HK$ million	2023 HK$ million
Defined benefit assets (see note 21)	2,239	1,428
Defined benefit liabilities	3,197	3,536
Net defined benefit liabilities	958	2,108

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

(a) Defined benefit plans

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

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

	2024	2023
Discount rates	2.8% – 5.5%	3.2% – 4.7%
Future salary increases	2.2% – 3.5%	2.2% – 3.5%
Interest credited on two principal plans in Hong Kong	5.0% – 6.0%	5.0% – 6.0%

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

	2024 HK$ million	2023 HK$ million
Present value of defined benefit obligations	16,585	17,965
Fair value of plan assets	15,630	15,860
	955	2,105
Restrictions on assets recognised	3	3
Net defined benefit liabilities	958	2,108

29 Pension plans (continued)

(a) Defined benefit plans (continued)

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

	Present value of defined benefit obligations HK$ million	Fair value of plan assets HK$ million	Asset ceiling HK$ million	Net defined benefit liabilities HK$ million
At 1 January 2024	17,965	(15,860)	3	2,108
Net charge (credit) to the consolidated income statement				
Current service cost	514	19	–	533
Past service cost and gains and losses on settlements	2	–	–	2
Interest cost (income)	625	(586)	–	39
	1,141	(567)	–	574
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial gain arising from change in demographic assumptions	(77)	–	–	(77)
Actuarial gain arising from change in financial assumptions	(1,143)	–	–	(1,143)
Actuarial loss arising from experience adjustment	118	–	–	118
Return on plan assets excluding interest income	–	419	–	419
Exchange translation differences	(658)	401	–	(257)
	(1,760)	820	–	(940)
Contributions paid by the employer	–	(766)	–	(766)
Contributions paid by the employee	118	(118)	–	–
Benefits paid	(849)	849	–	–
Relating to subsidiaries acquired (see note 33(c))	32	–	–	32
Relating to subsidiaries disposed (see note 33(d))	(45)	–	–	(45)
Transfer from (to) other liabilities	(17)	12	–	(5)
At 31 December 2024	16,585	(15,630)	3	958

29 Pension plans (continued)

(a) Defined benefit plans (continued)

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

	Present value of defined benefit obligations HK$ million	Fair value of plan assets HK$ million	Asset ceiling HK$ million	Net defined benefit liabilities HK$ million
At 1 January 2023	15,163	(13,750)	6	1,419
Net charge (credit) to the consolidated income statement				
Current service cost	360	18	–	378
Past service cost and gains and losses on settlements	70	–	–	70
Interest cost (income)	596	(589)	–	7
	1,026	(571)	–	455
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial gain arising from change in demographic assumptions	(157)	–	–	(157)
Actuarial loss arising from change in financial assumptions	1,232	–	–	1,232
Actuarial loss arising from experience adjustment	339	–	–	339
Return on plan assets excluding interest income	–	19	–	19
Change in asset ceiling	–	–	(3)	(3)
Exchange translation differences	655	(599)	–	56
	2,069	(580)	(3)	1,486
Contributions paid by the employer	–	(1,253)	–	(1,253)
Contributions paid by the employee	113	(113)	–	–
Benefits paid	(805)	805	–	–
Transfer from (to) other liabilities	399	(398)	–	1
At 31 December 2023	17,965	(15,860)	3	2,108

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

29 Pension plans (continued)

(a) Defined benefit plans (continued)

The Group operates two principal pension plans in Hong Kong. One plan, which has been closed to new entrants since 1994, provides pension benefits based on the greater of the aggregate of the employee and employer vested contributions plus a minimum interest thereon of 6% per annum, and pension benefits derived by a formula based on the final salary and years of service. An independent actuarial valuation, undertaken for funding purposes under the provision of Hong Kong's Occupational Retirement Schemes Ordinance ("ORSO"), at 30 June 2024 reported a funding level of 169% of the accrued actuarial liabilities on an ongoing basis. The valuation used the attained age valuation method and the main assumptions in the valuation are an investment return of 5% per annum, salary increases of 3.5% per annum and interest credited to balances of 6% per annum. The valuation was prepared by Tian Keat Aun – Director, Retirement Hong Kong (a Fellow of The Institute and Faculty of Actuaries), and Michael Lee – Consultant, Retirement Hong Kong of Towers Watson Hong Kong Limited. The second plan provides benefits equal to the employer vested contributions plus a minimum interest thereon of 5% per annum. As at 31 December 2024, vested benefits under this plan are fully funded in accordance with the ORSO funding requirements. During the year, forfeited contributions totalling HK$14 million (2023: HK$16 million) were used to reduce the current year's level of contributions and HK$1 million forfeited contribution was available at 31 December 2024 (2023: HK$1 million) to reduce future years' contributions.

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

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

The Group operates a defined benefit pension plan for certain of its retail operation in the United Kingdom. It is not open to new entrants. With effect from 28 February 2010, accrual of future defined benefits for all active members was ceased and the final salary linkage was also severed. The last triennial valuation was undertaken on 31 March 2024. This was an independent actuarial valuation, undertaken for funding purposes under the provision of the Pensions Act 2004, at 31 March 2024 which reported a funding level of 107% of the accrued actuarial liabilities on an ongoing basis. The plan was in a surplus position as at 31 March 2024 and as a result there is no requirement for the trustee to agree a recover plan. The company will continue to pay quarterly contributions to fund the scheme expenses of GBP175,000 per quarter. The valuation used the projected unit credit method and the main assumptions in the valuation are investment returns of 3.69% to 5.63% per annum and pension increases of 2.66% to 4.39% per annum for pension tranches increasing at Retail Price Inflation capped at 5% per annum. However, not all pension tranches are subject to the same level of pension increase and following an exercise completed in 2024, there are other pension tranches that increase at either fixed 4% per annum or fixed 0% per annum. The valuation was prepared by Tracey McManus, a Fellow of the Institute and Faculty of Actuaries, of Barnett Waddingham LLP.

29 Pension plans (continued)

(a) Defined benefit plans (continued)

(i) Plan assets

Fair value of the plan assets are analysed as follows:

	2024 Percentage	2023 Percentage
Equity instruments		
Consumer markets and manufacturing	**5%**	4%
Energy and utilities	**1%**	1%
Financial institutions and insurance	**4%**	3%
Telecommunications and information technology	**5%**	5%
Units trust and equity instrument funds	**3%**	4%
Others	**7%**	6%
	25%	23%
Debt instruments		
Government and government guaranteed notes	**22%**	22%
Financial institutions notes	**6%**	5%
Others	**5%**	7%
	33%	34%
Qualifying insurance policies	**30%**	31%
Other assets	**12%**	12%
	100%	100%

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

	2024 Percentage	2023 Percentage
Aaa / AAA	**7%**	6%
Aa1 / AA+	**16%**	12%
Aa2 / AA	**48%**	52%
Aa3 / AA-	**2%**	1%
A1 / A+	**3%**	2%
A2 / A	**5%**	4%
Other investment grades	**16%**	18%
No investment grades	**3%**	5%
	100%	100%

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

29 Pension plans (continued)

(a) Defined benefit plans (continued)

(i) Plan assets (continued)

Fair value of plan assets of HK$15,630 million (2023: HK$15,860 million) includes investments in the Company's shares with a fair value of HK$7 million (2023: HK$10 million).

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

(ii) Defined benefit obligation

The average duration of the defined benefit obligation as at 31 December 2024 is 17 years (2023: 18 years).

The Group expects to make contributions of HK$819 million (2023: HK$958 million) to the defined benefit plans next year.

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

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

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

If the discount rate is 0.25% higher or lower, the defined benefit obligation would decrease by 3.5% or increase by 3.8% respectively (2023: decrease by 2.9% or increase by 3.1% respectively).

If the future salary increase is 0.25% higher or lower, the defined benefit obligation would increase by 0.5% or decrease by 0.5% respectively (2023: increase by 0.6% or decrease by 0.5% respectively).

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

(b) Defined contribution plans

The Group's cost in respect of defined contribution plans for the year amounted to HK$1,354 million (2023: HK$1,505 million) which has been charged to the profit or loss for the year. Forfeited contributions of HK$15 million (2023: HK$15 million) were used to reduce the current year's level of contributions and no forfeited contribution was available at 31 December 2024 (2023: nil) to reduce future years' contributions.

30 Other non-current liabilities

	2024 HK$ million	2023 HK$ million
Derivative financial instruments		
Fair value hedges – collar agreements	–	59
Cash flow hedges		
Other contracts	–	1
Net investment hedges		
Cross currency swaps	2	465
Other derivative financial instruments	91	–
Obligations for telecommunications licences and other rights	3,122	3,994
Other non-current liabilities	6,132	6,387
Liabilities relating to the economic benefits agreements	2,166	2,166
Provisions (see note 27)	16,871	18,499
	28,384	31,571

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

(a) Share capital and share premium

	Number of shares	Share capital HK$ million	Share premium HK$ million	Total HK$ million
Authorised:				
Ordinary shares of HK$1 each	8,000,000,000	8,000	–	8,000
Issued and fully paid:				
Ordinary shares				
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	3,830,044,500	3,830	242,972	246,802

(b) Perpetual capital securities

	2024 HK$ million	2023 HK$ million
EUR500 million issued in 2018	–	4,566

In December 2018, a wholly owned subsidiary company of the Group issued perpetual capital securities with nominal amount of EUR500 million for cash. The Group has fully redeemed these perpetual capital securities in June 2024.

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

(c) Capital management

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

At 31 December 2024, total equity amounted to HK$652,592 million (2023: HK$670,549 million), and consolidated net debt of the Group, excluding loans from non-controlling shareholders which are viewed as quasi equity, was HK$128,558 million (2023: HK$130,585 million). The Group's net debt to net total capital ratio increased to 16.4% from 16.2% at the end of last year.

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

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

	2024	2023
A1 – excluding interest-bearing loans from non-controlling shareholders from debt	**16.4%**	16.2%
A2 – as in A1 above and investments in listed subsidiaries and associated companies marked to market value	**17.5%**	18.0%
B1 – including interest-bearing loans from non-controlling shareholders as debt	**16.8%**	16.6%
B2 – as in B1 above and investments in listed subsidiaries and associated companies marked to market value	**18.0%**	18.4%

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

32 Reserves

	2024				
	Attributable to ordinary shareholders				
	Retained profit HK$ million	Exchange reserve HK$ million	Hedging reserve HK$ million	Others [a] HK$ million	Total HK$ million
At 1 January 2024	669,173	(29,260)	2,618	(345,298)	297,233
Profit for the year	17,088	–	–	–	17,088
Other comprehensive income (losses) [b]					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	(528)	(528)
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	126	126
Remeasurement of defined benefit obligations	646	–	–	–	646
Exchange losses on translation of foreign operations	–	(8,156)	–	–	(8,156)
Losses on cash flow hedges	–	–	(122)	–	(122)
Gains on net investment hedges	–	1,123	–	–	1,123
Losses in other reserves related to subsidiaries disposed during the year transferred directly to retained profits	(24)	–	–	24	–
Share of other comprehensive income (losses) of associated companies	(68)	(5,101)	(130)	(21)	(5,320)
Share of other comprehensive income (losses) of joint ventures	(721)	(4,489)	241	–	(4,969)
Tax relating to components of other comprehensive income (losses)	(71)	–	4	–	(67)
Other comprehensive income (losses), net of tax	(238)	(16,623)	(7)	(399)	(17,267)
Transfer of losses on disposal of equity securities at FVOCI to retained profit	(682)	–	–	682	–
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2023	(6,798)	–	–	–	(6,798)
Dividends paid relating to 2024	(2,635)	–	–	–	(2,635)
Unclaimed dividends write back	9	–	–	–	9
Relating to purchase of non-controlling interests	–	–	–	(37)	(37)
Relating to partial disposal of subsidiary companies	–	–	–	320	320
At 31 December 2024	675,917	(45,883)	2,611	(344,732)	287,913

32 Reserves (continued)

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

32 Reserves (continued)

(a) Other reserves comprise revaluation reserve and other capital reserves. As at 31 December 2024, revaluation reserve deficit amounted to HK$2,526 million (1 January 2024: HK$2,835 million and 1 January 2023: HK$3,472 million), and other capital reserves deficit amounted to HK$342,206 million (1 January 2024: HK$342,463 million and 1 January 2023: HK$342,389 million). Revaluation surplus (deficit) arising from revaluation to market value of listed debt securities and listed equity securities are included in the revaluation reserve. Included in the other capital reserves account is a deficit of HK$341,336 million, relating to the fair value of shares of Cheung Kong (Holdings) Limited, the former holding company of the Group, cancelled as part of the reorganisation completed in 2015.

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

	2024		
	Before-tax amount HK$ million	**Tax effect HK$ million**	**Net-of- tax amount HK$ million**
Changes in fair value of equity instruments at fair value through other comprehensive income	**(528)**	**–**	**(528)**
Changes in fair value of debt instruments at fair value through other comprehensive income	**126**	**–**	**126**
Remeasurement of defined benefit obligations	**810**	**(90)**	**720**
Exchange losses on translation of foreign operations	**(9,543)**	**–**	**(9,543)**
Losses on cash flow hedges	**(132)**	**5**	**(127)**
Gains on net investment hedges	**1,484**	**–**	**1,484**
Share of other comprehensive income (losses) of associated companies	**(5,753)**	**–**	**(5,753)**
Share of other comprehensive income (losses) of joint ventures	**(6,256)**	**–**	**(6,256)**
	(19,792)	**(85)**	**(19,877)**

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

33 Notes to the consolidated statement of cash flows

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

	2024 HK$ million	2023 HK$ million
Profit after tax	**23,853**	30,209
Less: share of profits less losses of		
Associated companies	**(6,903)**	(8,138)
Joint ventures	**(9,757)**	(7,990)
	7,193	14,081
Adjustments for:		
Current tax charge	**4,189**	4,119
Deferred tax charge (credit)	**528**	(1,116)
Interest expenses and other finance costs	**13,392**	12,227
Depreciation and amortisation	**40,460**	40,083
EBITDA of Company and subsidiaries (i)	**65,762**	69,394
Dividends received from associated companies and joint ventures	**11,509**	11,388
Impairment loss on telecommunications business in Vietnam (see note 7(e))	**1,859**	–
Loss on disposal of fixed assets	**97**	169
Gains on disposals of unlisted investments	**(78)**	–
Gains on disposals of interests in associated companies and joint ventures (see note 7)	**–**	(228)
Loss on disposal of associated companies and joint ventures (see note 7)	**14**	70
A gain on disposal of financial instruments (see note 7)	**–**	(1,829)
Losses (gains) on disposal of subsidiaries (see note 7)		
Italian network business	**–**	250
Ports businesses	**(364)**	–
Customer acquisition and retention costs capitalised in the year	**(4,057)**	(4,143)
Other non-cash items	**388**	345
	75,130	75,416

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

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

(i) Reconciliation of EBITDA:

	2024 HK$ million	2023 HK$ million
EBITDA of Company and subsidiaries	65,762	69,394
Share of EBITDA of associated companies and joint ventures		
Share of profits less losses of		
Associated companies	6,903	8,138
Joint ventures	9,757	7,990
Adjustments for:		
Depreciation and amortisation	26,159	24,724
Interest expenses and other finance costs	10,658	11,973
Current tax charge	4,594	3,582
Deferred tax charge	1,613	1,806
Non-controlling interests	571	482
	60,255	58,695
EBITDA (see note 5(b)(ii))	126,017	128,089

(b) Changes in working capital

	2024 HK$ million	2023 HK$ million
Increase in inventories	(1,536)	(1,005)
Decrease (increase) in trade receivables and other current assets	1,128	(5,022)
Decrease in trade payables and other current liabilities	(1,535)	(3,767)
Other non-cash items	(1,040)	1,829
	(2,983)	(7,965)

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

(c) Purchase of subsidiary companies

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

	2024 HK$ million	2023 HK$ million
Purchase consideration transferred:		
Cash and cash equivalents paid	**4,167**	127
Fair value		
Fixed assets	**628**	6
Right-of-use assets	**559**	3
Telecommunications licences	**3,368**	–
Brand names and other rights	**18**	9
Deferred tax assets	**4**	3
Cash and cash equivalents	**53**	72
Trade receivables and other current assets	**341**	52
Inventories	**67**	13
Trade payables and other current liabilities and current tax liabilities	**(683)**	(57)
Bank and other debts	**–**	(2)
Lease liabilities	**(1,249)**	(3)
Deferred tax liabilities	**(358)**	–
Pension obligations	**(32)**	(1)
Net identifiable assets acquired	**2,716**	95
Non-controlling interests	**–**	(43)
	2,716	52
Goodwill	**1,451**	75
Total consideration	**4,167**	127
Net cash outflow (inflow) arising from acquisition:		
Cash and cash equivalents paid	**4,167**	127
Cash and cash equivalents acquired	**(53)**	(72)
Total net cash outflow	**4,114**	55

For current year ended 31 December 2024, the completion of the acquisition is within the one year measurement period by the year end date of 31 December 2024. The amounts disclosed above are determined on a provisional basis and are subject to finalisation.

For the year ended 31 December 2024 and 31 December 2023, the acquisition related costs and the contributions to the Group's revenue and profit before tax from the subsidiaries acquired during the year since the respective date of acquisition were not material.

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

(d) Disposal of subsidiary companies

	2024 HK$ million	2023 HK$ million
Equity securities received	736	2,563
Net cash consideration	464	2,563
Carrying amount of net assets disposed	(836)	(5,052)
Gains before reclassification of exchange losses	364	74
Cumulative exchange losses reclassified to profit or loss	–	(324)
Gains (loss) on disposals	364	(250)
Analysis of assets and liabilities over which control was lost:		
Fixed assets	4,713	–
Right-of-use assets	730	–
Trade receivables and other current assets	91	–
Inventories	43	–
Assets classified as held for sale	–	6,202
Trade payables and other current liabilities and current tax liabilities	(513)	–
Bank and other debts	(2,824)	–
Interest free loans from non-controlling shareholders	(92)	–
Lease liabilities	(820)	–
Deferred tax liabilities	(35)	–
Pension obligations	(45)	–
Liabilities directly associated with assets classified as held for sale	–	(1,150)
Non-controlling interests	(543)	–
Net assets (excluding cash and cash equivalents) disposed	705	5,052
Cash and cash equivalents disposed	131	–
Net assets disposed	836	5,052
Net cash inflow arising from disposal:		
Cash and cash equivalents received	464	2,563
Cash and cash equivalents disposed	(131)	–
Total net cash inflow	333	2,563

Disposal of subsidiary companies for the current year ended 31 December 2024 mainly related to the disposal of the Group's former non-wholly owned subsidiary Abu Qir Container Terminal Company S.A.E., which became a 41% owned associated company in the current year. For the comparative year ended 31 December 2023, the disposals of subsidiary companies mainly related to the disposal of Zefiro Net S.r.l., which became a 50% owned joint venture in the comparative year. The gains (loss) on these disposals are recognised in the consolidated income statement, with the current year's gains on disposals included in the line item titled "Other income and gains" and the comparative year's loss on disposal included in the line item titled "Other expenses and losses" in the consolidated income statement (see note 7).

Saved as disclosed for the effect arising from the gains (loss) on disposals, the effect on the Group's results from the subsidiaries disposed during the year are not material for the years ended 31 December 2024 and 2023.

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

(e) Changes in liabilities arising from financing activities

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

	Bank and other debts HK$ million	Lease liabilities HK$ million	Interest bearing loans from non-controlling shareholders HK$ million	Interest free loans from non-controlling shareholders HK$ million	Liabilities relating to the economic benefits agreements HK$ million	Total HK$ million
At 1 January 2023	284,326	66,059	2,567	472	2,166	355,590
Financing cash flows						
New borrowings	58,211	–	–	–	–	58,211
Repayment of borrowings	(75,361)	–	–	–	–	(75,361)
Principal elements of lease payments (see note 13(b))	–	(14,476)	–	–	–	(14,476)
Net loans from (to) non-controlling shareholders	–	–	561	(34)	–	527
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 8)	237	–	–	–	–	237
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 8(a))	(341)	–	–	–	–	(341)
Increase in lease liabilities from entering into new leases (see note 13(a))	–	8,871	–	–	–	8,871
Interest on lease liabilities (see note 8)	–	2,546	–	–	–	2,546
Interest element of lease liabilities paid (included in "Net cash from operating activities")	–	(2,412)	–	–	–	(2,412)
Remeasurement/write off of lease liabilities	–	5,739	–	–	–	5,739
Relating to subsidiaries acquired (see note 33(c))	2	3	–	–	–	5
Exchange translation differences	4,848	1,593	117	–	–	6,558
At 31 December 2023 and 1 January 2024	**271,922**	**67,923**	**3,245**	**438**	**2,166**	**345,694**
Financing cash flows						
New borrowings	**54,594**	**–**	**–**	**–**	**–**	**54,594**
Repayment of borrowings	**(60,201)**	**–**	**–**	**–**	**–**	**(60,201)**
Principal elements of lease payments (see note 13(b))	**–**	**(14,103)**	**–**	**–**	**–**	**(14,103)**
Net loans from (to) non-controlling shareholders	**–**	**–**	**485**	**(19)**	**–**	**466**
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 8)	**248**	**–**	**–**	**–**	**–**	**248**
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 8(a))	**(338)**	**–**	**–**	**–**	**–**	**(338)**
Increase in lease liabilities from entering into new leases (see note 13(a))	**–**	**7,534**	**–**	**–**	**–**	**7,534**
Interest on lease liabilities (see note 8)	**–**	**2,757**	**–**	**–**	**–**	**2,757**
Interest element of lease liabilities paid (included in "Net cash from operating activities")	**–**	**(2,739)**	**–**	**–**	**–**	**(2,739)**
Remeasurement/write off of lease liabilities	**–**	**6,087**	**–**	**–**	**–**	**6,087**
Relating to purchase of non-controlling interests	**–**	**–**	**–**	**22**	**–**	**22**
Relating to subsidiaries acquired (see note 33(c))	**–**	**1,249**	**–**	**–**	**–**	**1,249**
Relating to subsidiaries disposed (see note 33(d))	**(2,824)**	**(820)**	**–**	**(92)**	**–**	**(3,736)**
Exchange translation differences	**(7,009)**	**(3,369)**	**(259)**	**–**	**–**	**(10,637)**
At 31 December 2024	**256,392**	**64,519**	**3,471**	**349**	**2,166**	**326,897**

34 Share-based payments

The Company and its subsidiary companies do not have share option scheme as at 31 December 2024 and 31 December 2023. Certain of the Company's associated companies have issued equity-settled and cash-settled share-based payments to certain employees. The aggregate amount of the share-based payments recognised by these companies during the current and comparative years are not material to the Group's results.

35 Pledge of assets

At 31 December 2024, assets of the Group totalling HK$1,449 million (2023: HK$1,533 million) were pledged as security for bank and other debts.

36 Contingent liabilities and guarantees

At 31 December 2024, the Company and its subsidiaries provide guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures of HK$10,753 million (2023: HK$4,560 million).

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

	2024 HK$ million	2023 HK$ million
To associated companies	**8,444**	3,661
To joint ventures	**–**	–

At 31 December 2024, the Group had provided performance and other guarantees of HK$4,860 million (2023: HK$4,115 million).

37 Commitments

The Group's outstanding commitments contracted for at 31 December 2024, where material, not provided for in the consolidated financial statements at 31 December 2024 are as follows:

Capital commitments

(a) Ports and Related Services: HK$235 million (2023: HK$462 million)
(b) **3** Group Europe: HK$155 million (2023: HK$181 million)
(c) Telecommunications, Hong Kong and Asia: HK$769 million (2023: HK$149 million)

38 Related parties transactions

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

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

39 Legal proceedings

As at 31 December 2024 and 2023, the Group is not engaged in any material litigation or arbitration proceedings, and no material litigation or claim is known by the Group to be pending or threatened against it.

40 Financial risk management

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

(a) Cash management and funding

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

The Group continues to maintain a robust financial position. Cash, liquid funds and other listed investments ("Liquid assets") amounted to HK$129,445 million at 31 December 2024 (2023: HK$143,109 million). The decrease was mainly reflecting dividend payments to ordinary and non-controlling shareholders, redemption of perpetual capital securities, repayment and early repayment of certain borrowings, capital expenditure and investment spending, as well as distributions to perpetual capital securities holders, partly offset by cash arising from positive funds from operations from the Group's businesses and cash from new borrowings. Liquid assets were denominated as to 16% in HK dollar, 45% in US dollar, 3% in Renminbi, 23% in Euro, 5% in British Pound and 8% in other currencies (2023: 17% were denominated in HK dollar, 45% in US dollar, 3% in Renminbi, 23% in Euro, 5% in British Pound and 7% in other currencies).

Cash and cash equivalents represented 94% (2023: 89%) of the liquid assets, US Treasury notes and other listed debt securities 5% (2023: 5%) and listed equity securities 1% (2023: 6%). The US Treasury notes and other listed debt securities, including those held under managed funds, consisted of US Treasury notes of 74% (2023: 72%), government and government guaranteed notes of 22% (2023: 25%) and others of 4% (2023: 3%). All of these US Treasury notes and other listed debt securities (2023: All) are rated at Aaa / AAA or Aa1 / AA+ with an average maturity of 1.1 years (2023: 1.8 years) on the overall portfolio. The Group has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.

40 Financial risk management (continued)

(b) Interest rate exposure

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

At 31 December 2024, approximately 34% (2023: approximately 34%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 66% (2023: approximately 66%) were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$3,129 million (2023: HK$3,461 million) principal amount of floating interest rate borrowings that were used to finance long term investments to fixed interest rate borrowings. After taking into consideration of these interest rate swaps, approximately 33% (2023: approximately 32%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 67% (2023: approximately 68%) were at fixed rates at 31 December 2024. All of the aforementioned interest rate derivatives are designated as hedges and these hedges are considered highly effective.

(c) Foreign currency exposure

For subsidiaries, associated companies, joint arrangements, branches and other investments (the activities of which are based or conducted in non-HK dollar or non-US dollar), the Group generally endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. For businesses (the activities of which are based or conducted in non-HK dollar or non-US dollar) that are in the development phase, or where borrowings in local currency are not or are no longer attractive, the Group may not borrow in the local currency or may repay existing borrowings and monitor the development of the businesses' cash flows and the relevant debt markets with a view to refinance these businesses with local currency borrowings in the future when conditions are more appropriate. Exposure to movements in exchange rates for individual transactions (such as major procurement contracts) directly related to its underlying businesses is minimised by using forward foreign exchange contracts and currency swaps where active markets for the relevant currencies exist. The Group generally does not enter into foreign currency hedges in respect of its long-term equity investments in foreign operations, except in relation to certain infrastructure investments. At 31 December 2024, the Group had foreign exchange forward contracts and cross currency swaps with banks to hedge these investments. The total notional amount of the net investment hedges amounted to HK$48,426 million (2023: HK$50,730 million).

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

As at 31 December 2024, the Group's total principal amount of bank and other debts are denominated as follows: 51% in US dollar, 30% in Euro, 6% in HK dollar, 5% in British Pound and 8% in other currencies (2023: 49% in US dollar, 33% in Euro, 5% in HK dollar, 5% in British Pound and 8% in other currencies). The Group had currency swap arrangements with banks to swap British Pound principal amount of borrowings equivalent to HK$4,920 million (2023: HK$4,970 million) to Euro principal amount of borrowings to reflect currency exposures of its underlying businesses. The Group's total principal amount of bank and other debts, after the above swaps, were denominated as follows: 51% in US dollar, 32% in Euro, 6% in HK dollar, 3% in British Pound and 8% in other currencies (2023: 49% in US dollar, 34% in Euro, 5% in HK dollar, 4% in British Pound and 8% in other currencies).

40 Financial risk management (continued)

(d) Credit exposure

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

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

(e) Market price risk

The Group's main market price risk exposures relate to listed debt and equity securities as described in "liquid assets" above and the interest rate swaps described in "interest rate exposure" above. The Group's holding of listed debt and equity securities represented approximately 6% (2023: approximately 11%) of the liquid assets. The Group controls this risk through active monitoring of price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

(f) Market risks sensitivity analysis

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

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

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

40 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

(i) Interest rate sensitivity analysis

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

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

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

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

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

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

- cash and cash equivalents (see note 23)
- some of the listed debt securities and managed funds (see note 20) carried at fair value that bear interest at fixed rate
- some of the listed debt securities and managed funds (see note 20) that bear interest at floating rate
- some of the bank and other debts (see note 25) that bear interest at floating rate
- interest bearing loans from non-controlling shareholders (see note 28)

Under these assumptions, the impact of a hypothetical 100 basis points (2023: 100 basis points) increase in market interest rate at 31 December 2024, with all other variables held constant:

- profit for the year would increase by HK$327 million (2023: HK$334 million) due to increased interest income offset with increased interest expense;
- total equity would increase by HK$327 million (2023: HK$334 million) due to increased interest income offset with increased interest expense; and
- total equity would increase by HK$4 million (2023: HK$45 million) due to the change in fair value of derivative financial instruments.

40 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

(ii) Foreign currency exchange rate sensitivity analysis

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

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

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

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

Major financial assets and financial liabilities for the purpose of the foreign currency exchange rate sensitivity analysis include:

- some of the cash and cash equivalents (see note 23)
- some of the liquid funds and other listed investments (see note 20)
- some of the bank and other debts (see note 25)

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

40 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

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

	2024		2023	
	Hypothetical increase (decrease) in profit for the year HK$ million	**Hypothetical increase (decrease) in total equity HK$ million**	Hypothetical increase (decrease) in profit for the year HK$ million	Hypothetical increase (decrease) in total equity HK$ million
Euro	**159**	**(264)**	172	(264)
British Pound	**83**	**(1,118)**	144	(1,078)
Australian dollar	**40**	**(335)**	43	(368)
Renminbi	**45**	**45**	68	68
US dollar	**2,133**	**2,133**	2,182	2,182
Japanese Yen	**(39)**	**(39)**	(83)	(83)

(iii) Other price sensitivity analysis

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

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

Major financial assets and financial liabilities for the purpose of the other price sensitivity analysis include:

- financial assets at FVOCI (see note 20)

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

– no impact to profit for the year (2023: nil), and consequently no impact to total equity for the year (2023: nil); and
– other comprehensive income would increase by HK$405 million (2023: HK$787 million) due to the increase in gains on financial assets at FVOCI, and consequently, total equity would increase by the same amount for both years.

(g) Contractual maturities of financial liabilities

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

Non-derivative financial liabilities:

	Contractual maturities					
	Within 1 year HK$ million	After 1 year, but within 5 years HK$ million	After 5 years HK$ million	Total undiscounted cash flows HK$ million	Difference from carrying amounts HK$ million	Carrying amounts HK$ million
At 31 December 2024						
Trade payables	21,861	–	–	21,861	–	21,861
Expenses and other accruals	33,411	–	–	33,411	–	33,411
Other payables	19,104	–	–	19,104	–	19,104
Interest free loans from non-controlling shareholders	349	–	–	349	–	349
Lease liabilities	13,649	32,658	34,922	81,229	(16,710)	64,519
Bank loans	24,896	62,944	–	87,840	(150)	87,690
Other loans	4	14	50	68	–	68
Notes and bonds	6,068	82,059	80,013	168,140	494	168,634
Interest bearing loans from non-controlling shareholders	1,874	1,591	6	3,471	–	3,471
Obligations for telecommunications licences and other rights	864	1,527	1,890	4,281	(298)	3,983
Liabilities relating to the economic benefits agreements	–	2,166	–	2,166	–	2,166
Amounts due to associated companies	535	–	–	535	–	535
Amounts due to joint ventures	270	–	–	270	–	270
	122,885	182,959	116,881	422,725	(16,664)	406,061

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK$8,484 million in "within 1 year" maturity band, HK$22,549 million in "after 1 year, but within 5 years" maturity band, and HK$17,587 million in "after 5 years" maturity band. These estimates are calculated assuming the effect of hedging transactions and interest rates with respect to variable rate financial liabilities remain constant and there is no change in the aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

40 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

Derivative financial liabilities:

	Contractual maturities			
	Within 1 year HK$ million	After 1 year, but within 5 years HK$ million	After 5 years HK$ million	Total undiscounted cash flows HK$ million
At 31 December 2024				
Cash flow hedges				
Other contracts				
Outflow	(14)	–	–	(14)
Net investment hedges				
Forward foreign exchange contracts				
Inflow	1,914	–	–	1,914
Outflow	(1,969)	–	–	(1,969)
Cross currency swaps				
Inflow	45	3,427	564	4,036
Outflow	–	(3,641)	(540)	(4,181)

Non-derivative financial liabilities:

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

40 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

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

Derivative financial liabilities:

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

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

	2024 HK$ million	2023 HK$ million
Dividends from equity securities at FVOCI – related to investments held at the end of the reporting period	**114**	142
Interest from debt securities at FVOCI	**111**	104
Interest from cash and cash equivalents held at amortised cost	**5,834**	5,616
Fair value losses on equity securities at fair value through profit or loss ("FVPL")	**–**	(103)
Fair value gains (losses) on debt securities at FVPL	**(15)**	13
Net impairment expense recognised on trade receivables	**(685)**	(612)

40 Financial risk management (continued)

(i) Hedge accounting

(i) Fair value hedges

Hedging instruments	2024 Number of hedged shares in million	Carrying amount of the hedging instrument HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedging instrument is included
Collar agreements	3.0	14	69	Trade receivables and other current assets

Hedged items	2024 Carrying amount of the hedged item HK$ million	Change in value used for calculating hedge ineffectiveness HK$ million	Line item in the statement of financial position in which the hedged item is included
Listed equity securities, outside Hong Kong	741	(120)	Liquid funds and other listed investments

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

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

40 Financial risk management (continued)

(i) Hedge accounting (continued)

(ii) Cash flow hedges

	2024							
					Carrying amount of derivatives included in			
Hedging instruments	Receive average contracted interest rate Percentage	Pay average contracted interest rate Percentage	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Interest rate swaps								
– receive floating and pay fixed maturing in								
2025	5.15%	3.58%	AUD 509	2,469	7	–	–	–
2025	5.68%	5.30%	NZD 150	660	–	–	–	–
				3,129	7	–	–	–
Cross currency interest rate swaps								
– receive fixed and pay fixed maturing in								
2027	2.00%	0.05%	GBP 500	4,920	–	227	–	–
				4,920	–	227	–	–

	2024						
				Carrying amount of derivatives included in			
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
Forward foreign exchange contracts maturing in							
2025	1.08	US$ 18	144	5	–	–	–
			144	5	–	–	–

	2024		
Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
Interest rate risk	46	5	–
Foreign exchange risk	(84)	(87)	–

40 Financial risk management (continued)

(i) Hedge accounting (continued)

(ii) Cash flow hedges (continued)

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

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

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

40 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges

Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK$ million	Other current assets HK$ million	Other non-current assets HK$ million	Other current liabilities HK$ million	Other non-current liabilities HK$ million
	2024			Carrying amount of derivatives included in			
Forward foreign exchange contracts maturing in							
2025	5.69	CAD 992	5,355	209	–	(25)	–
2025	5.05	AUD 159	773	31	–	–	–
2025	4.66	NZD 280	1,232	–	–	(73)	–
2025	9.87	GBP 2,487	24,476	195	–	(49)	–
2025	8.29	EUR 82	666	1	–	(8)	–
			32,502	436	–	(155)	–
Cross currency swaps maturing in							
2025 – 2031	5.83	CAD 233	1,255	79	–	–	(2)
2025 – 2031	8.15	EUR 965	7,807	–	82	(238)	–
2027	5.86	AUD 1,415	6,862	–	1,199	–	–
			15,924	79	1,281	(238)	(2)

Hedged items	Change in value used for calculating hedge ineffectiveness HK$ million	Surplus (deficit) in hedging reserve / exchange reserve for continuing hedges HK$ million	Surplus (deficit) in hedging reserve / exchange reserve arising from hedging relationships for which hedge accounting is no longer applied HK$ million
	2024		
Foreign investments	(1,458)	(8,428)	(716)

40 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges (continued)

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

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

40 Financial risk management (continued)

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

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

	Note	Classification under HKFRS 9	2024 Carrying amounts HK$ million	2024 Fair values HK$ million	2023 Carrying amounts HK$ million	2023 Fair values HK$ million
Financial assets						
Liquid funds and other listed investments						
Cash and cash equivalents (included in Managed funds)	20	Amortised cost	34	34	50	50
Listed equity securities, Hong Kong	20	FVOCI	536	536	608	608
Listed equity securities, outside Hong Kong	20	FVOCI	747	747	8,589	8,589
Listed debt securities (included in Managed funds)	20	FVOCI	6,825	6,825	6,539	6,539
Unlisted investments						
Unlisted equity securities	21	FVOCI	1,933	1,933	2,189	2,189
Unlisted equity securities	21	FVPL	366	366	369	369
Unlisted debt securities	21	FVPL	414	414	604	604
Derivative financial instruments						
Fair value hedges – collar agreements	24	Fair value – hedges	14	14	–	–
Cash flow hedges						
Interest rate swaps	21 & 24	Fair value – hedges	7	7	52	52
Cross currency interest rate swaps	21	Fair value – hedges	227	227	150	150
Forward foreign exchange contracts	24	Fair value – hedges	5	5	–	–
Other contracts	24	Fair value – hedges	1	1	26	26
Net investment hedges						
Forward foreign exchange contracts	24	Fair value – hedges	436	436	201	201
Cross currency swaps	21 & 24	Fair value – hedges	1,360	1,360	908	908
Lease receivables	21	Amortised cost	875	875	507	507
Cash and cash equivalents	23	Amortised cost	121,303	121,303	127,323	127,323
Trade receivables	24	Amortised cost	15,327	15,327	16,297	16,297
Other receivables	24	Amortised cost	12,169	12,169	13,491	13,491
Amounts due from associated companies	17	Amortised cost	1,671	1,671	3,435	3,435
Amounts due from joint ventures	18	Amortised cost	16,953	16,953	22,377	22,377
			181,203	181,203	203,715	203,715

40 Financial risk management (continued)

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

	Note	Classification under HKFRS 9	2024 Carrying amounts HK$ million	2024 Fair values HK$ million	2023 Carrying amounts HK$ million	2023 Fair values HK$ million
Financial liabilities						
Bank and other debts [(i)]	25	Amortised cost	**256,392**	**239,786**	271,922	258,853
Trade payables	26	Amortised cost	**21,861**	**21,861**	23,017	23,017
Derivative financial instruments						
Fair value hedges – collar agreements	26 & 30	Fair value – hedges	**–**	**–**	356	356
Cash flow hedges						
Forward foreign exchange contracts	26	Fair value – hedges	**–**	**–**	2	2
Other contracts	26 & 30	Fair value – hedges	**5**	**5**	114	114
Net investment hedges						
Forward foreign exchange contracts	26	Fair value – hedges	**155**	**155**	1,072	1,072
Cross currency swaps	26 & 30	Fair value – hedges	**240**	**240**	465	465
Other derivative financial instruments	30	FVPL	**91**	**91**	–	–
Interest free loans from non-controlling shareholders	26	Amortised cost	**349**	**349**	438	438
Expenses and other accruals	26	Amortised cost	**33,411**	**33,411**	36,471	36,471
Other payables	26	Amortised cost	**19,104**	**19,104**	16,888	16,888
Lease liabilities	13	Amortised cost	**64,519**	**64,519**	67,923	67,923
Interest bearing loans from non-controlling shareholders	28	Amortised cost	**3,471**	**3,471**	3,245	3,245
Obligations for telecommunications licences and other rights	26 & 30	Amortised cost	**3,983**	**3,983**	4,615	4,615
Liabilities relating to the economic benefits agreements	30	Amortised cost	**2,166**	**2,166**	2,166	2,166
Amounts due to associated companies	17	Amortised cost	**535**	**535**	543	543
Amounts due to joint ventures	18	Amortised cost	**270**	**270**	310	310
			406,552	**389,946**	429,547	416,478

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

40 Financial risk management (continued)

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

	2024		2023	
	Carrying amounts HK$ million	**Fair values HK$ million**	Carrying amounts HK$ million	Fair values HK$ million
Representing:				
Financial assets measured at				
Amortised cost	**168,332**	**168,332**	183,480	183,480
FVOCI	**10,041**	**10,041**	17,925	17,925
FVPL	**780**	**780**	973	973
Fair value – hedges	**2,050**	**2,050**	1,337	1,337
	181,203	**181,203**	203,715	203,715
Financial liabilities measured at				
Amortised cost	**406,061**	**389,455**	427,538	414,469
FVPL	**91**	**91**	–	–
Fair value – hedges	**400**	**400**	2,009	2,009
	406,552	**389,946**	429,547	416,478

(k) Fair value measurements

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

Fair value hierarchy

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

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

40 Financial risk management (continued)

(k) Fair value measurements (continued)

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

Fair value hierarchy (continued)

	Note	2024 Level 1 HK$ million	2024 Level 2 HK$ million	2024 Level 3 HK$ million	2024 Total HK$ million	2023 Level 1 HK$ million	2023 Level 2 HK$ million	2023 Level 3 HK$ million	2023 Total HK$ million
Financial assets									
Liquid funds and other listed investments									
Listed equity securities, Hong Kong	20	536	–	–	536	608	–	–	608
Listed equity securities, outside Hong Kong	20	747	–	–	747	8,589	–	–	8,589
Listed debt securities (included in Managed funds)	20	6,825	–	–	6,825	6,539	–	–	6,539
Unlisted investments									
Unlisted equity securities – FVOCI	21	–	–	1,933	1,933	–	–	2,189	2,189
Unlisted equity securities – FVPL	21	–	46	320	366	–	46	323	369
Unlisted debt securities	21	–	–	414	414	–	–	604	604
Derivative financial instruments									
Fair value hedges – collar agreements	24	–	–	14	14	–	–	–	–
Cash flow hedges									
Interest rate swaps	21 & 24	–	7	–	7	–	52	–	52
Cross currency interest rate swaps	21	–	227	–	227	–	150	–	150
Forward foreign exchange contracts	24	–	5	–	5	–	–	–	–
Other contracts	24	–	1	–	1	–	26	–	26
Net investment hedges									
Forward foreign exchange contracts	24	–	436	–	436	–	201	–	201
Cross currency swaps	21 & 24	–	1,360	–	1,360	–	908	–	908
		8,108	2,082	2,681	12,871	15,736	1,383	3,116	20,235
Financial liabilities									
Derivative financial instruments									
Fair value hedges – collar agreements	26 & 30	–	–	–	–	–	–	356	356
Cash flow hedges									
Forward foreign exchange contracts	26	–	–	–	–	–	2	–	2
Other contracts	26 & 30	–	5	–	5	–	114	–	114
Net investment hedges									
Forward foreign exchange contracts	26	–	155	–	155	–	1,072	–	1,072
Cross currency swaps	26 & 30	–	240	–	240	–	465	–	465
Other derivative financial instruments	30	–	91	–	91	–	–	–	–
		–	491	–	491	–	1,653	356	2,009

40 Financial risk management (continued)

(k) Fair value measurements (continued)

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

Fair value hierarchy (continued)

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

During the year ended 31 December 2024 and 2023, there were no transfer between the Level 1 and Level 2 fair value measurements, and no transfer into or out of Level 3 from or to Level 1 or Level 2 fair value measurements.

Level 3 fair values

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

	2024 **HK$ million**	2023 HK$ million
At 1 January	**2,760**	3,593
Total gains (losses) recognised in		
Income statement	**(15)**	(90)
Other comprehensive income	**79**	(796)
Additions	**43**	75
Disposals	**(187)**	(74)
Exchange translation differences	**1**	52
At 31 December	**2,681**	2,760
Total losses recognised in income statement relating to those financial assets and financial liabilities held at the end of the reporting period	**(15)**	(90)

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

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

40 Financial risk management (continued)

(k) Fair value measurements (continued)

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

Except for bank and other debts as detailed in the table 40(j) above, the carrying amounts of the financial assets and financial liabilities recognised in the consolidated statement of financial position approximate their fair values.

Fair value hierarchy

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

	Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million
At 31 December 2024				
Bank and other debts	**155,857**	**83,929**	**–**	**239,786**
At 31 December 2023				
Bank and other debts	165,755	93,098	–	258,853

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

40 Financial risk management (continued)

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

The following tables set out the carrying amounts of recognised financial assets and recognised financial liabilities that:

(1) are offset in the Group's consolidated statement of financial position; or

(2) are subject to an enforceable master netting arrangements or similar agreements that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

	Gross amounts of recognised financial assets (liabilities)	Gross amounts offset in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position: Financial assets (liabilities)	Related amounts not offset in the consolidated statement of financial position: Cash collateral pledged (received)	Net amounts
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 31 December 2024						
Financial assets						
Trade receivables	47	(47)	–	–	–	–
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	130	–	130	(130)	–	–
Other receivables and prepayments	269	(160)	109	–	–	109
	446	(207)	239	(130)	–	109
Financial liabilities						
Trade payables	(3,062)	47	(3,015)	–	–	(3,015)
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	(240)	–	(240)	130	–	(110)
Other payables and accruals	(160)	160	–	–	–	–
	(3,462)	207	(3,255)	130	–	(3,125)
At 31 December 2023						
Financial assets						
Trade receivables	43	(43)	–	–	–	–
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	24	–	24	(24)	–	–
Other receivables and prepayments	231	(104)	127	–	–	127
	298	(147)	151	(24)	–	127
Financial liabilities						
Trade payables	(937)	43	(894)	–	–	(894)
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	(465)	–	(465)	24	–	(441)
Other payables and accruals	(104)	104	–	–	–	–
	(1,506)	147	(1,359)	24	–	(1,335)

41 Statement of financial position of the Company, as at 31 December 2024

	2024 HK$ million	2023 HK$ million
Non-current assets		
Subsidiary companies – Unlisted shares [(a)]	**368,139**	355,164
Current assets		
Amounts due from subsidiary companies [(b)]	**21,216**	17,660
Other receivables	**1**	1
Cash	**7**	12
Current liabilities		
Other payables and accruals	**99**	97
Net current assets	**21,125**	17,576
Net assets	**389,264**	372,740
Capital and reserves		
Share capital (see note 31(a))	**3,830**	3,830
Share premium (see note 31(a))	**242,972**	242,972
Reserves – Retained profit [(c)]	**142,462**	125,938
Shareholders' funds	**389,264**	372,740

Frank John Sixt
Director

Lai Kai Ming, Dominic
Director

41 Statement of financial position of the Company, as at 31 December 2024 (continued)

(a) Particulars regarding the principal subsidiary companies are set forth on pages 255 to 258.

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

(c) Reserves – Retained profit

	HK$ million
At 1 January 2023	123,845
Profit for the year	12,963
Unclaimed dividends write back	15
Dividends paid relating to 2022	(7,989)
Dividends paid relating to 2023	(2,896)
At 31 December 2023	**125,938**
Profit for the year	**25,948**
Unclaimed dividends write back	**9**
Dividends paid relating to 2023	**(6,798)**
Dividends paid relating to 2024	**(2,635)**
At 31 December 2024	**142,462**

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

(e) The net profit of the Company is HK$25,948 million (2023: HK$12,963 million) and is included in determining the profit attributable to ordinary shareholders of the Company in the consolidated income statement.

(f) At 31 December 2024, the Company's share premium and retained profit amounted to HK$242,972 million (2023: HK$242,972 million) and HK$142,462 million (2023: HK$125,938 million) respectively, and subject to a solvency test, they are available for distribution to shareholders.

42 Subsequent events

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

43 US dollar equivalents

Amounts in these financial statements are stated in Hong Kong dollar (HK$), the functional currency of the Company. The translation into US dollar (US$) of these financial statements as of, and for the year ended, 31 December 2024, is for convenience only and has been made at the rate of HK$7.8 to US$1. This translation should not be construed as a representation that the Hong Kong dollar amounts actually represented have been, or could be, converted into US dollar at this or any other rate.

44 Rounding of amounts

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

45 Significant judgements, estimates and assumptions

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

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

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

(i) Basis of consolidation and classification of investee entities

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

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

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

45 Significant judgements, estimates and assumptions (continued)

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

(iii) Determination of lease term

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

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

As at 31 December 2024, potential future cash outflows of HK$7,021 million (2023: HK$8,635 million) (undiscounted) have not been included in calculating the lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated).

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

(iv) Business combinations

As disclosed in note 46(c)(iv), the Group applies the provisions of HKFRS 3 to transactions and other events that meet the definition of a business combination within the scope of HKFRS 3. When the Group completes a business combination, the identifiable assets acquired and the liabilities assumed, including intangible assets, contingent liabilities and commitments, are recognised at their fair value. Judgement is required to determine the fair values of the assets acquired, the liabilities assumed, the date of acquisition, and the purchase consideration, and on the allocation of the purchase consideration to the identifiable assets and liabilities. If the purchase consideration exceeds the fair value of the net assets acquired then the incremental amount paid is recognised as goodwill. If the purchase price consideration is lower than the fair value of the net assets acquired then the difference is recorded as a gain in the consolidated income statement. Allocation of the purchase consideration between finite lived assets and indefinite lived assets such as goodwill affects the subsequent results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised.

(b) Key sources of estimation uncertainty

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

45 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

(i) Impairment of goodwill and long-lived assets

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

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

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

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

45 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

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

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

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

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

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

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

45 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

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

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

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

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

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

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

45 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

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

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

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

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

(vi) Estimation of useful life: Fixed assets

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

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

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

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

45 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

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

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

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

(c) Climate-related matters

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

46 Summary of material accounting policies

(a) Standards adopted during the year ended 31 December 2024

The Group applied for the first-time certain standards and amendments to HKFRS issued by HKICPA, which are effective for annual periods beginning on or after 1 January 2024. The adoption of these amendments do not have a material impact on the Group's consolidated financial statements.

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

Amendments made to HKAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

(a) Standards adopted during the year ended 31 December 2024 (continued)

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

These are narrow-scope amendments to the requirements for sale and leaseback transactions in HKFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

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

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

These amendments clarify the characteristics of supplier finance arrangements ("SFAs") and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of SFAs on an entity's liabilities, cash flows and exposure to liquidity risk.

Other than these changes, the accounting policies and methods of computation used in the preparation of the Annual Financial Statements are consistent with those used in the 2023 Annual Financial Statements.

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting year and have not been early adopted by the Group.

These new / amended accounting standards and interpretations are effective for annual periods beginning after 1 January 2024 and include:

(i) Lack of Exchangeability – Amendments to HKAS 21

The HKICPA amended HKAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.

The amendments to HKAS 21 will be effective for annual reporting periods beginning on or after 1 January 2025. The Group does not expect these amendments to have a material impact on its operations or financial statements.

(ii) Amendments to the Classification and Measurement of Financial Instruments – Amendments to HKFRS 9 and HKFRS 7

The HKICPA issued targeted amendments to HKFRS 9 and HKFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income.

The amendments to HKFRS 9 and HKFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026. The Group does not expect these amendments to have a material impact on its operations or financial statements.

46 Summary of material accounting policies (continued)

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

(iii) Presentation and Disclosure in Financial Statements – HKFRS 18

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The key new concepts introduced in HKFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The references in HK Interpretation 5 have been updated correspondingly to reflect the requirements in HKFRS 18.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

(iv) Annual Improvements to HKFRS Accounting Standards – Volume 11

The HKICPA issued narrow-scope amendments to HKFRS that include clarifications, simplifications, corrections, and changes intended to improve consistency in:

- HKFRS 1 First-time Adoption of International Financial Reporting Standards;
- HKFRS 7 Financial Instruments: Disclosures and Guidance on implementing HKFRS 7;
- HKFRS 9 Financial Instruments;
- HKFRS 10 Consolidated Financial Statements; and
- HKAS 7 Statement of Cash Flows.

These amendments will be effective for annual periods beginning on or after 1 January 2026. The Group does not expect these amendments to have a material impact on its operations or financial statements.

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

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

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

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

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

46 Summary of material accounting policies (continued)

(c) Summary of material accounting policies

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

(i) Subsidiary companies

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

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

(ii) Associated companies and joint arrangements

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

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

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

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

(iii) Changes in ownership interests

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

46 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(iii) Changes in ownership interests (continued)

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

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

(iv) Business combinations

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

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

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

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

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

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

46 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(v) Goodwill

Goodwill is initially recognised and measured as set out in note 46(c)(iv) Business combinations.

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

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

The Group's policy for goodwill arising on the acquisition of an associated company and a joint venture is described in note 46(c)(ii) above.

(vi) Fixed assets

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

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

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

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

(vii) Leases

(I) Group as a lessee

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

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

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

46 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(vii) Leases (continued)

(I) Group as a lessee (continued)

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

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

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

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

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

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

(II) Group as a lessor

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

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

(c) Summary of material accounting policies (continued)

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

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

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

(ix) Customer acquisition and retention costs

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

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

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

(I) Measurement

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

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

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

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

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

46 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

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

(II) Impairment

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

(xi) Cash and cash equivalents

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

(xii) Trade and other receivables, and contract assets

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

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

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

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

(xiii) Borrowings and borrowing costs

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

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

(xiv) Trade and other payables, and contract liabilities

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

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

46 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(xv) Asset impairment

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

(xvi) Foreign exchange

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

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

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

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

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

46 Summary of material accounting policies (continued)

(c) Summary of material accounting policies (continued)

(xvii) Revenue recognition

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

Ports and Related Services

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

Retail

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

Infrastructure

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

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

Telecommunications services

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

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

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

Finance and investments

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

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

46 Summary of material accounting policies (continued)

(d) Summary of other potentially material accounting policies

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

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

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

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

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

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

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

(ii) Investment properties

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

(iii) Leasehold land

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

(iv) Contractual customer relationships

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

(v) Deferred tax

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

46 Summary of material accounting policies (continued)

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

(vi) Derivative financial instruments and hedging activities

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

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

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

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

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

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 40(i). Movements in the hedging reserve in shareholders' equity are shown in note 32. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

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

Fair value hedges

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

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

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

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

46 Summary of material accounting policies (continued)

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

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

Cash flow hedges

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

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

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

Hedge of net investments in foreign operations

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

(vii) Inventories

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

(viii) Customer loyalty credits

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

(ix) Share capital

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

(x) Provisions

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

46 Summary of material accounting policies (continued)

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

(xi) Pension plans

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

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

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

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

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

(xii) Share-based payments

The Company and its subsidiary companies do not have share option scheme as at 31 December 2024 and 31 December 2023 but certain of the Company's associated companies have issued equity-settled and cash-settled share-based compensation plans. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the respective group companies' estimate of their shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

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