



CK Life Sciences Int'l. (Holdings) Inc.

長江生命科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0775)

INTERIM REPORT 2025

**ENHANCING
EVERYDAY WELLNESS**

This interim report 2025 (both English and Chinese versions) ("Interim Report") has been published on the Company's website (<https://www.ck-lifesciences.com>) and the website of Hong Kong Exchanges and Clearing Limited (<https://www.hkexnews.hk>).

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

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will cease to be valid after one year, or such shorter period if the original request is revoked in writing, or superseded by a subsequent written request, by such shareholder, prior to the expiry date of the original request.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

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

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

In order to receive actionable corporate communications by email, shareholders are also requested to follow the relevant instructions set out in the "Dissemination of Corporate Communications" section under "Investor Relations" on the Company's website, to complete the relevant Request Form and return the completed form to the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited.

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Corporate Information and Key Date

BOARD OF DIRECTORS

Executive Directors

LI Tzar Kuoi, Victor	<i>Chairman</i>
KAM Hing Lam	<i>President</i>
IP Tak Chuen, Edmond	<i>Senior Vice President and Chief Investment Officer</i>
YU Ying Choi, Alan Abel	<i>Deputy Chairman</i>
Lance Richard LEE YUEN	<i>Vice President and Chief Executive Officer</i>
TOH Kean Meng, Melvin	<i>Vice President and Chief Scientific Officer</i>

Non-executive Directors

Peter Peace TULLOCH	<i>Non-executive Director</i>
KWOK Eva Lee	<i>Independent Non-executive Director</i>
KWAN Kai Cheong	<i>Independent Non-executive Director</i>
Paul Joseph TIGHE	<i>Independent Non-executive Director</i>
Donald Jeffrey ROBERTS	<i>Independent Non-executive Director</i>

AUDIT COMMITTEE

KWAN Kai Cheong (*Chairman*)
Paul Joseph TIGHE
Donald Jeffrey ROBERTS

REMUNERATION COMMITTEE

KWOK Eva Lee (*Chairperson*)
LI Tzar Kuoi, Victor
Donald Jeffrey ROBERTS

NOMINATION COMMITTEE

Paul Joseph TIGHE (*Chairman*)
LI Tzar Kuoi, Victor
KWOK Eva Lee
Donald Jeffrey ROBERTS

SUSTAINABILITY COMMITTEE

IP Tak Chuen, Edmond (*Chairman*)
Paul Joseph TIGHE
Eirene YEUNG

EXECUTIVE COMMITTEE

LI Tzar Kuoi, Victor (*Chairman*)
KAM Hing Lam
IP Tak Chuen, Edmond
YU Ying Choi, Alan Abel
Lance Richard LEE YUEN
TOH Kean Meng, Melvin
WU Pak To, Sunny
WONG Wun Lam, Peter
HO Sze Mun, Cecilia

COMPANY SECRETARY

Eirene YEUNG

AUTHORISED REPRESENTATIVES

IP Tak Chuen, Edmond
Eirene YEUNG

CHIEF FINANCIAL OFFICER

WONG Wun Lam, Peter

Corporate Information and Key Date (Cont'd)

PRINCIPAL BANKERS

Australia and New Zealand Banking Group Limited
Bank of China (Hong Kong) Limited
Canadian Imperial Bank of Commerce
China Construction Bank (Asia) Corporation Limited
Commonwealth Bank of Australia
Coöperatieve Rabobank U.A.
DBS Bank Ltd.
The Hongkong and Shanghai Banking Corporation Limited
National Australia Bank Limited
Oversea-Chinese Banking Corporation Limited
Sumitomo Mitsui Banking Corporation

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

LEGAL ADVISERS

Woo, Kwan, Lee & Lo

REGISTERED OFFICE

P.O. Box 309GT
Ugland House
South Church Street
Grand Cayman
Cayman Islands

HEAD OFFICE

2 Dai Fu Street
Tai Po Industrial Estate
Tai Po
Hong Kong

PRINCIPAL PLACE OF BUSINESS

7th Floor, Cheung Kong Center
2 Queen's Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODES

The Stock Exchange of Hong Kong Limited: 0775
Bloomberg: 775 HK
Reuters: 0775.HK

WEBSITE

www.ck-lifesciences.com

KEY DATE

Interim Results Announcement 12 August 2025

Chairman's Statement

2025 FIRST HALF RESULTS – AN INCREASE IN R&D INVESTMENTS

For the six months ended 30 June 2025, CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences" or the "Company") recorded an unaudited loss attributable to shareholders of HK\$150.8 million. This result compares with a profit of HK\$1.0 million in the corresponding period last year, a negative variance of HK\$151.8 million.

The change from profit in the first half of 2024 to a loss in 2025 was due to a planned decision to increase R&D investments from HK\$72.9 million in 2024 to HK\$235.3 million in 2025. This increase of HK\$162.4 million was to accelerate the progress of our R&D programs.

Following the Company's conservative accounting policy, investments in R&D are recognised as expenses in the period in which they are incurred.

Had the R&D expenses in the first half of 2025 been the same as last year, the net profit contribution in 2025 would have been a slight increase over that of 2024 (by HK\$10.6 million).

The Board of Directors has not declared an interim dividend for the period under review (2024: Nil).

PHARMACEUTICAL & DIAGNOSTICS R&D

The first half of 2025 marked a milestone in CK Life Sciences' pharmaceuticals R&D.

(A) Innovative Therapeutic Cancer Vaccines

1. Late Stage – Melanoma

We have made good progress with our most advanced cancer vaccine, seviprotimut-L, which is intended to be a safe and effective adjuvant treatment for patients with Stage IIB or IIC melanoma, delaying recurrence following surgical resection. Vaccine manufacturing under Good Manufacturing Practice (GMP) conditions is underway to produce clinical trial material for the planned pivotal Phase III clinical trial.

2. Preclinical Stage – Multiple Types of Cancer

At the discovery and preclinical development stage, we have a growing portfolio of innovative, tumour-agnostic therapeutic cancer vaccines intended to be able to treat multiple different types of cancer. These cancer vaccines target a diverse range of tumour-associated antigens and other antigens within the tumour microenvironment, such as TROP2, PRAME, PD-L1, Claudin-6, KRAS and B7-H3. Some of these cancer vaccines are showing promise in the laboratory and data for several of them were presented at the American Association for Cancer Research ("AACR") Annual Meeting in April. Multiple new patent applications have been filed, including applications in Hong Kong and the United States for our novel circular mRNA cancer vaccine targeting TROP2.

3. Artificial Intelligence ("AI")

In addition, we are leveraging AI to enhance the discovery and development of new cancer vaccines. Together with our research collaborator, XtalPi, we highlighted our progress in the development of an AI-empowered cancer vaccine discovery platform at this year's AACR Annual Meeting.

(B) Cancer Pain Management

The management of cancer pain may involve the use of morphine and other opiates, often with undesirable side effects. As such, there is an urgent need for non-opioid analgesics and the market potential for such products is significant. Dogwood Therapeutics (DWTX), formed by the merger of our subsidiary WEX Pharmaceuticals and NASDAQ-listed Virios Therapeutics in October 2024, is actively developing Halneuron® as a platform pain management solution to address different types of pain. A Phase IIB clinical trial is underway in the United States to demonstrate the efficacy and safety of Halneuron® in the management of chemotherapy-induced neuropathic pain, with a planned interim analysis at the end of 2025.

(C) Cancer Diagnostics

With the alarming increase in cancer rates in people under the age of 50, there is an urgent need for early detection, to enable earlier intervention and improve patient outcomes. We have strategically invested in the R&D of liquid biopsy tests, which provide a non-invasive and cost-effective approach to cancer early detection, based on analysing multiple tumour-associated biomarkers in blood samples and harnessing the power of AI for accurate prediction.

Chairman's Statement (Cont'd)

NUTRACEUTICAL BUSINESS

CK Life Sciences' nutraceutical business comprises of: (i) Vitaquest International Holdings LLC ("Vitaquest") in the United States; (ii) Santé Naturelle A.G. Ltée ("SNAG") in Canada; and (iii) Lipa Pharmaceuticals Limited ("Lipa") in Australia.

Profit in the nutraceutical business segment increased by 3% to HK\$160.5 million (HK\$156.4 million last year). With tariff and economic instability continuing to exert pressure on revenues, active margin and expense management more than offset soft topline growth.

During the first half of 2025, Vitaquest launched new products, gaining new customers in a challenging market. SNAG during the period under review, was able to achieve solid sales performance while improving gross margins and overall profitability. Lipa, likewise was able to grow volumes and margin especially among existing customers while also bringing a new probiotics manufacturing module online.

AGRICULTURE-RELATED BUSINESS

The Company's agriculture-related business consists of three main streams: (i) Australian Agribusiness (Holdings) Pty Ltd ("Australian Agribusiness"); (ii) the salt business; and (iii) a vineyard portfolio.

Profit in the agriculture-related segments was HK\$130.1 million (HK\$134.0 million last year). The slightly lower profit versus last year reflected cost and pricing pressures offset somewhat by a slight revenue increase.

As high levels of inventory in the trade began to deplete, orders among Australian Agribusiness' customers for crop solutions improved, while other segments were adversely impacted by severe weather. The Australia salt business delivered good growth in both sales and profit through operational excellence and price management programs offsetting energy cost and inflationary pressures. The New Zealand salt business performed well in the first half of 2025 as last year's equipment problem was resolved. Protected by long-term leases with reputable wine companies as tenants, the vineyard business continued to provide solid profit and cashflow during the period under review.

PROSPECTS

Given unpredictable changes in the geopolitical environment, we anticipate uncertainty in economic conditions. Nonetheless, we are confident that our operating business fundamentals remain strong.

Biotech R&D is a high risk, high return industry. We will continue to carry out our pharmaceutical R&D work with the aim of accelerating progress although there is no assurance of the outcome. This increasing R&D commitment inevitably will have an impact on our short term profit attributable to shareholders in the foreseeable future.

Once again, I would like to express my sincere gratitude to our staff who steer a steady course despite challenging conditions. I would also like to thank members of the Board for their ongoing contributions and our stakeholders for their continued support.

Victor T K Li

Chairman

Hong Kong, 12 August 2025

Directors' Biographical Information

LI Tzar Kuoi, Victor

aged 61, has been the Chairman of the Company since 2002. Mr. Li has been the Chairman of the Executive Committee of the Company since February 2021 and has been a member of the Remuneration Committee of the Company since March 2005. Mr. Li has been a member of the Nomination Committee of the Company since January 2019. Mr. Li is the Chairman and Executive Director of CK Hutchison Holdings Limited, and the Chairman and Managing Director and the Chairman of the Executive Committee of CK Asset Holdings Limited. He is also the Chairman of CK Infrastructure Holdings Limited, a Non-executive Director of Power Assets Holdings Limited and HK Electric Investments Manager Limited ("HKEIM") as the trustee-manager of HK Electric Investments, and a Non-executive Director and the Deputy Chairman of HK Electric Investments Limited. Except for HKEIM, all the companies/investment trust mentioned above are listed companies/investment trust. Mr. Li is also the Deputy Chairman of Li Ka Shing Foundation Limited and Li Ka Shing (Global) Foundation, and the Member Deputy Chairman of Li Ka Shing (Canada) Foundation. Mr. Li is a member of the 14th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He is also Vice Chairman of the Hong Kong General Chamber of Commerce. Mr. Li is the Honorary Consul of Barbados in Hong Kong and is awarded the Grand Officer of the Order of the Star of Italy. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Civil Engineering and a degree of Doctor of Laws, honoris causa (LL.D.). Mr. Li is the elder son of Mr. Li Ka-shing, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), and a nephew of Mr. Kam Hing Lam, the President of the Company. Mr. Li is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company.

Directors' Biographical Information (Cont'd)

KAM Hing Lam

aged 78, is the President of the Company. Mr. Kam had been the President and Chief Executive Officer of the Company since June 2002 and was re-designated as the President of the Company since September 2020. Mr. Kam has been an Executive Committee Member of the Company since February 2021. Mr. Kam is Deputy Managing Director of CK Hutchison Holdings Limited, and Deputy Managing Director and Executive Committee Member of CK Asset Holdings Limited. He is also the Group Managing Director of CK Infrastructure Holdings Limited. All the companies mentioned above are listed companies. Mr. Kam is also the Chairman of Hui Xian Asset Management Limited, the manager of Hui Xian Real Estate Investment Trust which is listed in Hong Kong. He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. Mr. Kam is an uncle of Mr. Li Tzar Kuoi, Victor, the Chairman of the Company. Mr. Kam is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company.

IP Tak Chuen, Edmond

aged 73, is the Senior Vice President and Chief Investment Officer of the Company. He has been the Chairman of the Sustainability Committee of the Company since December 2020 and has been an Executive Committee Member of the Company since February 2021. Mr. Ip joined the CK Group in 1993 and the Group in December 1999. He is Deputy Managing Director of CK Hutchison Holdings Limited, and Deputy Chairman and Executive Committee Member of CK Asset Holdings Limited. He is also an Executive Director and Deputy Chairman of CK Infrastructure Holdings Limited. All the companies mentioned above are listed companies. Mr. Ip is also a Non-executive Director of Hui Xian Asset Management Limited, the manager of Hui Xian Real Estate Investment Trust which is listed in Hong Kong. He holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration. Mr. Ip is also a director of a substantial shareholder of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by a substantial shareholder of the Company.

Directors' Biographical Information (Cont'd)

YU Ying Choi, Alan Abel

aged 70, is the Deputy Chairman of the Company. Mr. Yu has been a member of the Executive Committee of the Company since February 2021. Mr. Yu acted as the Vice President and Chief Executive Officer of the Company from September 2020 to September 2024 and acted as the Vice President and Chief Operating Officer of the Company from June 2002 to September 2020. He is also a Director of Dogwood Therapeutics, Inc. (listed in the United States). He holds a Bachelor of Arts degree and a Master's degree in Business Administration and is a fellow member of The Hong Kong Institute of Directors. Mr. Yu has held a number of positions in the consumer finance, food and fast-moving consumer goods sectors in Asia and Australasia. Prior to joining the Group in 2000, he was Worldwide Vice President in a leading US diversified healthcare multinational corporation.

LEE YUEN, Lance Richard

aged 59, is Vice President and Chief Executive Officer of the Company. He has been an Executive Committee member of the Company since September 2024. Mr. Yuen joined the Group in September 2024. Mr. Yuen holds a Bachelor of Arts degree and a Master of Business Administration degree. Mr. Yuen has over 35 years of leadership experience in multinational healthcare, packaged goods, and pharmaceutical companies in the United States, Canada, Hong Kong, Japan and China. Prior to joining the Group, Mr. Yuen was Asia-Pacific President and a member of the Executive Committee of the Consumer Health division within Bayer, a German multinational company which is one of the largest pharmaceutical, agricultural, and biomedical companies in the world.

TOH Kean Meng, Melvin

aged 58, is the Vice President and Chief Scientific Officer of the Company. He has been an Executive Committee Member of the Company since February 2021. Dr. Toh joined the Group in January 2008 and was previously Vice President, Pharmaceutical Development, of the Company. He is also a Director of Dogwood Therapeutics, Inc. (listed in the United States). He holds Bachelor of Medicine and Bachelor of Surgery degrees from the National University of Singapore and a Master of Science degree in Epidemiology from the University of London. He is registered with the Singapore Medical Council and the General Medical Council, United Kingdom. Dr. Toh has over 30 years of experience in clinical medicine and pharmaceutical research and development, and has held various management and scientific positions in Asia and the United States. Prior to joining the Group, Dr. Toh was Director of Clinical Pharmacology in Oncology Development, directing a team of scientists working on the clinical development of new cancer drugs for a leading pharmaceutical firm in the United States.

Directors' Biographical Information (Cont'd)

TULLOCH, Peter Peace

aged 81, has been a Non-executive Director of the Company since April 2002. Mr. Tulloch serves as the Chairman and Non-executive Director of each of Victoria Power Networks Pty Ltd, SA Power Networks and Australian Gas Networks Limited. He is also Chairman and a Non-executive Director of both Powercor Australia Limited and CitiPower Pty Ltd. He is a director of certain companies controlled by a substantial shareholder of the Company within the meaning of Part XV of the SFO. Mr. Tulloch is a Fellow of the Institute of Canadian Bankers and has spent more than 30 years in Asia.

KWOK Eva Lee

aged 83, has been an Independent Non-executive Director of the Company since June 2002. She has been a member of the Remuneration Committee of the Company since January 2005 and the Chairperson of the Remuneration Committee of the Company since January 2012. Mrs. Kwok has been a member of the Nomination Committee of the Company since March 2025. She acted as a member of the Audit Committee of the Company from June 2002 to June 2019. Mrs. Kwok currently serves as the Chair and Chief Executive Officer of Amara Holdings Inc. ("Amara"). Mrs. Kwok also acts as an Independent Director for Cenovus Energy Inc. ("Cenovus Energy"). Mrs. Kwok currently serves as an Independent Non-executive Director of CK Asset Holdings Limited, an Independent Non-executive Director and the Chairperson of the Nomination Committee of CK Infrastructure Holdings Limited, and a Director of Li Ka Shing (Canada) Foundation ("LKS Canada Foundation"). She also sits on the Governance Committee of Cenovus Energy. Except for Amara and LKS Canada Foundation, all the companies mentioned above are listed companies. She is a director of certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the SFO. In addition, she was an Independent Director of Bank of Montreal, a listed company, and previously sat on the Human Resources and Compensation Committee of Cenovus Energy, the Compensation Committee, Corporate Governance Committee and the Audit Committee of Husky Energy Inc., the Audit Committee of CK Infrastructure Holdings Limited, the Audit Committee and Pension Fund Society of the Bank of Montreal, the Nominating and Governance Committee of Shoppers Drug Mart Corporation, the Independent Committee of Directors and Human Resources Committee of Telesystems International Wireless (TIW) Inc., the Independent Committee of Directors and the Corporate Governance Committee of Fletcher Challenge Canada Ltd., the Audit and Corporate Governance Committees of Clarica Life Insurance Company, the Corporate Governance Committee of Air Canada, the Innovation Saskatchewan (IS) Board of Directors and the Saskatchewan-Asia Advisory Council of Saskatchewan.

Directors' Biographical Information (Cont'd)

KWAN Kai Cheong

aged 75, has been an Independent Non-executive Director of the Company since March 2015 and the Chairman of the Audit Committee of the Company since May 2015. Mr. Kwan is Managing Director of Morrison & Company Limited, a business consultancy firm. He worked for Merrill Lynch & Co., Inc. for over 10 years during the period from 1982 to 1993, with his last position as President for its Asia Pacific region. He was formerly Chairman of the Board of GT Land Holdings Limited and Joint Managing Director of Pacific Concord Holding Limited. Mr. Kwan is also an Independent Non-executive Director of HK Electric Investments Limited, HK Electric Investments Manager Limited ("HKEIM") as the trustee-manager of HK Electric Investments, Greenland Hong Kong Holdings Limited, Henderson Sunlight Asset Management Limited ("HSAM") as the manager of Sunlight Real Estate Investment Trust and Win Hanverky Holdings Limited. Mr. Kwan is also a Director of The Hongkong Electric Company, Limited ("HK Electric"). Except for HKEIM, HSAM and HK Electric, all the companies/investment trust mentioned above are listed in Hong Kong. He is a director of certain companies controlled by a substantial shareholder of the Company within the meaning of Part XV of the SFO. Mr. Kwan holds a Bachelor of Accountancy (Honours) degree and is a Fellow of the Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Accountants in Australia and The Hong Kong Institute of Directors. He completed the Stanford Executive Program in 1992.

Directors' Biographical Information (Cont'd)

TIGHE, Paul Joseph

aged 69, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since June 2019 and a member of the Sustainability Committee of the Company since December 2020. He has been a member of the Nomination Committee of the Company since June 2019 and acted as the Chairman of the Nomination Committee of the Company since December 2020. Mr. Tighe is an Independent Non-executive Director of CK Hutchison Holdings Limited and CK Infrastructure Holdings Limited, both listed companies. He is a former career diplomat with Australia's Department of Foreign Affairs and Trade. He has around 37 years of experience in government and public policy, including 28 years as a diplomat. He has served as Australian Consul-General to Hong Kong and Macau (from 2011 to 2016), Australian Ambassador to Greece, Bulgaria and Albania (from 2005 to 2008), Deputy Head of Mission and Permanent Representative to the United Nations' Economic and Social Commission for Asia and the Pacific at the Australian Embassy in Bangkok (from 1998 to 2001) and as Counsellor in the Australian Delegation to the Organisation for Economic Co-operation and Development in Paris (from 1991 to 1995). In between overseas assignments, Mr. Tighe has held several positions at the headquarters of the Department of Foreign Affairs and Trade in Canberra, including as head of the Department's Trade and Economic Policy Division, head of the Diplomatic Security, Information Management and Services Division, head of the Agriculture and Resources Branch and Director of the International Economic Analysis Section. Before joining the Department of Foreign Affairs and Trade, Mr. Tighe worked in the Overseas Economic Relations Division of the Australian Treasury (from 1986 to 1988), in the Secretariat of the Organisation for Economic Co-operation and Development in Paris (from 1984 to 1986) and in the Australian Industries Assistance Commission (from 1980 to 1984). He holds a Bachelor of Science degree from the University of New South Wales. Mr. Tighe is a director of a substantial shareholder of the Company within the meaning of Part XV of the SFO and a director of a company controlled by a substantial shareholder of the Company.

Directors' Biographical Information (Cont'd)

ROBERTS, Donald Jeffrey

aged 74, has been an Independent Non-executive Director, a member of the Audit Committee and a member of the Nomination Committee of the Company since July 2020. He has been a member of the Remuneration Committee of the Company since September 2022. Mr. Roberts is an Independent Non-executive Director of CK Asset Holdings Limited (listed in Hong Kong); an Independent Non-executive Director of HK Electric Investments Manager Limited, which is the trustee-manager of HK Electric Investments ("HKEI"), and HK Electric Investments Limited, a company listed together with HKEI in Hong Kong; and an Independent Non-executive Director of Queen's Road Capital Investment Ltd. (listed in Canada). He is also a Director of The Hongkong Electric Company, Limited, and an Independent Non-executive Director of Welab Bank Limited and Welab Capital Limited. He is a director of certain companies controlled by a substantial shareholder of the Company within the meaning of Part XV of SFO. He joined Hutchison Whampoa Limited ("HWL") in 1988 and was the Group Deputy Chief Financial Officer of HWL from 2000 until his retirement in 2011. Mr. Roberts was a Member of the Listing Committee of the Main Board and GEM of The Stock Exchange of Hong Kong Limited from July 2015 to July 2020. He was previously a member of the Executive Committee of The Canadian Chamber of Commerce (the "Chamber") in Hong Kong and is currently Governor of the Chamber. He previously served as a Governor of the Canadian International School of Hong Kong for the periods from 1998 to 2004, and from 2006 to 2012, and also a member on its Finance & Administration Committee. Mr. Roberts has served as a member, including as the Deputy Chairman, of the Professional Conduct Committee of the Hong Kong Institute of Certified Public Accountants ("HKICPA") for 9 years. Mr. Roberts holds a Bachelor of Commerce degree. He is a Chartered Accountant with the Chartered Professional Accountants of Canada, Alberta and British Columbia, and also a Fellow of the HKICPA.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2025, the total assets of the Group were about HK\$11,286.6 million, of which bank balances and time deposits were about HK\$791.1 million and listed investment in securities was about HK\$6.7 million.

At the end of the period under review, the total liabilities of the Group were HK\$7,633.4 million, comprising bank borrowings amounted to HK\$5,873.4 million. These borrowings were mainly used for financing the acquisition of overseas businesses as well as providing general working capital for some of the overseas businesses. The total interest expenses on bank borrowings of the Group for the six months ended 30 June 2025 were HK\$129.3 million.

As at 30 June 2025, the net debt to net total capital ratio of the Group was approximately 58.18%, which is calculated as the Group's net borrowings over the aggregate of the Group's total equity and net borrowings. For this purpose, the Group defines net borrowings as bank borrowings less cash, bank balances and time deposits.

The net asset value of the Group was HK\$0.38 per share.

TREASURY POLICIES

The Group continues to adopt a prudent treasury policy and manage most of its treasury functions at the head office regarding its funding needs, foreign exchange and interest rate exposures.

The Group's treasury investments are denominated in Hong Kong dollars and United States dollars, and thus there is no exchange rate risk associated with such investments. Most of the Group's borrowings are principally on a floating rate basis. To minimise its interest rate risk, the Group has been regularly and closely monitoring its overall net debt position, and reviewing its funding costs and loan maturity profile so as to facilitate refinancing whenever appropriate.

CHARGE ON ASSETS

As at 30 June 2025, certain assets of the Group's subsidiary companies with a carrying value of HK\$730.0 million were pledged as part of the security for bank borrowings totalling HK\$118.3 million granted to the subsidiary companies.

Financial Review (Cont'd)

MATERIAL ACQUISITIONS/DISPOSALS AND SIGNIFICANT INVESTMENTS

There was no material acquisition/disposal of investments during the period under review.

The Group has always been investing significantly in research and development activities. Such expenditure amounted to about HK\$235.3 million for the period ended 30 June 2025.

CAPITAL COMMITMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of 30 June 2025, the total capital commitments by the Group amounted to HK\$68.9 million which were mainly made up of contracted/authorised commitments in respect of the acquisition of plant and equipment, and maintenance of vineyards.

INFORMATION ON EMPLOYEES

The total number of full-time employees of the Group was 1,935 as at 30 June 2025, and is 33 less than the total headcount of 1,968 as at 30 June 2024. The total staff costs, including director's emoluments, amounted to approximately HK\$592.2 million for the six months ended 30 June 2025, which represents a decrease of 3% as compared to the same period in 2024. The Group's remuneration policies remained the same as detailed in the Company's annual report for the year ended 31 December 2024.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2025.

Condensed Consolidated Income Statement

	Notes	For the six months ended 30 June	
		2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Revenue	3	2,605,812	2,635,851
Cost of sales		(1,812,196)	(1,836,417)
		793,616	799,434
Other income, gains and losses		41,647	21,950
Staff costs	4	(331,646)	(318,099)
Depreciation		(41,801)	(44,929)
Amortisation of intangible assets		(1,189)	(1,311)
Other expenses		(452,660)	(282,672)
Finance costs		(143,299)	(169,530)
Share of results of joint ventures		479	151
(Loss)/profit before taxation		(134,853)	4,994
Taxation	5	(15,984)	(3,993)
(Loss)/profit for the period	6	(150,837)	1,001
Attributable to: Shareholders of the Company		(150,837)	1,001
(Loss)/earnings per share	7		
– Basic		(1.57) cents	0.01 cents

Condensed Consolidated Statement of Comprehensive Income

	For the six months ended 30 June	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
(Loss)/profit for the period	(150,837)	1,001
Other comprehensive income/(expenses)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising from translation of foreign operations	292,404	(176,221)
Other comprehensive income/(expenses) for the period	292,404	(176,221)
Total comprehensive income/(expenses) for the period	141,567	(175,220)
Attributable to:		
Shareholders of the Company	141,567	(175,220)

Condensed Consolidated Statement of Financial Position

		As at 30 June 2025 (unaudited) HK\$'000	As at 31 December 2024 (audited) HK\$'000
	Notes		
Non-current assets			
Investment properties	9	1,690,775	1,581,730
Property, plant and equipment	10	2,211,436	2,098,832
Right-of-use assets	11	454,931	471,053
Intangible assets	12	3,489,098	3,419,054
Interests in joint ventures		7,133	6,303
Other financial assets		198,330	42,900
Loan receivable	13	–	128,700
Deferred taxation		86,797	75,094
		8,138,500	7,823,666
Current assets			
Other financial assets		6,736	17,242
Tax recoverable		9,267	4,044
Inventories		1,275,492	1,157,332
Receivables and prepayments	14	1,065,459	1,232,314
Bank balances and deposits		791,108	553,970
		3,148,062	2,964,902
Current liabilities			
Payables and accruals	14	(870,651)	(904,319)
Bank borrowings	15	(1,131,056)	(1,276,615)
Lease liabilities		(79,482)	(73,741)
Taxation		(37,764)	(58,633)
		(2,118,953)	(2,313,308)
Net current assets		1,029,109	651,594
Total assets less current liabilities		9,167,609	8,475,260

Condensed Consolidated Statement of Financial Position (Cont'd)

		As at 30 June 2025 (unaudited) HK\$'000	As at 31 December 2024 (audited) HK\$'000
	Notes		
Non-current liabilities			
Bank borrowings	15	(4,742,302)	(4,198,283)
Lease liabilities		(543,893)	(551,030)
Deferred taxation		(217,528)	(204,106)
Retirement benefit obligations		(10,771)	(10,293)
		(5,514,494)	(4,963,712)
Total net assets		3,653,115	3,511,548
Capital and reserves			
Share capital	16	961,107	961,107
Share premium and reserves		2,692,008	2,550,441
Total equity		3,653,115	3,511,548

Condensed Consolidated Statement of Changes in Equity

	Attributable to shareholders of the Company							
	Share capital (unaudited) HK\$'000	Share premium (unaudited) HK\$'000	Investment at fair value through other comprehensive income reserve (unaudited) HK\$'000	Translation reserve (unaudited) HK\$'000	Asset revaluation reserve (unaudited) HK\$'000	Other reserves (unaudited) HK\$'000	Retained earnings (unaudited) HK\$'000	Total (unaudited) HK\$'000
2024								
At 1 January 2024	961,107	3,109,546	(103,347)	(1,631,676)	59,298	(542,249)	2,336,574	4,189,253
Profit for the period	–	–	–	–	–	–	1,001	1,001
Exchange differences arising from translation of foreign operations	–	–	–	(176,221)	–	–	–	(176,221)
Total comprehensive (expenses)/ income for the period	–	–	–	(176,221)	–	–	1,001	(175,220)
At 30 June 2024	961,107	3,109,546	(103,347)	(1,807,897)	59,298	(542,249)	2,337,575	4,014,033
2025								
At 1 January 2025	961,107	3,109,546	(103,347)	(2,183,217)	59,637	(542,249)	2,210,071	3,511,548
Loss for the period	–	–	–	–	–	–	(150,837)	(150,837)
Exchange differences arising from translation of foreign operations	–	–	–	292,404	–	–	–	292,404
Total comprehensive income/ (expenses) for the period	–	–	–	292,404	–	–	(150,837)	141,567
At 30 June 2025	961,107	3,109,546	(103,347)	(1,890,813)	59,637	(542,249)	2,059,234	3,653,115

Condensed Consolidated Statement of Cash Flows

	For the six months ended 30 June	
	2025	2024
	(unaudited) HK\$'000	(unaudited) HK\$'000
Net cash (outflow)/inflow from operating activities	(6,059)	145,403
Net cash inflow/(outflow) from investing activities	18,405	(95,763)
Net cash inflow/(outflow) from financing activities	207,086	(155,447)
Increase/(decrease) in cash and cash equivalents	219,432	(105,807)
Cash and cash equivalents at beginning of the period	553,970	664,320
Effect of foreign exchange rate changes	17,706	(9,313)
Cash and cash equivalents at end of the period	791,108	549,200

Notes to the Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standards 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The condensed consolidated financial statements have been prepared under the historical cost convention, except for certain properties and financial instruments, which are measured at revaluated amounts or fair values.

The accounting policies used in preparing the interim financial statements are consistent with those used in the Group’s annual financial statements for the year ended 31 December 2024 (the “2024 Financial Statements”), except for the new and revised Hong Kong Financial Reporting Standards, amendments and interpretations (collectively “new and revised HKFRSs”) issued by HKICPA which have become effective in this period as detailed in note 2 of the 2024 Financial Statements. The adoption of such new and revised HKFRSs has no material impact on the accounting policies in the Group’s interim financial statements for the period.

Notes to the Condensed Consolidated Financial Statements (Cont'd)

3. REVENUE AND SEGMENT INFORMATION

Revenue represents net invoiced value of goods sold, after allowance for returns and trade discounts, as well as rental income and income from investments, and is analysed as follows:

A. Revenue

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Sales of goods:		
Agriculture-related	891,620	869,645
Nutraceutical	1,636,653	1,680,845
Revenue from contracts with customers	2,528,273	2,550,490
Rental income (included in agriculture-related segment)	76,129	84,020
Investment income	1,410	1,341
	2,605,812	2,635,851

Revenue from contracts with customers regarding the sale of goods is generally recognised at a point in time when the control of the goods underlying the particular performance obligation is transferred to the customers.

Notes to the Condensed Consolidated Financial Statements (Cont'd)

3. REVENUE AND SEGMENT INFORMATION (CONT'D)

B. Segment results

An analysis of the segment results is as follows:

	Agriculture-related		Nutraceutical		Pharmaceutical & Diagnostics R&D		Unallocated		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	967,749	953,665	1,636,653	1,680,845	–	–	1,410	1,341	2,605,812	2,635,851
Segment results	130,136	133,958	160,505	156,422	(235,304)	(72,904)	–	–	55,337	217,476
Unallocated other income, gains or losses									3,725	1,216
Corporate expenses									(50,616)	(44,168)
Finance costs									(143,299)	(169,530)
(Loss)/profit before taxation									(134,853)	4,994
Taxation									(15,984)	(3,993)
(Loss)/profit for the period									(150,837)	1,001

4. STAFF COSTS

Staff costs which include salaries, bonuses, retirement benefit scheme contributions and recruitment costs for the six months ended 30 June 2025 amounted to HK\$592.2 million (2024: HK\$608.0 million) of which HK\$260.6 million (2024: HK\$289.9 million) relating to direct labor costs were included in cost of sales.

Notes to the Condensed Consolidated Financial Statements (Cont'd)

5. TAXATION

	For the six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Current tax		
Hong Kong	(1)	1
Other jurisdictions	25,076	3,769
Deferred tax		
Other jurisdictions	(9,091)	223
	15,984	3,993

Hong Kong profits tax has been provided for at the rate of 16.5% of the estimated assessable profits. Taxation arising from other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

6. (LOSS)/PROFIT FOR THE PERIOD

	For the six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
(Loss)/profit for the period has been arrived at after crediting:		
Included in revenue:		
Rental income from investment properties	76,129	84,020
Included in other income, gains and losses:		
Interest income from bank deposits	10,490	5,909
Net (loss)/gain on investments mandatorily measured at fair value through profit or loss	(98)	1,045

Notes to the Condensed Consolidated Financial Statements (Cont'd)

7. (LOSS)/EARNINGS PER SHARE

The calculations of the basic (loss)/earnings per share attributable to shareholders of the Company are based on the following data:

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
(Loss)/profit for the period attributable to shareholders of the Company		
(Loss)/profit for calculating basic (loss)/earnings per share	(150,837)	1,001
Number of shares		
Number of ordinary shares in issue used in the calculation of basic (loss)/earnings per share	9,611,073,000	9,611,073,000

No diluted (loss)/earnings per share for the periods ended 30 June 2025 and 2024 were presented as there were no potential ordinary shares in issue.

8. DIVIDENDS

The Board of Directors of the Company has not declared an interim dividend for the six months ended 30 June 2025 (2024: Nil).

9. INVESTMENT PROPERTIES

	HK\$'000
Valuation	
At 1 January 2025	1,581,730
Additions	22,149
Disposal	(10,268)
Exchange differences	97,164
At 30 June 2025	1,690,775

Notes to the Condensed Consolidated Financial Statements (Cont'd)

10. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK\$'000	Vines HK\$'000	Salt fields HK\$'000	Construction in progress HK\$'000	Laboratory instruments, plant and equipment HK\$'000	Furniture, fixtures and other assets HK\$'000	Leasehold improvement HK\$'000	Total HK\$'000
Cost or valuation								
At 1 January 2025	512,732	576,028	471,948	220,296	1,318,085	193,444	324,998	3,617,531
Additions	–	939	4,540	86,685	714	839	–	93,717
Reclassification	87,010	–	801	(139,042)	46,450	851	3,930	–
Disposals/write-off	(96)	(36,414)	–	–	(802)	(1,328)	–	(38,640)
Exchange differences	23,059	33,394	26,815	10,313	50,905	3,102	3,620	151,208
At 30 June 2025	622,705	573,947	504,104	178,252	1,415,352	196,908	332,548	3,823,816
Depreciation and impairment								
At 1 January 2025	135,726	331,466	–	–	743,634	145,941	161,932	1,518,699
Provided for the period	7,180	8,482	–	–	47,833	7,825	7,352	78,672
Eliminated upon disposals/write-off	–	(36,414)	–	–	(505)	(1,248)	–	(38,167)
Exchange differences	3,559	18,563	–	–	26,917	2,127	2,010	53,176
At 30 June 2025	146,465	322,097	–	–	817,879	154,645	171,294	1,612,380
Carrying values								
At 30 June 2025	476,240	251,850	504,104	178,252	597,473	42,263	161,254	2,211,436
At 31 December 2024	377,006	244,562	471,948	220,296	574,451	47,503	163,066	2,098,832

11. RIGHT-OF-USE ASSETS

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Land and buildings	427,429	440,895
Machinery and equipment	17,462	19,099
Furniture, fixtures and other assets	10,040	11,059
	454,931	471,053

Notes to the Condensed Consolidated Financial Statements (Cont'd)

12. INTANGIBLE ASSETS

	Development costs HK\$'000	Patents HK\$'000	Goodwill HK\$'000	Brand name and trademarks HK\$'000	Customer relationships HK\$'000	Water rights HK\$'000	Other intangible assets HK\$'000	Total HK\$'000
Cost								
At 1 January 2025	400,209	121	2,704,215	110,851	349,554	196,745	28,112	3,789,807
Additions	–	–	–	–	–	–	762	762
Exchange differences	10,930	7	41,994	6,674	8,725	10,547	622	79,499
At 30 June 2025	411,139	128	2,746,209	117,525	358,279	207,292	29,496	3,870,068
Amortisation and impairment								
At 1 January 2025	424	121	–	–	349,554	1,455	19,199	370,753
Provided for the period	–	–	–	–	–	–	1,189	1,189
Exchange differences	25	7	–	–	8,725	78	193	9,028
At 30 June 2025	449	128	–	–	358,279	1,533	20,581	380,970
Carrying values								
At 30 June 2025	410,690	–	2,746,209	117,525	–	205,759	8,915	3,489,098
At 31 December 2024	399,785	–	2,704,215	110,851	–	195,290	8,913	3,419,054

13. LOAN RECEIVABLE

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Loan receivable (Note)	–	128,700

Note: Pursuant to a debt exchange and cancellation agreement (the "Debt Exchange Agreement") entered by the Group and Dogwood Therapeutics, Inc. ("Dogwood") in March 2025, it was agreed that aggregate principal amount of US\$19,500,000 and all accrued interest through the date of the Debt Exchange Agreement would be deemed repaid by Dogwood and the obligation of Dogwood to be satisfied in full and cancelled by the exchange of 284.2638 shares of non-voting convertible preferred stock issued by Dogwood (the "Loan Conversion"). Details of the Loan Conversion were disclosed in the Company's announcement dated 12 March 2025. Such preferred stock is shown under "Other financial assets" in the condensed consolidated statement of financial position.

Notes to the Condensed Consolidated Financial Statements (Cont'd)

14. RECEIVABLES AND PAYABLES

The Group has a policy of granting an average credit period of 0 to 90 days to its customers.

The ageing analysis of trade receivables and trade payables based on invoice dates is as follows:

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Trade receivables		
0–90 days	804,976	861,565
Over 90 days	51,332	43,244
	856,308	904,809
Trade payables		
0–90 days	254,237	326,123
Over 90 days	6,844	6,038
	261,081	332,161

15. BANK BORROWINGS

Certain bank borrowings are secured by charges over the assets of certain subsidiary companies.

16. SHARE CAPITAL

	Number of share of HK\$0.1 each '000	Nominal value HK\$'000
Authorised		
At 31 December 2024 and 30 June 2025	15,000,000	1,500,000
Issued and fully paid		
At 31 December 2024 and 30 June 2025	9,611,073	961,107

Notes to the Condensed Consolidated Financial Statements (Cont'd)

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value on a recurring basis

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 30 June 2025				
Financial assets				
Equity securities – listed in Hong Kong	6,736	–	–	6,736
Unlisted investments	–	–	198,330	198,330
	6,736	–	198,330	205,066
As at 31 December 2024				
Financial assets				
Equity securities – listed in Hong Kong	17,242	–	–	17,242
Unlisted investment	–	–	42,900	42,900
	17,242	–	42,900	60,142

There were no transfers between Levels 1 and 2, or transfers into or out of Level 3 during the six months ended 30 June 2025 and 2024.

18. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances set out elsewhere in the notes to the condensed consolidated financial statements, the Group entered into the following transactions with related parties during the six months ended 30 June 2025:

- (i) The Group made sales of HK\$17.0 million (2024: HK\$14.2 million) to CK Hutchison Holdings Limited, a substantial shareholder of the Company, and its subsidiaries.
- (ii) The Group made sales of HK\$0.1 million (2024: HK\$0.9 million) to a joint venture of Cheetham Salt Limited, a wholly-owned subsidiary of the Company during the period.

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2025, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company ("Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

LONG POSITIONS IN THE SHARES OF THE COMPANY

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interests	Family Interests	Corporate Interests	Other Interests		
Li Tzar Kuoi, Victor	Beneficial owner & interest of controlled corporations	2,250,000	–	2,835,759,715 (Note 1)	–	2,838,009,715	29.52%
Kam Hing Lam	Nominee under a Declaration of Trust	–	–	–	3,925,000 (Note 2)	3,925,000	0.04%
Ip Tak Chuen, Edmond	Beneficial owner	2,250,000	–	–	–	2,250,000	0.02%
Yu Ying Choi, Alan Abel	Beneficial owner	2,250,000	–	–	–	2,250,000	0.02%
Lance Richard Lee Yuen	Beneficial owner	2,300,000	–	–	–	2,300,000	0.02%
Peter Peace Tulloch	Beneficial owner	1,050,000	–	–	–	1,050,000	0.01%
Kwok Eva Lee	Beneficial owner	200,000	–	–	–	200,000	0.002%
Donald Jeffrey Roberts	Interests held jointly	–	–	–	816,000 (Note 3)	816,000	0.008%

Notes:

- Such 2,835,759,715 shares are held by two subsidiaries of Li Ka Shing Foundation Limited ("LKSF"). By virtue of the terms of the constituent documents of LKSF, Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at the general meetings of LKSF.
- Such 3,925,000 shares held by Mr. Kam Hing Lam are under a declaration of trust with his son as the beneficiary.
- Such 816,000 shares are jointly held by Mr. Donald Jeffrey Roberts and his wife.

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 30 June 2025, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and Short Positions of Shareholders

So far as is known to any Director or chief executive of the Company, as at 30 June 2025, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

(1) LONG POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES OF THE COMPANY

Name	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Gold Rainbow (BVI) Limited	Beneficial owner	4,355,634,570	45.31%
Gotak (BVI) Limited	Interest of a controlled corporation	4,355,634,570 (Note i)	45.31%
Cheung Kong (Holdings) Limited	Interest of controlled corporations	4,355,634,570 (Note ii)	45.31%
CK Hutchison Holdings Limited	Interest of controlled corporations	4,355,634,570 (Note iii)	45.31%
Trueway International Limited	Beneficial owner	2,119,318,286	22.05%
Li Ka Shing Foundation Limited	Interest of controlled corporations	2,835,759,715 (Note iv)	29.50%
Li Ka-shing	Interest of controlled corporations	2,835,759,715 (Note v)	29.50%

Interests and Short Positions of Shareholders (Cont'd)

(2) LONG POSITIONS OF OTHER PERSONS IN THE SHARES OF THE COMPANY

Name	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Triluck Assets Limited	Beneficial owner	716,441,429	7.45%

Notes:

- i. This represents the same block of shares in the Company as shown against the name of Gold Rainbow (BVI) Limited ("Gold Rainbow") above. Since Gold Rainbow is wholly-owned by Gotak (BVI) Limited, Gotak (BVI) Limited is deemed to be interested in the same number of shares in which Gold Rainbow is interested under the SFO.
- ii. As Gotak (BVI) Limited is wholly-owned by Cheung Kong (Holdings) Limited ("CKH"), CKH is deemed to be interested in the same number of shares in which Gotak (BVI) Limited is deemed to be interested under the SFO.
- iii. As CKH is wholly-owned by CK Hutchison Holdings Limited ("CK Hutchison"), CK Hutchison is deemed to be interested in the same number of shares in which CKH is deemed to be interested under the SFO.
- iv. Trueway International Limited ("Trueway") and Triluck Assets Limited ("Triluck") are wholly-owned by LKSF and LKSF is deemed to be interested in a total of 2,835,759,715 shares under the SFO, being the aggregate of the shares in which Trueway and Triluck are interested as shown against the names Trueway and Triluck above.
- v. By virtue of the terms of the constituent documents of LKSF, Mr. Li Ka-shing may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at the general meetings of LKSF. Mr. Li Ka-shing is deemed to be interested in the same number of shares in which LKSF is deemed to be interested as mentioned above under the SFO.

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

The Board of Directors (the “Board”) and the management of the Company are committed to the maintenance of good corporate governance practices and procedures of the Company and its subsidiaries (the “Group”). The Company acknowledges that a good corporate governance framework is essential for effective management, a healthy corporate culture, business growth and shareholder value enhancement. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders.

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) throughout the six months ended 30 June 2025.

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

(1) BOARD COMPOSITION AND BOARD PRACTICES

Accountable to the shareholders under the leadership of the Chairman of the Board, the Board leads, directs and supervises the Company’s affairs to enable the long-term success of the Company. The Board is responsible for shaping and monitoring the corporate culture, setting long-term strategic objectives, policies and directions of the Company with appropriate focus on values creation and risk management. The Board evaluates the Group’s operating, financial and sustainability performance and oversees the executive management of the Company with the support of various standing committees, and ensures the Company maintains effective communication with shareholders and appropriate engagement with other key stakeholders.

Corporate Governance (Cont'd)

As at 30 June 2025, the Board consists of eleven Directors, comprising six Executive Directors (including the Chairman, the President, the Senior Vice President and Chief Investment Officer, the Deputy Chairman, the Vice President and Chief Executive Officer and the Vice President and Chief Scientific Officer), one Non-executive Director and four Independent Non-executive Directors. Throughout the six months ended 30 June 2025 and up to the date of this Interim Report, more than one-third of the members of the Board are Independent Non-executive Directors and more than one of them have appropriate professional qualifications, or accounting or related financial management expertise. All Directors (including Non-executive Directors) are subject to retirement by rotation at least once every three years. Retiring Directors are eligible for re-election by shareholders at general meetings in accordance with the Company's Articles of Association and the CG Code.

The positions of Chairman and Chief Executive Officer are held by separate individuals. The Chairman determines the broad strategic direction of the Group in consultation with the Board and is responsible for the high-level oversight of management. The Chief Executive Officer, with the support of the Executive Directors, is responsible for the strategic planning of different business functions and the day-to-day management and operation of the Group.

The Chairman encourages and solicits opinions from the Directors and urges for Directors' active contribution to the Board's affairs, and takes the lead to ensure that the Board acts in the best interest of the Company. The Chairman promotes a culture of openness and a constructive relationship between Executive and Non-executive Directors, and encourages Directors with different views to voice their concerns. The Chairman allows sufficient time for discussion of issues and ensures that Board decisions fairly reflect Board consensus. Led by the Chairman, the Board and the management of the Company have taken appropriate steps to facilitate effective communication with shareholders and engagement with other stakeholders, and have put in place good corporate governance practices and procedures. In addition, the two meetings held every year between the Chairman and Independent Non-executive Directors without the presence of the other Directors provide an exclusive platform for Independent Non-executive Directors to raise concerns, exchange views and discuss issues about the Company or its business, such as corporate governance enhancement, efficiency of the Board and any other matters they may wish to discuss without the presence of the Executive Directors and the management.

Reporting to the Chairman, the Company Secretary advises the Board on corporate governance and other regulatory compliance matters and is responsible for keeping the Board abreast of developments in the law, rules and regulations that may affect the Company's business and operations. The Company Secretary also assists the Board in monitoring the Company's compliance with Board procedures and the requirements under the Listing Rules and other applicable law, rules and regulations.

(2) MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the directors' securities transaction on terms no less exacting than the required standards set out in the "Model Code for Securities Transactions by Directors of Listed Issuers" under Appendix C3 to the Listing Rules ("Model Code"). The Company will review and revise its code of conduct regarding directors' securities transactions to reflect any amendments to Appendix C3 to the Listing Rules from time to time. All Directors have confirmed that they have complied with the required standards set out in the Model Code regarding their dealings in securities of the Company during the six months ended 30 June 2025.

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

(3) RISK MANAGEMENT AND INTERNAL CONTROL

The Internal Audit Department reviews and assesses the adequacy and effectiveness of the Group's risk management and internal control systems over risk management processes, financial, operational and compliance issues and information systems security and provides an independent appraisal of the Group's financial and operational activities, and makes constructive recommendations to the relevant management for necessary actions. Risk-based audits are carried out by the Internal Audit Department over the Group's subsidiaries to provide reasonable assurance that adequate controls are in place and operating and necessary improvement measures are implemented. The results of risk management and internal audit reviews as well as corresponding risk mitigation controls and remedial actions taken are reported to the Group's management and Audit Committee periodically. The annual work plan of the Internal Audit Department focuses on those areas of the Group's activities with significant perceived risks and the plan is reviewed and endorsed by the Audit Committee.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group for the six months ended 30 June 2025.

Corporate Governance (Cont'd)

(4) AUDIT COMMITTEE

The Audit Committee comprises three members, all of whom are Independent Non-executive Directors, with more than one of the members possessing appropriate professional qualifications, or accounting or related financial management expertise. The Audit Committee is chaired by Mr. Kwan Kai Cheong, with Mr. Paul Joseph Tighe and Mr. Donald Jeffrey Roberts as members. The Audit Committee is responsible for overseeing the Company's financial reporting system, risk management and internal control systems, monitoring the integrity of the Group's financial information, overseeing the relationship with the external auditor of the Company, reviewing the arrangements that the Company's employees may use, in confidence and anonymity, to raise concerns about possible improprieties and ensuring proper arrangements are in place for fair and independent investigations and follow-up actions, and performing corporate governance functions delegated by the Board.

The Group's interim report for the six months ended 30 June 2025 has been reviewed by the Audit Committee.

(5) REMUNERATION COMMITTEE

A majority of the members of the Company's Remuneration Committee are Independent Non-executive Directors. The Remuneration Committee is chaired by Mrs. Kwok Eva Lee, an Independent Non-executive Director, with another Independent Non-executive Director, Mr. Donald Jeffrey Roberts and the Chairman of the Board, Mr. Victor T K Li as members. The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration packages of all Directors and the senior management, making recommendations on the remuneration of Independent Non-executive Directors and, with delegated responsibility, determining the remuneration packages of individual Executive Directors and senior management with reference to the corporate goals and objectives of the Board resolved from time to time.

(6) NOMINATION COMMITTEE

A majority of the members of the Company's Nomination Committee are Independent Non-executive Directors. The Nomination Committee is chaired by Mr. Paul Joseph Tighe, an Independent Non-executive Director, with two other Independent Non-executive Directors, Mrs. Kwok Eva Lee and Mr. Donald Jeffrey Roberts, and the Chairman of the Board, Mr. Victor T K Li as members. The principal responsibilities of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge, experience and diversity profile) of the Board at least once annually, assisting the Board in maintaining a Board skills matrix, assessing the independence of the Independent Non-executive Directors, making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, reviewing and assessing each Director's time commitment and contribution to the Board as well as the Director's ability to discharge his or her responsibilities effectively, supporting the regular evaluation of the performance of the Board, and reviewing the Director Nomination Policy and the Board Diversity Policy of the Company periodically.

(7) SUSTAINABILITY COMMITTEE

The Sustainability Committee comprises an Executive Director, an Independent Non-executive Director and the Company Secretary. The Sustainability Committee is chaired by Mr. Ip Tak Chuen, Edmond, Senior Vice President and Chief Investment Officer. Other members include an Independent Non-executive Director, Mr. Paul Joseph Tighe, and the Company Secretary, Ms. Eirene Yeung. The principal responsibilities of the Sustainability Committee include overseeing management and advising the Board on the development and implementation of the sustainability initiatives of the Group. To discharge these responsibilities, the Sustainability Committee reviews the related sustainability and ESG policies and practices, and assesses and makes recommendations on matters concerning the Group's sustainability development, and sustainability and ESG risks and opportunities.

(8) INVESTOR RELATIONS AND SHAREHOLDERS ENGAGEMENT

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

The Company commits to engaging stakeholders in ongoing dialogues to understand their evolving needs, concerns and expectations. The Company establishes different forms of engagement for different groups of stakeholders to keep consistent interactions and maintains different communication channels for shareholders and investors to communicate their views on matters regarding the Company's businesses and affairs. These channels include (i) corporate communications¹ published on the websites of the Company and the Hong Kong Exchanges and Clearing Limited (and, in case of actionable corporation communications², further disseminated to shareholders in accordance with the Listing Rules); (ii) general meetings which provide a forum for shareholders to raise comments and exchange views with the Board; (iii) updated and key information regarding the Group available on the website of the Company; (iv) the Company's website which offers a communication platform between the Company and its shareholders and stakeholders; (v) press conferences and briefing meetings with analysts held from time to time, where applicable; (vi) the Company's Branch Share Registrar who deals with shareholders for share registration and related matters; (vii) the Corporate Affairs Department of the Company handling enquiries from shareholders and investors generally; and (viii) other dedicated communication channels, activities and events operated or organised by designated business units and departments at various levels engaging different groups of stakeholders.

Notes:

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 30 June 2025, the Company and its subsidiaries did not hold any treasury shares whether in the Clearing and Settlement System, or otherwise.

RISK FACTORS

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

Global Economy

Heightened trade tensions and ongoing changes in international trade policies and tariffs continue to create volatility in global markets. Prolonged or escalating trade disputes may reduce trade volumes and negatively impact economic activity between major economies and the Group's business operations. Policy uncertainty, potential downside risks, fluctuation of major currencies, supply chain disruptions, diverging fiscal policy and monetary policy, fluctuation of commodity prices and energy costs, continuing geopolitical tensions and extreme weather events have created uncertainties and volatility in the global economy and financial markets. Continued slowdown in global economic growth could lead to economic contractions in certain markets, commercial and consumer delinquencies, weakened consumer confidence, increased market volatility and decline in the value of the assets. The Group has investments in different countries and cities around the world. Any adverse economic, social and/or political conditions in those countries and cities in which the Group operates may potentially impact the Group's businesses, financial condition, results of operations, asset value and liabilities.

Other Information (Cont'd)

Labour

The labour markets in which the Group operates are experiencing significant short and long term structural changes. Unemployment rates are low and people are prioritising work-life balance.

There is a significant uncertainty in labour availability and cost. High turnover rates are presenting challenges in recruitment, training and development. There is no assurance that the situation will improve in the near future. The turnover of key personnel may impact the Group's businesses stability, performance and operations.

Supply Chain Disruptions

Geopolitical tensions have disrupted supply of raw materials, transportation and port operations. This has resulted in escalating costs, unpredictable lead time and quality issues, combined with widespread shortages of shipping availability. Additionally, the increase in energy and oil prices has added complexity to the disruption.

Global disruptions have impacted domestic supply chains. Specific domestic issues include shortage of pallets and labour which is particularly acute in some areas where the Group operates. There is no assurance that the situation will improve in the near future.

Highly Competitive Markets

The Group's principal business operations face significant competition and rapid technological change across the diverse markets in which they operate. New market entrants, intensified price competition among existing competitors, imports substitutions for locally manufactured products, the acceptability of the Group's products by the market and changing habits in consumer spending could adversely impact the Group's businesses, financial condition, results of operations or growth prospects. Additionally, product innovation and technical advancement may render the Group's current and future products and research and development efforts obsolete or non-competitive.

Research and Development

Research and development by the Group is a lengthy and expensive process involving extensive trials to ensure product effectiveness and safety for commercial sale. Early trial successes may be reversed by later trials. There is no assurance that any of the research and development activities will produce positive results. There may be challenges in patient recruitment for the necessary trials, for example, in terms of the ability to recruit the necessary number of appropriate patients and the speed of enrollment to achieve the standard needed. There is no assurance of adequate funding to complete the trials required for regulatory approval. The regulatory authorities may also impose additional trials or other requirements before approval for commercial sale.

In addition, recruiting and retaining qualified scientific personnel to perform research and development work will be critical to the success of the Group and there can be no assurance that the Group will be able to attract and retain such personnel on acceptable terms given the competition for experienced scientists from numerous specialised biotechnology firms, pharmaceutical and chemical companies, universities and other research institutions. Failure to do so could delay the research and development and product commercialisation programs of the Group.

Some of the Group's operations are heavily regulated by stringent government standards concerning the development, testing, manufacture, safety, efficacy, record-keeping, labeling, storage, approval, advertising, promotion and sale and distribution of the products. The regulatory review and approval process (which requires the submission of extensive data and supporting information to establish the products' safety, efficacy and potency) can be lengthy, expensive and uncertain and there can be no assurance that any of the Group's products will be approved for marketing and sale. Additionally, policies or administrative standards of the relevant regulatory bodies may change from time to time and there can be no assurance that products that have been approved for marketing and sale do not need to be recalled at a later stage in order to comply with subsequent new requirements.

Intellectual Property

The success of the Group will partly depend its ability to obtain and enforce patent protection for its products and processes. No assurance can be given as to whether patent rights may be granted to the Group nor that the patents granted will be sufficiently broad in scope to offer adequate protection and exclude competitors with similar products. Even if patents are granted, they may still be vulnerable to revocation or challenges by third parties. It is also not possible to determine with certainty whether there are any conflicting third party rights which may affect the Group's current commercial strategy and intellectual property portfolios. The Group may become involved in litigation in enforcing its intellectual property rights and/or face lawsuits from third parties for alleged infringement. The outcome of such litigation is difficult to predict and may adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

Industry Trends and Interest Rates

The trends in the industries in which the Group operates, including market sentiment and conditions, the consumption power of the general public, mark to market value of investment securities, the currency environment and interest rate cycles, may pose significant risks to the Group's businesses, financial condition, results of operations or growth prospects. There can be no assurance that the combination of industry trends and interest rates the Group experiences in the future will not adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

Other Information (Cont'd)

The interest rate cycle has impact on the aggregate demand from all sectors, which may in turn affect the businesses of the Group. Higher finance costs resulting from higher interest rates may impact on the financial condition of the Group. While the Group regularly reviews its exposure to interest rate fluctuations and may manage such exposure using hedging instruments, there can be no guarantee that the Group will not be affected by the interest rate exposure.

In particular, income from finance and treasury operations is dependent upon the capital market, interest rate and currency environment, and the worldwide economic and market conditions, and therefore there can be no assurance that changes in these conditions will not adversely affect the Group's businesses, financial condition, results of operations or growth prospects. The volatility in the financial markets may also adversely affect the income to be derived by the Group from its finance and treasury activities.

Loan Renewal and Refinancing

The Group is partially financed by loans from banks and other sources. These loans have fixed terms and are subject to renewal or refinancing upon maturity. The success or otherwise in renewal or refinancing of the loans will affect the liquidity of the Group.

Risk of Asset Impairment

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets. If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognised in profit or loss. The result of the Group will be affected by such asset impairment tests which are carried out at the end of each reporting period.

Currency Fluctuations

The results of the Group are recorded in Hong Kong dollars but its various subsidiaries and joint ventures may receive revenue and incur expenses in other currencies. Any currency fluctuations on translation of the accounts of these subsidiaries and joint ventures and also on the repatriation of earnings, equity investments and loans may therefore impact the Group's financial position or potential income, asset value and liabilities. Although currency exposures have been managed by the Group, a depreciation or fluctuation of the currencies in which the Group conducts operations relative to the Hong Kong dollar could adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

Fluctuations in Treasury Investment Valuation

The Group invests in various listed and unlisted entities, which are carried on the balance sheet at fair value. The performance of the Group is therefore subject to the change in the fair value of these investments.

Cybersecurity

With the rapid expansion of internet, networking, information and operational technology, coupled with swift development of artificial intelligence (AI) technology, the incidence and severity of cyber fraud, cyber attacks and security breaches are escalating globally. The Group's information assets are not immune from attack, damage or unauthorised access. Cybersecurity risks could significantly impact the operational and business performance, as well as the business reputation of the Group. The Group continuously strives to enhance the cybersecurity protection of its businesses.

Although the Group has not experienced any major damage to its projects, assets or activities from cyber attacks or cyber fraud to date, there can be no assurance that future cyber attacks, security breaches of the Group's cybersecurity or cyber fraud will not occur and result in significant impact on the Group's business reputation, businesses, results of operations and financial condition.

Strategic Partners

Certain businesses of the Group are conducted through non wholly-owned subsidiaries and joint ventures in which the Group shares control (in whole or in part) and strategic alliances have been formed by the Group with strategic or business partners. There can be no assurance that any of these strategic or business partners will maintain their relationships with the Group. The Group may not be able to pursue its stated strategies with respect to its non-wholly owned subsidiaries and joint ventures. Furthermore, the joint venture partners may (a) have economic or business interests or goals that are inconsistent with those of the Group; (b) take actions contrary to the Group's policies or objectives; (c) undergo a change of control; (d) experience financial and other difficulties; or (e) be unable or unwilling to fulfill their obligations under the joint ventures, which may affect the Group's businesses, financial condition, results of operations or growth prospects.

Other Information (Cont'd)

Impact of Possible Economic Sanctions on Business Partners, Suppliers, Customers or Businesses in General

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

Impact of Local, National and International Regulations

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

Compliance with Personal Data Protection Legislation

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

In the event that any relevant business of the Group is unable to meet its obligations under applicable data protection laws, it may be subject to regulatory actions or civil claims. The expenses on remediation, costs of regulatory or legal actions, and monetary damages and/or reputational damage suffered as a result of such actions could have a material adverse effect on the Group's financial condition and results of operations.

Wine and Vineyard Market

The Group is one of the largest vineyard owners in Australia in terms of hectareage. The vineyards of the Group are mostly leased to well-established wine industry operators and provide immediate and recurring cashflow to the Group. The continued success of the Group relies on maintaining this cashflow. There is no assurance that the Group's tenants will observe the terms of the leases and continue to pay the rent during their existing lease term, or that the leases will be renewed at favorable terms upon their expiries. Furthermore, the market value of the vineyard portfolio is subject to fluctuations which may impact on the Group's income or financial position. Changes in consumer tastes and the aging of vines will trigger more re-development investment needs.

Social Incidents, Terrorist Threats and Geopolitical Tensions

The Group is a diversified company with businesses presently in Asia, Australasia and North America. In recent years, a series of social incidents, terrorist activities and geopolitical tensions occurred across the globe that resulted in economic losses, multiple deaths, casualties, persistent supply chain disruptions and volatility in commodity markets. There can be no assurance that countries in which the Group operates will not have any social incidents or they will be immune from terrorist threats or geopolitical tensions, and if these events occur, they may have an adverse impact on the Group's businesses, financial condition, results of operations or growth prospects.

Other Information (Cont'd)

Impact of New Accounting Standards

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has from time to time issued a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs"). HKICPA may in the future issue new and revised standards and interpretations. In addition, interpretations on the application of the HKFRSs will continue to develop. These factors may require the Group to adopt new accounting policies. The adoption of new accounting policies or new HKFRSs might or could have a significant impact on the Group's financial position, results of operations or profit growth.

Connected Transactions

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

Mergers, Acquisitions and Disposals

The Group has undertaken merger, acquisition, and disposal activities in the past and may continue to do so if there are appropriate opportunities in the markets. In pursuit of such activities, it may be challenging to find opportunities that meet the Group's return requirements. The pressure to wisely deploy capital has been significant. Although due diligence and detailed analyses will be conducted in advance, there can be no assurance that these can fully expose all hidden problems, potential liabilities and unresolved disputes that target companies may have in cases of mergers and/or acquisitions. In addition, valuations and analyses on target companies conducted by the Group or by professionals alike are based on numerous assumptions, and there can be no assurance that those assumptions are correct or appropriate or that they will be materialised. Relevant facts and circumstances used in the analyses could have changed over time, and new facts and evolving circumstances may come to light as to render the previous assumptions and the valuations and analyses based thereon obsolete.

Merger and acquisition, and disposal transactions are typically subject to negotiations and agreements to be entered into, and even if final agreements are entered into, may still be subject to merger, anti-trust, national security, foreign investment, foreign subsidy and other regulatory approvals by the competent authorities which may only approve the transaction subject to conditions, or prohibit the transaction. There can be no assurance that any such transactions or proposals will proceed, or any such approvals or other conditions would be obtained or satisfied and even if such approvals are obtained, third parties may initiate proceedings to appeal against such approvals. If a proposed transaction does not proceed or is prohibited, or the relevant approvals are revoked, and the transaction cannot be completed, the Group will have incurred significant expenses, such as legal, accounting and other costs in connection with the transaction without realising its anticipated benefits such as increased earnings, scale, competitive strength and market share. There might be longer and more complicated foreign investment approval processes for foreign acquisitions. Geopolitical tensions and trade protectionism have accelerated these trends as governments have responded with additional foreign investment regulations to protect local enterprises from foreign acquisitions. The Group may not necessarily be able to successfully integrate the target business into the Group and may not be able to derive any synergy from the acquisition, leading to an increase in costs, time and resources. For merger, acquisition and disposal activities undertaken overseas, the Group may also be exposed to different and changing political, social, legal and regulatory requirements at the local, national and international levels. The Group may also be subject to overseas legal and regulatory requirements (including securities market rules) subsequent to merger, acquisition, and disposal activities. The Group may also need to face different cultural issues when dealing with local employees, customers, governmental authorities and pressure groups.

Climate Change and Environmental Change

Some of the Group's assets, businesses, and many of the Group's customers and suppliers are located in areas that would be affected in the medium to long term by the physical effects of climate change. Climatic changes affect demand, availability, quality and pricing of many of our products as well as those of our customers, especially in the agriculture-related sector, affecting business performance. Furthermore, on-going climate change may trigger off serious natural events like extreme rainfall, flooding, drought and bushfires that may destroy or damage the Group's assets such as land and vineyards.

Changes in environmental conditions, such as increase in pollution, may affect the performance of some of our assets. For example, pollution of sea water may have an impact on the productivity of solar salt fields.

In addition, there is a trend of transition to low carbon economies owing to the climatic changes, which may expose the Group to various risks derived from the global transitioning process, in particular policy, legal, technology, market and reputation risks arising from evolving climate-responsive measures. For example, operating cost is expected to increase as old equipment is converted, retrofitted and replaced where appropriate to support policies and regulatory measures to lower fuel consumption and greenhouse gas emissions.

Other Information (Cont'd)

Some regulators have issued mandatory disclosure requirements in relation to climate-related financial risk disclosures. Physical risks, together with transition risks arising from climate change as well as the new disclosure requirements, may have potential impact on the Group's businesses, operations, financial condition or growth prospects.

Natural Disasters

Some of the Group's assets and businesses, and many of the Group's customers and suppliers are located in areas at risk of damage from earthquakes, floods, storms, drought, bushfires, frost and similar disasters and the occurrence of any of these disasters could disrupt the Group's businesses and materially and adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

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

Public Health Emergency

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

Past Performance and Forward-Looking Statements

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