



長江和記實業有限公司
CK HUTCHISON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock code: 1

2025
ANNUAL REPORT

Corporate Information

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

LI Tzar Kuoi, Victor, BSc, MSc, LLD (Hon)
Grande Ufficiale dell'Ordine della Stella d'Italia
Chairman

FOK Kin Ning, Canning, BA, DFM, FCA (ANZ)
Deputy Chairman

Frank John SIXT, MA, LLL
Group Co-Managing Director and Group Finance Director

LAI Kai Ming, Dominic, BSc, MBA
Group Co-Managing Director

IP Tak Chuen, Edmond, BA, MSc
Deputy Managing Director

KAM Hing Lam, BSc, MBA
Deputy Managing Director

Edith SHIH, BSE, MA, MA, EdM, Solicitor, FCG, HKFCG

Andrew John HUNTER, MA, MBA, CA, CPA

NON-EXECUTIVE DIRECTORS

CHOW Kun Chee, Roland, LLM

LEE Yeh Kwong, Charles, GBM, GBS, OBE, JP

WOO Mo Fong, Susan, BSc
(alias CHOW WOO Mo Fong, Susan)

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHOW Ching Yee, Cynthia, BA, MBA

Graeme Allan JACK, BCom, CA(ANZ), FCPA

Philip Lawrence KADOORIE, BSc

LAU Yau Fun, Sophie, GBS, SBS, OBE, JP
(alias LEUNG LAU Yau Fun, Sophie)

Paul Joseph TIGHE, BSc

TSIM Sin Ling, Ruth, MBA, CPA, CGA, FCA, FCCA, FCPA

WONG Kwai Lam, BA, PhD

COMPANY SECRETARY

Edith SHIH

SENIOR ADVISOR

LI Ka-shing, GBM, KBE, LLD (Hon), DSSc (Hon)
Grande Ufficiale Ordine al Merito della Repubblica Italiana
Commandeur de la Légion d'Honneur
Commandeur de l'Ordre de Léopold
Grand Officer of the Order Vasco Nunez de Balboa

SPECIAL ADVISOR

George Colin MAGNUS, OBE, BBS, MA

AUDIT COMMITTEE

WONG Kwai Lam (*Chairman*)

CHOW Ching Yee, Cynthia

Graeme Allan JACK

Paul Joseph TIGHE

TSIM Sin Ling, Ruth

NOMINATION COMMITTEE

Paul Joseph TIGHE (*Chairman*)

LI Tzar Kuoi, Victor

LAU Yau Fun, Sophie

REMUNERATION COMMITTEE

WONG Kwai Lam (*Chairman*)

LI Tzar Kuoi, Victor

CHOW Ching Yee, Cynthia

SUSTAINABILITY COMMITTEE

Frank John SIXT (*Chairman*)

Edith SHIH

TSIM Sin Ling, Ruth

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

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Corporate Profile

CK Hutchison Group (the “Group”) is a renowned multinational conglomerate committed to development, innovation and technology in many different sectors. We operate a variety of businesses in about 50 countries/markets across the world with over 300,000 employees. Our operations consist of four core businesses – ports and related services, retail, infrastructure and telecommunications.

The Group has a strong commitment to the highest standards of corporate governance, transparency and accountability. We take environmental and social sustainability responsibilities seriously with programmes and innovations across our businesses to address related challenges.

Ports and Related Services



As the world’s leading port investor, developer and operator, the Group’s ports division holds interests in 53 ports comprising 295 operational berths in 24 countries. In 2025, the division handled a total throughput of 90.1 million twenty-foot equivalent units (“TEU”). It also engages in river trade, cruise terminal operations and ports related logistic services.

Retail



The Group’s retail division is the world’s largest international health and beauty retailer, with over 17,000 stores in 31 markets worldwide. Its diverse retail portfolio comprises health and beauty products, supermarkets, consumer electronics and electrical appliances, wine, luxury perfumeries and cosmetics. It also manufactures and distributes bottled water and beverage products in Hong Kong and Chinese Mainland.

Infrastructure



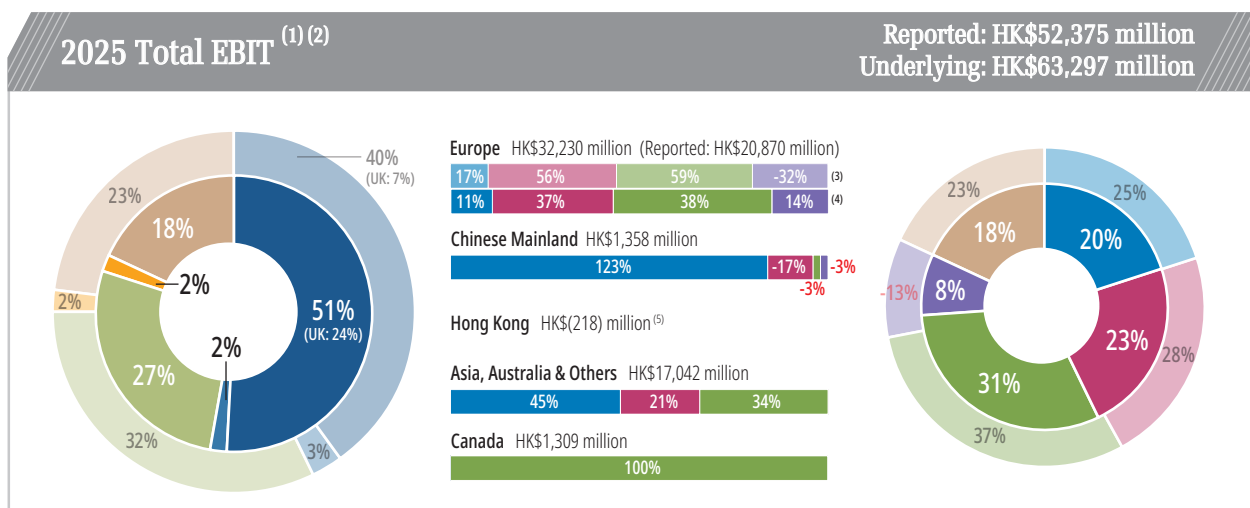
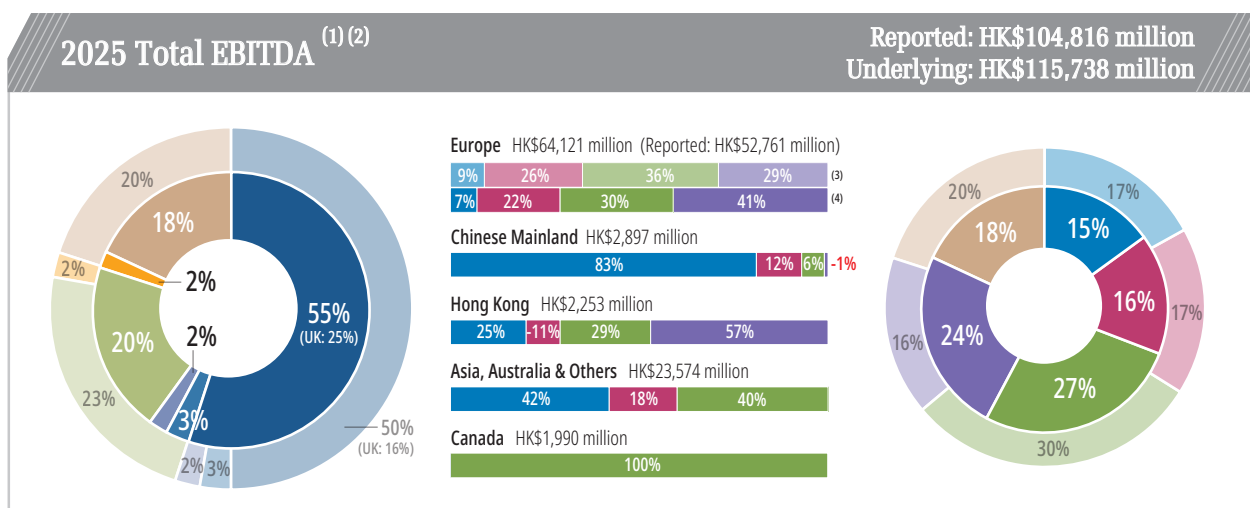
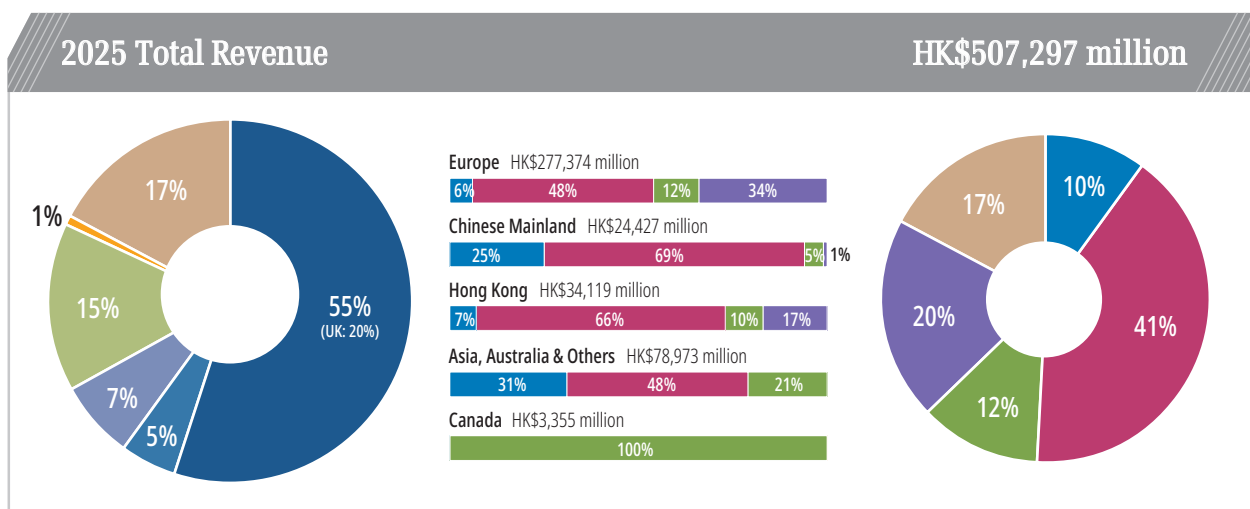
The Group's infrastructure business currently includes its shareholding in CK Infrastructure Holdings Limited ("CKI") and interests in five infrastructure assets that are co-owned with CKI, which is one of the world's largest global infrastructure companies. The company has diversified investments in energy infrastructure, transportation infrastructure, water infrastructure, waste management, waste-to-energy, household infrastructure and infrastructure related businesses. Its investments and operations span across Hong Kong, Chinese Mainland, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States.

Telecommunications



A pioneer in mobile data communication technologies, the Group's telecommunications division is a leading global operator and innovator of converged telecommunication and digital services around the world, implementing innovative technologies in international interconnectivity.

Analyses of Core Business Segments by Geographical Location



Reported Underlying

- Europe
- Chinese Mainland
- Hong Kong
- Asia, Australia & Others
- Canada
- Finance & Investments and Others

Note 1: Prepared under Pre-IFRS 16 basis which is set out in note 1 on page 6.
 Note 2: The outer pie chart represents EBITDA and EBIT %-mix on a reported basis. The inner pie chart represents underlying EBITDA and EBIT %-mix, which excludes non-cash disposal loss related to the UK merger of HK\$9,915 million, transactional related expenses of HK\$1,445 million under CKHGT and transactional intercompany credit of HK\$438 million under Finance & Investments and Others.
 Note 3: Represents respective EBITDA and EBIT %-mix for Europe on a reported basis.
 Note 4: Represents respective EBITDA and EBIT %-mix for Europe on an underlying basis.
 Note 5: Mainly comprises of LBIT of retail segment partly offset by EBIT of other segments.

Reported Underlying

- Ports & Related Services
- Retail
- Infrastructure
- Telecommunications
- Finance & Investments and Others

Analyses by Core Business Segments

	Post-IFRS 16 2025		Post-IFRS 16 2024		Change
	HK\$ million	%	HK\$ million	%	%
Revenue ⁽¹⁾					
Ports and Related Services ⁽¹⁾	48,895	10%	45,282	9%	8%
Retail	209,267	41%	190,193	40%	10%
Infrastructure	58,775	12%	55,324	12%	6%
CK Hutchison Group Telecom	101,311	20%	88,371	19%	15%
Finance & Investments and Others	89,049	17%	97,512	20%	-9%
Total Revenue	507,297	100%	476,682	100%	6%
EBITDA ⁽¹⁾					
Ports and Related Services ⁽¹⁾	20,424	14%	18,848	15%	8%
Retail	27,909	20%	25,594	20%	9%
Infrastructure	31,717	23%	29,953	23%	6%
CK Hutchison Group Telecom	35,976	26%	31,257	24%	15%
Finance & Investments and Others	23,548	17%	23,196	18%	2%
Total Underlying EBITDA	139,574	100%	128,848	100%	8%
One-off items ⁽²⁾	(10,469)		(3,740)		
Total Reported EBITDA	129,105		125,108		3%
EBIT ⁽¹⁾					
Ports and Related Services ⁽¹⁾	14,218	21%	13,123	21%	8%
Retail	15,841	23%	14,099	23%	12%
Infrastructure	19,616	29%	19,231	31%	2%
CK Hutchison Group Telecom	5,973	9%	4,490	7%	33%
Finance & Investments and Others	12,417	18%	11,555	18%	7%
Total Underlying EBIT	68,065	100%	62,498	100%	9%
One-off items ⁽²⁾	(10,469)		(3,740)		
Total Reported EBIT	57,596		58,758		-2%
Interest Expenses and Other Finance Costs ⁽¹⁾	(24,972)		(24,050)		-4%
Profit Before Tax	32,624		34,708		-6%
Tax ⁽¹⁾					
Current tax	(10,247)		(8,783)		-17%
Deferred tax	(3,144)		(2,141)		-47%
	(13,391)		(10,924)		-23%
Profit after tax	19,233		23,784		-19%
Non-controlling interests and perpetual capital securities holders' interests	(7,392)		(6,696)		-10%
Reported Profit Attributable to Ordinary Shareholder	11,841		17,088		-31%
Add back: One-off items ⁽²⁾	10,469		3,740		
Underlying Profit Attributable to Ordinary Shareholder	22,310		20,828		7%

Note 1: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 2: One-off item for the year ended 31 December 2025 represents one-time non-cash loss arising from the UK merger and related impacts of HK\$10,469 million. One-off item for the year ended 31 December 2024 represents one-time non-cash impairment and other provisions on the Vietnam telecommunications business of HK\$3,740 million.

	Pre-IFRS 16 ⁽¹⁾ 2025		Pre-IFRS 16 ⁽¹⁾ 2024		Change	Local currencies change
	HK\$ million	%	HK\$ million	%	%	%
Revenue ⁽²⁾						
Ports and Related Services ⁽²⁾	48,895	10%	45,282	9%	8%	7%
Retail	209,267	41%	190,193	40%	10%	6%
Infrastructure	58,775	12%	55,324	12%	6%	5%
CK Hutchison Group Telecom	101,311	20%	88,371	19%	15%	10%
Finance & Investments and Others	89,049	17%	97,512	20%	-9%	-7%
Total Revenue	507,297	100%	476,682	100%	6%	4%
EBITDA ⁽²⁾						
Ports and Related Services ⁽²⁾	17,439	15%	16,172	15%	8%	7%
Retail	18,238	16%	16,395	15%	11%	5%
Infrastructure	31,341	27%	29,614	28%	6%	5%
CK Hutchison Group Telecom	27,817	24%	24,129	23%	15%	10%
Finance & Investments and Others	20,903	18%	20,030	19%	4%	6%
Total Underlying EBITDA	115,738	100%	106,340	100%	9%	7%
One-off items ⁽³⁾	(10,922)		(3,740)			
Total Reported EBITDA	104,816		102,600		2%	-
EBIT ⁽²⁾						
Ports and Related Services ⁽²⁾	12,850	20%	11,873	21%	8%	7%
Retail	14,553	23%	13,018	22%	12%	5%
Infrastructure	19,535	31%	19,180	33%	2%	1%
CK Hutchison Group Telecom	4,783	8%	3,485	6%	37%	30%
Finance & Investments and Others	11,576	18%	10,615	18%	9%	11%
Total Underlying EBIT	63,297	100%	58,171	100%	9%	7%
One-off items ⁽³⁾	(10,922)		(3,740)			
Total Reported EBIT	52,375		54,431		-4%	-6%
Interest Expenses and Other Finance Costs ⁽²⁾	(20,042)		(19,655)		-2%	
Profit Before Tax	32,333		34,776		-7%	
Tax ⁽²⁾						
Current tax	(10,246)		(8,793)		-17%	
Deferred tax	(3,281)		(2,193)		-50%	
	(13,527)		(10,986)		-23%	
Profit after tax	18,806		23,790		-21%	
Non-controlling interests and perpetual capital securities holders' interests	(7,470)		(6,760)		-11%	
Reported Profit Attributable to Ordinary Shareholder	11,336		17,030		-33%	-37%
Add back: One-off items ⁽³⁾	10,922		3,740			
Underlying Profit Attributable to Ordinary Shareholder	22,258		20,770		7%	4%

Note 1: The Group has adopted International Financial Reporting Standard 16 "Leases" ("IFRS 16") accounting standard for its statutory reporting but its management reporting has remained on the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17"). The Group believes that the IAS 17 basis ("Pre-IFRS 16 basis") metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 basis ("Post-IFRS 16 basis"), better reflect management's view of the Group's underlying operational performance. Pre-IFRS 16 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT, interest expenses and other finance costs, tax, non-controlling interests and perpetual capital securities holders' interests and profit attributable to ordinary shareholders prepared under the Pre-IFRS 16 basis relating to the accounting for leases. Unless otherwise specified, the discussion of the Group's operating results in this Annual Report is on a Pre-IFRS 16 basis as mentioned above.

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

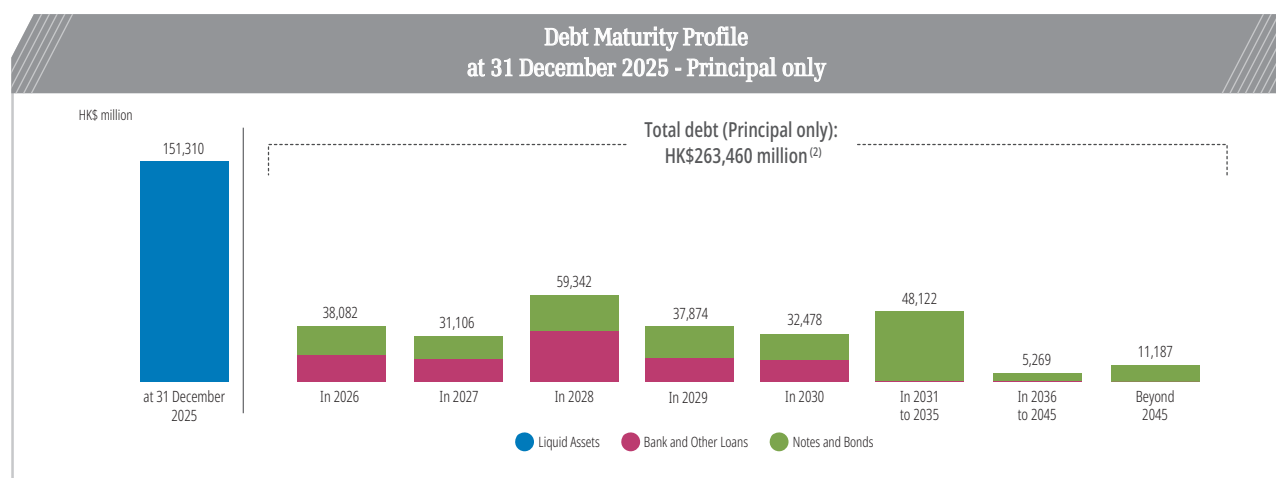
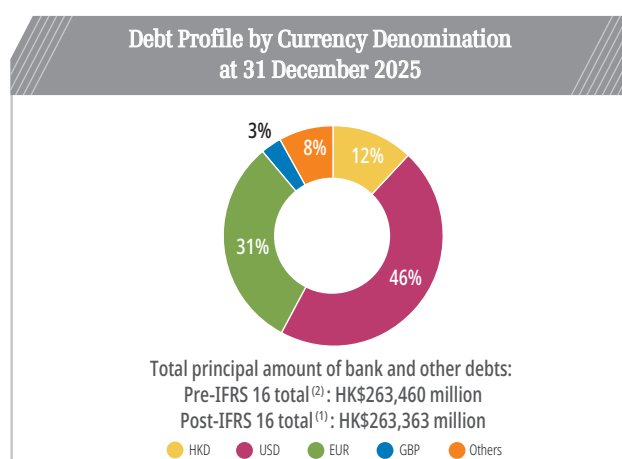
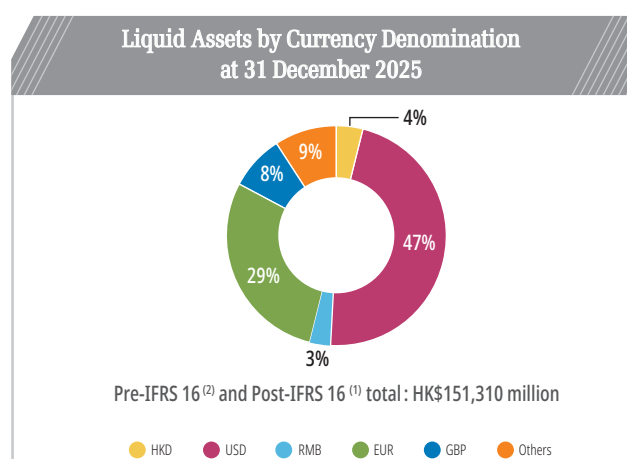
Note 3: One-off item of HK\$10,922 million for the year ended 31 December 2025 represents one-time losses included HK\$9,915 million of non-cash disposal loss, HK\$1,445 million of transactional related expenses under CKHGT and transactional intercompany credit of HK\$438 million under Finance & Investments and Others. One-off item for the year ended 31 December 2024 represents one-time non-cash impairment and other provisions on the Vietnam telecommunications business of HK\$3,740 million.

Key Financial Information

	Post-IFRS 16 ⁽¹⁾ 2025 HK\$ million	Pre-IFRS 16 ⁽²⁾ 2025 HK\$ million	Post-IFRS 16 ⁽¹⁾ 2024 HK\$ million	Pre-IFRS 16 ⁽²⁾ 2024 HK\$ million
Profit attributable to ordinary shareholders of the Company	11,841	11,336	17,088	17,030
Earnings per share (HK\$)⁽³⁾	3.09		4.46	
Full year dividend per share (HK\$)	2.312		2.202	
Total assets	1,155,673	1,105,578	1,112,542	1,064,549
Net assets	688,392	701,596	652,592	665,273
Net assets attributable to shareholders of the Company per ordinary share (HK\$)	146.9	149.3	139.6	141.9
Total principal amount of bank and other debts	263,363	263,460	256,048	257,104
Total cash, liquid funds and other listed investments ("liquid assets")	151,310	151,310	129,445	129,445
Total principal amount of bank and other debts including unamortised fair value adjustments from acquisitions	265,002	265,099	258,003	259,059
Net debt	113,692	113,789	128,558	129,614
Net debt to net total capital ratio ⁽⁴⁾	14.1%	13.9%	16.4%	16.2%

Credit rating:

Moody's	A2	A2
Standard & poor's	A	A
Fitch	A	A-



Note 1: Prepared under Post-IFRS 16 basis as set out in note 1 on page 5.

Note 2: Prepared under Pre-IFRS 16 basis as set out in note 1 on page 6.

Note 3: Earnings per share is calculated based on profit attributable to ordinary shareholders. For the year ended 31 December 2025, the earnings per share is calculated based on CKHH's number of shares in issue during the year of 3,830,044,500 shares (2024: 3,830,044,500 shares).

Note 4: Net debt represents net debt (excluding interest bearing loans from non-controlling shareholders), as defined on the Consolidated Statement of Cash Flows. Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions. Net total capital is defined as total bank and other debts plus total equity and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments.

Business Highlights



- HUTCHMED divests its 45% equity interest in Shanghai Hutchison Pharmaceuticals Limited for approximately US\$608 million, allowing the company to sharpen its focus on the core business of innovative medicines and accelerate its novel drug pipeline.
- 3 Sweden becomes the first operator in the country to offer commercial 5G Standalone services.
- AS Watson Industries opens a new smart factory in Foshan, China. The 80,000 square metre facility boosts the company's beverage production capacity by 50% and features an automated warehouse with 50,000 pallet positions for enhanced operational efficiency.
- Hutchison Ports Port of Felixstowe, the UK's busiest container port and one of the largest in Europe, handles 4 million TEU a year and celebrates its 150th anniversary in 2025.
- CK Life Sciences files patent applications for its circular mRNA TROP2 cancer vaccine, which demonstrated unprecedented anti-cancer efficacy with 100% tumour growth inhibition in breast cancer animal studies.
- Hutchison Ports RAK and RAK Ports, United Arab Emirates, sign an agreement to extend the company's container operations at Saqr Port until 2037. The extended collaboration is expected to drive new investment into the RAK Ports container terminal.
- Hutchison Ports Ajman, United Arab Emirates, in collaboration with the Department of Ports and Customs, enter into an investment agreement to upgrade and expand Ajman Port.
- 3 UK and Vodafone UK complete their merger to form VodafoneThree, creating the country's largest mobile operator. With a commitment to invest £11 billion, VodafoneThree is set to revolutionise UK connectivity and build the largest AI-ready, 5G Standalone network.



- Reliance acquires CM Heating & Cooling in Washington and Air Force Heating & Air Conditioning in Georgia and Alabama, expanding its market presence and customer base in the US.
- In Australia, TPG Telecom sells its fibre network assets and Enterprise, Government and Wholesale fixed operations to Vocus Group, generating A\$4.7 billion of net cash proceeds.
- Enviro NZ commences converting non-recyclable plastics and residual materials into a Process Engineered Fuel at its Pōkeno resource and recovery facility, the first initiative of its kind in New Zealand.
- ista acquires a heating and smart metering technology company based in western Germany and an energy consultancy business in the Netherlands.
- HK Electric commences construction works for the new gas-fired combined-cycle generating unit, L13, at Lamma Power Station. The unit is expected to increase the company's proportion of gas-fired generation once commissioned in 2029.
- Rossmann opens its 2,000th store in Poland, marking significant growth 32 years after entering the Polish market.
- Wind Tre launches 5G Standalone network in Italy, marking a milestone in the digitisation of the country.
- Cenovus Energy completes its acquisition of MEG Energy, a Canadian oil sands producer. The acquisition strengthens Cenovus' portfolio of long-life, low-cost oil sands assets, adding top-tier operations that are directly adjacent to the company's Christina Lake asset.
- HUTCHMED initiates global clinical development of an Antibody-Targeted Therapy Conjugate ("ATTC") candidate HMPL-A251 in patients with solid tumours. ATTC is a next-generation approach to precision oncology that aims to improve efficacy and safety for potential frontline and long-term use.
- CKHGT earns an A- score on climate performance from CDP, and a Silver Medal in the EcoVadis Sustainability Ratings, ranking in the 93rd percentile in 2025.
- In 2025, AS Watson achieves a significant milestone with its loyalty programme membership growing to 180 million worldwide.

Chairman's Statement

The Global economic and geopolitical environment remained challenging in 2025.

The year saw slower growth in some major economies as well as persistent and increasing geopolitical tensions. These have led to an unprecedented evolution in tariff, sanctions, export-control, and national security regimes resulting in a volatile investment and trade environment, and in changing capital and trade flows.

Specifically for the Group, geopolitical pressure has led to a meaningful legal conflict with the Panamanian State relating to the Group's container terminal operations there, and has also complicated ongoing discussions with potential counterparties regarding possible new arrangements for the disposition of interests in the Group's global port operations outside of Panama, Hong Kong and the Mainland.

Notwithstanding this backdrop, the Group's highly diversified business and geographic spread largely mitigates the impact of adverse developments in any particular sector or country. Strong cash generation in the year has placed the group in a solid financial position with a net debt to net total capital ratio at year end of 13.9%.

During the year, the Group continued to actively manage shareholder value through various major transactions, which resulted in certain one-time non-cash accounting impact to the Group's reported earnings. In 2025, the Group completed the merger of its UK telecommunications business with Vodafone UK (the "UK merger") and recognised a one-time non-cash loss and related impacts of HK\$10,922 million on a Pre-IFRS 16 basis⁽¹⁾. This compares to a one-time non-cash impairment and other provisions on its Vietnam telecommunications business of HK\$3,740 million which the Group recognised in 2024.

On 26 February 2026, the Group announced the sale by CK Group (CK Infrastructure Holdings Limited, Power Assets Holdings Limited and CK Asset Holdings Limited) of 100% of their interests in UK Power Networks to Engie S.A.. Subject to completion occurring, the sale is expected to result in significant cash flow and net profits attributable to the Group in 2026.

Excluding the one-time losses mentioned above and on a Pre-IFRS 16 basis, the Group delivered underlying net earnings of HK\$22,258 million, a 7% growth against 2024 in reported currency. Underlying EBITDA and EBIT both increased 9% in reported currency compared to last year, primarily from robust growth in the Ports division, favourable performance from CK Hutchison Group Telecom ("CKHGT") including certain treasury gains, higher contributions from Cenovus Energy, share of gains from disposal of non-core assets by the Group's listed associates as well as favourable foreign exchange movements.

On a reported basis, the Group's profit attributable to ordinary shareholders was HK\$11,336 million for the year ended 31 December 2025. On a Post-IFRS 16 basis, reported profit attributable to ordinary shareholders was HK\$11,841 million. Reported earnings per share were HK\$3.09 for the year ended 31 December 2025 (31 December 2024 – HK\$4.46).

Dividend

The Board of Directors recommends a final dividend of HK\$1.602 per share (2024 final dividend – HK\$1.514 per share), payable on Thursday, 11 June 2026, to shareholders (except for holders of treasury shares) whose names appear on the Register of Members of the Company at the close of business on Thursday, 28 May 2026, being the record date for determining shareholders' entitlement to the proposed final dividend. Combined with the interim dividend of HK\$0.710 per share, the full year dividend amounts to HK\$2.312 per share (2024 full year dividend – HK\$2.202 per share). Currently, there are no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

Note 1: The HK\$10,922 million on a Pre-IFRS 16 basis one-time losses included HK\$9,915 million of non-cash disposal loss, HK\$1,445 million of transactional related expenses under CKHGT and transactional intercompany credit of HK\$438 million under Finance & Investments and Others. Under Post-IFRS 16 basis, the one-time non-cash loss arising from the UK merger and related impacts totalled HK\$10,469 million.

Ports and Related Services

This division reported revenue of HK\$48,895 million, an increase of 8% compared to 2024, mainly driven by 3% throughput growth mainly from Yantian and Shanghai Ports, as well as key terminals in Asia and Middle East, along with a 17% higher storage income compared to last year, primarily contributed by Mexico and European ports, partly offset by adverse performance of a shipping line associated company due to drop in market freight rate. EBITDA⁽²⁾ of HK\$17,439 million and EBIT⁽²⁾ of HK\$12,850 million, both increased by 8%, delivered through a combination of robust revenue growth and disciplined cost management.

Looking ahead to 2026, global trade growth is expected to slow down amid geopolitical risks and China-U.S. trade tensions. The conflicts in the Middle East region, if prolonged, will also shift trade routes away from the region. However, with the division's geographically diversified portfolio, the impact is expected to be mostly mitigated as other ports in the division may benefit from the diversion.

The Group will also continue to work to resolve its legal disputes with the Panamanian State and others relating to the Group's container terminal operations in Panama in a way that is fair and protects the interests of shareholders of the Group.

Retail

The division's total revenue of HK\$209,267 million increased by 10% in reported currency against last year, while EBITDA⁽³⁾ and EBIT⁽³⁾ of HK\$18,238 million and HK\$14,553 million increased by 11% and 12% respectively. In local currencies, total revenue increased by 6%, while EBITDA and EBIT both increased by 5%. This division recorded positive growth against last year mainly attributable to the growth in Health and Beauty businesses in Europe and Asia. The favourable performance was partly offset by challenging business environment in the Health and Beauty China segment.

Looking ahead, the division's European and Asian operations are well-positioned to continue the growth momentum despite economic headwinds. Health and Beauty China is aiming to mitigate challenging market conditions through assortment enhancements, particularly focusing on own brand products, optimising the existing store network quality and enhancing online capabilities to drive online plus offline traffic. This division will focus on expanding and nurturing its 183 million loyalty members through optimisation of customer journey and disciplined short payback principle for investments in new stores and refurbishments as well as in advanced technology.

Infrastructure

The Infrastructure division comprises a 75.67% interest in CK Infrastructure Holdings Limited ("CKI"), a subsidiary listed in Hong Kong as well as interests in six co-owned infrastructure investments with CKI as of December 2025. The divestment of the division's 70% interest in UK Rails was completed in January 2026, with interests in five co-owned infrastructure investments with CKI remaining in this division thereafter.

CKI

CKI announced net profit attributable to shareholders under Post-IFRS 16 basis of HK\$8,265 million, 2% higher than last year, reflecting steady operating performance across major businesses.

Looking into 2026, this division's regulated businesses will continue to provide steady and recurring income and the non-regulated businesses will grow organically and actively expand their portfolios. Together with its strong financial position, this division is well placed to capitalise on investment opportunities as they arise.

Note 2: Under Post-IFRS 16 basis, EBITDA was HK\$20,424 million (31 December 2024: HK\$18,848 million); EBIT was HK\$14,218 million (31 December 2024: HK\$13,123 million).

Note 3: Under Post-IFRS 16 basis, EBITDA was HK\$27,909 million (31 December 2024: HK\$25,594 million); EBIT was HK\$15,841 million (31 December 2024: HK\$14,099 million).

Chairman's Statement

CK Hutchison Group Telecom

On 31 May 2025, the merger of 3 UK and Vodafone UK was completed with the formation of the combined business, VodafoneThree, now a 49% associated company of the Group. CKHGT also received approximately £1,300 million net proceeds on completion of the merger.

Revenue of CKHGT was HK\$101,311 million (€11,387 million), 15% higher against last year in reported currency. EBITDA and EBIT included one-time non-cash loss on the UK merger and related impacts⁽⁴⁾, excluding which, underlying EBITDA⁽⁵⁾ of HK\$27,817 million (€3,128 million) was 15% higher against last year in reported currency, primarily due to treasury gains of approximately HK\$700 million from bond buybacks and higher underlying EBITDA contribution from 3 Group Europe. Underlying EBIT⁽⁵⁾ of HK\$4,783 million (€536 million) was 37% higher due to the higher EBITDA mentioned above, partly offset by higher depreciation of 3 Group Europe from the share of higher depreciation from an enlarged company following the UK merger completion.

3 Group Europe

Revenue of HK\$93,839 million was 10% higher against last year in local currencies, primarily driven by growth in net customer service revenue from the higher customer base, higher MVNO and other wholesale revenue, as well as accretive contribution from the share of revenue of VodafoneThree.

3 Group Europe reported an overall 10% higher total margin in local currencies. Underlying EBITDA⁽⁶⁾ of HK\$25,877 million was 6% or HK\$1,500 million higher against last year in local currencies, primarily driven by accretive EBITDA contribution from VodafoneThree, as well as margin growth of other operations. Depreciation and amortisation increased by 7% or HK\$1,358 million primarily due to the share of higher depreciation of VodafoneThree following merger completion, which more than offset the accretive EBITDA contribution from the merged entity. Correspondingly, underlying EBIT⁽⁶⁾ of HK\$3,969 million was 4% or HK\$142 million higher against last year in local currencies which was mainly arising from improvements in other operations of this division.

VodafoneThree is currently the largest mobile network operator in the United Kingdom with over 28 million customers. Spectrum and network sharing are ahead of plan to deliver seamless access of both networks to customers through activation of more than 8,000 radio sites and removal of 16,500 km² "not spot" area at the end of 2025 which already resulted in notable network improvements recognised by independent tests. The merged entity has also made significant progress in integration processes, including retail and property consolidation and organisation simplification of the combined business, and is on-track to deliver cost and capex synergy target of £700 million per annum by the fifth year after merger completion.

Excluding VodafoneThree, consolidated revenue, EBITDA and EBIT for all other operations in 3 Group Europe year on year were 1%, 2% and 13% higher in local currencies respectively. These operations will aim to deliver stable underlying performance through growing customer base, expanding beyond-the-core offerings, and implement cost efficiency initiatives to increase productivity and reduce costs over the next five years.

Note 4: The HK\$11,360 million on a Pre-IFRS 16 basis one-time losses included HK\$9,915 million of non-cash disposal loss and HK\$1,445 million of transactional related expenses. Under Post-IFRS 16 basis, the one-time non-cash loss arising from the UK merger and related impacts totalled HK\$10,907 million.

Note 5: Under Post-IFRS 16 basis, underlying EBITDA was HK\$35,976 million (31 December 2024: HK\$31,257 million); underlying EBIT was HK\$5,973 million (31 December 2024: EBIT of HK\$4,490 million).

Note 6: 3 Group Europe EBITDA and EBIT excluding one-time UK merger related impacts of HK\$774 million under Pre-IFRS 16 and Post-IFRS 16 basis. Under Post-IFRS 16 basis and excluding one-time UK merger and related impacts, underlying EBITDA was HK\$33,617 million (31 December 2024: HK\$29,824 million); underlying EBIT was HK\$5,139 million (31 December 2024: HK\$4,590 million).

Finance & Investments and Others

This segment reported underlying EBITDA and EBIT improvement against last year, primarily due to higher contribution from Cenovus Energy, as well as the Group's share of gains from disposal of non-core assets by TPG and HUTCHMED, partly offset by adverse performance of the Marionnaud businesses from intensified competition.

The Group's 16.4% share of Cenovus Energy's Post-IFRS 16 EBITDA, EBIT and net earnings were HK\$9,851 million, HK\$4,838 million and HK\$3,757 million, an increase of HK\$540 million, HK\$347 million and HK\$716 million compared to last year respectively, mainly reflecting upstream production volume increase and the recognition of a gain from downstream asset disposal, partly offset by decline in commodity prices. In November 2025, Cenovus Energy completed the acquisition of MEG Energy, adding oil sands production of approximately 110,000 barrels per day, as well as creating value through synergies achievable in the near term. Together with maintaining a competitive cost structure, optimising margins and focusing on financial discipline, the operation is well positioned for resiliency through the volatile commodity price cycles.

Indosat Ooredoo Hutchison, the Group's telecommunications joint venture in Indonesia, reported Post-IFRS 16 EBITDA and net earnings increase of 1% and 12% compared to last year respectively. Despite the challenging business environment in the first half of the year, the operation delivered a notable turnaround in the second half, returning to positive growth driven by improved revenue across all business lines together with ongoing cost optimisation.

TPG Telecom, the Group's listed associate in Australia, reported net earnings on a continuing operations basis of A\$52 million compared to net loss of A\$140 million last year, which included a A\$250 million pre-tax one-off non-cash impairment charge. Excluding this impairment, the underlying improvement reflected a 2% service revenue growth and disciplined cost controls, which sets a strong foundation for achieving 2026 targets. The operation has also completed the sale of a non-core asset in July 2025 generating A\$4.7 billion of net cash proceeds.

The Group's liquidity and financial profile further strengthened with the receipt of approximately £1.3 billion net proceeds upon completion of the UK merger, as well as continued cash flow generation from controlled capital expenditure and disciplined working capital management. Consolidated cash and liquid investments at 31 December 2025 totalled HK\$151,310 million and consolidated total bank and other debts⁽⁷⁾ amounted to HK\$265,099 million, resulting in consolidated net debt⁽⁷⁾ of HK\$113,789 million (31 December 2024 – HK\$129,614 million) and net debt to net total capital ratio⁽⁷⁾ of 13.9%, a significant 2.3%-points improvement from the 16.2% reported for the year ended 31 December 2024.

Sustainability

The Group remains committed to sustainable operations and pursuing the goal of achieving net-zero greenhouse gas emissions across its value chain by 2050. To date, the Group has achieved approximately 23% reduction in Scope 1 and 2 emissions from the 2020 baseline, on track to achieve its target of reducing 50% of its scope 1 and 2 emissions by 2030. In addition, the Group started disclosing its 2024 scope 3 emissions by category in the 2025 Sustainability Report, demonstrating the commitment to enhance transparency on the emission performance across the Group's value chain.

With increasing disclosure requirements and rising stakeholder expectations, the Group maintained regular dialogue with investors, rating agencies, NGOs, customers and employees, as well as sharing updates on the Group's latest strategies and initiatives on climate change. Key developments in the year included the completion of the divisional double materiality assessment, enhancements to cybersecurity and AI-related policies to guide responsible data and AI practices, and the formalisation of a new workforce diversity policy to promote an inclusive workplace culture. Business ethics remains a core operational principle for the Group. During the year, the Group published an updated Anti-Fraud and Anti-Bribery policy, providing enhanced guidance and setting a clear expectation on ethical conduct.

Note 7: Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions. Net debt is defined as total bank and other debts less total cash, liquid funds and other listed investments. Net total capital is defined as total bank and other debts plus total equity (adjusted to exclude IFRS 16 effects) and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments. The consolidated net debt to net total capital ratio under IFRS 16 basis, after including IFRS 16 impact in total equity, was 14.1% (31 December 2024: 16.4%).

Chairman's Statement

Outlook

Without doubt, the Group's businesses will face new and perhaps unforeseen challenges in 2026. However, as usual, the Group will maintain its disciplined capital allocation, cash flow and liability management, as well as its strong financial profile to ensure it continues to deliver a stable performance. The Group will also of course continue to look for opportunities to enhance value for our shareholders through major transaction activity.

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

Victor T K Li

Chairman

Hong Kong, 19 March 2026

Operations Review

Results for the year ended 31 December 2025

Year ended 31 December	Post-IFRS 16 ⁽¹⁾ Basis				
	2025 HK\$ million	2024 HK\$ million	2025 HK\$ per share	2024 HK\$ per share	Change
Total Revenue ⁽²⁾	507,297	476,682			
Total EBITDA ⁽²⁾	129,105	125,108			
Total EBIT ⁽²⁾	57,596	58,758			
Reported earnings ⁽³⁾⁽⁴⁾					
Underlying	22,310	20,828	5.82	5.44	7%
One-time items ⁽⁴⁾	(10,469)	(3,740)			
	11,841	17,088	3.09	4.46	-31%
Final dividend per share			1.602	1.514	6%
Full year dividend per share			2.312	2.202	5%

Year ended 31 December	Pre-IFRS 16 ⁽¹⁾ Basis					
	Reported		Underlying ⁽⁴⁾			
	2025 HK\$ million	2024 HK\$ million	2025 HK\$ million	2024 HK\$ million	Reported currency change	Local currencies change
Total Revenue ⁽²⁾	507,297	476,682	507,297	476,682	6%	4%
Total EBITDA ⁽²⁾	104,816	102,600	115,738	106,340	9%	7%
Total EBIT ⁽²⁾	52,375	54,431	63,297	58,171	9%	7%
Reported earnings ⁽³⁾⁽⁴⁾	11,336	17,030	22,258	20,770	7%	4%

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

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

Note 3: Reported earnings represent profit attributable to shareholders. Reported earnings per share for the year ended 31 December 2025 and 2024 is calculated based on profit attributable to ordinary shareholders and CKHH's number of shares in issue during the periods of 3,830,044,500.

Note 4: Reported earnings include both underlying results and one-off items. Underlying results for the year ended 31 December 2025 exclude one-time non-cash loss arising from the UK merger and related impacts of HK\$10,922 million under Pre-IFRS 16 basis and HK\$10,469 million under Post-IFRS 16 basis. Underlying results for the year ended 31 December 2024 exclude one-time non-cash impairment and other provisions on the Vietnam telecommunications business of HK\$3,740 million under Pre-IFRS 16 and Post-IFRS 16 basis.

Operations Review

Financial Performance Summary

	Post-IFRS 16 2025		Post-IFRS 16 2024		Change
	HK\$ million	%	HK\$ million	%	%
Revenue ⁽¹⁾					
Ports and Related Services ⁽¹⁾	48,895	10%	45,282	9%	8%
Retail	209,267	41%	190,193	40%	10%
Infrastructure	58,775	12%	55,324	12%	6%
CK Hutchison Group Telecom	101,311	20%	88,371	19%	15%
Finance & Investments and Others	89,049	17%	97,512	20%	-9%
Total Revenue	507,297	100%	476,682	100%	6%
EBITDA ⁽¹⁾					
Ports and Related Services ⁽¹⁾	20,424	14%	18,848	15%	8%
Retail	27,909	20%	25,594	20%	9%
Infrastructure	31,717	23%	29,953	23%	6%
CK Hutchison Group Telecom	35,976	26%	31,257	24%	15%
Finance & Investments and Others	23,548	17%	23,196	18%	2%
Total Underlying EBITDA	139,574	100%	128,848	100%	8%
One-off items ⁽²⁾	(10,469)		(3,740)		
Total Reported EBITDA	129,105		125,108		3%
EBIT ⁽¹⁾					
Ports and Related Services ⁽¹⁾	14,218	21%	13,123	21%	8%
Retail	15,841	23%	14,099	23%	12%
Infrastructure	19,616	29%	19,231	31%	2%
CK Hutchison Group Telecom	5,973	9%	4,490	7%	33%
Finance & Investments and Others	12,417	18%	11,555	18%	7%
Total Underlying EBIT	68,065	100%	62,498	100%	9%
One-off items ⁽²⁾	(10,469)		(3,740)		
Total Reported EBIT	57,596		58,758		-2%
Interest Expenses and Other Finance Costs ⁽¹⁾	(24,972)		(24,050)		-4%
Profit Before Tax	32,624		34,708		-6%
Tax ⁽¹⁾					
Current tax	(10,247)		(8,783)		-17%
Deferred tax	(3,144)		(2,141)		-47%
	(13,391)		(10,924)		-23%
Profit after tax	19,233		23,784		-19%
Non-controlling interests and perpetual capital securities holders' interests	(7,392)		(6,696)		-10%
Reported Profit Attributable to Ordinary Shareholder	11,841		17,088		-31%
Add back: One-off items ⁽²⁾	10,469		3,740		
Underlying Profit Attributable to Ordinary Shareholder	22,310		20,828		7%

Note 1: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 2: One-off item for the year ended 31 December 2025 represents one-time non-cash loss arising from the UK merger and related impacts of HK\$10,469 million. One-off item for the year ended 31 December 2024 represents one-time non-cash impairment and other provisions on the Vietnam telecommunications business of HK\$3,740 million.

Financial Performance Summary

	Pre-IFRS 16 ⁽¹⁾ 2025		Pre-IFRS 16 ⁽¹⁾ 2024		Change %	Local currencies change %
	HK\$ million	%	HK\$ million	%		
Revenue⁽²⁾						
Ports and Related Services ⁽²⁾	48,895	10%	45,282	9%	8%	7%
Retail	209,267	41%	190,193	40%	10%	6%
Infrastructure	58,775	12%	55,324	12%	6%	5%
CK Hutchison Group Telecom	101,311	20%	88,371	19%	15%	10%
Finance & Investments and Others	89,049	17%	97,512	20%	-9%	-7%
Total Revenue	507,297	100%	476,682	100%	6%	4%
EBITDA⁽²⁾						
Ports and Related Services ⁽²⁾	17,439	15%	16,172	15%	8%	7%
Retail	18,238	16%	16,395	15%	11%	5%
Infrastructure	31,341	27%	29,614	28%	6%	5%
CK Hutchison Group Telecom	27,817	24%	24,129	23%	15%	10%
Finance & Investments and Others	20,903	18%	20,030	19%	4%	6%
Total Underlying EBITDA	115,738	100%	106,340	100%	9%	7%
One-off items ⁽³⁾	(10,922)		(3,740)			
Total Reported EBITDA	104,816		102,600		2%	-
EBIT⁽²⁾						
Ports and Related Services ⁽²⁾	12,850	20%	11,873	21%	8%	7%
Retail	14,553	23%	13,018	22%	12%	5%
Infrastructure	19,535	31%	19,180	33%	2%	1%
CK Hutchison Group Telecom	4,783	8%	3,485	6%	37%	30%
Finance & Investments and Others	11,576	18%	10,615	18%	9%	11%
Total Underlying EBIT	63,297	100%	58,171	100%	9%	7%
One-off items ⁽³⁾	(10,922)		(3,740)			
Total Reported EBIT	52,375		54,431		-4%	-6%
Interest Expenses and Other Finance Costs ⁽²⁾	(20,042)		(19,655)		-2%	
Profit Before Tax	32,333		34,776		-7%	
Tax ⁽²⁾						
Current tax	(10,246)		(8,793)		-17%	
Deferred tax	(3,281)		(2,193)		-50%	
	(13,527)		(10,986)		-23%	
Profit after tax	18,806		23,790		-21%	
Non-controlling interests and perpetual capital securities holders' interests	(7,470)		(6,760)		-11%	
Reported Profit Attributable to Ordinary Shareholder	11,336		17,030		-33%	-37%
Add back: One-off items ⁽³⁾	10,922		3,740			
Underlying Profit Attributable to Ordinary Shareholder	22,258		20,770		7%	4%

Note 1: The Group has adopted International Financial Reporting Standard 16 "Leases" ("IFRS 16") accounting standard for its statutory reporting but its management reporting has remained on the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17"). The Group believes that the IAS 17 basis ("Pre-IFRS 16 basis") metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 basis ("Post-IFRS 16 basis"), better reflect management's view of the Group's underlying operational performance. Pre-IFRS 16 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT, interest expenses and other finance costs, tax, non-controlling interests and perpetual capital securities holders' interests and profit attributable to ordinary shareholders prepared under the Pre-IFRS 16 basis relating to the accounting for leases. Unless otherwise specified, the discussion of the Group's operating results in this Annual Report is on a Pre-IFRS 16 basis as mentioned above.

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

Note 3: One-off item of HK\$10,922 million for the year ended 31 December 2025 represents one-time losses included HK\$9,915 million of non-cash disposal loss, HK\$1,445 million of transactional related expenses under CKHGT and transactional intercompany credit of HK\$438 million under Finance & Investments and Others. One-off item for the year ended 31 December 2024 represents one-time non-cash impairment and other provisions on the Vietnam telecommunications business of HK\$3,740 million.



Hutchison Ports Pakistan berths one of the world's largest container vessels, measuring 400 metres in length and with a capacity of 24,070 TEU.

Ports and Related Services



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1. Hutchison Ports Yantian, China, debuts the "Chengdu-Shenzhen-Hong Kong Scheduled Rail-sea Service", reducing transport time from Chengdu to Yantian from six days to two.
2. In the Netherlands, Hutchison Ports ECT Rotterdam receives six automated stacking cranes, strengthening the terminal's operational efficiency.
3. Hutchison Ports Thailand adds seven new remote-controlled electric rubber-tired gantry cranes at Terminal D.
4. In Spain, Hutchison Ports BEST inaugurates its expansion project to boost yard capacity by 25%.

Operations Review – Ports and Related Services

This division is the world's leading port network, has interests in 53 ports comprising 295 operational berths in 24 countries.

Group Performance

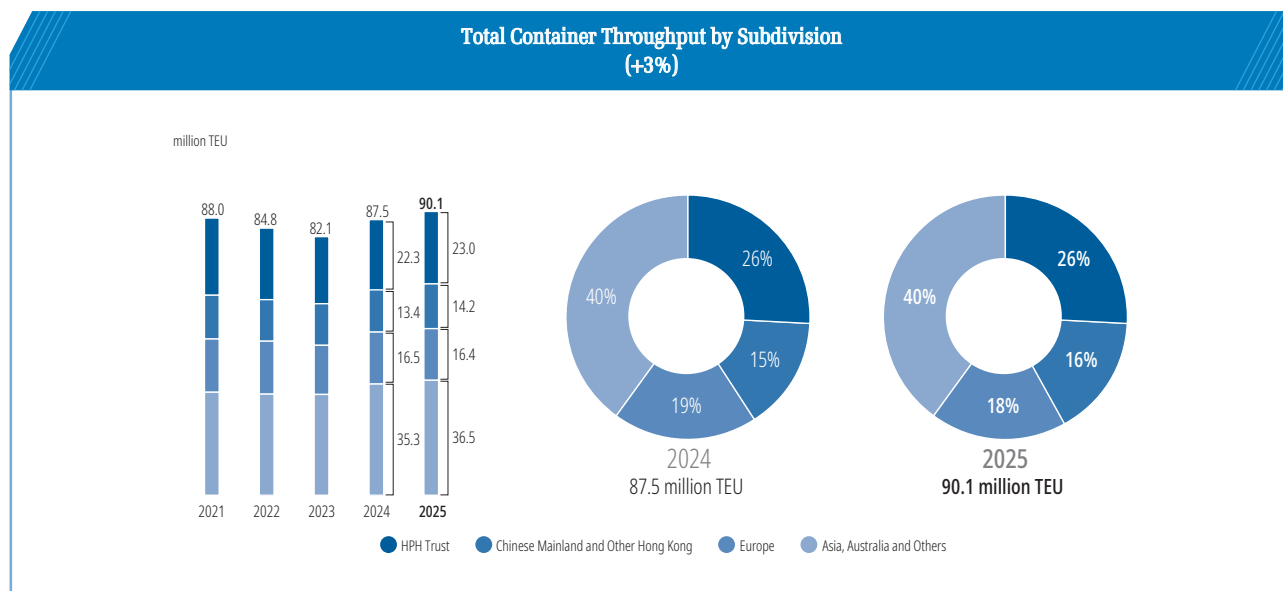
The division comprises the Group's 80% interest in the Hutchison Ports group of companies and its 30.07% interest in the HPH Trust, which together handled a total of 90.1 million twenty-foot equivalent units ("TEU") in 2025.

	2025 HK\$ million	2024 HK\$ million	Change	Local currencies change
Total Revenue ⁽¹⁾	48,895	45,282	+8%	+7%
EBITDA ^{(1) (2)}	17,439	16,172	+8%	+7%
EBIT ^{(1) (2)}	12,850	11,873	+8%	+7%
Throughput (million TEU)	90.1	87.5	+3%	
Number of berths	295	295	–	

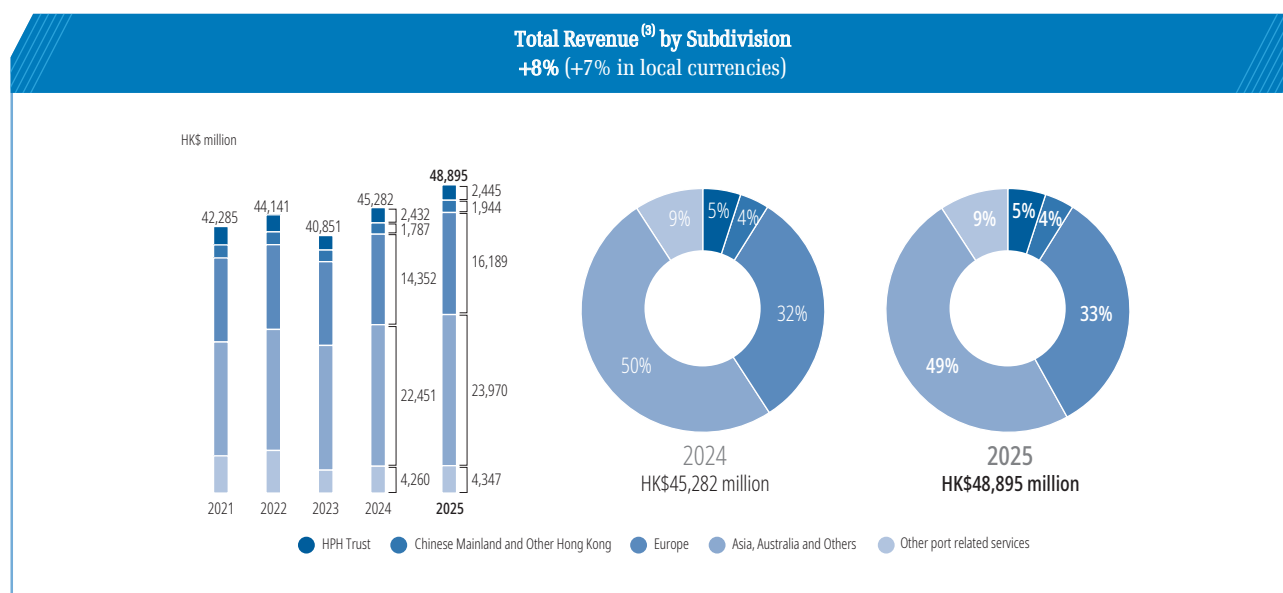
Note 1: Total revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 2: Under Post-IFRS 16 basis, EBITDA was HK\$20,424 million (2024: HK\$18,848 million); EBIT was HK\$14,218 million (2024: HK\$13,123 million).

Overall throughput increased 3% to 90.1 million TEU in 2025, with 66% and 34% local and transshipment volume respectively (2024: 65% and 35% local and transshipment volume respectively). This growth was primarily driven by an increase in laden exports to Europe and increased transshipment volume at Yantian, as well as strong outbound cargo in Shanghai and other Asia ports, along with the additional volume from the new facility at Abu Qir, partly offset by lower transshipment volume in Hong Kong. The throughput level in the European ports was slightly lower against last year, reflecting service reshuffling from new shipping alliances.

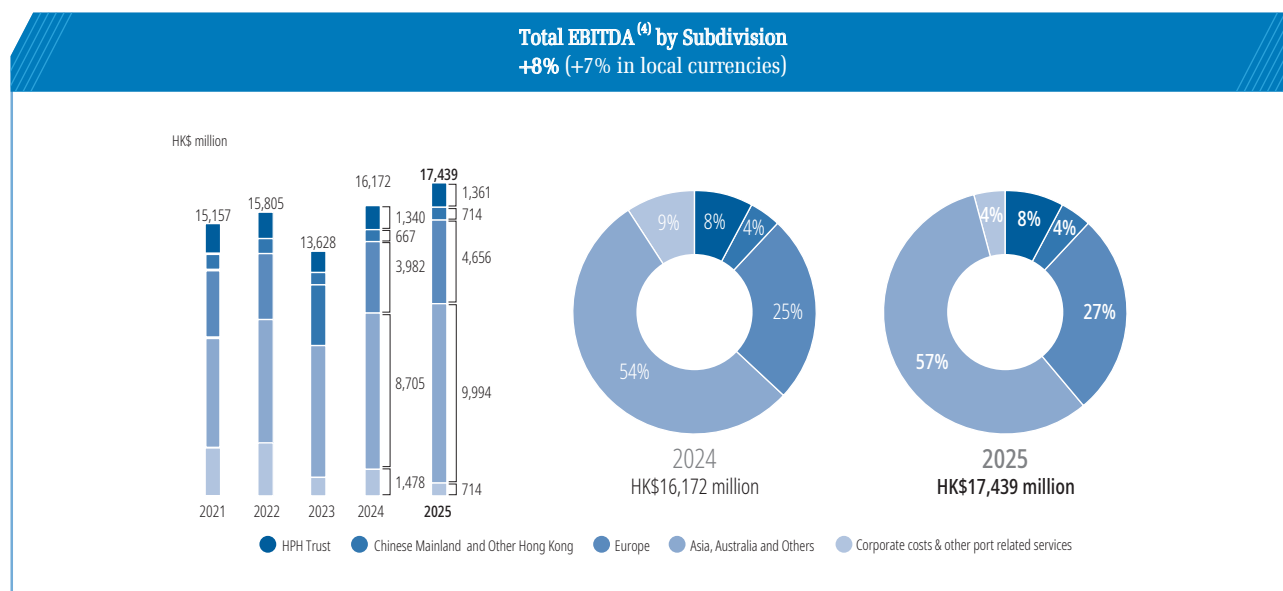


Total reported revenue of HK\$48,895 million was 8% and 7% higher than last year in reported currency and local currencies respectively mainly attributed to volume growth across major ports in Chinese Mainland, Asia and Middle East regions, together with 17% higher storage income year-on-year primarily from Mexico and European ports.



Note 3: Total revenue has been adjusted to exclude non-controlling interests' share of revenue of HPH Trust.

In reported currency, both EBITDA and EBIT increased by 8% from 2024, totalling HK\$17,439 million and HK\$12,850 million, respectively, mainly due to favourable performance in Asia, Australia and Others region where Mexico with higher storage income, along with throughput growth in Pakistan and Thailand, better results from European ports mainly driven by increased storage income, coupled with higher volume in Yantian and Chinese Mainland and Other Hong Kong segment, partly offset by lower contribution from the associated company in the container shipping line business as market freight rates declined.



Note 4: Total EBITDA has been adjusted to exclude non-controlling interests' share of EBITDA of HPH Trust.

As at 31 December 2025, the division operates 295 berths ⁽⁵⁾, no change in number of berths from 2024 as the additional berths at Jazan port in Saudi Arabia (+2 berths) and Abu Qir in Egypt (+1 berth), were fully offset by the reduction of berths at RAK port in UAE (-2 berths, return of 2 berths according to concession extension agreement) and Busan (-1 berth after relocation to new terminal since 2025). In 2026, net additions of four berths are expected which comprises Sokhna port in Egypt (+4 berths) and Laemchabang in Thailand (+1 berth), partly offset by the reduction of berth at Basra in Iraq (-1 berth, planned return of concession).

Note 5: Based on 300 metres per berth and is computed by dividing the total berth length by 300 metres.

Operations Review – Ports and Related Services

In 2025, the Ports division accelerated its decarbonisation efforts by expanding equipment electrification across several business units. High-emission equipment was phased out in favour of cleaner alternatives, complemented by approximately 45% of total electricity consumption being sourced from Renewable Energy Power Purchase Agreements and Energy Attribute Certificates by the end of 2025. Additionally, investments in on-site solar installations are underway to further increase clean energy generation, with terminals such as Myanmar and Pakistan installed with approximately 1.4MW of solar panel capacity in 2025. These integrated initiatives resulted in carbon intensity decreased by 9% and diesel consumption per TEU fell by approximately 7% year-on-year, as well as Scope 1 and Scope 2 emissions reduced by approximately 23% compared to the 2021 baseline.

Segment Performance

HPH Trust

	2025 HK\$ million	2024 HK\$ million	Change
Total Revenue ⁽⁶⁾	2,445	2,432	+1%
EBITDA ⁽⁶⁾	1,361	1,340	+2%
EBIT ⁽⁶⁾	728	698	+4%
Throughput (million TEU)	23.0	22.3	+3%
Number of berths	52	52	–

Note 6: Total revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

HPH Trust's total revenue, EBITDA and EBIT increased by 1%, 2% and 4% respectively mainly attributable to the 3% increase in throughput compared to 2024, driven by strong growth in Yantian with increased outbound cargoes to the European markets, coupled with effective cost management in Hong Kong that mitigated the decline in its transshipment volume.

Chinese Mainland and Other Hong Kong

	2025 HK\$ million	2024 HK\$ million	Change	Local currencies change
Total Revenue	1,944	1,787	+9%	+8%
EBITDA	714	667	+7%	+6%
EBIT	503	458	+10%	+9%
Throughput (million TEU)	14.2	13.4	+6%	
Number of berths	44	44	–	

The Chinese Mainland and other Hong Kong segment's revenue, EBITDA and EBIT grew by 9%, 7% and 10% respectively in reported currency, primarily fueled by throughput growth, particularly in Shanghai, driven by strong outbound shipments from various trades encompass intra-Asia, Africa and South America.

Europe

	2025 HK\$ million	2024 HK\$ million	Change	Local currencies change
Total Revenue	16,189	14,352	+13%	+8%
EBITDA	4,656	3,982	+17%	+12%
EBIT	3,496	2,927	+19%	+14%
Throughput (million TEU)	16.4	16.5	-1%	
Number of berths	67	67	-	

Europe segment's total revenue, EBITDA and EBIT increased by 13%, 17% and 19% respectively in reported currency and increased 8%, 12% and 14% in local currencies respectively, primarily due to higher storage income in most European ports from longer dwelling time resulting from Mediterranean ports congestion, more than offsetting the 1% volume drop due to service reshuffling by shipping alliances.

Asia, Australia and Others

	2025 HK\$ million	2024 HK\$ million	Change	Local currencies change
Total Revenue	23,970	22,451	+7%	+7%
EBITDA	9,994	8,705	+15%	+15%
EBIT	7,854	6,743	+16%	+17%
Throughput (million TEU)	36.5	35.3	+3%	
Number of berths	132	132	-	

Asia, Australia and Others' total revenue, EBITDA and EBIT improved by 7%, 15% and 16% respectively in reported currency and increased 7%, 15% and 17% in local currencies respectively, from uplift in storage income largely contributed by Mexico due to more extensive customs inspection, along with 3% overall volume growth from major ports within the segment. In 2026, additional volume is expected from new facilities in Sokhna, Egypt, which commenced operations in January.



Superdrug is one of the largest beauty and health retailers in the UK, operating over 770 stores across the UK and Ireland.

Retail



1. In the Netherlands, Kruidvat marks its 50th anniversary, celebrating half a century as the leading health and beauty retailer in the region.
2. Watsons Philippines operates over 1,200 stores nationwide.
3. Rossmann operates over 5,100 stores in Germany, Poland, Hungary, the Czech Republic, Türkiye, Albania, Kosovo, Spain and Switzerland.
4. Savers offers competitively priced health and beauty products in over 530 stores across the UK.
5. Watsons Malaysia unveils its Pink store concept, with innovative experiential zones, delivering an aesthetic and immersive shopping experience for customers.

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Operations Review – Retail

The Retail division consists of the AS Watson (“ASW”) group of companies, the world’s largest international Health and Beauty (“H&B”) retailer with a 183 million loyalty member base.

Group Performance

ASW operated 12 retail brands with 17,114 stores in 31 markets worldwide as of 31 December 2025, providing high quality personal care, health and beauty products; food and fine wines; as well as consumer electronics and electrical appliances. ASW also manufactures and distributes bottled water and other beverages in Hong Kong and Chinese Mainland.

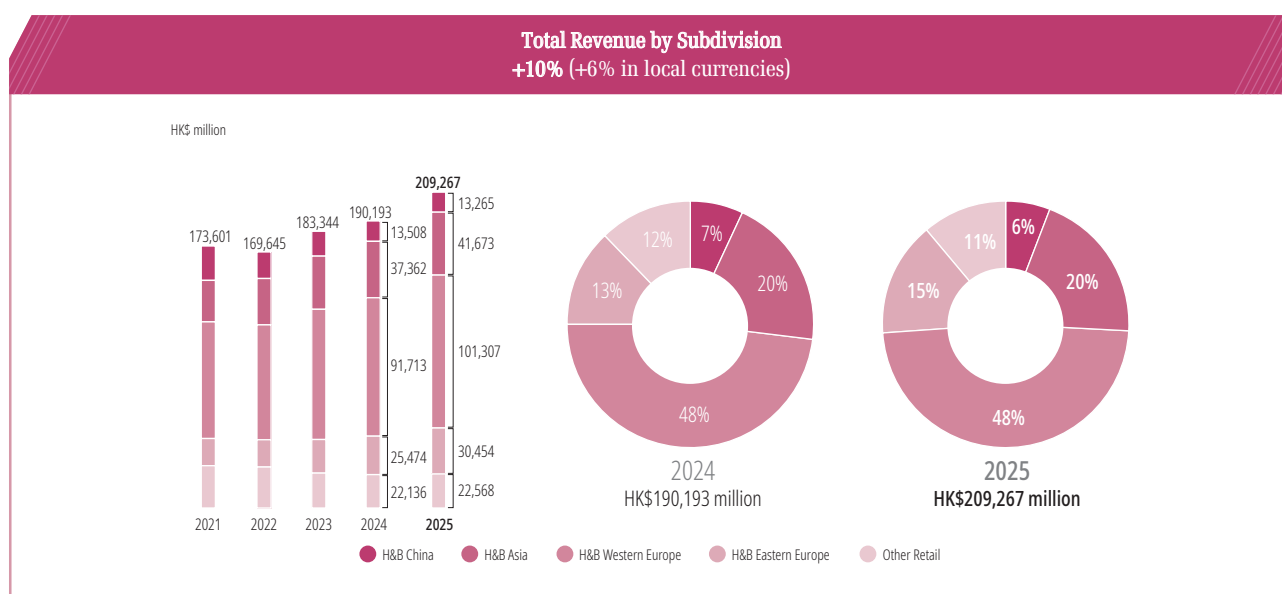
	2025 HK\$ million	2024 HK\$ million	Change	Local currencies change
Total Revenue	209,267	190,193	+10%	+6%
EBITDA ⁽¹⁾	18,238	16,395	+11%	+5%
EBIT ⁽¹⁾	14,553	13,018	+12%	+5%
Store Numbers ⁽²⁾	17,114	16,820	+2%	

Note 1: Under Post-IFRS 16 basis, EBITDA was HK\$27,909 million (2024: HK\$25,594 million); EBIT was HK\$15,841 million (2024: HK\$14,099 million).

Note 2: Store number excludes dark stores in H&B China (which commence operations in 2H 2024). On this basis, the store numbers as at 31 December 2024 has been restated to 16,820. Dark stores are small fulfilment centres solely to fulfil online orders and are strategically located to enable delivery services.

Total reported revenue increased by 10% and 6% against last year in reported and local currencies respectively. The higher revenue was driven by improvement in both offline and online channels for majority of businesses, partly offset by challenging business environment in the H&B China segment.

H&B loyalty members’ participation & exclusives sales contribution	2025	2024
Total loyalty members in H&B segment (million)	181	168
Loyalty members’ sales participation in H&B segment (%)	64%	65%
Exclusives sales contribution to total H&B sales (%)	36%	36%



Total Revenue	2025 HK\$ million	2024 HK\$ million	Change	Local currencies change
H&B China	13,265	13,508	-2%	-2%
H&B Asia	41,673	37,362	+12%	+11%
H&B China & Asia Subtotal	54,938	50,870	+8%	+7%
H&B Western Europe	101,307	91,713	+10%	+5%
H&B Eastern Europe	30,454	25,474	+20%	+12%
H&B Europe Subtotal	131,761	117,187	+12%	+7%
H&B Subtotal	186,699	168,057	+11%	+7%
Other Retail ⁽³⁾	22,568	22,136	+2%	+2%
Total Retail	209,267	190,193	+10%	+6%

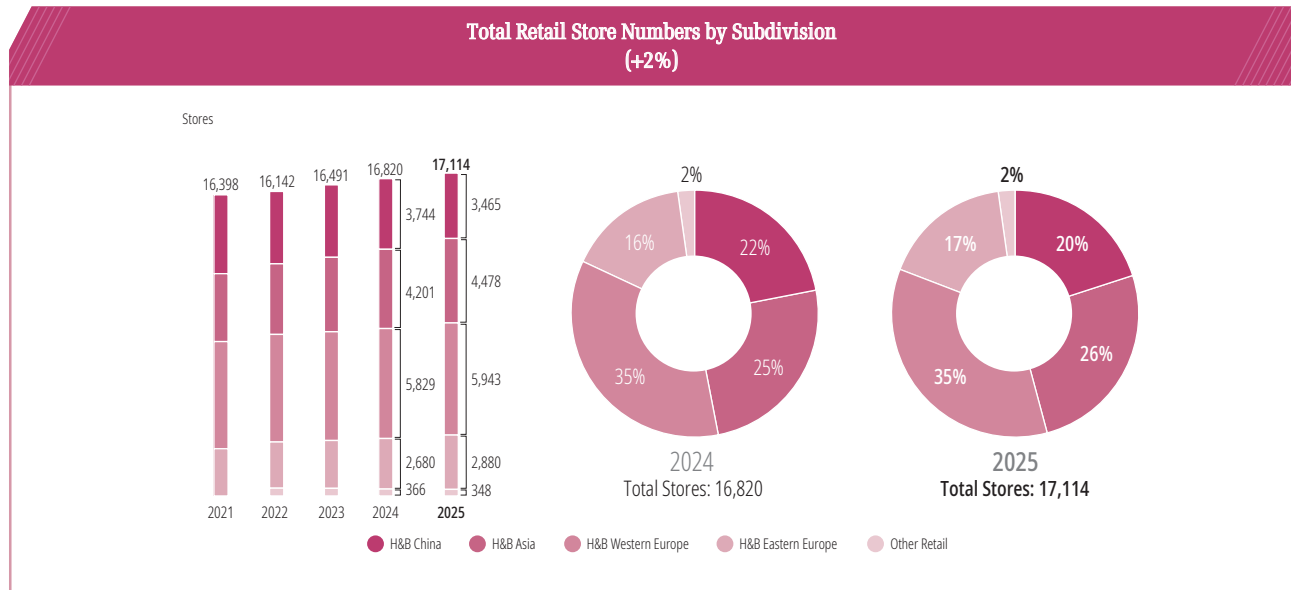
Comparable Stores Sales Growth (%) ⁽⁴⁾	2025	2024
H&B China	-1.8%	-15.3%
H&B Asia	+5.6%	+6.5%
H&B China & Asia Subtotal	+3.8%	-0.1%
H&B Western Europe	+3.9%	+5.7%
H&B Eastern Europe	+4.1%	+5.9%
H&B Europe Subtotal	+3.9%	+5.7%
H&B Subtotal	+3.9%	+3.9%
Other Retail ⁽³⁾	+3.9%	-3.6%
Total Retail	+3.9%	+3.1%

Note 3: Other Retail includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations.

Note 4: Comparable stores sales growth represents the percentage change in revenue contributed by stores which, as at the first day of the relevant financial year (a) have been operating for over 12 months and (b) have not undergone major resizing within the previous 12 months.

Operations Review – Retail

Group Performance (continued)

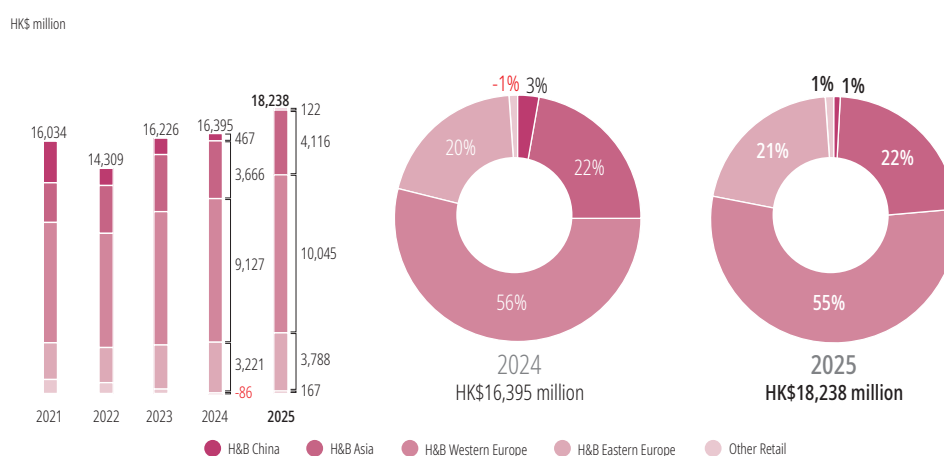


Store Numbers	2025	2024 ⁽⁶⁾	Change
H&B China	3,465	3,744	-7%
H&B Asia	4,478	4,201	+7%
H&B China & Asia Subtotal	7,943	7,945	-
H&B Western Europe	5,943	5,829	+2%
H&B Eastern Europe	2,880	2,680	+7%
H&B Europe Subtotal	8,823	8,509	+4%
H&B Subtotal	16,766	16,454	+2%
Other Retail ⁽⁵⁾	348	366	-5%
Total Retail	17,114	16,820	+2%

Note 5: Other Retail includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations.

Note 6: Store number excludes dark stores in H&B China (which commence operations in 2H 2024). On this basis, the store numbers as at 31 December 2024 has been restated to 16,820. Dark stores are small fulfilment centres solely to fulfil online orders and are strategically located to enable delivery services.

EBITDA by Subdivision
+11% (+5% in local currencies)



EBITDA/(LBITDA)	2025 HK\$ million	2024 HK\$ million	Change	Local currencies change
H&B China	122	467	-74%	-73%
H&B Asia	4,116	3,666	+12%	+8%
H&B China & Asia Subtotal	4,238	4,133	+3%	-1%
H&B Western Europe	10,045	9,127	+10%	+4%
H&B Eastern Europe	3,788	3,221	+18%	+9%
H&B Europe Subtotal	13,833	12,348	+12%	+5%
H&B Subtotal	18,071	16,481	+10%	+4%
Other Retail ⁽⁷⁾	167	(86)	+294%	+294%
Total Retail	18,238	16,395	+11%	+5%

Note 7: Other Retail includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations.

The Retail division's EBITDA and EBIT increased by 11% and 12% respectively in reported currency against 2024. Excluding favourable foreign exchange impact, this division's EBITDA and EBIT both increased by 5% in local currencies against last year. Favourable performance were recorded in most operations in Asia and Europe, partly offset by adverse results of H&B China as comparable stores sales continues to decline. The H&B segment reported EBITDA growth of 4% and EBIT growth of 3% in local currencies against 2024, which was attributable to strong trading performance in various markets, in particular the UK, the Benelux countries, the Philippines, Malaysia and the Rossmann joint venture in Poland. In local currencies, H&B Europe's EBITDA and EBIT both increased by 5% against last year, while EBITDA and EBIT of H&B Asia grew by 8% and 7% respectively year-on-year. Excluding H&B China, the division reported EBITDA growth of 8% and EBIT growth of 7% in local currencies against 2024.

In 2025, the Retail division advanced its sustainability progress by using more renewable energy than in previous years through the procurement of approximately 759 GWh of renewable energy using Energy Attribute Certificates across Chinese Mainland, Hong Kong, Indonesia, Malaysia, the Philippines, Thailand, Türkiye, the UK and Benelux markets, covering close to 100% of annual electricity consumption in these markets. Although the combined scopes 1 and 2 greenhouse gas emissions for the division increased by 1% year-on-year mainly due to an increase in refrigerants in the food retail, it still achieved over 77% reduction as compared to the 2018 baseline.

Additionally, over 12,000 products have been listed under Watsons' Sustainable Choices campaign by the end of 2025, which allow customers to make informed decisions by offering products with improved ingredients or packaging. The initiative spans across multiple Asian markets, including Chinese Mainland, Hong Kong, Taiwan, Thailand, Malaysia, Indonesia, the Philippines, and Türkiye, reinforcing Watsons' dedication to expanding access to more sustainable products and meeting evolving consumer preferences.

Operations Review – Retail

Segment Performance

Health and Beauty China

	2025 HK\$ million	2024 HK\$ million	Change	Local currency change
Total Revenue	13,265	13,508	-2%	-2%
EBITDA	122	467	-74%	-73%
<i>EBITDA Margin %</i>	1%	3%		
EBIT	(378)	(104)	-263%	-256%
<i>EBIT Margin %</i>	N/A	N/A		
Store Numbers ⁽⁸⁾	3,465	3,744	-7%	
Comparable Stores Sales Growth (%)	-1.8%	-15.3%		

Note 8: Store number excludes dark stores (which commenced operation in 2H 2024).

H&B China's EBITDA and EBIT decreased by 73% and 256% respectively in local currencies against last year driven by comparable stores sales decline of 1.8% as well as margin pressure, as trading conditions continued to be challenging. This adverse variance was partly offset by various cost savings initiatives in order to maintain a positive EBITDA contribution for the year.

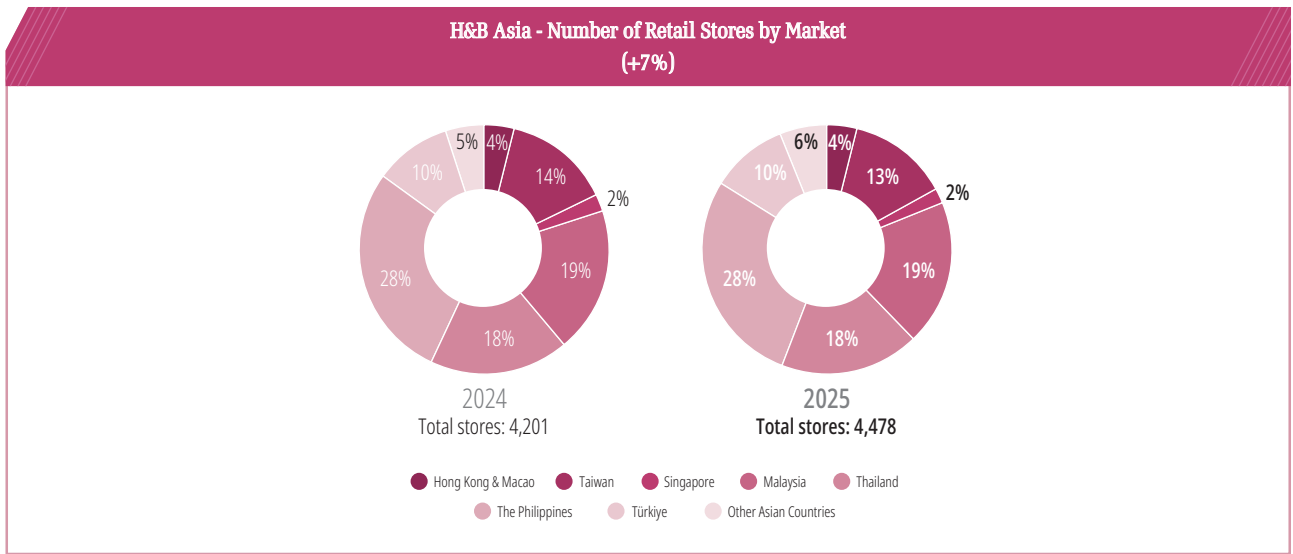
As part of an ongoing focus to enhance the quality and productivity of store portfolio, the business has streamlined the store network. As of 31 December 2025, the division operated 3,465 stores across over 500 cities in Chinese Mainland.

Health and Beauty Asia

	2025 HK\$ million	2024 HK\$ million	Change	Local currencies change
Total Revenue	41,673	37,362	+12%	+11%
EBITDA	4,116	3,666	+12%	+8%
<i>EBITDA Margin %</i>	10%	10%		
EBIT	3,411	3,045	+12%	+7%
<i>EBIT Margin %</i>	8%	8%		
Store Numbers	4,478	4,201	+7%	
Comparable Stores Sales Growth (%)	+5.6%	+6.5%		

H&B Asia reported robust EBITDA and EBIT growth of 8% and 7% respectively in local currencies against 2024. The favourable results were primarily from solid comparable stores sales growth of 5.6% and incremental margin from store network expansion, with strong trading performance reported in the Philippines, Malaysia and Türkiye, partly offset by adverse performance in Thailand and Hong Kong from softer consumer sentiment.

H&B Asia added net 277 stores during the year and had over 4,400 stores in 14 markets as of 31 December 2025, including the division's franchise business which expanded from three stores to 37 stores in UAE, Qatar, Saudi Arabia and Bahrain since market entry into the Middle East in 2020.

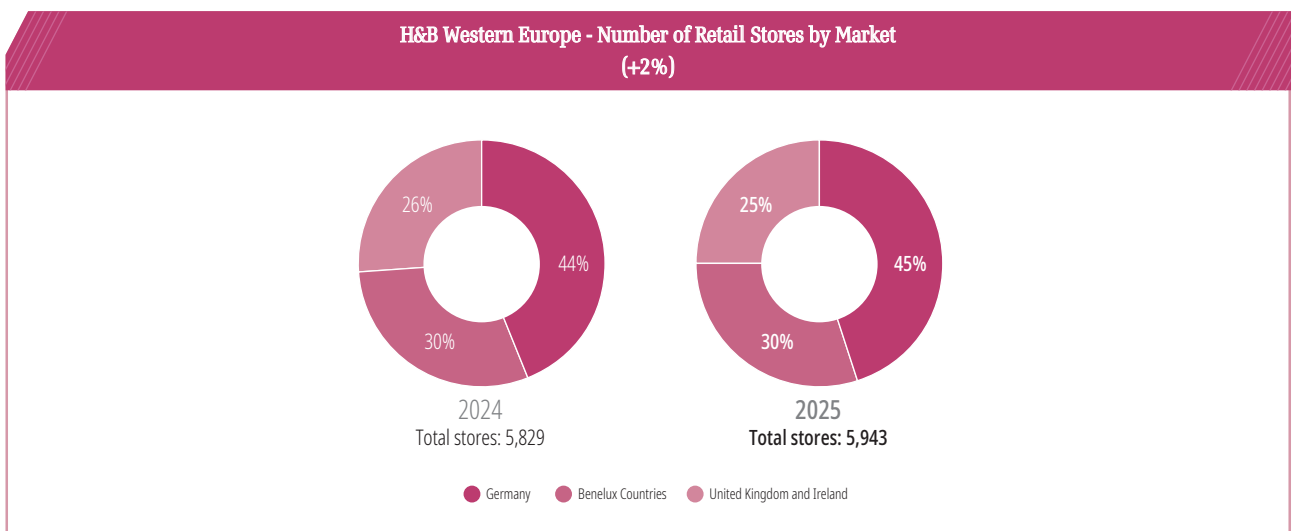


Health and Beauty Western Europe

	2025 HK\$ million	2024 HK\$ million	Change	Local currencies change
Total Revenue	101,307	91,713	+10%	+5%
EBITDA	10,045	9,127	+10%	+4%
<i>EBITDA Margin %</i>	10%	10%		
EBIT	8,499	7,701	+10%	+4%
<i>EBIT Margin %</i>	8%	8%		
Store Numbers	5,943	5,829	+2%	
Comparable Stores Sales Growth (%)	+3.9%	+5.7%		

H&B Western Europe reported EBITDA and EBIT growth of 10% in reported currency and 4% in local currencies against 2024, mainly driven by favourable performance from H&B operations in the UK and the Benelux countries, with comparable stores sales growth of 3.9% arising from higher store traffic as well as margin optimisation amid rising labour costs. The favourable results were partly offset by adverse performance of the luxury retail businesses from intense market competition.

H&B Western Europe added net 114 stores during the year and had more than 5,900 stores as of 31 December 2025.



Operations Review – Retail

Segment Performance (continued)

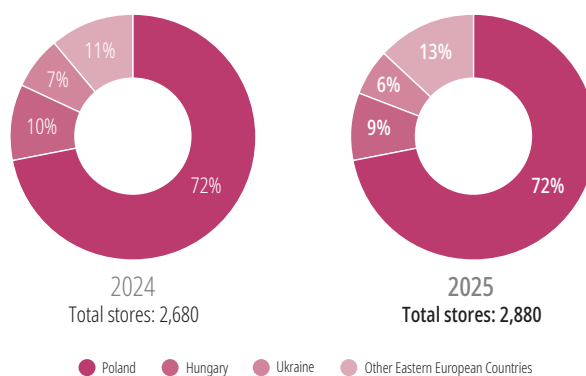
Health and Beauty Eastern Europe

	2025 HK\$ million	2024 HK\$ million	Change	Local currencies change
Total Revenue	30,454	25,474	+20%	+12%
EBITDA	3,788	3,221	+18%	+9%
<i>EBITDA Margin %</i>	<i>12%</i>	<i>13%</i>		
EBIT	3,181	2,784	+14%	+6%
<i>EBIT Margin %</i>	<i>10%</i>	<i>11%</i>		
Store Numbers	2,880	2,680	+7%	
Comparable Stores Sales Growth (%)	+4.1%	+5.9%		

H&B Eastern Europe reported strong EBITDA growth of 9% and EBIT growth of 6% in local currencies against 2024 with solid comparable stores sales growth of 4.1%. The favourable performance was predominantly attributable to the Rossmann joint venture in Poland as a result of sales growth and continued store portfolio expansion in 2025.

H&B Eastern Europe had more than 2,800 stores as of 31 December 2025, an increase of 7% mainly due to new store additions in Poland, partly offset by fewer stores in Ukraine.

H&B Eastern Europe - Number of Retail Stores by Market
(+7%)

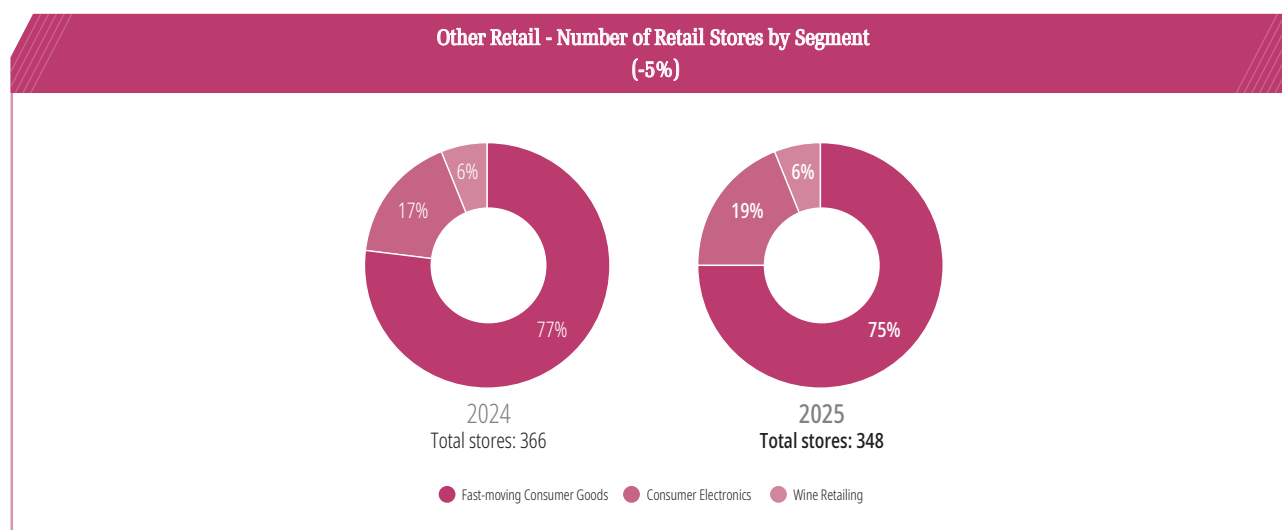


Other Retail

	2025 HK\$ million	2024 HK\$ million	Change	Local currencies change
Total Revenue	22,568	22,136	+2%	+2%
EBITDA/(LBITDA)	167	(86)	+294%	+294%
<i>EBITDA Margin %</i>	1%	<i>N/A</i>		
LBIT	(160)	(408)	+61%	+61%
<i>EBIT Margin %</i>	N/A	<i>N/A</i>		
Store Numbers	348	366	-5%	
Comparable Stores Sales Growth (%)	+3.9%	-3.6%		

The Other Retail segment turnaround from LBITDA to positive EBITDA in 2025, and LBIT was reduced by 61% against 2024. The improvements were mainly due to favourable sales performance alongside with disciplined cost control management in PARKnSHOP and the beverage businesses, partly offset by adverse results from PARKnSHOP Yonghui.

Other Retail had 348 retail stores in three markets as of 31 December 2025, as well as manufacturing and distributing bottled water and other beverages in Hong Kong and Chinese Mainland.



Operations Review



CitiPower, a member company of Victoria Power Networks, has maintained a strong operational record. It ranked first among 13 distributors for multilateral total factor productivity in the Australian Energy Regulator's 2025 Annual Benchmarking Report.

Infrastructure



1. UK Renewables Energy owns 32 wind farms located in England, Scotland and Wales. In 2025, power purchase agreements for over 55MW of its wind assets across 28 wind farms are renewed.
2. SA Power Networks' swift responses to address public safety risks and mobilisation of restoration efforts during severe weather draw strong positive feedback from the local community, including words of praise from the Mayor of Port Pirie and the South Australian Premier.
3. Dutch Enviro Energy's plant in Rozenburg has been back in operation for treating waste since March 2025 following the fire in September 2023.
4. HK Electric commences construction works for L13 at Lamma Power Station.
5. Northumbrian Water is named the UK's best water company for customer service by the water regulator Ofwat.

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Operations Review – Infrastructure

The infrastructure division comprises the Group's 75.67% interest in CK Infrastructure Holdings Limited ("CKI"), the largest publicly listed infrastructure company on the SEHK, and interests in six co-owned infrastructure investments with CKI as of December 2025, including Northumbrian Water, Park'N Fly, Australian Gas Networks, Dutch Enviro Energy, Wales & West Utilities and UK Rails. The divestment of the division's 70% interest in UK Rails was completed in January 2026, with interests in five co-owned infrastructure investments with CKI remaining in this division thereafter.

	2025 HK\$ million	2024 HK\$ million	Change	Local currencies change
Total Revenue	58,775	55,324	+6%	+5%
EBITDA ⁽¹⁾	31,341	29,614	+6%	+5%
EBIT ⁽¹⁾	19,535	19,180	+2%	+1%
CKI Reported Net Profit (under Post-IFRS 16 basis)	8,265	8,115	+2%	

Note 1: Under Post-IFRS 16 basis, EBITDA was HK\$31,717 million (2024: HK\$29,953 million); EBIT was HK\$19,616 million (2024: HK\$19,231 million).

CKI operates in Hong Kong, the Mainland, the UK, Continental Europe, Australia, New Zealand, Canada and the United States.

CKI announced profit attributable to shareholders under Post-IFRS 16 basis of HK\$8,265 million in 2025, 2% higher against last year, reflecting steady operating performance across major businesses.

The division's EBITDA of HK\$31,341 million was 5% higher than last year in local currencies reflecting good operational performance across the global portfolio of infrastructure businesses, whereas EBIT of HK\$19,535 million was 1% higher in local currencies driven by EBITDA growth, partly offset by higher depreciation and amortisation from increased asset base.

Share of net profit under Post-IFRS 16 basis from Power Assets ("Power Assets"), a company listed on the SEHK and in which CKI holds a 36.01% interest as of 31 December 2025, was HK\$2,246 million as compared to HK\$2,203 million in 2024, reflecting solid operational performance of the international infrastructure portfolio underpinned by a diverse mix of infrastructure businesses which have demonstrated resilience amidst global macroeconomic volatility.

Profit contribution⁽²⁾ from the UK portfolio was HK\$3,983 million in 2025, flat as compared to 2024 in reported currency but 3% lower in local currency. The lower performance was primarily due to lower profit contribution from UK Power Networks as higher true-ups from previous regulatory period were recorded in 2024. Northern Gas Networks, Wales & West Utilities and Phoenix Energy all reported steady earnings. Profit contribution⁽²⁾ from Australian portfolio was HK\$1,784 million in 2025, flat against 2024 in reported currency but 2% higher in local currency. The better performance was due to growth achieved by Australian Gas Infrastructure Group consisting of Australian Gas Networks, Multinet Gas Networks and Dampier Bunbury Pipeline, partly offset by lower contribution from Energy Developments due to the expiration of various lucrative contracts and low prevailing electricity prices. In Continental Europe, profit contribution⁽²⁾ was HK\$961 million in 2025, an increase of 58% and 50% in reported currency and local currency respectively, attributable to favourable deferred tax credit from reduction in corporate tax rate in Germany and strong performance of ista. Dutch Enviro Energy's plant in Rozenburg resumed operation for treating waste since March 2025 following the fire in September 2023. In Canada, profit contribution⁽²⁾ increased by 1% and 3% in reported currency and local currency respectively to HK\$528 million in 2025, due to good performance of Reliance Home Comfort. Profit contribution⁽²⁾ from New Zealand portfolio increased by 8% and 13% in reported currency and local currency respectively to HK\$200 million in 2025, attributable to strong performance of Enviro NZ, which successfully secured a number of new contracts, as well as, Wellington Electricity which commenced its new regulatory period in April 2025 with higher allowable returns. Hong Kong and the Mainland businesses reported a profit contribution⁽²⁾ of HK\$68 million in 2025, 48% lower against 2024, due to weak volumes for the cement business in the Mainland and the decreasing prices for the concrete business in Hong Kong.

CKI has always been committed to prudent financial management with the underlying financial position closely monitored. CKI's financial strength continues to be solid, with HK\$7.4 billion cash on hand and a net debt to net total capital ratio of 8.9% as at 31 December 2025. Credit rating from Standard & Poor's maintained at "A/Stable".

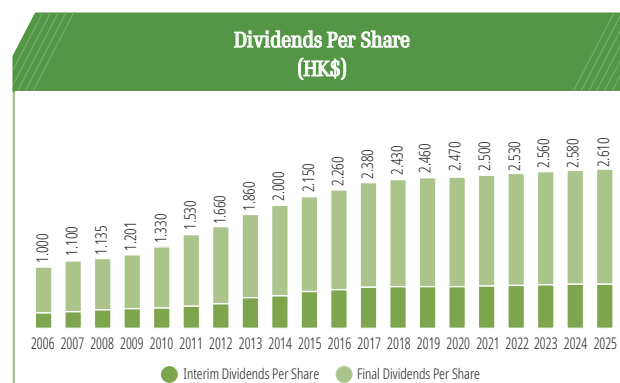
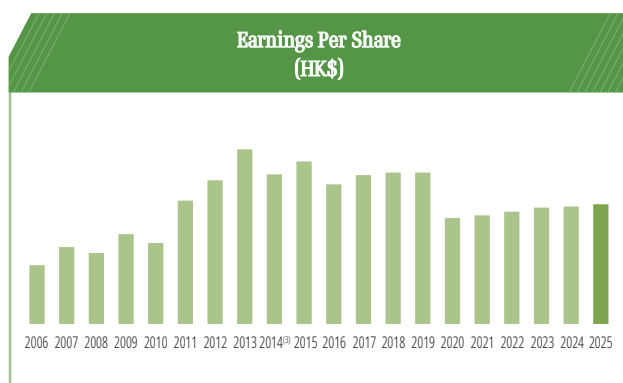
Note 2: Represents share of net profit (before shareholder's loan interest expense to CKI) and excludes CKI corporate items under Post-IFRS 16 basis.

A number of CKI's regulated businesses in the UK and Australia have entered or are expected to enter new regulatory regime in 2025 and 2026. Northumbrian Water entered its new regulatory period on 1 April 2025, whereas Northern Gas and Wales & West Utilities received the final determinations for the regulatory period from 2026 to 2031 in December 2025. For the Australian portfolio, SA Power Networks entered into a new regulatory period from 1 July 2025, with higher allowable returns and solid asset growth featured for the 2025-2030 period in the final determination. Victoria Power Networks and United Energy have submitted their revised proposals for the upcoming regulatory resets commencing on 1 July 2026 with higher capital investments proposed to enhance the networks to support strong demand growth from energy transition.

CKI's regulated businesses have received a number of awards and recognitions during 2025. UK Power Networks was named Utility of the Year, Team of the Year and Strategic Partner of the Year in the Utility Week Awards 2025, as well as ranked first by The Institute of Customer Service in the UK Customer Satisfaction Index in the Utility Sector and Utility Joint Sector. Northumbrian Water was ranked as the UK's best water company for customer service by industry regulator Ofwat and was named Customer Initiative of the Year and Water Efficiency Project of the Year at the Water Industry Awards. In Australia, SA Power Networks, CitiPower, Powercor and United Energy are among the six top performing providers nationally in terms of average opex efficiency scores over the 2006-2024 period in the 2025 Annual Benchmarking Report published by the Australian Energy Regulator. CitiPower was ranked first among 13 distributors for multilateral total factor productivity in the same report.

In February 2026, CKI, Power Assets and CK Asset Holdings Limited ("CK Asset") entered into an agreement to fully divest their respective 40%, 40% and 20% interest in UK Power Networks to Engie S.A.. Completion of the transaction is expected before the end of June 2026, subject to fulfilment of certain conditions, including approval under the UK's National Security Investment Act for the buyer, and independent shareholders' approval from each of CKI, Power Assets, CK Asset and the Group.

Businesses in the infrastructure division are carrying out environmental initiatives in support of the respective countries' net zero targets. The electricity distribution networks in the UK and Australia have continued to make progress in a number of key sustainability projects, including smart grid solutions, electric vehicle charging infrastructure and integration systems with renewable energy sources. Advancements are also being made by the gas transmission and distribution networks in hydrogen and biomethane projects. In addition, the unregulated businesses are securing contracts on major renewable energy projects including Battery Energy Storage System as well as solar and wind facilities and related infrastructure systems.

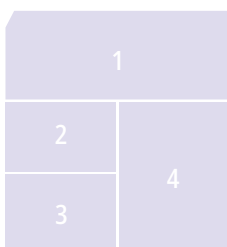


Note 3: Excludes share of one-off gains arising from the spin-off of HK Electric by Power Assets and privatisation of Envestra.

3 Sweden becomes the first operator in the country to offer commercial 5G Standalone services.



Telecommunications



1. 3 Denmark is the second largest telecommunications operator in the country.
2. 3 Ireland is named the country's Best Network by Opensignal.
3. 3 Austria's 5G network reaches 95% of the population.
4. Wind Tre is the first operator in Italy to launch the 5G Standalone network.

Operations Review – Telecommunications

The Group's telecommunications division consists of CK Hutchison Group Telecom ("CKHGT") which comprises the 3 Group businesses in Europe ("3 Group Europe") and a 66.09% interest in Hutchison Telecommunications Hong Kong Holdings ("HTHKH"), which is listed on the SEHK. 3 Group Europe operates in six countries across Europe. HTHKH holds the Group's interests in mobile operations in Hong Kong and Macao as of December 2025, with Macao operation being disposed of in January 2026.

CK Hutchison Group Telecom

In million	2025 HK\$	2024 HK\$	Change	Local currencies change	2025 EURO	2024 EURO
Total Revenue	101,311	88,371	+15%	+10%	11,387	10,458
Total Margin	72,451	63,626	+14%	+9%	8,150	7,531
Total CACs	(15,178)	(15,699)	+3%		(1,710)	(1,860)
Less: Handset revenue	10,707	11,581	-8%		1,205	1,372
Total CACs (net of handset revenue)	(4,471)	(4,118)	-9%		(505)	(488)
Operating Expenses	(40,163)	(35,379)	-14%		(4,517)	(4,188)
Loss on UK merger and related impacts ⁽²⁾	(11,360)	-	N/A		(948)	-
EBITDA ⁽¹⁾	16,457	24,129	-32%	-37%	2,180	2,855
Underlying EBITDA ⁽⁵⁾	27,817	24,129	+15%	+10%	3,128	2,855
Depreciation & Amortisation	(23,034)	(20,644)	-12%		(2,592)	(2,450)
(LBIT)/EBIT ⁽¹⁾	(6,577)	3,485	-289%	-296%	(412)	405
Underlying EBIT ⁽⁵⁾	4,783	3,485	+37%	+30%	536	405

3 Group Europe

In million	2025 HK\$	2024 HK\$	Change	Local currencies change
Total Revenue	93,839	81,710	+15%	+10%
Total Margin	68,392	59,453	+15%	+10%
Total CACs	(14,720)	(15,251)	+3%	
Less: Handset revenue	10,455	11,337	-8%	
Total CACs (net of handset revenue)	(4,265)	(3,914)	-9%	-4%
Operating Expenses	(38,250)	(32,417)	-18%	-13%
<i>Opex as a % of total margin</i>	<i>56%</i>	<i>55%</i>		
UK merger related impacts	(774)	-	N/A	
EBITDA ⁽⁴⁾	25,103	23,122	+9%	+3%
<i>EBITDA Margin % ⁽³⁾</i>	<i>30%</i>	<i>33%</i>		
Underlying EBITDA ⁽⁵⁾	25,877	23,122	+12%	+6%
Depreciation & Amortisation	(21,908)	(19,519)	-12%	-7%
EBIT ⁽⁴⁾	3,195	3,603	-11%	-18%
Underlying EBIT ⁽⁵⁾	3,969	3,603	+10%	+4%

Note 1: Under Post-IFRS 16 basis, EBITDA was HK\$25,069 million (2024: HK\$31,257 million); LBIT was HK\$(4,934) million (2024: EBIT of HK\$4,490 million).

Note 2: The HK\$11,360 million on a Pre-IFRS 16 basis one-time losses included HK\$9,915 million of non-cash disposal loss and HK\$1,445 million of transactional related expenses. Under Post-IFRS 16 basis, the one-time loss arising from the UK merger and related impacts totalled HK\$10,907 million. The one-time losses in HK\$ and Euro included different reserves recycling impact arising from the UK merger completion.

Note 3: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Note 4: Under Post-IFRS 16 basis, EBITDA was HK\$32,843 million (2024: HK\$29,824 million); EBIT was HK\$4,365 million (2024: HK\$4,590 million).

Note 5: Underlying results of CKHGT exclude one-time non-cash loss arising from the UK merger and related impacts of HK\$11,360 million under Pre-IFRS 16 basis and HK\$10,907 million under Post-IFRS 16 basis. Underlying results of 3 Group Europe exclude one-time UK merger related impacts of HK\$774 million under Pre-IFRS 16 and Post-IFRS 16 basis.

3 Group Europe's total revenue of HK\$93,839 million and total margin of HK\$68,392 million were both 10% higher than last year in local currencies, primarily driven by growth in net customer service revenue from an increase in the customer base and favourable revenue initiatives, coupled with share of seven-month accretive contribution from VodafoneThree. Higher total revenue also reflects growth in MVNO, wholesale business and beyond the core contribution.

Active customer base as at 31 December 2025 of 56.9 million was 40% higher than 2024 following the completion of the merger of **3** UK and Vodafone UK in end of May 2025. Average monthly customer churn rate of the contract customer base improved to 1.1% for the year (2024: 1.2%). **3** Group Europe's 2025 net ARPU of €13.08 and net AMPU of €12.12 were both 3% higher as compared to 2024, primarily reflecting the accretive contribution from VodafoneThree and the result of various revenue initiatives on net customer service revenue, partly offset by dilutive impact of a higher mix of low value Internet of things (IoT) customers in Ireland and intensified price pressure in Austria.

The 49% share of accretive contribution from the enlarged UK operation resulted in an uplift of UK's net customer service margin and total margin compared to last year. For other **3** Group Europe's operations, majority of which reported net customer service margin growth benefited from annual adjustment or inflation-linked adjustment embedded in customer contracts. In addition, Sweden and Denmark reported higher contract base and growth in second brand customer number, and Ireland's business and Fixed Wireless Access segments continued to deliver good contribution. Italy's net customer service margin was stable against last year, while Austria reported a drop driven by keen market competition from aggressive offerings launched by MVNO and other operators. Other margin of **3** Group Europe grew year-on-year, reflecting accretive contribution following the UK merger completion and expansion of revenue streams beyond traditional service offerings. Overall, these resulted in a 10% total margin growth in local currencies.

3 Group Europe's underlying EBITDA was 6% higher year-on-year in local currencies, primarily due to seven-month accretive EBITDA contribution from VodafoneThree and margin growth of other operations. However, depreciation and amortisation increased by 7% in local currencies due to the share of higher depreciation of VodafoneThree as well as an enlarged network asset base across the footprint, partly offset by favourable variance from one-time accelerated depreciation from the swap out of certain network equipment in Denmark which was recognised in 2024 not recurred in 2025. Correspondingly, underlying EBIT was 4% higher against last year in local currencies. The accretive EBITDA contribution from VodafoneThree has been more than offset by share of higher depreciation from an enlarged company following the UK merger completion. Excluding VodafoneThree, consolidated EBITDA and EBIT for all other operations in **3** Group Europe year on year were 2% and 13% higher in local currencies respectively.

During the year, CKHGT received external recognition reflecting ongoing efforts to integrate responsible, ethical, and sustainable practices across CKHGT's operations. This included earning a Silver Medal in its first EcoVadis sustainability assessment, ranking at 93rd percentile of all assessments conducted by EcoVadis in the past year, retaining rating at 'low risk' in the re-assessment by Sustainalytics, and achieving an A- rating on climate change from CDP, a leading international environmental disclosure system for companies, capital markets, cities, states and regions. In addition, Wind Tre and **3** Sweden from the Telecommunications division were named Top Employer Italy and one of Sweden's Best Workplaces, respectively.

CKHGT achieved a further year-on-year reduction in Scope 1, 2 and 3 emissions of approximately 2%, while reaching approximately 30% overall reduction compared to the 2020 baseline. In parallel, CKHGT maintained a strong focus on decarbonising its electricity consumption, with renewable electricity supported with Energy Attribute Certificates accounting for over 55% of total electricity use.

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CKHGT - Results by operations

In million	UK ⁽⁶⁾		Italy ⁽⁷⁾		Sweden		Denmark	
	GBP		EURO		SEK		DKK	
	2025	2024	2025	2024	2025	2024	2025	2024
Total Revenue	3,475	2,748	3,820	3,782	8,549	8,205	2,651	2,485
<i>% change</i>	+26%		+1%		+4%		+7%	
Total margin	2,305	1,790	2,998	2,952	5,825	5,447	2,229	2,088
<i>% change</i>	+29%		+2%		+7%		+7%	
Total CACs	(862)	(987)	(331)	(323)	(722)	(737)	(254)	(239)
Less: Handset Revenue	621	751	224	219	260	324	80	67
Total CACs (net of handset revenue)	(241)	(236)	(107)	(104)	(462)	(413)	(174)	(172)
Operating Expenses	(1,422)	(1,013)	(1,630)	(1,599)	(2,408)	(2,455)	(1,264)	(1,165)
Opex as a % of total margin	62%	57%	54%	54%	41%	45%	57%	56%
Loss on UK merger and related impacts	(75)	–	–	–	–	–	–	–
EBITDA/(LBITDA)	567	541	1,261	1,249	2,955	2,579	791	751
<i>% change</i>	+5%		+1%		+15%		+5%	
<i>EBITDA margin %⁽⁸⁾</i>	20%	27%	35%	35%	36%	33%	31%	31%
Underlying EBITDA/(LBITDA)	642	541	1,261	1,249	2,955	2,579	791	751
<i>% change</i>	+19%		+1%		+15%		+5%	
Depreciation & Amortisation	(653)	(518)	(1,133)	(1,106)	(1,874)	(1,848)	(546)	(913)
EBIT/(LBIT)	(86)	23	128	143	1,081	731	245	(162)
<i>% change</i>	-474%		-10%		+48%		+251%	
Underlying EBIT/(LBIT)	(11)	23	128	143	1,081	731	245	(162)
<i>% change</i>	-148%		-10%		+48%		+251%	
Capex (excluding licence) ⁽⁹⁾		(436)	(700)	(693)	(1,202)	(1,517)	(205)	(276)
Depreciation & Amortisation ⁽¹⁰⁾		(433)	(746)	(723)	(1,026)	(1,091)	(370)	(772)
Depreciation & Amortisation ⁽¹⁰⁾ less Capex		(3)	46	30	(176)	(426)	165	496
Reported EBITDA less Capex		105	561	556	1,753	1,062	586	475
Licence ⁽¹¹⁾		–	–	–	–	–	–	–
HK dollar equivalents of Reported EBITDA and EBIT are summarised as follows:								
<i>EBITDA-pre IFRS 16 basis (HK\$)</i>	5,911	5,405	11,220	10,575	2,382	1,908	940	850
<i>EBITDA-post IFRS 16 basis (HK\$)</i>	7,448	6,216	16,390	15,532	2,671	2,172	1,064	966
<i>EBIT-pre IFRS 16 basis (HK\$)</i>	(871)	234	1,164	1,231	874	544	291	(165)
<i>EBIT-post IFRS 16 basis (HK\$)</i>	(435)	335	1,740	1,955	896	561	301	(155)
	UK		Italy		Sweden		Denmark	
	2025	2024	2025	2024	2025	2024	2025	2024
Total registered customer base (million)	28.6	11.6	18.9	18.8	2.9	2.7	1.8	1.7
Total active customer base (million)	26.1	10.8	18.0	17.8	2.9	2.7	1.8	1.7
Contract customers as a % of the total registered customer base	74%	81%	50%	49%	69%	70%	56%	55%
Average monthly churn rate of the total contract registered customer base (%) ⁽¹²⁾	1.2%	1.6%	1.2%	1.3%	1.4%	1.3%	1.8%	1.8%
Active contract customers as a % of the total contract registered customer base	100%	99%	97%	96%	100%	100%	100%	100%
Active customers as a % of the total registered customer base	91%	93%	95%	94%	100%	100%	100%	100%
LTE coverage by population (%)		97%	100%	100%	100%	99%	100%	100%
Full year data usage per active customer (Gigabyte)								

Note 6: 2025 represents five months results of 3 UK for January to May 2025 prior to the formation of VodafoneThree that was completed in end of May 2025 and the Group's 49% share of seven months results of VodafoneThree for June to December 2025, of which the Group's share of fixed line business revenue was £366 million. 2024 represents 3 UK 100% standalone results for full year of 2024.

Note 7: Wind Tre's results include fixed line business revenue of €1,171 million (2024: €1,066 million) and EBITDA of €235 million (2024: €198 million).

Note 8: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Note 9: UK capex is not presented for 2025, since upon completion of the VodafoneThree merger, the capex is no longer consolidated into CKHGT's total capex.

Austria		Ireland		3 Group Europe		HTHKH		Corporate and Others		CKHGT		CKHGT	
EURO		EURO		HK\$		HK\$		HK\$		HK\$		EURO	
2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
923	957	635	630	93,839	81,710	5,576	4,782	1,896	1,879	101,311	88,371	11,387	10,458
-4%		+1%		+15%		+17%		+1%		+15%		+9%	
<i>Local currencies change %</i>				+10%						+10%			
692	727	496	484	68,392	59,453	3,259	3,322	800	851	72,451	63,626	8,150	7,531
-5%		+2%		+15%		-2%		-6%		+14%		+8%	
<i>Local currencies change %</i>				+10%						+9%			
(130)	(128)	(94)	(91)	(14,720)	(15,251)	(458)	(448)	-	-	(15,178)	(15,699)	(1,710)	(1,860)
117	112	79	86	10,455	11,337	252	244	-	-	10,707	11,581	1,205	1,372
(13)	(16)	(15)	(5)	(4,265)	(3,914)	(206)	(204)	-	-	(4,471)	(4,118)	(505)	(488)
(334)	(367)	(302)	(304)	(38,250)	(32,417)	(1,804)	(1,828)	(109)	(1,134)	(40,163)	(35,379)	(4,517)	(4,188)
48%	50%	61%	63%	56%	55%	55%	55%	N/A	N/A	55%	56%	55%	56%
-	-	-	-	(774)	-	-	-	(10,586)	-	(11,360)	-	(948)	-
345	344	179	175	25,103	23,122	1,249	1,290	(9,895)	(283)	16,457	24,129	2,180	2,855
-		+2%		+9%		-3%		-3396%		-32%		-24%	
<i>Local currencies change %</i>				+3%						-37%			
43%	41%	32%	32%	30%	33%	23%	28%	N/A	N/A	18%	31%	21%	31%
345	344	179	175	25,877	23,122	1,249	1,290	691	(283)	27,817	24,129	3,128	2,855
-		+2%		+12%		-3%		+344%		+15%		+10%	
<i>Local currencies change %</i>				+6%						+10%			
(191)	(176)	(138)	(135)	(21,908)	(19,519)	(1,124)	(1,122)	(2)	(3)	(23,034)	(20,644)	(2,592)	(2,450)
154	168	41	40	3,195	3,603	125	168	(9,897)	(286)	(6,577)	3,485	(412)	405
-8%		+3%		-11%		-26%		-3360%		-289%		-202%	
<i>Local currencies change %</i>				-18%						-296%			
154	168	41	40	3,969	3,603	125	168	689	(286)	4,783	3,485	536	405
-8%		+3%		+10%		-26%		+341%		+37%		+32%	
<i>Local currencies change %</i>				+4%						+30%			
(199)	(225)	(87)	(95)		(14,305)	(440)	(434)	(1)	(1)		(14,740)		(1,751)
(139)	(124)	(99)	(98)		(13,980)	(558)	(539)	(2)	(3)		(14,522)		(1,723)
(60)	(101)	12	3		(325)	118	105	1	2		(218)		(28)
146	119	92	80		8,817	809	856	(9,896)	(284)		9,389		1,104
-	(7)	-	-		(59)	-	-	-	-		(59)		(7)
3,060	2,910	1,590	1,474	25,103	23,122	1,249	1,290	(9,895)	(283)	16,457	24,129	€2,180	€2,855
3,336	3,169	1,934	1,769	32,843	29,824	1,668	1,716	(9,442)	(283)	25,069	31,257	€3,145	€3,699
1,366	1,425	371	334	3,195	3,603	125	168	(9,897)	(286)	(6,577)	3,485	€(412)	€405
1,397	1,482	466	412	4,365	4,590	145	186	(9,444)	(286)	(4,934)	4,490	€(230)	€526

Austria		Ireland		3 Group Europe		HTHKH ⁽¹³⁾	
2025	2024	2025	2024	2025	2024	2025	2024
3.0	3.1	5.4	4.9	60.6	42.8	4.1	4.2
2.7	2.8	5.4	4.9	56.9	40.7	3.4	3.4
79%	78%	85%	83%	67%	65%	34%	34%
0.5%	0.5%	0.4%	0.4%	1.1%	1.2%	0.9%	1.0%
99%	99%	100%	100%	99%	98%	100%	100%
91%	90%	100%	100%	94%	95%	84%	81%
99%	99%	99%	99%	-	-	99%	99%
				345.7	326.4	305.6	261.1

Note 10: For comparability to capex, depreciation & amortisation excludes amortisation of customer relationship intangibles, amortisation of licences, amortisation of capitalised CACs, as well as share of joint venture's depreciation of Wind Tre and HTHKH.

Note 11: 2024 licence cost for Austria represents investment for 600 MHz of 26 GHz spectrum acquired in March 2024.

Note 12: 2025 key business indicator of UK was calculated based on five months (January to May 2025) of 3 UK's standalone figures and seven months (June to December 2025) of VodafoneThree's figures.

Note 13: HTHKH's customer base has been adjusted to enhance comparability across CKHGT. Consequently, there is a corresponding effect on HTHKH's net ARPU and net AMPU. These changes do not impact HTHKH's total revenue and total margin.

Operations Review – Telecommunications

Key Business Indicators

	Registered Customer Base								
	Registered Customers at 31 December 2025 ('000)			Registered Customer Growth (%) from 30 June 2025 to 31 December 2025			Registered Customer Growth (%) from 31 December 2024 to 31 December 2025		
	Non-contract	Contract	Total	Non-contract	Contract	Total	Non-contract	Contract	Total
United Kingdom ⁽¹⁴⁾ ⁽¹⁵⁾	7,558	21,062	28,620	-1%	–	-1%	+247%	+124%	+148%
Italy ⁽¹⁴⁾	9,396	9,565	18,961	-1%	+1%	–	-1%	+3%	+1%
Sweden	882	2,007	2,889	+4%	+3%	+3%	+8%	+3%	+5%
Denmark	780	1,009	1,789	+2%	+6%	+4%	+5%	+10%	+8%
Austria	623	2,340	2,963	-3%	-1%	-1%	-6%	-2%	-3%
Ireland	829	4,577	5,406	-1%	+4%	+3%	-2%	+12%	+9%
3 Group Europe Total	20,068	40,560	60,628	-1%	+1%	–	+36%	+45%	+42%
HTHKH ⁽¹⁶⁾	2,685	1,385	4,070	-1%	-1%	-1%	-4%	-3%	-4%

	Active ⁽¹⁷⁾ Customer Base								
	Active Customers at 31 December 2025 ('000)			Active Customer Growth (%) from 30 June 2025 to 31 December 2025			Active Customer Growth (%) from 31 December 2024 to 31 December 2025		
	Non-contract	Contract	Total	Non-contract	Contract	Total	Non-contract	Contract	Total
United Kingdom ⁽¹⁴⁾ ⁽¹⁵⁾	5,048	21,062	26,110	–	–	–	+237%	+126%	+142%
Italy ⁽¹⁴⁾	8,735	9,271	18,006	-1%	+1%	–	-1%	+3%	+1%
Sweden	877	2,007	2,884	+4%	+3%	+3%	+8%	+3%	+5%
Denmark	780	1,009	1,789	+2%	+6%	+4%	+5%	+10%	+8%
Austria	372	2,326	2,698	-1%	-1%	-1%	-3%	-2%	-2%
Ireland	829	4,577	5,406	-1%	+4%	+3%	-2%	+12%	+9%
3 Group Europe Total	16,641	40,252	56,893	–	+1%	–	+27%	+46%	+40%
HTHKH ⁽¹⁶⁾	2,045	1,385	3,430	+4%	-1%	+2%	+2%	-3%	–

Note 14: In addition to the above, VodafoneThree has 1.7 million fixed lines customers and Wind Tre has 2.6 million fixed line customers.

Note 15: United Kingdom's customer base as at 31 December 2025 was based on 100% of VodafoneThree.

Note 16: HTHKH's customer base has been adjusted to enhance comparability across CKHGT. Consequently, there is a corresponding effect on HTHKH's net ARPU and net AMPU. These changes do not impact HTHKH's total revenue and total margin.

Note 17: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

**12-month Trailing Average Revenue per Active User ⁽¹⁸⁾ ("ARPU")
to 31 December 2025**

	Non-Contract	Contract	Blended Total	% Variance compared to 31 December 2024
United Kingdom ⁽¹⁹⁾	£8.54	£17.00	£15.51	-7%
Italy	€8.84	€12.96	€10.95	–
Sweden	SEK120.85	SEK228.47	SEK196.13	-1%
Denmark	DKK95.24	DKK134.66	DKK117.18	-1%
Austria	€9.27	€22.82	€20.95	-3%
Ireland	€14.69	€7.49	€8.65	-6%
3 Group Europe Average ⁽²⁰⁾	€9.67	€15.94	€13.93	-4%
HTHKH ⁽²¹⁾	HK\$19.07	HK\$181.55	HK\$86.18	+7%

**12-month Trailing Net Average Revenue per Active User ⁽²²⁾ ("Net ARPU")
to 31 December 2025**

	Non-Contract	Contract	Blended Total	% Variance compared to 31 December 2024
United Kingdom ⁽¹⁹⁾	£8.54	£16.57	£15.15	+11%
Italy	€8.84	€12.23	€10.57	–
Sweden	SEK120.85	SEK213.01	SEK185.32	+2%
Denmark	DKK95.24	DKK128.64	DKK113.83	–
Austria	€9.27	€18.47	€17.20	-3%
Ireland	€14.69	€5.92	€7.33	-6%
3 Group Europe Average ⁽²⁰⁾	€9.67	€14.70	€13.08	+3%
HTHKH ⁽²¹⁾	HK\$19.07	HK\$170.89	HK\$81.78	+9%

**12-month Trailing Net Average Margin per Active User ⁽²³⁾ ("Net AMPU")
to 31 December 2025**

	Non-Contract	Contract	Blended Total	% Variance compared to 31 December 2024
United Kingdom ⁽¹⁹⁾	£7.50	£15.35	£13.97	+13%
Italy	€8.30	€11.57	€9.97	–
Sweden	SEK106.43	SEK191.66	SEK166.05	+3%
Denmark	DKK82.55	DKK112.27	DKK99.09	–
Austria	€8.59	€17.35	€16.14	-3%
Ireland	€13.70	€5.52	€6.84	-6%
3 Group Europe Average ⁽²⁰⁾	€8.90	€13.64	€12.12	+3%
HTHKH ⁽²¹⁾	HK\$15.57	HK\$144.72	HK\$68.92	+7%

Note 18: ARPU equals total monthly revenue, including incoming mobile termination revenue and contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the year.

Note 19: United Kingdom's ARPU, net ARPU and net AMPU were calculated based on five months (January to May 2025) of 3 UK's standalone figures and seven months (June to December 2025) of VodafoneThree's figures.

Note 20: 3 Group Europe ARPU, net ARPU and net AMPU were calculated based on 100% of 3 UK's standalone figures from January to May 2025 and 49% contribution from VodafoneThree for June to December 2025.

Note 21: HTHKH's customer base has been adjusted to enhance comparability across CKHGT. Consequently, there is a corresponding effect on HTHKH's net ARPU and net AMPU. These changes do not impact HTHKH's total revenue and total margin.

Note 22: Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the year.

Note 23: Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, less direct variable costs (including interconnection charges and roaming costs) (i.e. net customer service margin), divided by the average number of active customers during the year.

Operations Review – Telecommunications

United Kingdom

The merger of 3 UK and Vodafone UK was completed on 31 May 2025, forming the combined business, VodafoneThree, a 49% associated company of the Group. Upon completion, VodafoneThree became the largest mobile network operator in the United Kingdom with over 28 million customers. Spectrum and network sharing are ahead of plan to deliver seamless access of both networks to customers through activation of more than 8,000 radio sites and removal of 16,500 km² “not spot” area at the end of 2025.

The results of the telecommunications business in the United Kingdom represented five months of 3 UK and the Group’s 49% share of seven months results of VodafoneThree. Total margin grew 29% from accretive contribution of VodafoneThree and wholesale growth pre-merger. Underlying EBITDA increased by 19% in local currency driven by growth in total margin, partly offset by higher costs of VodafoneThree and higher network costs of 3 UK from the expanded network. Underlying LBIT was 148% adverse in local currency against last year, mainly due to share of higher depreciation from VodafoneThree’s larger asset base, more than offsetting the higher EBITDA.

Italy

Italy’s EBITDA increased by 1% against last year in local currency, mainly driven by growth in new revenue streams such as energy, insurance and cybersecurity products with stable net customer service margin, partly offset by higher operating expenses from an enlarged network asset base. EBIT decreased by 10% as full year depreciation and amortisation from OpNet acquired in the second half of 2024 more than offset the EBITDA growth, excluding which EBIT was relatively stable compared to 2024. 5G rollout continues at a moderate pace with Wind Tre achieving over 95% FDD and 80% TDD coverage by the end of 2025.

Sweden

Sweden, where the Group has 60% interest, reported 7% increase in total margin compared to last year primarily from 5% customer base growth and higher net AMPU. EBITDA and EBIT grew by 15% and 48% respectively in local currency driven by a foreign currency gain of SEK201 million on the translation of an intercompany loan and strong growth in total margin, partly offset by higher customer acquisition costs as the business continues to increase its market share. Sweden’s 5G population coverage further increased by about 15%-pts from end of 2024 to reach over 90% by the end of 2025.

Denmark

The Denmark operation, where the Group has 60% interest, reported 5% increase in EBITDA in local currency mainly driven by total margin growth of 7% from customer base growth, partly offset by higher operating costs from enlarged network base and higher selling and distribution costs. Denmark’s EBIT further improved against last year due to lower depreciation following network asset swap being finalised in the second half of 2024. The operation was awarded fastest 5G network in the Nordics by Opensignal in 2025.

Austria

Austria’s EBITDA remained flat against last year in local currency, primarily driven by reduced total margin from intensified competition in core mobile business, fully offset by lower operating expenses from lower electricity costs and stringent cost control measures to combat the reducing revenues. EBIT in local currency decreased by 8% compared to 2024, reflecting increased depreciation from an enlarged asset base as 5G network rollout continues. Austria’s 5G coverage has reached approximately 95% and 80% FDD and TDD coverage respectively in 2025.

Ireland

Total margin grew by 2% against last year driven by customer base growth, partly offset by the lower net AMPU from the dilutive impact of higher mix of low margin IoT customers. EBITDA and EBIT in local currency increased by 2% and 3% respectively compared to 2024 driven by better total margin with stable operating expenses, partly offset by true-up of handset receivables bad debt provision recognised in 2025. 3 Ireland has reached over 95% 5G coverage in 2025.

Hutchison Telecommunications Hong Kong Holdings

Total margin decreased by 2% against last year despite higher total revenue mainly due to lower net customer service margin driven by a higher mix of low margin revenue streams, together with lower bank interest income, partly offset by higher hardware margin. EBITDA of HK\$1,249 million was 3% lower against last year mainly due to reduced total margin and a one-off provision for an onerous contract for Macao operations which was disposed of in January 2026, partly offset by effective cost-saving initiatives. EBIT of HK\$125 million was 26% lower than 2024 as a result of the aforesaid drop in EBITDA, while depreciation and amortisation expenses remained largely stable.

GAMECO, located in Guangzhou, China, specialises in airframe and aircraft component maintenance, repair and overhaul.



Finance & Investments and Others

The finance & investments and others segment includes returns earned on the Group's holdings of cash and liquid investments, Hutchison Whampoa (China) Limited ("HWCL") which holds interest in the listed associate HUTCHMED, listed associate TOM Group, the Marionnaud businesses, listed associate CK Life Sciences ("CKLS") Group, Indosat Ooredoo Hutchison ("IOH"), operation in Sri Lanka, listed associate Cenovus Energy, and Hutchison Telecommunications (Australia) Pty Limited ("HTAPL", formerly known as Hutchison Telecommunications (Australia) Limited, which was delisted from Australian Securities Exchange ("ASX") on 25 July 2025 and became a wholly owned subsidiary of the Group) and currently has 23.73% interest in TPG Telecom Limited ("TPG"), which is listed on the ASX.

	2025 HK\$ million	2024 HK\$ million	Change	Local currencies change
Total Revenue	89,049	97,512	-9%	-7%
EBITDA ⁽¹⁾	21,341	16,290	+31%	+34%
- Underlying	20,903	20,030	+4%	+6%
- One-off items	438	(3,740)	+112%	+112%
EBIT ⁽¹⁾	12,014	6,875	+75%	+78%
- Underlying	11,576	10,615	+9%	+11%
- One-off items	438	(3,740)	+112%	+112%

Note 1: Under Post-IFRS 16 basis, EBITDA was HK\$23,986 million (2024: HK\$19,456 million); EBIT was HK\$12,855 million (2024: HK\$7,815 million).

In 2025, EBITDA and EBIT included the transactional intercompany credit of HK\$438 million in relation to the UK merger. This is compared to a one-time non-cash impairment and other provisions on the telecommunications business in Vietnam of HK\$3,740 million in last year. Excluding the one-off items, underlying EBITDA and EBIT increased by 4% and 9% respectively from 2024 in reported currency, primarily due to share of one-time gains from disposal of non-core assets by TPG and HUTCHMED, as well as share of higher profit of the energy business, partly offset by lower interest income from money market deposits and adverse performance of the Marionnaud businesses from intensified competition.

Finance and Investments

Finance and investments mainly represents returns earned on the Group's holdings of cash and liquid investments, which totalled HK\$151,310 million as at 31 December 2025. Further information on the Group's treasury function can be found in the "Group Capital Resources and Liquidity" section of the 2025 Annual Report.

Operations Review – Finance & Investments and Others

Other Operations

Indosat Ooredoo Hutchison

IOH is the Group's telecommunications joint venture in Indonesia, with shares listed on the Indonesia Stock Exchange.

IOH reported Post-IFRS 16 EBITDA and net earnings increase of 1% and 12% compared to last year respectively. Despite a challenging first half, IOH delivered modest revenue growth and a solid increase in net earnings for the full year, driven by robust data traffic growth and a progressive uplift in mobile ARPU in the second half, as well as ongoing cost optimisation. The operation continued to enhance customer experience through AI-powered hyper-personalisation initiatives and expanded its network infrastructure to over 278,000 BTS. As at 31 December 2025, IOH reported an active customer base of 93.7 million.

Hutch Lanka

Hutch Lanka provides mobile telecommunications services in Sri Lanka in which the Group holds 90.36% of the business. As of 31 December 2025, Hutch Lanka reported an active customer base of 4.0 million.

HTAPL, share of TPG Telecom Limited

HTAPL, a wholly owned subsidiary of the Group, has 23.73% interest of TPG (listed on the ASX).

TPG reported net earnings on a continuing operations basis of A\$52 million compared to net loss of A\$140 million⁽²⁾ in 2024. Underlying performance improvements reflected service revenue growth driven by increased mobile service revenue from both subscribers and ARPU increase, coupled with disciplined cost controls. In July 2025, TPG completed the sale of its fibre network assets and Enterprise, Government and Wholesale fixed operations, generating A\$4.7 billion of net cash proceeds which funded a A\$3 billion cash distribution to shareholders. In total, TPG paid down approximately A\$2.7 billion of bank borrowings in 2025 from the cash proceeds from the disposal transaction and reinvestment plan, as well as the handset receivables financing program.

Hutchison Whampoa (China) Limited

HWCL is engaged in the businesses of manufacturing, service and distribution in the Mainland and Hong Kong, and also has 38.13% interest in HUTCHMED (China) Limited ("HUTCHMED"), which is currently listed on the SEHK, the AIM market of the London Stock Exchange in the UK and the Nasdaq Global Select Market in the US. HUTCHMED is an innovative, commercial-stage, biopharmaceutical company committed to the discovery and global development and commercialisation of targeted therapies and immunotherapies for the treatment of cancer and immunological diseases.

In April 2025, HUTCHMED completed the divestment of 45% equity interest in a non-core asset to focus on the global innovative drug discovery and development businesses. The divestment contributed over US\$0.5 billion cash to HUTCHMED.

Cenovus Energy

Cenovus Energy, for which the Group held 16.4% interest as at 31 December 2025, is a Canadian-based integrated energy company with shares listed on the Toronto and New York stock exchanges. It operates in Canada, the United States and Asia Pacific region, and is one of the largest Canadian oil and natural gas producers, as well as one of the largest Canadian-based refiners and upgraders. In November 2025, Cenovus Energy completed the acquisition of MEG Energy, adding oil sands production of approximately 110,000 barrels per day, as well as creating value through synergies achievable in the near term. Material integration and initial initiatives are already in progress, with a focus on achieving target synergies of CAD150 million in 2026 and growing to over CAD400 million per year by 2028.

The Group's share of Cenovus Energy's Post-IFRS 16 EBITDA, EBIT and net earnings were HK\$9,851 million, HK\$4,838 million and HK\$3,757 million, an increase of 6%, 8% and 24% compared to last year respectively. The higher contribution is primarily due to increased upstream production volume in 2025 and the recognition of a gain on disposal of downstream assets, partly offset by lower commodity benchmark pricing.

TOM Group

TOM, a 36.1% associate, is a technology and media company listed on the SEHK. TOM has technology platform and investment-related businesses in mobile internet, e-commerce, fintech and advanced data analytics. In addition, its media operations include publishing and advertising.

Marionnaud

Marionnaud had 700 stores in nine markets as of 31 December 2025, providing luxury perfumery and cosmetic products.

CK Life Sciences Group

The Group has an approximate 45.32% interest in CKLS, a company listed on the SEHK. CKLS is engaged in the business of research and development, manufacturing, commercialisation, marketing, sale of, and investment in, products and assets which are nutraceuticals, pharmaceuticals and agriculture-related.

Note 2: The net loss of A\$140 million in 2024 included A\$250 million pre-tax one-off non-cash impairment of regional mobile network assets.

Operations Review

Interest Expense, Finance Costs and Tax

The Group's consolidated interest expenses and other finance costs for the year, including its share of associated companies' and joint ventures' interest expenses, amortisation of finance costs and after deducting interest capitalised on assets under development, amounted to HK\$20,042 million, increased by 2% when compared to last year, mainly driven by higher share of interest expenses of the Group's associates and joint ventures, partly offset by the lower average loan balance and lower effective interest rate of consolidated debt. The Group's weighted average cost of debt for 2025 was 3.3% (2024: 3.6%).

The Group recorded current and deferred tax charges of HK\$13,527 million in 2025, an increase of 23% from HK\$10,986 million in 2024.

Excluding the impact of the UK merger in 2025 and non-cash impairment and other provisions on the Vietnam telecommunications business in 2024, the Group generated higher underlying profit before tax with increased mix of profit contribution from higher tax jurisdictions, resulting in increased tax charges in 2025.

Frank John Sixt

*Group Co-Managing Director and
Group Finance Director*

Lai Kai Ming, Dominic

Group Co-Managing Director

Hong Kong, 19 March 2026

Group Capital Resources and Liquidity

Treasury Management

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

Cash Management and Funding

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

Interest Rate Exposure

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

At 31 December 2025, approximately 37% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 63% were at fixed rates (31 December 2024 – 34% floating; 66% fixed). The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK\$6,287 million principal amount of floating interest rate borrowings that were used to finance long term investments to fixed interest rate borrowings. After taking into consideration these interest rate swaps, approximately 35% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 65% were at fixed rates at 31 December 2025 (31 December 2024 – 33% floating; 67% fixed). All of the aforementioned interest rate derivatives are designated as hedges and these hedges are considered highly effective. The Group's weighted average cost of debt for the year ended 31 December 2025 is 3.3% (31 December 2024 – 3.6%).

Foreign Currency Exposure

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

The Group has operations in about 50 countries/markets and conducts businesses in around 50 currencies. The Group's functional currency for reporting purposes is Hong Kong Dollars and the Group's reported results in Hong Kong Dollars are exposed to exchange translation on its foreign currency earnings, net debt and net assets, in particular for Euro and British Pounds. Reported EBITDA ⁽¹⁾ for 2025 was HK\$104,816 million, and underlying EBITDA (excluding one-time non-cash loss arising from the UK merger and related impacts) ⁽²⁾ was HK\$115,738 million, of which 55% was derived from European operations, including 25% from the UK. At 31 December 2025, of the Group's total principal amount of bank and other debts after currency swap arrangements, 31% and 3% were denominated in Euro and British Pounds respectively, whilst liquid assets comprised 29% Euro and 8% British Pounds denominated cash and cash equivalents. As a result, 35% of the Group's consolidated net debt ⁽³⁾ of HK\$113,789 million were denominated in Euro, with British Pounds in a net cash position. Net assets ⁽⁴⁾ was HK\$701,596 million, with 28% and 19% attributable to Continental Europe and UK operations respectively.

At 31 December 2025, the Group's total principal amount of bank and other debts were denominated as follows: 31% in Euro, 46% in US dollars, 12% in HK dollars, 3% in British Pounds and 8% in other currencies. At 31 December 2025, the Group does not have any currency swap arrangements with banks.

For purposes of illustrating the Group's currency sensitivity, based on the results for 2025, a 10% depreciation of British Pounds would result in a HK\$2.8 billion decrease in EBITDA, a HK\$0.5 billion decrease in NPAT, HK\$0.4 billion increase in net debt and 0.3%-point increase in net debt to net total capital ratio. Similarly, a 10% depreciation of Euro would result in a HK\$2.7 billion decrease in EBITDA, a HK\$0.5 billion decrease in NPAT, HK\$3.9 billion decrease in net debt and 0.1%-point decrease in net debt to net total capital ratio. Actual sensitivity will depend on actual results and cash flows for the period under consideration.

Credit Exposure

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

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

Credit Profile

Our long term credit rating from Moody's and S&P remained at A2 (stable outlook) and A (stable outlook) respectively. In March 2026, Fitch revised our rating from A- to A with a stable outlook. The Group aims to maintain a capital structure that is appropriate for long-term investment grade ratings of A2 on the Moody's Investor Service scale, A on the S&P Rating Services scale and A on the Fitch Ratings scale. Actual credit ratings may depart from these levels from time to time due to economic circumstances. CK Hutchison Group Telecom Holdings ("CK Hutchison Group Telecom"), a wholly-owned subsidiary of the Group, obtained long term credit rating from Moody's and S&P at Baa1 (stable outlook) and A- (stable outlook) respectively. In March 2026, Fitch Ratings upgraded CK Hutchison Group Telecom's rating from A- to A with a stable outlook. CK Hutchison Group Telecom will seek to maintain its ratings by applying the same financial disciplines as the Group.

Market Price Risk

The Group's main market price risk exposures relate to listed debt and equity securities described in "Liquid Assets" below and the interest rate swaps described in "Interest Rate Exposure" above. The Group's holding of listed debt and equity securities represented approximately 5% (31 December 2024 – approximately 6%) of the cash, liquid funds and other listed investments ("liquid assets"). The Group controls this risk through active monitoring of price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

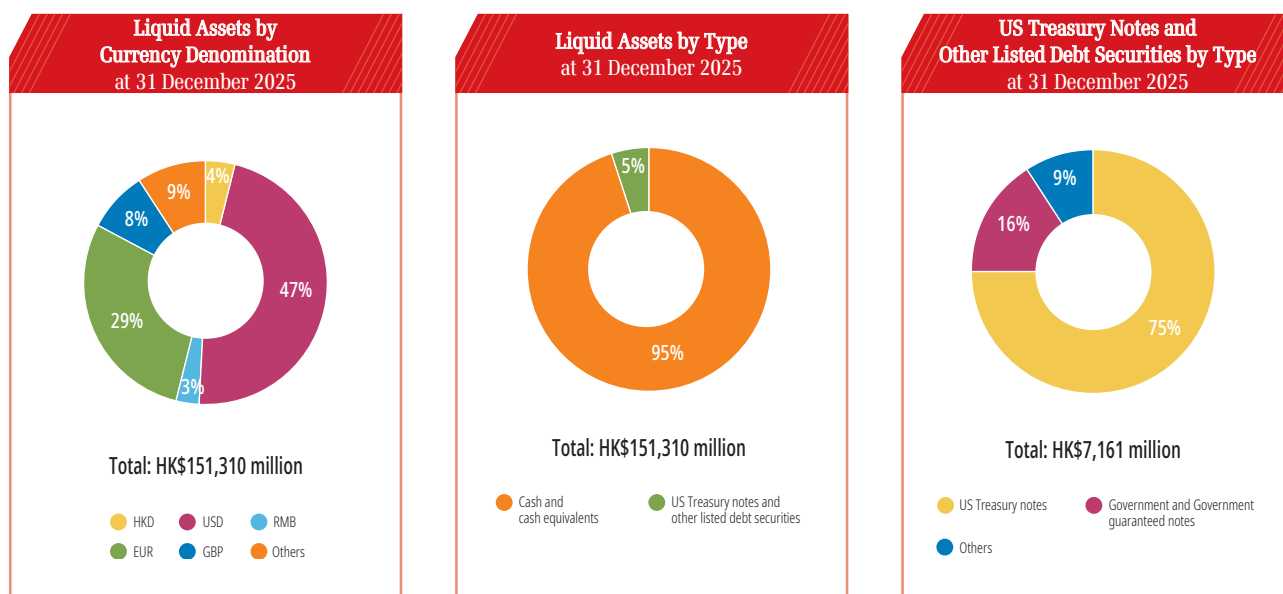
Note 1: Under Post-IFRS 16 basis, EBITDA for 2025 was HK\$129,105 million (31 December 2024 – HK\$125,108 million).

Note 2: The HK\$10,922 million on a Pre-IFRS 16 basis one-time losses included HK\$9,915 million of non-cash disposal loss, HK\$1,445 million of transactional related expenses under CKHGT and transactional intercompany credit of HK\$438 million under Finance & Investments and Others. Under Post-IFRS 16 basis, the one-time non-cash loss arising from the UK merger and related impacts totalled HK\$10,469 million.

Note 3: Under Post-IFRS 16 basis, consolidated net debt as at 31 December 2025 was HK\$113,692 million (31 December 2024 – HK\$128,558 million).

Note 4: Under Post-IFRS 16 basis, net assets as at 31 December 2025 was HK\$688,392 million (31 December 2024 – HK\$652,592 million).

Group Capital Resources and Liquidity



Liquid Assets

The Group continues to maintain a robust financial position. Liquid assets amounted to HK\$151,310 million at 31 December 2025, an increase of 17% from the balance of HK\$129,445 million at 31 December 2024, mainly reflecting cash arising from positive funds from operations from the Group's businesses and net proceeds from the UK merger, partly offset by dividend payments to ordinary and non-controlling shareholders, repayment and early repayment of certain borrowings, as well as capital expenditure and investment spending. Liquid assets were denominated as to 4% in HK dollars, 47% in US dollars, 3% in Renminbi, 29% in Euro, 8% in British Pounds and 9% in other currencies.

Cash and cash equivalents represented 95% (31 December 2024 – 94%) of the liquid assets, US Treasury notes and other listed debt securities 5% (31 December 2024 – 5%) and listed equity securities nil (31 December 2024 – 1%). The US Treasury notes and other listed debt securities, including those held under managed funds, consisted of US Treasury notes of 75%, government and government guaranteed notes of 16% and others of 9%. All of these US Treasury notes and other listed debt securities are rated at Aaa/AAA or Aa1/AA+ with an average maturity of 3.1 years on the overall portfolio. The Group has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.

Cash Flow

Consolidated funds from operations⁽⁵⁾ ("FFO") before cash profits from disposals, capital expenditures, investments and changes in working capital was HK\$44,702 million for 2025, an increase of 5% against last year of HK\$42,708 million from higher dividends received from associated companies and joint ventures and lower interest paid, partly offset by higher taxes paid.

The Group's capital expenditures (including licences, brand name and other rights) for 2025 amounted to HK\$20,945 million (31 December 2024 – HK\$22,580 million). Capital expenditures (including licences, brand name and other rights) for the ports and related services division amounted to HK\$5,049 million (31 December 2024 – HK\$3,820 million); for the retail division HK\$2,959 million (31 December 2024 – HK\$3,240 million); for the infrastructure division HK\$292 million (31 December 2024 – HK\$363 million); for CK Hutchison Group Telecom HK\$12,407 million (31 December 2024 – HK\$14,799 million); and for the finance and investments and others segment HK\$238 million (31 December 2024 – HK\$358 million).

The Group's dividends received from associated companies and joint ventures for 2025 amounted to HK\$12,303 million (31 December 2024 – HK\$11,509 million). Dividends received from associated companies and joint ventures for the ports and related services division amounted to HK\$1,694 million (31 December 2024 – HK\$1,359 million); for the retail division HK\$1,888 million (31 December 2024 – HK\$2,386 million); for the infrastructure division HK\$6,506 million (31 December 2024 – HK\$5,644 million); and for the finance and investments and others segment HK\$2,215 million (31 December 2024 – HK\$2,120 million).

Note 5: Under Post-IFRS 16 basis, FFO for 2025 was HK\$58,845 million (31 December 2024 – HK\$57,211 million).

The Group's purchases of and advances to associated companies and joint ventures for 2025 amounted to HK\$1,503 million (31 December 2024 – HK\$2,470 million). Purchases of and advances to associated companies and joint ventures for the ports and related services division amounted to HK\$683 million (31 December 2024 – HK\$228 million); for the infrastructure division HK\$214 million (31 December 2024 – HK\$2,012 million); for CK Hutchison Group Telecom HK\$192 million (31 December 2024 – HK\$217 million); and for the finance and investments and others segment HK\$414 million (31 December 2024 – HK\$13 million).

Net cash inflow before financing activities ⁽⁶⁾ was HK\$41,201 million, an increase of 102% compared to HK\$20,387 million last year, mainly due to net proceeds from the UK merger, favourable working capital movements, higher loan repayment from associated companies and joint ventures and lower capital expenditures, partly offset by proceeds on certain treasury non-core asset disposals in 2024 not recurring in 2025.

The capital expenditures and investments of the Group are primarily funded by cash generated from operations, cash on hand and to the extent appropriate, by external borrowings.

For further information of the Group's capital expenditures by division and cash flow, please see Note 6(b)(v) and the "Consolidated Statement of Cash Flows" section of this Annual Report.

Debt Maturity and Currency Profile

The Group's total bank and other debts, including unamortised fair value adjustments from acquisitions, at 31 December 2025 amounted to HK\$265,099 million (31 December 2024 – HK\$259,059 million) which comprises principal amount of bank and other debts of HK\$263,460 million (31 December 2024 – HK\$257,104 million) and unamortised fair value adjustments arising from acquisitions of HK\$1,639 million (31 December 2024 – HK\$1,955 million). The Group's total principal amount of bank and other debts at 31 December 2025 consist of 63% notes and bonds (31 December 2024 – 65%) and 37% bank and other loans (31 December 2024 – 35%). Interest bearing loans from non-controlling shareholders, which are viewed as quasi-equity, totalled HK\$4,193 million as at 31 December 2025 (31 December 2024 – HK\$3,471 million).

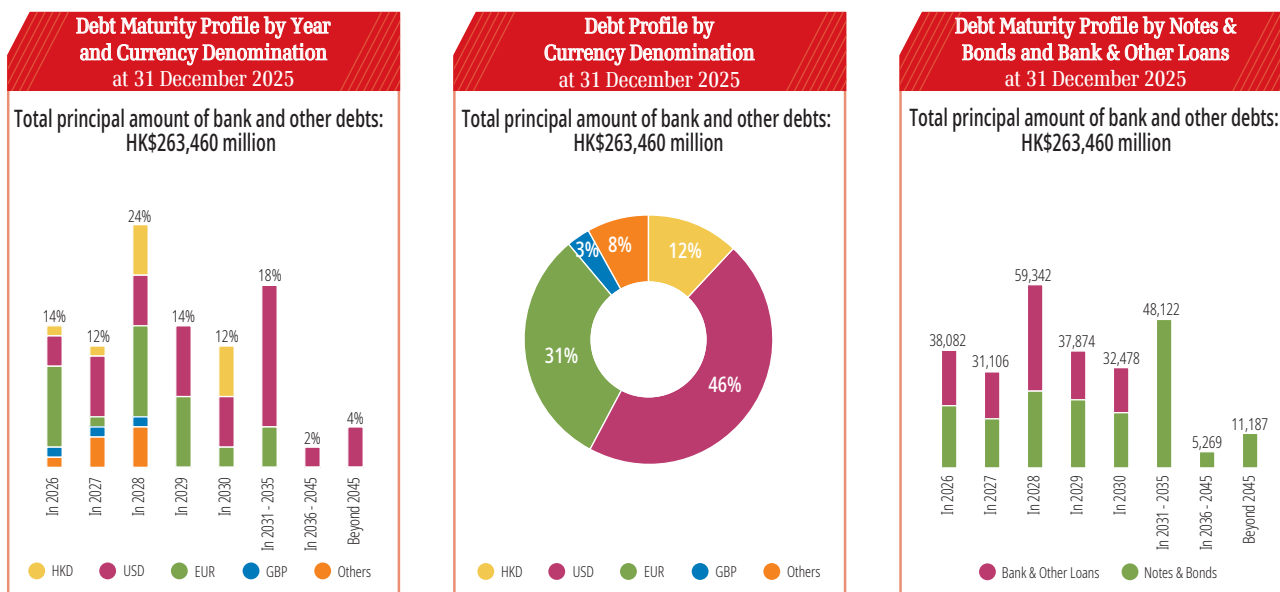
The maturity profile of the Group's total principal amount of bank and other debts at 31 December 2025 is set out below:

	HK\$	US\$	Euro	GBP	Others	Total
In 2026	1%	3%	8%	1%	1%	14%
In 2027	1%	6%	1%	1%	3%	12%
In 2028	5%	5%	9%	1%	4%	24%
In 2029	–	7%	7%	–	–	14%
In 2030	5%	5%	2%	–	–	12%
In 2031 – 2035	–	14%	4%	–	–	18%
In 2036 – 2045	–	2%	–	–	–	2%
Beyond 2045	–	4%	–	–	–	4%
Total	12%	46%	31%	3%	8%	100%

The non-HK dollar and non-US dollar denominated loans are either directly related to the Group's businesses in the countries of the currencies concerned, or the loans are balanced by assets in the same currencies. None of the Group's consolidated borrowings have credit rating triggers that would accelerate the maturity dates of any outstanding consolidated Group's debt.

Note 6: Under Post-IFRS 16 basis, net cash inflow before financing activities for 2025 was HK\$55,879 million (31 December 2024 – HK\$34,326 million).

Group Capital Resources and Liquidity



Changes in Debt Financing

The significant financing activities for the Group in 2025 were as follows:

- In January, purchased and effectively retired US\$188 million (approximately HK\$1,464 million) of the Group's outstanding notes of various maturities;
- In March, obtained a three year term loan facility of SEK6,700 million (approximately HK\$5,159 million) and repaid a floating rate term loan facility of SEK6,100 million (approximately HK\$4,697 million) on maturity;
- In March, obtained a three year floating rate term loan facility of HK\$3,880 million;
- In March, obtained a five year floating rate term loan facility of HK\$4,700 million;
- In March, obtained two five year HK\$3,900 million floating rate term loan facilities each;
- In March, obtained a three year floating rate term loan facility of AUD260 million (approximately HK\$1,273 million) and repaid a floating rate term loan facility of the same amount on maturity;
- In April, obtained a five year floating rate term loan facility of AUD300 million (approximately HK\$1,463 million) and repaid a floating rate term loan facility of the same amount on maturity;
- In April, repaid EUR750 million (approximately HK\$6,720 million) principal amount of fixed rate notes on maturity;
- In May, repaid a floating rate term loan facility of US\$2,100 million (approximately HK\$16,380 million) on maturity;
- In June, through various tenders, purchased and effectively retired GBP485 million (approximately HK\$5,176 million) of the Group's outstanding notes of various maturities;
- In September, obtained a three year floating rate term loan facility of HK\$3,900 million; and
- In September, issued US\$500 million (approximately HK\$3,900 million) guaranteed fixed rate notes due 2030.

Furthermore, the significant debt financing activities undertaken by the Group subsequent to the year ended 31 December 2025 were as follows:

- In March 2026, repaid two floating rate term loan facilities of HK\$1,000 million each on maturity;
- In March 2026, prepaid a floating rate term loan facility of HK\$1,600 million maturing in June 2027;
- In March 2026, obtained two five year floating rate term loan facilities of HK\$800 million each; and
- In March 2026, obtained a three year floating rate club loan facility of US\$180 million (approximately HK\$1,404 million).

Capital, Net Debt and Interest Coverage Ratios

The Group's total ordinary shareholders' funds ⁽⁷⁾ increased to HK\$571,690 million as at 31 December 2025, compared to HK\$543,649 million as at 31 December 2024, mainly reflecting profit for 2025, exchange gains on translation of foreign operations, as well as other items recognised directly in reserves, partly offset by the Group's 2024 final and 2025 interim dividends and distributions paid.

As at 31 December 2025, the consolidated net debt of the Group, excluding interest bearing loans from non-controlling shareholders which are viewed as quasi-equity, was HK\$113,789 million (31 December 2024 – HK\$129,614 million), a 12% decrease compared to the net debt at the beginning of the year mainly due to net proceeds from the UK merger and net cash generated from operating activities, partly offset by dividend payments, capital expenditure and investment spending. The Group's consolidated net debt to net total capital ratio ⁽⁸⁾ was 13.9% as at 31 December 2025 (31 December 2024 – 16.2%). The Group's consolidated cash and liquid investments as at 31 December 2025 were sufficient to repay all of the Group's outstanding debt maturing before 31 December 2028 and cover 60% of outstanding debt due in 2029.

The Group's consolidated cash interest expenses and other finance costs of subsidiaries, before capitalisation and net of interest income of HK\$6,286 million (31 December 2024 – HK\$7,969 million) in 2025 was HK\$2,982 million (31 December 2024 – HK\$2,584 million). Reported EBITDA of HK\$104,816 million (31 December 2024 – HK\$102,600 million) and FFO excluding net interest ⁽⁹⁾ of HK\$47,684 million (31 December 2024 – HK\$45,292 million) for the year covered consolidated net interest expenses and other finance costs 33.0 times (31 December 2024 – 36.6 times) and 16.0 times (31 December 2024 – 17.5 times) respectively.

Secured Financing

At 31 December 2025, assets of the Group totalling HK\$1,571 million (31 December 2024 – HK\$1,449 million) were pledged as security for bank loans.

Borrowing Facilities Available

Committed borrowing facilities available to Group companies but not drawn as at 31 December 2025 amounted to the equivalent of HK\$2,841 million (31 December 2024 – HK\$2,762 million).

Contingent Liabilities

At 31 December 2025, the Group provided guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures totalling HK\$6,263 million (31 December 2024 – HK\$10,753 million), of which HK\$5,975 million (31 December 2024 – HK\$8,444 million) has been drawn down as at 31 December 2025 and also provided performance and other guarantees of HK\$5,849 million (31 December 2024 – HK\$4,860 million).

Note 7: Under Post-IFRS 16 basis, total ordinary shareholders' funds as at 31 December 2025 was HK\$562,772 million (31 December 2024 – HK\$534,715 million).

Note 8: Under Post-IFRS 16 basis, net debt to net total capital ratio for 2025 was 14.1% (31 December 2024 – 16.4%).

Note 9: Under Post-IFRS 16 basis, FFO excluding net interest for 2025 was HK\$64,788 million (31 December 2024 – HK\$62,509 million).

Risk Factors

The Group's business, financial condition and results of operations are subject to various business risks and uncertainties. The factors set out below are those that the Group believes could result in the Group's financial condition or results of operations differing materially from expected or historical results. There may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Global Economy

As a global business, the Group is exposed to the developments in the global economy as well as developments in the industries and geographical markets in which it operates. As a result, the Group's financial condition and results of operations may be influenced by the general state of the global economy or the general state of a specific market or economy. Any significant decrease in the level of economic growth in the global or regional or a specific economy could adversely affect the Group's financial condition or results of operations.

In general, volatility in the US and worldwide credit and financial markets, the COVID-19 pandemic, fluctuations in commodity prices and rising energy costs, mounting inflationary pressures, potential interest rate hikes, increasing geopolitical risks and political turbulence, global trade competition, trade conflicts and supply chain disruptions have all contributed to the increased uncertainty of global economic prospects and dampen economic growth.

The Group's overall success as a global business depends, in part, upon its ability to succeed in different economic, social, and political conditions. There can be no assurance that the Group will continue to succeed in developing and implementing policies and strategies that are effective in each location where it conducts business. Moreover, any deterioration in the economic, social and/or political conditions in the markets in which the Group conducts business could have a material adverse effect on the Group's financial condition and results of operations.

Industry Trends, Interest Rates and Currency Markets

The Group's results are affected by trends in the industries in which it operates, including the ports and related services, retail, infrastructure and telecommunications industries. While the Group believes that its diverse operations, geographical spread and extensive customer base reduce its exposure to particular industry cycles, its results have in the past been adversely affected by industry trends. For example, the Group's results have been negatively impacted by declines in retail consumer sentiment, decline in the value of securities investments, and volatility in currencies and interest rates, as well as increase in inflationary pressures, including energy costs. There can be no assurance that the combination of industry trends, currencies and interest rates experienced by the Group in the future will not adversely affect its financial condition and results of operations.

In particular, income from the Group's finance and treasury operations is dependent upon interest rates, the currency environment and market conditions, and therefore there can be no assurance that changes in these conditions will not materially and adversely affect the Group's financial condition and results of operations.

Widespread Health Epidemic or Other Outbreaks or Natural Disasters

The Group's business could be materially and adversely affected by the outbreak of a widespread health epidemic, such as COVID-19, swine flu, avian influenza, severe acute respiratory syndrome, Ebola and Zika; natural disasters, such as earthquakes, snowstorms, storm surges, floods, fires, drought and other extreme weather events and other effects of climate change; or other events, such as wars, acts of terrorism, environmental accidents, power shortages or communication interruptions. The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments or adverse social and economical events could materially disrupt the Group's industry and the Group's business and operations, and have a material adverse effect on the Group's business, financial condition and results of operations. The Group's business could be impacted in a number of ways, including:

- the deterioration of socio-economic conditions leading to disruptions to the Group's operations, such as reduction in the Group's ports operation's throughput as a result of factory closures in the Chinese Mainland or reduced demand in Europe and the US, or mandatory store closures and a decline in footfall in the Group's retail stores;
- reductions or volatility in consumer demand for the Group's products due to quarantine or illness, or other travel restrictions, economic hardship, or retail closures, which may impact the Group's revenue and market share;
- significant volatility in financial markets (including interest rate and foreign currency rate volatilities) and commodities market and measures adopted by governments and central banks, which may limit the Group's access to funds, lead to shortages of cash or increase the cost of raising such funds; and
- an adverse impact on the Group's ability to engage in new, or consummate pending, strategic transactions on the agreed terms and timetable or at all.

These impacts have threatened and could continue to threaten the Group's facilities and transport of the Group's products, cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of the Group's employees, and have and could continue to have a material adverse effect on the Group's results of operations, cash flows and financial condition.

Political Unrest, Terrorist Attacks and Military Tensions

The Group has presence in about 50 countries/markets around the world. There can be no assurance that all of these jurisdictions will remain politically stable or immune to terrorist attacks or military tensions, and if any of these jurisdictions suffers from political unrest or terrorist attacks or military tensions, it may have an adverse impact on the Group's financial condition and results of operations.

Climate Change Related Risks and Disclosure Requirements

Scientific evidence has shown that the Earth's temperature is rising due to an increase in greenhouse gases. This has already created, and will continue to create, a number of negative effects to the environment including loss of sea ice, rise in sea levels, and more frequent and severe weather events.

Some of the Group's assets, businesses and supply chain are located in areas that would be affected in the medium to long term by the effects of climate change, such as operation disruption, assets damages and interrupt supply chains. Extreme weather events may also pose increased risks for the Group's stakeholders such as the Group's employees, customers and suppliers living and working in those locations. Further, as many countries seek to transition to low carbon economies, governments are increasingly introducing legislations to restrict emissions and incentivise environmental protection measures, which may increase financial costs to the Group. Other market changes may also influence the Group's business such as changing consumer preferences in favour of companies that are more sustainable.

In addition, new sustainability disclosure requirements are being adopted across multiple jurisdictions. Operations in regions such as Europe and Hong Kong are now subject to enhanced reporting standards, which demand additional resources to comply. Businesses across the Group may also be exposed to other local reporting obligations. The adoption and implementation of policies to fulfil these new reporting requirements, as well as the physical and transition risks arising from climate change could have a material impact on the Group's business and adversely affect the Group's financial condition and results of operations.

Cash Flow and Liquidity

From time to time, the Group accesses short-term and long-term capital markets to obtain financing. The availability of financing with acceptable terms and conditions may be impacted by many factors which include, among others, liquidity in the capital markets and the Group's credit, Environmental, Social and Governance (ESG) ratings. Although the Group aims to maintain a capital structure that is appropriate for long-term investment grade ratings, actual credit ratings may deviate from these levels due to economic circumstances or other factors such as how the Group formulates, implements and integrates its strategies (including sustainability strategy) in relation to its core businesses. If liquidity in the capital markets declines, and/or credit ratings and/or ESG ratings of the Group decline or other factors, such as the availability of financing reduces and cost of borrowings increases, these changes could impact the Group's financial condition and results of operations, liquidity and cash flows.

Currency Fluctuations

The Group reports its results in Hong Kong dollars but its subsidiaries, associates and joint ventures around the world receive revenue and incur expenses in around 50 different local currencies. The Group's subsidiaries, associates and joint ventures may also incur debt in these local currencies. Consequently, the Group is exposed to potential adverse impact of currency fluctuations on translation of the results and balance sheet items of these subsidiaries, associates and joint ventures and also on repatriation of earnings, equity investments and loans. Although the Group actively manages its currency exposures, depreciation or fluctuation of the currencies in which the Group conducts its operations relative to the Hong Kong dollar could have a material adverse effect on the Group's financial condition and results of operations.

Risk Factors

Highly Competitive Markets

The Group's principal business operations face significant competition across the diverse markets in which they operate. New market entrants, intensification of price competition by existing competitors, product innovation or technological advancement could adversely affect the Group's financial condition and results of operations. Competitive risks faced by the Group include:

- continued consolidation and vertical integrations of international shipping lines that are major clients of the Group's ports operations. Shipping lines are increasingly investing in seaports and in their own dedicated terminal facilities and may not require the use of the Group's terminal facilities;
- significant competition and pricing pressure regularly experienced by the retail business of the Group from both online and brick and mortar retail competitors, as well as shifting consumer behaviours to online, are expected to continue, which may materially and adversely affect the financial performance of the Group's retail operations;
- new market entrants and intensified price competition among existing market players of the Group's non-regulated infrastructure businesses could adversely affect the financial performance of the Group's non-regulated infrastructure businesses;
- new entrants, new services, aggressive pricing and tariff plans and customer acquisition and retention strategies by telecommunications competitors may impact the Group's pricing plans, customer acquisition and retention costs, rate of customer growth and retention prospects and hence the revenue it receives as a major provider of telecommunications services; and
- frequent introductions of new or innovative products and services which require the Group to respond to quickly, risk of competition from disruptive alternate telecommunications access technologies and potential competition in the future from substitute telecommunications technologies being developed or to be developed or if the Group fails to develop, or obtain timely access to new technologies and equipment.

Strategic Partners

The Group conducts some of its businesses through non-wholly-owned subsidiaries, associates and joint ventures in which it shares control (in whole or in part) and has formed strategic alliances with certain leading international companies, government authorities and other strategic partners. There can be no assurance that any of these strategic or business partners will continue their relationships with the Group in the future or that the Group will be able to pursue its stated strategies with respect to its non-wholly-owned subsidiaries, associates and joint ventures and the markets in which they operate. Furthermore, other investors in the Group's non-wholly-owned subsidiaries, associates and joint ventures may undergo a change of control or financial difficulties, which may negatively impact the Group's financial condition and results of operations.

In addition, following the disposal of the Group's interests in tower assets supporting the Group's mobile businesses in Austria, Denmark, Ireland, Italy, Sweden and the UK, respectively, to a third party, the Group's ability to provide telecommunications services in such jurisdictions depends, in part, on the relevant third party companies, which through their respective operating subsidiaries have entered into master services agreements with subsidiaries of the Group operating the Group's telecommunications business in the relevant jurisdictions. While each master services agreement provides for the relevant counterparty to provide infrastructure and built-to-suit services to the Group's telecommunication business in such jurisdictions, such agreements may be terminated for cause by either party and may be partially terminated in respect of part of the telecommunications infrastructure services which are affected by any material failure to meet service levels. Should any of these arrangements be terminated, this could result in delays or disruptions to the Group's telecommunications operations in the relevant jurisdictions and could result in the Group incurring additional costs. There can be no assurance that changes in the relationship or rearrangements between the Group and the relevant counterparties will not materially and adversely affect the Group's financial condition and results of operations.

Future Growth

The Group continues to cautiously expand the scale and geographic spread of its businesses through investment in organic growth, as well as undertaking selective mergers, acquisitions and disposal activities when appropriate opportunities in the market arise. Success of the Group's mergers and acquisitions will depend on, among other things, the ability of the Group to realise the expected synergies, cost savings and growth opportunities upon integration of the merged or acquired businesses. These businesses may require significant investment and the commitment of executive management time and other resources. There can be no assurance that a failure to operate the merged or acquired businesses successfully, or a longer than projected period to realise the expected synergies, will not have a material adverse effect on the Group's financial condition, results of operations and prospects.

The Group has made substantial investments in acquiring telecommunications licences and developing and upgrading its mobile networks and growing its customer bases in Europe, Asia, and Australia. The Group may need to incur more capital expenditure to expand, improve or upgrade its mobile networks, acquire additional spectrum licences, and incur more customer acquisition and retention costs to retain and build its customer bases. There can be no assurance that any additional investments will further increase customer levels and operating margins, and consequently, additional investments may materially and adversely impact the Group's financial condition and results of operations.

As of 31 December 2025, the Group had a total deferred tax asset balance ⁽¹⁾ of HK\$5,266 million, of which HK\$2,995 million were attributable to the CK Hutchison Group Telecom mobile operations. The ultimate realisation of deferred tax assets recognised depends principally on these businesses achieving profitability and generating sufficient taxable profits to utilise the underlying unused tax losses. In each of the countries and locations that CK Hutchison Group Telecom operates, taxation losses may be carried forward indefinitely. In addition, in the UK, the Group benefits from the availability of group relief in relation to taxation losses generated by its telecommunications operations to offset taxable profits from its other businesses in the same period. It may be necessary for some or all of the deferred tax assets recognised to be reduced and charged to the income statement if there is a significant adverse change in the projected performance and resulting projected taxable profits of these businesses. Judgement is required to determine key assumptions adopted in the taxable profit and loss projections and changes to key assumptions used can significantly affect these taxable profit and loss projections. If there is a significant adverse change in taxation rates and legislations, or in the projected performance and resulting cash flow projections of these businesses, some or all of these deferred tax assets may need to be reduced and charged to the income statement, which could have a material adverse effect on the Group's financial condition and results of operations.

Completion Risk of Mergers, Acquisitions and Disposals

The Group may from time to time engage in mergers, acquisitions, joint ventures, other consolidation transactions between its businesses and certain third party companies (including competitors), or disposals. From time to time, the Group receives proposals and explores and evaluates opportunities that may be available, with a view to enhancing long term value for shareholders, including possible transactions relating to certain assets and businesses of the Group. Contemplated transactions may not be consummated for a range of reasons; such an outcome may have a negative impact on the Group's business. Such 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 who may only approve the transaction subject to conditions, or who may prohibit the transaction. Significant mergers, acquisitions and dispositions are often complex and may require a range of consents and approvals from authorities and regulatory bodies in multiple jurisdictions, the process of which could be unpredictable. There can be no assurance that any such transaction and 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 resources, such as legal, accounting and other costs in connection with the transaction without realising its anticipated benefits, which may have included increased earnings, scale, competitive strength and market share. As a consequence, the Group's financial position and results of operations could be negatively impacted. In the case of potential mergers or acquisitions, such third party companies may also choose to merge with or be acquired by another of the Group's competitors, which could result in a new competitor with greater scale, financial strength and other resources. As a result, if a transaction is prohibited by a competent authority, it could have a material adverse impact on the Group's business, financial condition and results of operations. Furthermore, any potential merger, acquisition or disposition may attract media attention and public scrutiny, and it is uncertain how this would affect the Group's public perception and brand equity and, as a result, the Group's business both domestically and abroad.

Note 1: Under Post-IFRS 16 basis, the Group had a total deferred tax asset balance of HK\$7,102 million, of which HK\$3,038 million were attributable to the CK Hutchison Group Telecom mobile operations.

Risk Factors

National, European Union and International Law and Regulatory Requirements

As a global business, the Group is exposed to local business risks in several different countries, which could have a material adverse effect on its financial condition and results of operations. The Group operates in many countries around the world and may increasingly become exposed to different and changing government policies, political, social, legal and regulatory requirements at the national or international level, including but not limited to those required by the European Union (“EU”) or the World Trade Organization (“WTO”) or national authorities. These include:

- changes in tariffs and trade barriers, including changes which may result from the UK’s withdrawal from the EU (see “Risk Factors – UK’s Exit from the EU” for further details), as well as government-determined tariff resets of the Group’s regulated infrastructure assets;
- changes in taxation regulations and interpretations;
- competition (anti-trust) laws applicable to the Group’s activities, including the regulation of monopolies and the conduct of dominant firms, the prohibition of anti-competitive agreements and practices, and merger control, national security, and foreign investment and foreign subsidy laws requiring the approval of certain mergers, acquisitions and joint ventures which could restrict the Group’s ability to own or operate subsidiaries or acquire new businesses in certain jurisdictions and/or result in imposition of fines on the relevant operations;
- state aid and/or state subsidy control rules which could require the repayment of grants or other financial support if aid or subsidies have been provided by national governments and/or public authorities to the Group’s businesses;
- changes in the process of or the conditions or criteria to obtaining or maintaining licences, permits and governmental approvals necessary to operate certain businesses;
- conditions or criteria to obtaining or maintaining assets that may be viewed by governments or regulatory authorities as critical assets for national security purposes, for example in the telecommunications and ports sectors;
- comprehensive sustainability disclosure requirements for the Group, with the requirements varying from jurisdiction to jurisdiction, for example, the Corporate Sustainability Reporting Directive in the EU (“CSRD”), Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations in the UK and the local sustainability disclosure standards in Hong Kong to be developed to align with the International Sustainability Standards Board standards;
- emerging regulation around the development and use of Artificial Intelligence (“AI”), including the introduction of the EU AI Act in August 2024; and
- environmental, safety, security and cybersecurity, employee and consumer protection laws, rules and regulations.

There can be no assurance that the European institutions and/or the regulatory authorities of the jurisdictions in which the Group operates will not make decisions or interpret and implement regulations in a manner that materially and adversely affect the Group’s financial condition and results of operations in the future.

Ports are often viewed by governments as critical national assets and in many countries are subject to government control and regulations. Regime changes or shifts in political sentiment in less politically stable countries may affect port concessions previously granted to foreign international ports operations including the Group’s ports operations, such as through unilateral amendments to concession terms, termination, expropriation, nationalisation or adverse regulatory changes which may not be consistent with the concession contracts, related laws or previous practices.

Certain infrastructure investments of the Group (for example, water, gas and electricity distribution) are subject to regulatory pricing and strict licensing requirements, codes and guidelines established by the relevant regulatory authorities from time to time. Failure to comply with these licensing requirements, codes or guidelines may lead to penalties, or, in extreme circumstances, amendment, suspension or cancellation of the relevant licences by the authorities. Furthermore, certain regulated operations of the Group’s investments are subject to price control by government regulatory authorities. The relevant government regulatory authorities will periodically review and reset the price control terms for certain projects in accordance with a predetermined timetable. There can be no assurance that such events or price resets will not have a material adverse effect on the Group’s financial conditions and results of operations.

New policies or measures by governments, whether fiscal, regulatory or other changes, may pose a risk to the overall investment return of the Group's infrastructure businesses and may delay or prevent the commercial operation of a business with a resulting loss of revenue and profit.

The Group is only permitted to provide telecommunications services and operate networks under licences (including spectrum licences for mobile telecommunications) and/or authorisations granted under the national laws of each jurisdiction in which it operates. Some spectrum licences have historically been issued for fixed terms and subsequently renewed and/or reauctioned. The Group's mobile telecommunications licences in Italy effectively provide for perpetual renewal rights. There can be no assurance, however, that any renewal or participation in any auction of one or more of the Group's licences will be successful or renewed or granted on equivalent or satisfactory financial or other terms. Governments and/or regulatory authorities may also impose auction rules and/or licence conditions relating to national security, which could result in an operator being denied access to the spectrum and/or revocation of a licence.

In addition, the Group may not be successful in obtaining licences for spectrum bands enabling new mobile technologies that may be developed in the future and will likely face competition for any such licences. Telecommunications licences (including spectrum licences) and authorisations may contain regulatory requirements and carrier obligations regarding the way the operator must conduct its business (such as price controls and non-discrimination obligations), as well as network quality and coverage. Failure to meet these requirements could result in damage awards, fines, penalties, suspensions or other sanctions including, ultimately, revocation of the licences. Decisions by regulators with respect to the granting, amendment or renewal of licences to the Group or other parties (such as spectrum allocation to other parties or relaxation of constraints with respect to the technology or specific service that may be deployed in the given spectrum band), or changes to the process of or the conditions or criteria to, obtaining or maintaining spectrum or other licences necessary for the Group's mobile telecommunications business, could result in the Group facing unforeseen competition and/or could materially and adversely affect the Group's financial condition and results of operations.

Accounting Standards

The International Accounting Standards Board ("IASB") has from time to time issued new and revised IFRS. The IASB may in the future issue new and revised standards, amendments and interpretations. In addition, interpretations on the application of the IFRS will continue to develop. Such factors may require adoption of new accounting policies. There can be no assurance that the adoption of new accounting policies or new IFRS will not have a significant impact on the Group's financial condition and results of operations.

Regulatory Reviews

The Group and some of its subsidiaries and associates are listed on various stock exchanges around the world and are subject to regulatory reviews of their various filings by the respective stock exchange's regulatory bodies and/or other regulatory authorities. While all the Group's publicly listed companies endeavour to comply with all regulatory requirements of the various stock exchanges and other authorities in the countries in which they operate, and obtain independent professional advice as appropriate, there can be no assurance that the regulatory bodies' review will not result in a disagreement with the Group's interpretations and judgements and that any required actions mandated by the authorities will not have an adverse impact on the Group's reported financial position and results of operations.

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

Governments and multinational organisations (including the State Department and the Department of the Treasury's Office of Foreign Assets Control ("OFAC") of the US and the United Nations), from time to time administer certain laws and regulations that impose restrictions with respect to activities or transactions with certain countries, governments, entities and individuals that are the subject of economic sanctions. There can be no assurance that such sanctions or other restrictions will not affect the jurisdictions in which the Group conducts its business, any of the Group's business partners or suppliers or otherwise. To the extent that any such sanction or restriction is imposed in any jurisdictions where the Group's business operates, the Group may need to cease operations in those jurisdictions and suffer losses in that regard. If any of the Group's business partners or suppliers is impacted by sanctions or restrictions, provision of goods, services or support by them may be disrupted or discontinued, which may affect the Group's ability to continue to operate related businesses. If any of the Group's business partners is affected by sanctions or restrictions, the continuation or disruption of strategic alliance with such business partners may also affect the Group's ability to continue to operate related businesses and/or may result in suspension of operations. There can be no assurance that the Group will be able to obtain alternative goods, services, support or alliance it needs for the operation of its business, in a timely manner or at competitive terms, and no assurance that any compensation recoverable from business partners or suppliers for the discontinued or disrupted supply, service, support or alliance will be available or adequate. Any of these factors could have a material adverse effect on the Group's financial condition and results of operations.

Risk Factors

Cyber Security Risks

Cyber attacks, including through the use of malware, computer viruses, dedicated denial of services attacks, credential harvesting and other means for obtaining unauthorised access to or disrupting the operation of the networks, systems and data base of the Group or its suppliers, vendors and other service providers, could have an adverse effect on the Group's business, operations and reputation. Cyber attacks may cause equipment failures, loss or leakage of data, including personal data of customers or employees and technical and trade information, as well as disruptions to the Group's or its customers' operations. Corporate cyber attacks have increased in frequency, scale and severity in recent years. Further, the perpetrators of cyber attacks are not restricted to particular groups or persons. These attacks may be committed by company employees or external parties operating in any geography, including jurisdictions where law enforcement measures to address such attacks are unavailable or ineffective, and may even be launched by or at the behest of nation states. The measures deployed by the Group may not be able to prevent, eliminate or minimise the risks associated with cyber attacks.

Any operational impacts caused by cyber attacks to the networks, systems and data base of the Group or its suppliers, vendors and other service providers, even for a limited period of time, may result in costly remedial expenses and/or a loss of business. The costs required to remedy a major cyber attack on the Group could include expensive incentives to certain existing customers and business partners, increased expenditures on cyber security measures and the use of alternate resources. The Group may also suffer a loss of revenue owing to business interruption and claims from regulators and other third parties. The potential costs associated with these attacks could exceed the insurance coverage the Group maintains. In addition, a compromise of security or leakage of data, such as personal data and technical and trade information, could result in third party claims and/or regulatory claims or investigations. Any of these occurrences could damage the Group's reputation, adversely impact customer and investor confidence, and materially and adversely affect the Group's financial condition and results of operations.

Compliance with Data Protection Legislation

In the ordinary course of its operations, various members of the Group collect, store and use data that is protected by data protection laws in the different jurisdictions in which they operate. As regulatory focus on privacy issues continues to increase and worldwide laws and regulations concerning the handling of personal information expand and become more complex, potential risks related to data collection and use within the Group's business are expected to intensify. For example, the General Data Protection Regulation (EU) (2016/679) ("GDPR"), the UK GDPR (the UK's retained EU law version of the GDPR) and the United Kingdom's Data Protection Act 2018, which apply to Group companies in applicable jurisdictions, levy administrative penalties of up to 4 percent of Group global annual turnover in cases of significant non-compliance and direct liability for breach by data processors.

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

Retail Product Liability

The Group's retail operations may be subject to product liability claims if consumers are injured or otherwise harmed by the products purchased from them. Customers count on the Group's retail operations to provide them with safe products. Concerns regarding the safety of food and non-food products that are sourced from a wide variety of suppliers could cause shoppers to avoid purchasing certain products from the Group's retail operations, even if the basis for the concern may be outside of the Group's control. Claims, recalls or actions could be based on allegations that, among other things, the products sold by the retail operations are misbranded, contain contaminants or impermissible ingredients, provide inadequate instructions regarding their use or misuse, include inadequate warnings concerning flammability or interactions with other substances or in the case of any handset and other electrical devices that the retail operations sell, are not fit for purpose or pose a safety hazard. While the Group maintains product liability insurance coverage in amounts and with deductibles that the Group believes are prudent, there can be no assurance that the coverage will be applicable and adequate to cover all possible adverse outcomes of claims and legal proceedings against the Group. Any material shortfall in coverage may have an adverse impact on the results of the Group's retail operations. In addition, any lost confidence on the part of the Group's customers would be difficult and costly to re-establish. As such, any material issue regarding the safety of any food and non-food items that the Group sells, regardless of the cause, could materially and adversely affect the business, and results of the Group's retail operations.

UK's Exit from the EU

The UK left the EU on 31 January 2020. The Trade and Cooperation Agreement between the UK and the EU was signed on 30 December 2020 and entered into force on 1 May 2021. It sets out preferential arrangements in various aspects such as trade, security, areas on ongoing collaboration/cooperation and governance.

Brexit may continue to create uncertainty about the new economic and social partnership between the UK and the EU, and has impacted trade intensity, labour availability, supply chain, exchange rates and gross domestic product levels in the UK.

Past Performance and Forward Looking Statements

The performance and the results of the operations of the Group contained in the 2025 Annual Report are historical in nature, and past performance is no guarantee of the future results of the Group. Any forward-looking statements and opinions contained within the 2025 Annual Report are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in the 2025 Annual Report; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

Information on Directors

BIOGRAPHICAL DETAILS OF DIRECTORS

LI Tzar Kuoi, Victor

aged 61, has been a Director of the Company since December 2014. He was designated as Executive Director, Managing Director and Deputy Chairman of the Company in January 2015, re-designated as Executive Director, Group Co-Managing Director and Deputy Chairman of the Company in June 2015, appointed as Chairman of the Company in May 2018 and further re-designated as Chairman and Executive Director of the Company in April 2024. Mr Li has been a member of the Remuneration Committee and Nomination Committee of the Company since May 2018 and January 2019 respectively. In 1985, he joined Cheung Kong (Holdings) Limited (“Cheung Kong (Holdings)”)⁽¹⁾ and acted as Deputy Managing Director from 1993 to 1998. He was Deputy Chairman of Cheung Kong (Holdings) from 1994, Managing Director from 1999 and Chairman of the Executive Committee from 2013, all until June 2015. From 1995 to 2015, he was an Executive Director of Hutchison Whampoa Limited (“HWL”)⁽²⁾ and Deputy Chairman from 1999 to 2015. Mr Li is Chairman, Managing Director and Executive Director of CK Asset Holdings Limited (“CKA”), Chairman of CK Infrastructure Holdings Limited (“CKI”) and CK Life Sciences Int’l., (Holdings) Inc. (“CKLS”), a Non-executive Director of Power Assets Holdings Limited (“Power Assets”) and HK Electric Investments Manager Limited (“HKEIML”) as the trustee-manager of HK Electric Investments (“HKEI”), and a Non-executive Director and Deputy Chairman of HK Electric Investments Limited (“HKEIL”). Except CKA, the aforementioned companies are either subsidiaries or associated companies of the Group of which Mr Li has oversight as Director of the Company. Mr Li is also Deputy Chairman of Li Ka Shing Foundation Limited (“LKSF”) and Li Ka Shing (Global) Foundation, and 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. Mr Li is the elder son of Mr Li Ka-shing, the Senior Advisor and a substantial shareholder (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) of the Company, and a nephew of Mr Kam Hing Lam, Deputy Managing Director of the Company. Mr Li is a director of certain substantial shareholders of the Company and certain companies controlled by certain substantial shareholders of the Company. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Civil Engineering and a degree of Doctor of Laws, honoris causa (LL.D.).

FOK Kin Ning, Canning

aged 74, was appointed as a Non-executive Director of the Company in January 2015, re-designated as an Executive Director and Group Co-Managing Director of the Company in June 2015, and further re-designated as Deputy Chairman and Executive Director of the Company in April 2024. Mr Fok was a Director of Cheung Kong (Holdings) and acted as a Non-executive Director from 1993 to June 2015. He was an Executive Director of HWL from 1984 to 2015 and Group Managing Director from 1993 to 2015. He is in addition Chairman of Hutchison Telecommunications Hong Kong Holdings Limited (“HTHKH”), TPG Telecom Limited (“TPG”), HKEIML as the trustee-manager of HKEI, and HKEIL, Executive Chairman of CK Hutchison Group Telecom Holdings Limited, Deputy Chairman of CKI and Deputy President Commissioner of PT Indosat Tbk (“Indosat”). The aforementioned companies are either subsidiaries or associated companies of the Group of which Mr Fok has oversight as Director of the Company. Mr Fok is a director of certain companies controlled by certain substantial shareholders (within the meaning of Part XV of the SFO) of the Company. He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a Fellow of Chartered Accountants Australia and New Zealand.

Notes:

- (1) Cheung Kong (Holdings) was previously listed on The Stock Exchange of Hong Kong Limited (the “SEHK”) until its listing status was replaced by the Company in March 2015
- (2) HWL was previously listed on the SEHK until it was privatised in June 2015 and became a wholly-owned subsidiary of the Company

Frank John SIXT

aged 74, was appointed as a Non-executive Director of the Company in January 2015, re-designated as an Executive Director, Group Finance Director and Deputy Managing Director of the Company in June 2015 and further re-designated as Executive Director, Group Co-Managing Director and Group Finance Director of the Company in April 2024. He has been Chairman of the Sustainability Committee of the Company since June 2020. Mr Sixt was an Executive Director of Cheung Kong (Holdings) from 1991 and became a Non-executive Director in 1998 until June 2015. He was an Executive Director of HWL from 1991 to 2015 and Group Finance Director from 1998 to 2015. Mr Sixt is in addition Non-executive Chairman of TOM Group Limited ("TOM"), an Executive Director of CKI, a Director of Cenovus Energy Inc., a Non-executive Director of TPG and an Alternate Director to a Director of HKEIML as the trustee-manager of HKEI, and HKEIL. He was previously Chairman and an Alternate Director to a Director of Hutchison Telecommunications (Australia) Limited ("HTAL")⁽³⁾. The aforementioned companies are either subsidiaries or associated companies of the Group of which Mr Sixt has oversight as Director of the Company. He has over four decades of legal, global finance and risk management experience, and possesses deep expertise in overseeing financial reporting system, risk management and internal control systems as well as sustainability issues and related risks. Mr Sixt is a director of certain substantial shareholders (within the meaning of Part XV of the SFO) of the Company and certain companies controlled by certain substantial shareholders of the Company. He holds a Master's degree in Arts and a Bachelor's degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Québec and Ontario, Canada.

LAI Kai Ming, Dominic

aged 72, was appointed as an Executive Director and Deputy Managing Director of the Company in June 2015 and re-designated as Executive Director and Group Co-Managing Director of the Company in April 2024. Mr Lai has been Chairman of the AS Watson Group, the retail arm of the Group, since May 2024. Prior to that, he was Finance Director and Chief Operating Officer from 1994 to 1997 as well as Group Managing Director from 2007 to April 2024 of the AS Watson Group, Group Managing Director of the Harbour Plaza Hotel Management Group, the former hotel business of HWL, from 1998 to 2000, and an Executive Director of HWL from 2000 to 2015. Mr Lai is in addition Chairman of Hutchison Port Holdings Management Pte. Limited ("HPHM") as the trustee-manager of Hutchison Port Holdings Trust ("HPH Trust"), a Non-executive Director of HTHKH, a Commissioner of PT Duta Intidaya Tbk ("PTDI") and an Alternate Director to Directors of HTHKH and TOM. He was previously a Director and an Alternate Director to a Director of HTAL. The aforementioned companies are either subsidiaries or associated companies of the Group of which Mr Lai has oversight as Director of the Company. Mr Lai has over 40 years of management experience in different industries. He holds a Bachelor of Science (Hons) degree and a Master's degree in Business Administration.

IP Tak Chuen, Edmond

aged 73, has been a Director of the Company since December 2014 and was designated as an Executive Director and Deputy Managing Director of the Company in January 2015. He was an Executive Director of Cheung Kong (Holdings) from 1993 and Deputy Managing Director from 2005, both until June 2015. Mr Ip is in addition an Executive Director and Deputy Chairman of CKA and CKI, Senior Vice President and Chief Investment Officer of CKLS, and a Non-executive Director of Hui Xian Asset Management Limited ("HXAML") as the manager of Hui Xian Real Estate Investment Trust ("Hui Xian REIT"). Except CKA and HXAML, the aforementioned companies are either subsidiaries or associated companies of the Group of which Mr Ip has oversight as Director of the Company. He holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration.

KAM Hing Lam

aged 79, has been an Executive Director and Deputy Managing Director of the Company since January 2015. He was Deputy Managing Director of Cheung Kong (Holdings) and an Executive Director of HWL from 1993 to June 2015. He is in addition an Executive Director and Deputy Managing Director of CKA, Deputy Chairman and Co-Managing Director of CKI, President of CKLS and Chairman of HXAML as the manager of Hui Xian REIT. Except CKA and HXAML, the aforementioned companies are either subsidiaries or associated companies of the Group of which Mr Kam has oversight as Director of the Company. Prior to joining the Group, Mr Kam had more than 20 years of experience in senior and regional capacities at major US multinational companies, including Johnson and Johnson, American Express and Levi Strauss. He is the brother-in-law of Mr Li Ka-shing, the Senior Advisor and a substantial shareholder (within the meaning of Part XV of the SFO) of the Company, and an uncle of Mr Li Tzar Kuoi, Victor, Chairman of the Company. Mr Kam holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration.

Note:

- (3) HTAL was delisted from the Australian Securities Exchange at the close of trading on 25 July 2025 and changed its name to Hutchison Telecommunications (Australia) Pty Limited on 16 October 2025

Information on Directors

Edith SHIH

aged 74, has been an Executive Director of the Company since January 2017 and a member of the Sustainability Committee of the Company since June 2020. Ms Shih has been the Company Secretary of the Company since June 2015 and was the Head Group General Counsel of the Company from June 2015 to March 2017. Prior to that, Ms Shih was the Head Group General Counsel of HWL from 1993 to June 2015 and has been the Company Secretary of HWL since 1997. She has over 40 years of experience in the legal, regulatory, corporate finance, compliance and corporate governance fields. Ms Shih is in addition a Non-executive Director of HTHKH, HUTCHMED (China) Limited ("HUTCHMED") and HPHM as the trustee-manager of HPH Trust as well as a Commissioner of PTDI. The aforementioned companies are either subsidiaries or associated companies of the Group of which Ms Shih has oversight as Director of the Company. She holds a Bachelor of Science degree and a Master of Arts degree from the University of the Philippines as well as a Master of Arts degree and a Master of Education degree from Columbia University, New York. Ms Shih is a solicitor qualified in England and Wales, Hong Kong and Victoria, Australia and a Fellow of both The Chartered Governance Institute ("CGI") and The Hong Kong Chartered Governance Institute ("HKCGI"), holding Chartered Secretary and Chartered Governance Professional dual designations. Ms Shih is a past International President and current member of the Council of CGI, and a past President and current Honorary Adviser of HKCGI. Further, she is also Chairman of the Process Review Panel for the Accounting and Financial Reporting Council and Vice-Chairman of the Council of The Hong Kong University of Science and Technology.

Andrew John HUNTER

aged 67, has been an Executive Director of the Company since April 2024. He is in addition Chairman of Power Assets and Co-Managing Director of CKI. Mr Hunter acted as Chief Operating Officer of CKI from December 2006 to May 2010. Prior to the appointment to the board of Power Assets in 1999, he was Finance Director of the Hutchison Property Group. Mr Hunter has over 40 years of experience in accounting and financial management. He holds a Master of Arts degree and a Master's degree in Business Administration, and is a member of the Institute of Chartered Accountants of Scotland and of the Hong Kong Institute of Certified Public Accountants.

CHOW Kun Chee, Roland

aged 88, has been a Non-executive Director of the Company since January 2015. He was a Director of Cheung Kong (Holdings) from 1993 to June 2015, during which time he served as an Independent Non-executive Director prior to his re-designation as a Non-executive Director in September 2004. Mr Chow is a solicitor of the High Court of the Hong Kong Special Administrative Region and a consultant of Messrs Herbert Tsoi & Partners, Solicitors and Notaries. He is a director of certain substantial shareholders (within the meaning of Part XV of the SFO) of the Company and certain companies controlled by certain substantial shareholders of the Company. Mr Chow holds a Master of Laws degree from the University of London.

LEE Yeh Kwong, Charles

GBM, GBS, OBE, JP, aged 89, has been a Non-executive Director of the Company since January 2015. Mr Lee was a Director of Cheung Kong (Holdings) from August 1972 to March 1997 and a Non-executive Director of Cheung Kong (Holdings) and of HWL from January 2013 to June 2015. He is a Vice Patron of The Community Chest of Hong Kong, a member of the Board of Governors of Our Hong Kong Foundation and one of the founders and consultants of Woo Kwan Lee & Lo, a major law firm in Hong Kong. He was previously the President and Chairman of the Board of The Community Chest of Hong Kong. Mr Lee holds a Master's degree in law and is a qualified solicitor in both Hong Kong and the United Kingdom. He is also a Chartered Secretary and Chartered Governance Professional. Mr Lee was awarded the degree of Doctor of Laws honoris causa by The Hong Kong University of Science and Technology, the degree of Doctor of Business Administration honoris causa by The Hong Kong Polytechnic University and the degree of Doctor of Social Sciences honoris causa by the University of Hong Kong and The Hong Kong Metropolitan University respectively.

WOO Mo Fong, Susan (alias CHOW WOO Mo Fong, Susan)

aged 72, has been a Non-executive Director of the Company since January 2017. She was an Executive Director and Group Deputy Managing Director of the Company from June 2015 to July 2016, Senior Advisor of the Company from August 2016 to December 2016, Executive Director of HWL from 1993 to 2015 and Deputy Group Managing Director of HWL from 1998 to 2015. Prior to joining HWL, Mrs Chow was a partner of Woo Kwan Lee & Lo, a major law firm in Hong Kong. Mrs Chow is in addition an Independent Non-executive Director of Hong Kong Exchanges and Clearing Limited. She was previously a Director of HTAL and served as a member of the Listing Committee of the SEHK, the Joint Liaison Committee on Taxation of the Law Society of Hong Kong, the Committee on Real Estate Investment Trusts (the "REIT Committee") of the Securities and Futures Commission, the Trade and Industry Advisory Board, the Court of The Hong Kong University of Science and Technology and the Appeal Boards Panel (Education). Mrs Chow is a qualified solicitor and holds a Bachelor's degree in Business Administration.

CHOW Ching Yee, Cynthia

aged 62, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since December 2023, and a member of the Remuneration Committee of the Company since May 2024. She is in addition an Independent Non-executive Director of HTHKH. Ms Chow is the founder and Director of Discovery Mind Educational Organisation and Discovery Mind China responsible for their brand expansion and future development, with over 30 years of experience in the operation of schools in Hong Kong. Before starting her educational career, Ms Chow was an Assistant Vice President in the Private Banking Division of Citibank, Hong Kong from 1994 to 1996. She holds a Bachelor of Arts degree in Economics from Occidental College, U.S.A., and a Master's degree in Business Administration from Whittier College, U.S.A..

Graeme Allan JACK

aged 75, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since December 2024. He is in addition an Independent Non-executive Director of The Greenbrier Companies, Inc.. Mr Jack was an Independent Non-executive Director of COSCO SHIPPING Development Co., Ltd., HPHM as the trustee-manager of HPH Trust, and HUTCHMED. He retired as a partner of PricewaterhouseCoopers in 2006 after a distinguished career with the firm for over 33 years. Mr Jack has over 50 years of experience in finance and audit. He holds a Bachelor of Commerce degree from the University of New South Wales, Australia, and is a Fellow of the Hong Kong Institute of Certified Public Accountants and an Associate of Chartered Accountants Australia and New Zealand.

Philip Lawrence KADOORIE

aged 34, has been an Independent Non-executive Director of the Company since December 2022. He is in addition a Non-executive Deputy Chairman of The Hongkong and Shanghai Hotels, Limited, a Non-executive Director of CLP Holdings Limited, Chairman of Metrojet Limited and a Director of Sir Elly Kadoorie & Sons Limited and Heliservices (Hong Kong) Limited. Mr Kadoorie has substantial experience in the power generation, transmission and distribution industry in Hong Kong, Chinese Mainland, Australia, India and Southeast Asia as well as global market experience in the power industry, providing general perspectives on global economic trends and opportunities. He also possesses property industry experience. Mr Kadoorie holds a Bachelor of Science Degree in Communication from Boston University and a FAA Commercial Pilot's Licence.

LAU Yau Fun, Sophie (alias LEUNG LAU Yau Fun, Sophie)

GBS, SBS, OBE, JP, aged 80, has been an Independent Non-executive Director of the Company since December 2021 and a member of the Nomination Committee of the Company since August 2022. She was a member of the Legislative Council of the Hong Kong Special Administrative Region from 1996 to 2012, representing the textile and garment industry, and was a Deputy of the National People's Congress of the People's Republic of China from 2003 to 2017. Mrs Leung has been a director since the 1970s of a number of large textile conglomerates in Hong Kong with businesses extending globally. She is in addition a member of several key government and non-government organisations and institutes that support and enhance the development of the textile and garment industry in Hong Kong and Southern China. Mrs Leung is widely recognised for her public service contributions to the development and implementation of the health care system in Hong Kong. She was a founding member of the Hospital Authority and is the Co-Chairperson of the Clinical Governance Committee of HKSH Medical Group. Mrs Leung was a member of the Accounting and Financial Reporting Council of Hong Kong from its establishment in 2006 to 2012. She is the founder and Chairperson of The Young Entrepreneurs Development Council, the Honorary President and founding member of the Hong Kong Federation of Women and the Honorary Consul of Grand Duchy of Luxembourg in Hong Kong. Mrs Leung has always been focused on corporate governance and co-founded The Hong Kong Institute of Directors in 1997 to nurture directors of companies listed on the SEHK. She was also the founding Chairperson of the Women's Commission in early 2001 and Vice-Chairperson of the United Nations Children's Fund (UNICEF) in Hong Kong. Mrs Leung holds a Bachelor of Mathematics and Computer Science degree from the University of Illinois. She was conferred Honorary University Fellowships by The Hong Kong Metropolitan University and Lingnan University, Hong Kong.

Paul Joseph TIGHE

aged 69, has been an Independent Non-executive Director of the Company since December 2020, a member of the Audit Committee of the Company since May 2021 and Chairman of the Nomination Committee of the Company since May 2024. He is in addition an Independent Non-executive Director of CKI and CKLS. He has over 35 years of experience in government and public policy, and has held various positions at the headquarters of the Department of Foreign Affairs and Trade in Canberra, Australia, 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. Mr Tighe previously worked in, among others, the Secretariat of, and served as Counsellor to, the Organisation for Economic Co-operation and Development in Paris. He holds a Bachelor of Science degree from the University of New South Wales, Australia.

Information on Directors

TSIM Sin Ling, Ruth

aged 69, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since January 2024, and a member of the Sustainability Committee of the Company since May 2024. Ms Tsim has over three decades of business and professional experience in public accounting firm and across different industries in the commercial sector with roles in financial controllership. She has extensive experience in risk management, internal audit and controls as well as financial management, analysis and reporting. Ms Tsim was a Non-executive Director of HPHM as the trustee-manager of HPH Trust from 2017 to 2021 and a Non-independent Non-executive Director of Westports Holdings Berhad from 2015 to 2021. She held various roles in finance and accounting in the Hutchison Ports group from 2001 and became Group Chief Financial Officer of Hutchison Port Holdings Limited, a subsidiary of the Company, in 2014, prior to her retirement in January 2022. She is a Fellow of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales, and a member of the Chartered Professional Accountants of British Columbia in Canada. Ms Tsim holds a Master of Business Administration degree from The Chinese University of Hong Kong.

WONG Kwai Lam

aged 76, has been an Independent Non-executive Director of the Company since May 2020, a member and Chairman of the Audit Committee of the Company since May 2020 and August 2022 respectively, and a member and Chairman of the Remuneration Committee of the Company since May 2020 and May 2024 respectively. Mr Wong is in addition an Independent Non-executive Director of ESR Asset Management (Prosperity) Limited as manager of Prosperity Real Estate Investment Trust, K. Wah International Holdings Limited, LHIL Manager Limited as the trustee-manager of Langham Hospitality Investments, and Langham Hospitality Investments Limited. He has over 30 years of experience in the commercial and investment banking industry. Mr Wong worked with Merrill Lynch (Asia Pacific) Limited ("Merrill Lynch") from May 1993 to August 2009 where he served as a Managing Director in the Asia Investment Banking Division from January 1995. He was appointed as a Senior Client Advisor to Merrill Lynch in September 2009 and served in that position for one year. Prior to joining Merrill Lynch, Mr Wong had been a Director in the Investment Banking Division of CS First Boston (Hong Kong) Limited and a Director and the Head of Primary Market in Standard Chartered Asia Limited. Mr Wong is currently Chairman of IncitAdv Consultants Limited and Hong Kong Grand Opera Company Limited, Vice Chairman of the Board of Trustees and a member of the Investment Sub-committee of the Board of Trustees of New Asia College of The Chinese University of Hong Kong and Advisor of The Chamber of Hong Kong Listed Companies. He is a former member of the Advisory Committee and the REIT Committee of the Securities and Futures Commission in Hong Kong and was a Director of CUHK Medical Centre Limited. Mr Wong holds a Bachelor of Arts degree and a PhD degree.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51(B)(1) of the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules"), the changes in information of Directors of the Company, as notified to the Company, subsequent to the date of the 2025 interim report are set out below:

Directors	Details of Changes
Fok Kin Ning, Canning	Ceased to be a member of the Remuneration Committee of HTHKH ⁽¹⁾ on 8 December 2025
Frank John Sixt	Ceased to be the Chairman and a member of Governance, Nomination & Compensation Committee of HTAL ⁽²⁾ on 29 August 2025 Resigned as Chairman and a Director, and ceased to be an Alternate Director to Mr Dominic Lai of HTAL on 31 August 2025 Ceased to be a member of the Nomination Committee of TOM ⁽¹⁾ on 1 September 2025
Lai Kai Ming, Dominic	Ceased to be a member of Audit & Risk Committee and Governance, Nomination & Compensation Committee of HTAL on 29 August 2025 Resigned as a Director and ceased to be an Alternate Director to Mr Frank Sixt of HTAL on 31 August 2025 Appointed as a member of the Remuneration Committee of HTHKH on 8 December 2025
Ip Tak Chuen, Edmond	Re-designated from Chairman to member of Sustainability Committee of CKA ⁽¹⁾ , CKI ⁽³⁾ and CKLS ⁽¹⁾ on 1 November 2025
Kam Hing Lam	Re-designated as Deputy Chairman and Co-Managing Director of CKI on 1 January 2026
Andrew John Hunter	Re-designated as Co-Managing Director of CKI on 1 January 2026
Chow Woo Mo Fong, Susan	Resigned as a Director of HTAL on 31 August 2025
Philip Lawrence Kadoorie	Appointed as Chairman of Metrojet Limited on 23 May 2025
Paul Joseph Tighe	Appointed as Chairman of the Sustainability Committee of CKI and CKLS on 1 November 2025
Wong Kwai Lam	Retired as a Director of CUHK Medical Centre Limited on 27 March 2026

Notes:

- (1) A company the shares of which are listed on the SEHK
- (2) A company the shares of which were previously listed on the Australian Securities Exchange
- (3) A company the shares of which are listed on the SEHK and the London Stock Exchange

In respect of the change in emoluments of Directors, please refer to note 7 to the financial statements on pages 196 to 199.

Information on Directors

INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF DIRECTORS AND CHIEF EXECUTIVES

As at 31 December 2025, the interests and 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 SFO which were notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the "CKHH Securities Code") were as follows:

(I) Interests and short positions in the shares, underlying shares and debentures of the Company

Long positions in the shares of the Company

Directors	Capacity	Nature of Interests	Number of Shares Held	Total	Approximate % of Shareholding ⁽⁷⁾
Li Tzar Kuoi, Victor	Beneficiary of trusts	Other interest	1,162,632,010 ⁽¹⁾		
)		
	Beneficial owner	Personal interest	220,000		
)		
	Interest of controlled corporations	Corporate interest	2,572,350 ⁽²⁾		
)		
	Interest of spouse	Family interest	200,000		
)		
	Interest of child	Family interest	205,200 ⁽³⁾	1,165,829,560	30.4390%
Fok Kin Ning, Canning	Interest of a controlled corporation	Corporate interest	6,011,438 ⁽⁴⁾	6,011,438	0.1569%
Frank John Sixt	Beneficial owner	Personal interest	166,800	166,800	0.0043%
Lai Kai Ming, Dominic	Beneficial owner	Personal interest	34,200	34,200	0.0008%
Kam Hing Lam	Beneficial owner	Personal interest	51,040		
)		
	Interest of child	Family interest	57,360	108,400	0.0028%
Edith Shih	Beneficial owner	Personal interest	187,125		
)		
	Interest of spouse	Family interest	5,062	192,187	0.0050%
Chow Kun Chee, Roland	Beneficial owner	Personal interest	99,752	99,752	0.0026%
Chow Woo Mo Fong, Susan	Beneficial owner	Personal interest	129,960	129,960	0.0033%
Lee Yeh Kwong, Charles	Beneficial owner	Personal interest	862,124		
)		
	Interest of spouse	Family interest	37,620		
)		
	Interest of a controlled corporation	Corporate interest	6,840 ⁽⁵⁾	906,584	0.0236%
)		

Directors	Capacity	Nature of Interests	Number of Shares Held	Total	Approximate % of Shareholding ⁽⁷⁾
Philip Lawrence Kadoorie	Beneficiary of a discretionary trust	Other interest	7,380,860 ⁽⁶⁾	7,380,860	0.1927%
Leung Lau Yau Fun, Sophie	Beneficial owner	Personal interest	10,000)		
	Interest of spouse	Family interest	1,000)	11,000	0.0002%

Notes:

(1) The 1,162,632,010 shares of the Company comprise:

- (a) 1,005,817,044 shares held by Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-Shing Unity Trust ("UT1") and its related companies in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT1 related companies"). Mr Li Ka-shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust ("DT1") and another discretionary trust ("DT2"). Each of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1", which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited ("TDT2", which is the trustee of DT2) holds units in UT1 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children, and Mr Li Tzar Kai, Richard.

The entire issued share capital of TUT1, TDT1 and TDT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Unity Holdco or any of Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as aforesaid.

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

- (b) 72,387,720 shares held by Li Ka-Shing Castle Trustee Company Limited ("TUT3") as trustee of The Li Ka-Shing Castle Trust ("UT3") and its related companies in which TUT3 as trustee of UT3 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT3 related companies"). Mr Li Ka-shing is the settlor of each of the two discretionary trusts ("DT3" and "DT4"). Each of Li Ka-Shing Castle Trustee Corporation Limited ("TDT3", which is the trustee of DT3) and Li Ka-Shing Castle Trustcorp Limited ("TDT4", which is the trustee of DT4) holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children, and Mr Li Tzar Kai, Richard.

The entire issued share capital of TUT3, TDT3 and TDT4 are owned by Li Ka-Shing Castle Holdings Limited ("Castle Holdco"). Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Castle Holdco. TUT3 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Castle Holdco or any of Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor as a holder of the shares of Castle Holdco as aforesaid.

As Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT3 and DT4, and by virtue of the above, Mr Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said shares of the Company held by TUT3 as trustee of UT3 and TUT3 related companies under the SFO as a Director of the Company.

- (c) 84,427,246 shares held by a company controlled by TDT3 as trustee of DT3.

Information on Directors

- (2) Among those shares,
 - (a) 2,272,350 shares are held by certain companies of which Mr Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.
 - (b) 300,000 shares are held by LKSF. By virtue of the terms of the constituent documents of LKSF, Mr Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at its general meetings.
- (3) Such shares are held by a company in which a child of Mr Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings.
- (4) Such shares are held by a company which is equally controlled by Mr Fok Kin Ning, Canning and his spouse.
- (5) Such shares are held by a company of which Mr Lee Yeh Kwong, Charles is interested in the entire issued share capital.
- (6) Such shares are ultimately held by a discretionary trust of which Mr Philip Lawrence Kadoorie is one of the discretionary beneficiaries.
- (7) The percentages of shareholding in this table were computed based on the number of issued shares of the Company as at 31 December 2025, being 3,830,044,500 shares. As at 31 December 2025, the Company did not hold any treasury shares.

(II) Interests and short positions in the shares, underlying shares and debentures of the associated corporations of the Company

Long positions in the shares, underlying shares and debentures of the associated corporations of the Company

As at 31 December 2025, Mr Li Tzar Kuoi, Victor, as a Director of the Company, was deemed to be interested in the following by virtue of, inter alia, his interests as described in Note (1) above:

- (i) 5,428,000 ordinary shares, representing approximately 0.21% of the issued voting shares, in CKI held by TUT1 as trustee of UT1;
- (ii) 53,604,826 ordinary shares, representing approximately 1.11% of the issued voting shares, in HTHKH of which 53,451,546 ordinary shares are held by TUT1 as trustee of UT1 and its related company in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings, and 153,280 ordinary shares are held by TUT3 as trustee of UT3;
- (iii) 15,000,000 ordinary shares, representing approximately 15% of the issued voting shares, in Beautiland Company Limited held by a wholly owned subsidiary of TUT1 as trustee of UT1; and
- (iv) 2,700,000 share stapled units, representing approximately 0.03% of the issued voting share stapled units, in HKEI and HKEIL held by TUT1 as trustee of UT1.

As at 31 December 2025, Mr Li Tzar Kuoi, Victor was also deemed to be interested in (i) 5,170,000 share stapled units, representing approximately 0.05% of the issued voting share stapled units, in HKEI and HKEIL held by LKSF; (ii) 2,835,759,715 ordinary shares, representing approximately 29.50% of the issued voting shares, in CKLS held by certain wholly owned subsidiaries of LKSF; and (iii) 350,527,953 ordinary shares, representing approximately 7.27% of the issued voting shares, in HTHKH held by LKSF. By virtue of the terms of the constituent documents of LKSF, Mr Li may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at its general meetings.

In addition, Mr Li Tzar Kuoi, Victor had, as at 31 December 2025, the following interests:

- (i) personal interests in 2,250,000 ordinary shares, representing approximately 0.02% of the issued voting shares, in CKLS held in his capacity as a beneficial owner;
- (ii) family interests in (a) 192,000 ordinary shares, representing approximately 0.003% of the issued voting shares, in HTHKH held by a company of which his child is entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings; and (b) 227,000 ordinary shares, representing approximately 0.009% of the issued voting shares, in CKI held by his spouse; and

- (iii) corporate interests in (a) 2,519,250 ordinary shares, representing approximately 0.05% of the issued voting shares, in HTHKH; and (b) a nominal amount of US\$10,000,000 in the 4.20% Guaranteed Perpetual Capital Securities issued by Cheung Kong Infrastructure Finance (BVI) Limited, which are held by companies of which Mr Li is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.

Mr Fok Kin Ning, Canning had, as at 31 December 2025, the following interests:

- (i) family interests in 267,400 ordinary shares, representing approximately 0.03% of the issued voting shares, in HUTCHMED held by his spouse;
- (ii) corporate interests in 1,202,380 ordinary shares, representing approximately 0.02% of the issued voting shares, in HTHKH;
- (iii) corporate interests in 2,000,000 share stapled units, representing approximately 0.02% of the issued voting share stapled units, in HKEI and HKEIL; and
- (iv) corporate interests in 1,500,000 ordinary shares, representing approximately 0.01% of the issued voting shares, in CKLS.

Mr Fok Kin Ning, Canning holds the above corporate interests through a company which is equally controlled by Mr Fok and his spouse.

Mr Frank John Sixt in his capacity as a beneficial owner had, as at 31 December 2025, personal interests in (i) 255,000 ordinary shares, representing approximately 0.005% of the issued voting shares, in HTHKH; (ii) 900,000 ordinary shares, representing approximately 0.009% of the issued voting shares, in CKLS; and (iii) 492,000 ordinary shares, representing approximately 0.01% of the issued voting shares, in TOM.

Mr Ip Tak Chuen, Edmond in his capacity as a beneficial owner had, as at 31 December 2025, personal interests in 2,250,000 ordinary shares, representing approximately 0.02% of the issued voting shares, in CKLS.

Mr Kam Hing Lam had, as at 31 December 2025, the following interests:

- (i) personal interests in 100,000 ordinary shares, representing approximately 0.003% of the issued voting shares, in CKI held in his capacity as a beneficial owner; and
- (ii) family interests in (a) 100,000 ordinary shares, representing approximately 0.004% of the issued voting shares, in Power Assets; (b) 1,025,000 share stapled units, representing approximately 0.01% of the issued voting share stapled units, in HKEI and HKEIL; and (c) 3,925,000 ordinary shares, representing approximately 0.04% of the issued voting shares, in CKLS held by his child.

Ms Edith Shih in her capacity as a beneficial owner had, as at 31 December 2025, personal interests in (i) 700,000 ordinary shares and 100,000 American depositary shares (each representing five ordinary shares), in aggregate representing approximately 0.13% of the issued voting shares, in HUTCHMED; and (ii) a nominal amount of US\$400,000 in the 4.750% Guaranteed Notes due 2034 issued by CK Hutchison International (24) (II) Limited.

Mr Chow Kun Chee, Roland in his capacity as a beneficial owner had, as at 31 December 2025, personal interests in (i) 10,000 ordinary shares, representing approximately 0.0003% of the issued voting shares, in CKI; (ii) 903,936 ordinary shares, representing approximately 0.009% of the issued voting shares, in CKLS; (iii) 134,918 ordinary shares, representing approximately 0.006% of the issued voting shares, in Power Assets; (iv) 582,000 ordinary shares, representing approximately 0.01% of the issued voting shares, in TOM; and (v) 33,730 share stapled units, representing approximately 0.0003% of the issued voting share stapled units, in HKEI and HKEIL.

Information on Directors

Mrs Chow Woo Mo Fong, Susan in her capacity as a beneficial owner had, as at 31 December 2025, personal interests in 250,000 ordinary shares, representing approximately 0.005% of the issued voting shares, in HTHKH.

Mr Lee Yeh Kwong, Charles had, as at 31 December 2025, the following interests:

- (i) personal interests in 100,000 ordinary shares, representing approximately 0.003% of the issued voting shares, in CKI held in his capacity as a beneficial owner;
- (ii) 247,000 ordinary shares, representing approximately 0.01% of the issued voting shares, in Power Assets comprising corporate interests in 100,000 ordinary shares held through a company of which Mr Lee is interested in the entire issued share capital and family interests in 147,000 ordinary shares held by his spouse; and
- (iii) corporate interests in 25,000 share stapled units, representing approximately 0.0002% of the issued voting share stapled units, in HKEI and HKEIL held through a company of which Mr Lee is interested in the entire issued share capital.

Mr Graeme Allan Jack in his capacity as a beneficial owner had, as at 31 December 2025, personal interests in 15,401 American depositary shares (each representing five ordinary shares), representing approximately 0.008% of the issued voting shares, in HUTCHMED.

Mrs Leung Lau Yau Fun, Sophie had, as at 31 December 2025, the following interests:

- (i) personal interests in 6,000 ordinary shares, representing approximately 0.0001% of the issued voting shares, in TOM held in her capacity as a beneficial owner;
- (ii) family interests in 2,400 ordinary shares, representing approximately 0.00002% of the issued voting shares, in CKLS held by her spouse; and
- (iii) corporate interests in (a) 100,000 share stapled units, representing approximately 0.001% of the issued voting share stapled units, in HKEI and HKEIL; (b) 200,000 ordinary shares, representing approximately 0.009% of the issued voting shares, in Power Assets; and (c) a nominal amount of US\$1,000,000 in the 7.5% Notes due 2027 issued by Hutchison Whampoa Finance (CI) Limited, which are held by a company (as trustee of a charitable trust) of which Mrs Leung is interested in one-third of the issued share capital.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executives of the Company and their respective associates had any interest or short position 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) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the SEHK pursuant to the CKHH Securities Code.

Certain Directors held qualifying shares in certain subsidiaries of the Company on trust for other subsidiaries.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2025, the following Directors of the Company had interests in the following businesses (apart from the businesses of the Company or its subsidiaries) conducted through the companies named below, their subsidiaries, associated companies or other investment forms which are considered to compete or be likely to compete, either directly or indirectly, with the core businesses of the Company or its subsidiaries conducted during the year required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules:

Core business activities of the Company and its subsidiaries:

- (1) Ports and related services
- (2) Retail
- (3) Infrastructure
- (4) Telecommunications

Interests in Competing Business:

Directors	Name of Company/ Partnership/ Sole Proprietorship	Interest in the Competing Business	Nature of Competing Business
Victor T K Li	CKA	Chairman and Managing Director	(3)
	CKLS	Chairman	(2)
	HKEIML as trustee-manager of HKEI, and HKEIL	Deputy Chairman of HKEIL and Non-executive Director of both HKEIML and HKEIL	(3)
	Power Assets	Non-executive Director	(3)
Fok Kin Ning, Canning	HKEIML as trustee-manager of HKEI, and HKEIL	Chairman	(3)
	Indosat	Deputy President Commissioner	(4)
	TPG	Chairman	(4)
Frank John Sixt	HKEIML as trustee-manager of HKEI, and HKEIL	Alternate Director	(3)
	TOM	Non-executive Chairman	(4)
	TPG	Non-executive Director	(4)
Lai Kai Ming, Dominic	HPHM as trustee-manager of HPH Trust	Chairman	(1)
	TOM	Alternate Director	(4)

Information on Directors

Directors	Name of Company/ Partnership/ Sole Proprietorship	Interest in the Competing Business	Nature of Competing Business
Ip Tak Chuen, Edmond	CKA	Deputy Chairman	(3)
	CKLS	Senior Vice President and Chief Investment Officer	(2)
Kam Hing Lam	CKA	Deputy Managing Director	(3)
	CKLS	President	(2)
Edith Shih	HPHM as trustee-manager of HPH Trust	Non-executive Director	(1)
Andrew John Hunter	Power Assets	Chairman	(3)

Save as disclosed above, none of the Directors is interested in any businesses (apart from the businesses of the Company or its subsidiaries) which compete or are likely to compete, either directly or indirectly, with the core businesses of the Company or its subsidiaries during the year.

Information on Senior Management

BIOGRAPHICAL DETAILS OF SENIOR MANAGEMENT

The Company is engaged in four core businesses, each with a managing director who oversees the operations of the relevant business, with his own team of executives, under the guidance of the Board and supported by executives from the head office of the Company. The senior management of the Company comprises the chairmen, deputy chairmen, president, managing directors and chief executive officers of these core businesses and the executives in charge of major head office functions of the Company.

CHEUNG Kwan Hoi

aged 61, has been Group Chief Financial Officer of the Company since May 2024. He acted as Group Deputy Chief Financial Officer from June 2015 to April 2024 and Group Corporate Development Director from January 2023 to April 2024. Mr Cheung was the Group Deputy Chief Financial Officer of Hutchison Whampoa Limited (“HWL”⁽¹⁾) from 2011 to 2015. He has been with the CK Hutchison Holdings Limited group (the “Group”) for over 28 years in various finance and accounting roles and has over 37 years of experience in accounting and finance. Mr Cheung is a Commissioner of PT Indosat Tbk. He holds a Bachelor of Science degree in Mathematics and a Master of Science degree in Management Science. He is a member of both the Institute of Chartered Accountants in England & Wales and the Hong Kong Institute of Certified Public Accountants.

IP Sing Chi

aged 72, has been Group Managing Director of Hutchison Port Holdings Limited, the Company’s ports division, since 2014 and has been with the Group since 1993. He is an Executive Director of Hutchison Port Holdings Management Pte. Limited (“HPHM”) as trustee-manager of Hutchison Port Holdings Trust (“HPH Trust”). He is also a Non-independent Non-executive Director of Westports Holdings Berhad and a Non-executive Director of Orient Overseas (International) Limited and COSCO SHIPPING Development Co., Ltd.. In addition, Mr Ip was a member of the Hong Kong Port Development Council from 2009 until the end of December 2014 and was the founding Chairman (in 2000-2001) of the Hong Kong Container Terminal Operators Association Limited. He has over 45 years of experience in the maritime industry. He holds a Bachelor of Arts degree.

KAM Hing Lam

aged 79, has been an Executive Director and Deputy Managing Director of the Company since January 2015. He is the Deputy Chairman of CK Infrastructure Holdings Limited, the infrastructure arm of the Company, and the founding President of CK Life Sciences Int’l, (Holdings) Inc., the agriculture-related/nutraceutical/pharmaceutical business of the Company. Mr Kam was Deputy Managing Director of Cheung Kong (Holdings) Limited⁽²⁾ from 1993 to June 2015. He was an Executive Director of HWL from 1993 to 2015. Mr Kam is in addition an Executive Director and a Deputy Managing Director of CK Asset Holdings Limited (“CKA”) and the Chairman and a Non-executive Director of Hui Xian Asset Management Limited (“HXAML”) as the manager of Hui Xian Real Estate Investment Trust. Except CKA and HXAML, the aforementioned companies are either subsidiaries or associated companies of the Group of which Mr Kam has oversight as Director of the Company. Prior to joining the Group, Mr Kam had more than 20 years of experience in senior and regional capacities at major US multinational companies, including Johnson and Johnson, American Express and Levi Strauss. He is the brother-in-law of Mr Li Ka-shing, the Senior Advisor and a substantial shareholder (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) of the Company, and an uncle of Mr Li Tzar Kuoi, Victor, Chairman of the Company. Mr Kam holds a Bachelor of Science degree in Engineering and a Master’s degree in Business Administration.

Notes:

- (1) Previously listed on The Stock Exchange of Hong Kong Limited (the “SEHK”) until it was privatised in June 2015 and became a wholly-owned subsidiary of the Company
- (2) Previously listed on the SEHK until its listing status was replaced by the Company in March 2015

Information on Senior Management

LAI Kai Ming, Dominic

aged 72, was appointed as an Executive Director and Deputy Managing Director of the Company in June 2015 and re-designated as Executive Director and Group Co-Managing Director of the Company in April 2024. Mr Lai has been Chairman of the AS Watson Group, the retail arm of the Group, since May 2024. Prior to that, he was Finance Director and Chief Operating Officer from 1994 to 1997 as well as Group Managing Director from 2007 to April 2024 of the AS Watson Group, Group Managing Director of the Harbour Plaza Hotel Management Group, the former hotel business of HWL, from 1998 to 2000, and an Executive Director of HWL from 2000 to 2015. Mr Lai is in addition Chairman of HPHM as the trustee-manager of HPH Trust, a Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited (“HTHKH”), a Commissioner of PT Duta Intidaya Tbk (“PTDI”) and an Alternate Director to a director of HTHKH and TOM Group Limited. The aforementioned companies are either subsidiaries or associated companies of the Group of which Mr Lai has oversight as Director of the Company. He has been with the Group for over 30 years and has over 40 years of management experience in different industries. Mr Lai holds a Bachelor of Science (Hons) degree and a Master’s degree in Business Administration.

LUI Pok Man, Dennis

aged 75, heads the operations of the Hutchison Asia Telecommunications group comprising its telecommunications business in Asia and assists to oversee telecommunications operations of the Group in Europe. He first joined the Group in 1986 and has been with the telecommunications arm of the Company for over 39 years in various positions in a number of countries. Mr Lui is Executive Deputy Chairman of HTHKH. He has over 40 years of experience in the telecommunications industry. He holds a Bachelor of Science degree.

John Lyon MULCAHY

aged 70, has been Group Treasurer of the Company since June 2015 and was the Group Treasurer of HWL from January 2015 to June 2015. He has been with the Group since 2000 as Deputy Group Treasurer of HWL and has over 47 years of experience in banking and finance. He holds a Bachelor of Science degree in International Politics and a Master’s degree in Business Administration.

NGAI Man Lin, Malina

aged 55, was appointed as Group Chief Executive Officer of the AS Watson Group in May 2024. She was Group Chief Operating Officer of the AS Watson Group from 2013 to 2024 and Chief Executive Officer of AS Watson (Asia & Europe) from 2019 to 2024. Ms Ngai joined HWL in 2000, with Hutchison Port Holdings and HWL head office prior to joining AS Watson, and has been with the Group for 26 years. Ms Ngai is active in public service and is currently a Council member of Baptist University of Hong Kong and a non-official member of the Correctional Services Department Complaints Appeal Board. She was a member of the Minimum Wage Commission, Human Resources Planning Commission, Environmental Campaign Committee, and Advisory Committee on Admission of Quality Migrants and Professionals. She holds a Doctorate and a Master’s degree in Business Administration, a Master of Science degree in Finance and a Bachelor of Arts degree in Sports Administration. Ms Ngai was a competitive athlete and won a bronze medal for Hong Kong at the 1994 Asian Games.

Edith SHIH

aged 74, has been an Executive Director of the Company since January 2017 and a member of the Sustainability Committee of the Company since June 2020. Ms Shih has been the Company Secretary of the Company since June 2015 and was the Head Group General Counsel of the Company from June 2015 to March 2017, overseeing legal, regulatory, corporate finance, compliance and corporate governance affairs of the Group. Prior to that, Ms Shih was the Head Group General Counsel of HWL from 1993 to June 2015 and has been the Company Secretary of HWL since 1997. She has been with the Group for over 35 years and has over 40 years of experience in the legal, regulatory, corporate finance, compliance and corporate governance fields. Ms Shih is in addition a Non-executive Director of HTHKH, HUTCHMED (China) Limited and HPHM as the trustee-manager of HPH Trust as well as a Commissioner of PTDI. The aforementioned companies are either subsidiaries or associated companies of the Group of which Ms Shih has oversight as Director of the Company. She holds a Bachelor of Science degree, Master of Arts degrees and a Master of Education degree. Ms Shih is a solicitor qualified in England and Wales, Hong Kong and Victoria, Australia and a Fellow of both The Chartered Governance Institute (“CGI”) and The Hong Kong Chartered Governance Institute (“HKCGI”), holding Chartered Secretary and Chartered Governance Professional dual designations. Ms Shih is a past International President and current member of the Council of CGI, and a past President and current Honorary Adviser of HKCGI. Further, she is also Chairman of the Process Review Panel for the Accounting and Financial Reporting Council and Vice-Chairman of the Council of The Hong Kong University of Science and Technology.

Directors' Report

The Directors have pleasure in presenting to shareholders their report and the audited financial statements for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the activities of its principal subsidiary and associated companies and joint ventures are shown on pages 343 to 346.

BUSINESS REVIEW

A fair review of the business of the Group as required under Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), comprising a discussion and analysis of the performance of the Group during the year, a description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year 2025 (if any) as well as an indication of likely future development in the business of the Group are provided in the sections "Chairman's Statement", "Operations Review", "Analyses of Core Business Segments by Geographical Location", "Analyses by Core Business Segments", "Key Financial Information" and "Business Highlights" on pages 4 to 51 and "Risk Factors" on pages 58 to 65 of this annual report. Discussions on the environmental policies and performance of the Group, its compliance with the relevant laws and regulations that have a significant impact on the Group as well as an account of the Group's key relationships with its stakeholders that have a significant impact on the Group and on which the Group's success depends, are provided on pages 110 and 120 to 126 of the "Corporate Governance Report". All such discussions form part of this report.

GROUP PROFIT

The Consolidated Income Statement is set out on page 132 and shows the Group profit for the year ended 31 December 2025.

DIVIDENDS

An interim dividend of HK\$0.71 per share for the first half of 2025 was paid to shareholders in late September 2025.

The Directors recommended the declaration of a final dividend of HK\$1.602 per share payable on Thursday, 11 June 2026 to shareholders (except for holders of treasury shares) whose names appear on the Register of Members of the Company at the close of business on Thursday, 28 May 2026, being the record date for determining the entitlement of shareholders to the proposed final dividend. As at the date of this report, there are no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

RESERVES

Movements in the reserves of the Company and the Group during the year are set out in note 33 to the financial statements on pages 256 to 259 and the Consolidated Statement of Changes in Equity on pages 136 to 138 respectively.

CHARITABLE DONATIONS

Donations to charitable organisations by the Group during the year amounted to approximately HK\$50 million (2024: approximately HK\$40 million).

FIXED ASSETS

Particulars of the movements of fixed assets are set out in note 13 to the financial statements on pages 206 and 207.

Directors' Report

SHARE CAPITAL

Details of the shares movement during the year are set out in note 32 to the financial statements on page 254.

DIRECTORS

As at the date of this report, the board of Directors of the Company (the "Board") is set out below:

Executive Directors

Mr LI Tzar Kuoi, Victor (*Chairman*)
Mr FOK Kin Ning, Canning (*Deputy Chairman*)
Mr Frank John SIXT (*Group Co-Managing Director and Group Finance Director*)
Mr LAI Kai Ming, Dominic (*Group Co-Managing Director*)
Mr IP Tak Chuen, Edmond (*Deputy Managing Director*)
Mr KAM Hing Lam (*Deputy Managing Director*)
Ms Edith SHIH
Mr Andrew John HUNTER

Non-executive Directors

Mr CHOW Kun Chee, Roland
Mrs CHOW WOO Mo Fong, Susan
Mr LEE Yeh Kwong, Charles

Independent Non-executive Directors

Ms CHOW Ching Yee, Cynthia
Mr Graeme Allan JACK
Mr Philip Lawrence KADOORIE
Mrs LEUNG LAU Yau Fun, Sophie
Mr Paul Joseph TIGHE
Ms TSIM Sin Ling, Ruth
Mr WONG Kwai Lam

On 21 March 2025, Mr George Colin Magnus retired as a Non-executive Director.

Mr George Colin Magnus has no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.

Messrs Fok Kin Ning, Canning, Lai Kai Ming, Dominic, Andrew John Hunter, Lee Yeh Kwong, Charles, Paul Joseph Tighe and Wong Kwai Lam will retire by rotation at the forthcoming annual general meeting of the Company (the "2026 AGM") pursuant to Article 111(A) of the Articles of Association of the Company. Mr Lee Yeh Kwong, Charles will not be seeking re-election at the 2026 AGM while all other retiring Directors, being eligible, will offer themselves for re-election. Details regarding the re-election of Directors are set out in the circular to shareholders sent together with this annual report.

Mr Chow Kun Chee, Roland will retire as a Non-executive Director with effect from the conclusion of the 2026 AGM.

The Company has received a written confirmation from each Independent Non-executive Director confirming his/her independence as regards the criteria under Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and considers all the Independent Non-executive Directors to be independent. Please also see page 95 of the "Corporate Governance Report" for assessment by the Company in this regard.

Biographical details of the Directors are set out in the "Information on Directors" section of this annual report.

DIRECTORS' SERVICE CONTRACT

None of the Directors who are proposed for re-election at the 2026 AGM has a service contract with the Company not terminable by the Company within one year without payment of compensation (other than statutory compensation).

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year or at the end of the year was the Company or its subsidiary a party to any arrangements which enabled any Director to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or of any other body corporate.

DIRECTORS' MATERIAL INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There were no transactions, arrangements or contracts that are significant in relation to the businesses of the Company and its subsidiaries to which the Company or any of its subsidiary was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

As announced by the Company on 26 February 2026 in compliance with Chapter 14A of the Listing Rules, after trading hours on 25 February 2026 and before trading hours on 26 February 2026 in Hong Kong, London and Paris, CKI Number 1 Limited ("CKI Sub", an indirect wholly-owned subsidiary of CK Infrastructure Holdings Limited ("CKI")), Devin International Limited ("PAH Sub", an indirect wholly-owned subsidiary of Power Assets Holdings Limited ("PAH")), Eagle Insight International Limited ("CKA Sub", an indirect wholly-owned subsidiary of CK Asset Holdings Limited ("CKA")), Engie UK 2026 Limited (the "Purchaser") and Engie Group Participations SA (as the Purchaser's guarantor) entered into a conditional share purchase agreement (the "SPA") in relation to the disposal to the Purchaser of (a) all of the issued share capital of UK Power Networks Holdings Limited (the "Target", owned by CKI Sub as to 40%, PAH Sub as to 40% and CKA Sub as to 20%) (the "Sale Shares"); and (b)(i) the GBP689,180,000 8.125% loan notes due 2051 issued by the Target and (ii) the GBP85,000,000 8.125% loan notes due 2051 issued by a wholly-owned subsidiary of the Target (in each case, along with the related note purchase agreements and the related facility agreements) (the "Shareholder Debt Instruments") (the "Disposal"), completion of which is subject to fulfillment of conditions pursuant to the SPA. The base consideration payable by the Purchaser for CKI Sub's Sale Shares and CKI Sub's Shareholder Debt Instruments is GBP4,219,200,000 (equivalent to approximately HK\$44,301,600,000) (subject to customary adjustments).

In relation to the Disposal, ENGIE S.A. ("Engie") has entered into a guarantee agreement dated 25 February 2026, under which Engie will guarantee the payment of the purchase price by the Purchaser under the SPA. Each of CKI, PAH and CKA has entered into separate guarantee letters on 25 February 2026 (London time) addressed to the Purchaser, to guarantee the performance of CKI Sub's, PAH Sub's and CKA Sub's obligations under the SPA, respectively. The rights and obligations of each of CKI Sub, PAH Sub and CKA Sub under the SPA are on a several basis, and each of CKI Sub, PAH Sub and CKA Sub will only have rights and obligations to the extent they relate to the Sale Shares or the Shareholder Debt Instruments it agrees to sell, or procure to sell, under the SPA.

CKA has been deemed by The Stock Exchange of Hong Kong Limited (the "SEHK") to be a connected person of the Company under the Listing Rules.

The Disposal by CKI Sub, which is an indirect subsidiary of the Company, constituted a connected transaction of the Company under the Listing Rules. On this basis, as one or more of the applicable percentage ratios of the Company in respect of CKI Sub's Disposal exceed 5%, CKI Sub's Disposal will be subject to the Company's compliance with the announcement, reporting, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Please refer to the announcement issued by the Company on 26 February 2026 and the circular to shareholders of the Company in relation to CKI Sub's Disposal for further information on CKI Sub's Disposal.

CONTINUING CONNECTED TRANSACTIONS

As announced by the Company on 13 December 2023 (the "Announcement"), the Company entered into with CKA on the same date (i) a master leasing agreement (the "Master Leasing Agreement") setting out the framework terms governing the leasing and licensing of premises owned by the CKA group (including office space, car parks and building areas) to members of the Group (the "Leasing Transactions"); and (ii) a master purchase agreement (the "Master Purchase Agreement") setting out the framework terms governing the purchases of goods (such as air-conditioners and other electrical appliances and gift/cash coupons) and services (such as printing of sales brochures and advertising materials) (the "Project Related Supplies") by members of the CKA group from the Group for use in connection with the CKA group's property development projects (the "Project Related Supplies Transactions"), each for the period from 1 January 2024 to 31 December 2026.

Pursuant to the Master Leasing Agreement, relevant members of the Group and of the CKA group would enter into separate lease, tenancy or licence agreements with respect to the Leasing Transactions. The terms of, and the consideration (including short term lease payments, fixed lease payments, variable lease payments and management/service fees) payable under, such agreements would be negotiated on a case-by-case and arm's length basis, and on normal commercial terms which would be no less favourable than those which the relevant members of the Group could obtain from independent landlords or lessors of comparable premises. In this connection, the rental or licence fee payable would be at market rates, and the Group would seek competitive quotes (including conducting a comparison of prices of a sufficient number of independent landlords, lessors or licensors of comparable premises in the market) for management review with a view to ensuring that the rental or licence fees payable by the Group to the relevant members of the CKA group are fair and reasonable, having regard to the size, location, facilities and conditions of the premises required. The basis of management/service fees chargeable by the CKA group to relevant members of the Group would be the same as those the CKA group would charge other tenants or licensees of the same building or property.

Pursuant to the Master Purchase Agreement, relevant members of the Group and of the CKA group would enter into separate contracts with respect to the Project Related Supplies Transactions. The terms of, and the consideration payable under, such contracts would be negotiated on a case-by-case and arm's length basis, and on normal commercial terms which would be no more favourable than those which the relevant members of the Group made available to independent customers of the relevant Project Related Supplies. In this connection, the fee chargeable by the relevant members of the Group would be at market rates and be based by reference to the then prevailing market rates for the Project Related Supplies of similar or comparable quality, reliability and service levels charged by the Group or, if not available, the then prevailing market rates no more favourable than that the relevant members of the Group may make available to independent customers for the Project Related Supplies of similar or comparable scope, scale, quality, reliability and service level.

The Group believes that the entering into of the Leasing Transactions and the Project Related Supplies Transactions (together the "2025 CCTs") will help to achieve business continuity and efficiency.

CKA has been deemed by the SEHK as a connected person of the Company under the Listing Rules. Accordingly, the 2025 CCTs constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As disclosed in the Announcement, (i) the expected annual recognised amount of right-of-use assets in respect of the Leasing Transactions for the two years ended 31 December 2024 and 2025, and for the year ending 31 December 2026 would not exceed HK\$655 million, HK\$680 million and HK\$780 million respectively; and (ii) the maximum aggregate annual amount in respect of the Project Related Supplies Transactions for the two years ended 31 December 2024 and 2025, and for the year ending 31 December 2026 would not exceed HK\$198 million, HK\$215 million and HK\$590 million respectively.

For the year ended 31 December 2025, the recognised amount of right-of-use assets in respect of the Leasing Transactions was approximately HK\$291 million (representing approximately 43% of the annual cap for 2025); and the aggregate amount in respect of the Project Related Supplies Transactions was approximately HK\$20 million (representing approximately 9% of the annual cap for 2025).

The relevant pricing policies applicable to the 2025 CCTs of the Group have been followed when determining the price and terms of such transactions.

The internal audit of the Group has reviewed the 2025 CCTs and the adequacy and effectiveness of the internal control procedures covering the price negotiation, review and approval, agreement management, reporting and consolidation processes of the 2025 CCTs, and is of the view that satisfactory controls were in place in respect of the areas reviewed to ensure that the 2025 CCTs were conducted within the framework of the Master Leasing Agreement and the Master Purchase Agreement respectively.

All the Independent Non-executive Directors of the Company, having reviewed the 2025 CCTs and the findings provided by the internal audit of the Group, confirmed that such transactions had been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) according to the respective agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company has engaged its external auditor, PricewaterhouseCoopers, to report on the 2025 CCTs in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Based on the work performed, the external auditor of the Company has confirmed in its letter to the Board that nothing has come to its attention which causes it to believe that:

- (i) the 2025 CCTs have not been approved by the Board;
- (ii) the 2025 CCTs were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;
- (iii) the 2025 CCTs were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (iv) the aggregate amounts in respect of the 2025 CCTs have exceeded their respective annual caps for 2025 as disclosed in the Announcement.

Related parties transactions of the Group during the year ended 31 December 2025 are described in note 39 to the financial statements. None of such related parties transactions constitutes a non-exempted connected transaction under the Listing Rules.

PERMITTED INDEMNITY PROVISIONS

The Articles of Association of the Company provides that subject to the provisions of the relevant statutes, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted, and against any loss in respect of his personal liability for the payment of any sum primarily due from the Company. Directors liability insurance is in place for the directors of the Company and its subsidiaries in respect of potential costs and liabilities arising from claims that may be brought against the directors. The relevant provisions in the Articles of Association of the Company and the Directors' liability insurance were in force during the financial year ended 31 December 2025 and as of the date of this report.

INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF DIRECTORS AND CHIEF EXECUTIVES

Interests and short positions in shares, underlying shares and debentures of Directors and chief executives are set out in the section "Information on Directors" on pages 72 to 76.

Directors' Report

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SECURITIES AND FUTURES ORDINANCE

So far as the Directors and chief executives of the Company are aware, as at 31 December 2025, other than the interests of the Directors and chief executives of the Company as disclosed in the section titled "Interests and Short Positions in Shares, Underlying Shares and Debentures of Directors and Chief Executives" in the "Information on Directors", the following persons 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the SEHK:

(I) Interests and short positions of substantial shareholders in the shares and underlying shares of the Company

Long positions in the shares of the Company

Names	Capacity	Number of Shares Held	Total	Approximate % of Shareholding ⁽⁵⁾
Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-Shing Unity Trust ("UT1")	Trustee	1,005,817,044	1,005,817,044 ⁽¹⁾	26.26%
Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1")	Trustee and beneficiary of a trust	1,005,817,044	1,005,817,044 ⁽¹⁾	26.26%
Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust ("DT2")	Trustee and beneficiary of a trust	1,005,817,044	1,005,817,044 ⁽¹⁾	26.26%
Li Ka-shing	Interest of a controlled corporation	300,000)		
	Founder of discretionary trusts	1,162,632,010)	1,162,932,010 ⁽²⁾	30.36%

(II) Interests and short positions of other persons in the shares and underlying shares of the Company

(a) Long positions in the shares and underlying shares of the Company

Name	Capacity	Number of Shares/ Underlying Shares Held	Total	Approximate % of Shareholding ⁽⁵⁾
BlackRock, Inc.	Interest of controlled corporations	193,384,314	193,384,314 ⁽³⁾	5.05%

(b) Short positions in the underlying shares of the Company

Name	Capacity	Number of Underlying Shares Held	Total	Approximate % of Shareholding ⁽⁵⁾
BlackRock, Inc.	Interest of controlled corporations	885,000	885,000 ⁽⁴⁾	0.02%

Notes:

- (1) The three references to 1,005,817,044 shares of the Company relate to the same block of shares of the Company. Of these 1,005,817,044 shares of the Company, 913,378,704 shares are held by TUT1 as trustee of UT1 and 92,438,340 shares are held by companies controlled by TUT1 as trustee of UT1. Each of TUT1 as trustee of UT1, TDT1 as trustee of DT1 and TDT2 as trustee of DT2 is taken to have a duty of disclosure under the SFO in relation to the same 1,005,817,044 shares of the Company as described in Note (1)(a) under the section titled "Interests and Short Positions in Shares, Underlying Shares and Debentures of Directors and Chief Executives" in the "Information on Directors".
- (2) The 1,162,932,010 shares of the Company comprise:
 - (a) 300,000 shares held by Li Ka Shing Foundation Limited ("LKSF"). 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 its general meetings.
 - (b) 1,162,632,010 shares of the Company as described in Note (1) under the section titled "Interests and Short Positions in Shares, Underlying Shares and Debentures of Directors and Chief Executives" in the "Information on Directors". As Mr Li Ka-shing may be regarded as a founder of each of DT1, DT2 and two other discretionary trusts (DT3 and DT4) for the purpose of the SFO, Mr Li Ka-shing is taken to have a duty of disclosure under the SFO as a substantial shareholder in relation to the same 1,162,632,010 shares of the Company after his retirement from the directorship of the Company.
- (3) This includes an interest in 5,922,500 underlying shares through the holding of unlisted derivatives (cash settled).
- (4) This comprises an interest in 885,000 underlying shares through the holding of unlisted derivatives (cash settled).
- (5) The percentages of shareholding in this table were computed based on the number of issued shares of the Company as at 31 December 2025, being 3,830,044,500 shares. As at 31 December 2025, the Company did not hold any treasury shares.

Save as disclosed above, as at 31 December 2025, no other person (other than the Directors and chief executives of the Company) had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the SEHK.

BANK LOANS AND OTHER BORROWINGS

The Company did not have any borrowings (including debentures) for the year ended 31 December 2025.

The total borrowings (including debentures) of the Group as at 31 December 2025 amounted to HK\$263,593 million (2024: HK\$256,392 million). Particulars of borrowings are set out in note 26 to the financial statements on pages 230 to 244.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares nor require the Company to enter into an agreement that will or may result in the Company issuing shares was entered into by the Company during the year or subsisted at the end of the year.

SHARE SCHEME

Neither the Company nor its subsidiaries had any share scheme during the year ended 31 December 2025.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the businesses of the Company were entered into or existed during the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company. As at 31 December 2025, there were no treasury shares held by the Company or its subsidiaries (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Directors' Report

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the respective percentage of purchases attributable to the Group's five largest suppliers combined and the revenue from sales of goods or rendering of services attributable to the Group's five largest customers combined was less than 30% of the total value of Group purchases and total Group revenue.

SUFFICIENCY OF PUBLIC FLOAT

The applicable public float threshold for the Company is the initial prescribed threshold of at least 25% of the total number of issued shares of the Company (excluding treasury shares, if any) held by the public.

As at 31 December 2025, the total issued share capital of the Company amounted to HK\$3,830,044,500, comprising 3,830,044,500 ordinary shares of HK\$1.00 each. The Company has one class of shares in issue, which rank pari passu with each other in all respects.

Based on the information publicly available to the Company or otherwise within the knowledge of the Directors as at the date of this report, the Company has complied with the prescribed public float requirements under Rule 13.32B of the Listing Rules as at 31 December 2025. For the purposes of the disclosure in this section, the terms "public", "core connected persons", "substantial shareholders" and "close associates" shall have the meanings ascribed to them under the Listing Rules.

As at 31 December 2025, approximately 69% of the total number of issued shares of the Company (excluding treasury shares, if any) were held by the public based on the calculations set out in the share ownership composition below ⁽¹⁾:

Group of Shareholders	Names	Number of Shares Held	Approximate % of Shareholding ⁽⁷⁾
<i>(a) Non-public shareholders</i>			
(i) Substantial shareholders and their close associates	TUT1 as trustee of UT1	1,005,817,044 ⁽²⁾	26.2612%
(ii) Directors and their close associates ⁽³⁾	Li Tzar Kuoi, Victor	160,012,516 ⁽⁴⁾	4.1778%
	Fok Kin Ning, Canning	6,011,438	0.1569%
	Frank John Sixt	166,800	0.0043%
	Lai Kai Ming, Dominic	34,200	0.0008%
	Kam Hing Lam	108,400	0.0028%
	Edith Shih	192,187	0.0050%
	Chow Kun Chee, Roland	99,752	0.0026%
	Chow Woo Mo Fong, Susan	129,960	0.0033%
	Lee Yeh Kwong, Charles	906,584	0.0236%
	Philip Lawrence Kadoorie	7,380,860	0.1927%
	Leung Lau Yau Fun, Sophie	11,000	0.0002%
(iii) Other persons who are excluded from the definition of "the public"		772,306 ⁽⁵⁾	0.0201%
<i>(b) Public shareholders</i>			
(i) Persons who have disclosed their interests pursuant to Part XV of the SFO	BlackRock, Inc.	187,461,814 ⁽⁶⁾	4.8945%
(ii) Other members of the public		2,460,939,639	64.2535%
Total:		3,830,044,500	100%

Notes:

- (1) The breakdown of shareholding information has been compiled based on the relevant Disclosure of Interests filings made pursuant to the SFO and information received by the Company. The Company has not independently verified such information.
- (2) For further details, please refer to the section titled "Interests and Short Positions of Shareholders Discloseable under the Securities and Futures Ordinance – (I) Interests and short positions of substantial shareholders in the shares and underlying shares of the Company".
- (3) For further details, please refer to the section titled "Interests and Short Positions in Shares, Underlying Shares and Debentures of Directors and Chief Executives" under "Information on Directors".
- (4) This excludes the shares as set out in (a)(i) above.
- (5) This comprises shares held by core connected persons of the Company, whose connection is at the Company's subsidiary level only.
- (6) This excludes an interest in 5,922,500 underlying shares through the holding of unlisted derivatives (cash settled). For further details, please refer to the section titled "Interests and Short Positions of Shareholders Discloseable under the Securities and Futures Ordinance – (II) Interests and short positions of other persons in the shares and underlying shares of the Company".
- (7) Percentage may not add up to the total due to rounding adjustment.

AUDITOR

The financial statements for the year ended 31 December 2025 have been audited by PricewaterhouseCoopers, Certified Public Accountants, who will retire and, being eligible, offer themselves for re-appointment at the 2026 AGM.

By order of the Board

Edith Shih

Executive Director and Company Secretary

Hong Kong, 19 March 2026

Corporate Governance Report

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Company and its subsidiaries (the “Group”) as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding the interests of shareholders and other stakeholders and enhancing shareholder value. Accordingly, the Company has adopted and applied corporate governance principles and practices that emphasise a quality board of Directors (the “Board”), effective risk management and internal control systems, stringent disclosure practices, transparency and accountability as well as effective communication and engagement with shareholders and other stakeholders. It is, in addition, committed to continuously enhancing these standards and practices and inculcating a robust culture of compliance and ethical governance underlying the business operations and practices across the Group.

The Company has complied throughout the year ended 31 December 2025 with all applicable code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), as in force during the reporting period.

THE BOARD

Corporate Purpose, Values and Culture

The Group’s purpose is to create a better world through delivering the essential services that society needs, underpinned by the business values of innovation, collaboration, integrity and sustainability across all levels of the Group.

As a multinational conglomerate committed to the development, innovation and technology of core businesses of the Group, the Group lives up to this purpose by instilling a culture that is forward looking and agile to achieve competitiveness. It also respects and promotes creativity, opportunities for ideas exchange and cross-fertilisation of innovative advancements and solutions to enhance long-term sustainable growth and value as a principal objective of the Company. By upholding integrity, the Group strives to ensure fair and responsible practices in its operations and further solidifies its commitment to its purpose and values.

Guided by the Group’s core values, the Board plays a leading role in defining the purpose and strategic direction of the Group, sets the tone and shapes the corporate culture of the Company to ensure all businesses across the Group are aligned with the same purpose. Alongside the Group’s robust corporate governance framework and effective risk management and internal control systems, the desired culture is developed and reflected consistently in the operating practices of the Group, workplace policies and practices as well as relations with stakeholders, through active collaboration, effective engagement and regular training at all levels. Board oversight of culture encompasses a range of measures and tools over time, including:

- **Active Collaboration:** The Group encourages collaboration across different functions, teams and gradings to promote understanding, cooperation and diversity of thought. This collaborative approach fuels innovation and creativity, providing employees with an environment where they can truly thrive and flourish, thereby contributing to the sustainable growth of the Group.
- **Workforce Engagement:** This involves fostering a culture of open communication, transparency, and collaboration throughout the Group. Core businesses undertake employee engagement activities regularly to collect feedback and identify areas for improvement, including conducting employee surveys at least biannually and arranging town hall meetings to foster open dialogue between employees and senior management. These interactions help gauge overall employee sentiment and alignment with the core values of the Group.
- **Employee Retention and Training:** The Board oversees initiatives related to overall employee retention and training which include developing and implementing programmes that promote growth opportunities and career progression for employees at all gradings, fostering a positive work environment. The Group provides induction sessions for new joiners to ensure they understand and embrace the desired culture, values and expectation of the Group. Employee engagement is also supported by the Group’s comprehensive performance management and reward programme to ensure equity, engagement and retention.

- **Stringent Financial Reporting:** The Group maintains a robust financial reporting system to provide accurate and transparent financial information to stakeholders. This commitment promotes a culture of integrity, accountability and ethical behaviour throughout the Group.
- **Effective and Accessible Whistleblowing Framework:** A strong whistleblowing framework is crucial for detecting and addressing impropriety, misconduct or malpractice within the Group. The Board ensures the effectiveness and accessibility of the whistleblowing framework, allowing employees and those who deal with the Group to report concerns confidentially and without fear of retaliation. This fosters a culture that encourages transparency, ethical behavior and accountability.
- **Legal and Regulatory Compliance:** The Board, supported by the Group Legal Department (“GLD”) and the Group Corporate Secretarial Department (“GCSD”), has overall responsibility to oversee legal and regulatory compliance within the Group. Regular reviews and assessments are conducted to ensure the Group’s compliance with applicable laws and regulations. By setting a strong tone at the top and emphasising the importance of compliance, the Board fosters a culture that embodies legal and ethical standards, promoting trust, integrity and responsible decision-making. Employees are expected to follow the Code of Conduct and group policies that reflect the values and corporate culture of the Group.
- **Staff Health, Safety, Wellbeing and Support:** The Group places a high priority on creating and maintaining a workplace culture that is healthy, comfortable and supportive. To achieve this, the Group establishes comprehensive governance policies and procedures, and provides employees with regular training to promote a zero harm working environment. It also actively fosters diversity and inclusivity across its workforce. In addition, initiatives that promote and support work-life balance and provide resources for employee wellness are also implemented.

From the annual Board performance evaluation conducted, the Directors are satisfied with the performance of the Board and acknowledged that the Board plays an effective role in the development and determination of the Group’s culture, strategy and overall commercial objective. Taking into account the corporate culture in a range of contexts, the Board considers that the culture and the purpose, values and strategy of the Group are aligned.

Corporate Strategy

The principal objective of the Company is to enhance long-term total return for all its stakeholders. To achieve this objective, the Group focuses on achieving recurring and sustainable earnings, cash flow and dividend growth without compromising the Group’s financial strength and stability. The Group executes disciplined management of revenue growth, margin and costs, capital and investments to return ratio targets, earnings and cash flow accretive merger and acquisition activities, as well as organic growth in sectors or geographic areas where the Group has management experience and resources. Technology transformation also remains a key initiative of the Group to capture new cost and revenue opportunities in all businesses. At the same time, the Group is committed to maintaining long-term investment grade ratings, preserving strong liquidity and flexibility, sustaining a long and balanced debt maturity profile and actively managing cash flow and working capital. The Group explores opportunities to enhance shareholders’ returns, which include potential in-market consolidation and solidifying strategic alliances with global technology partners. The Chairman’s Statement and the Operations Review contained in this annual report and the Operations Analysis posted on the Company’s website (<https://www.ckh.com.hk/en/ir/presentation.php>), include discussions and analyses of the Group’s performance, the basis on which the Group generates and preserves value in the longer term and delivers the Group’s objectives. The Group also focuses on sustainability and delivering business solutions that support social and environmental challenges, such as enabling the transition to a net-zero economy. Further information on the sustainability initiatives of the Group and its key relationships with stakeholders can also be found in the standalone Sustainability Report of the Group (https://www.ckh.com.hk/en/esg/esg_sustainability-report.php).

Corporate Governance Report

Role of the Board

The Board is accountable to shareholders for the long-term sustainable success of the Company. It is responsible for shaping and overseeing the corporate culture, setting and guiding the long-term strategic objectives of the Company with appropriate focus on value creation and risk management, directing, supervising and monitoring the managerial performance and operating practices of the Group to ensure they align with the desired culture. It also ensures ongoing effective communication with shareholders and engagement with key stakeholders as it develops the purpose and values of the Company. Directors are charged with the task of promoting the long term sustainable success of the Company and making decisions in the best interests of the Company with due regard to sustainability considerations.

The Board, led by the Chairman, Mr Victor T K Li, and the Deputy Chairman, Mr Fok Kin Ning, Canning, fosters and oversees the culture, determines and monitors Group-wide strategies and policies, annual budgets and business plans, evaluates the performance of the Company, and supervises the management of the Company (“Management”). Management is responsible for the day-to-day operations of the Group under the leadership of the Group Co-Managing Directors, and ensuring that the desired culture of the Company is understood and shared at all levels of the Group.

Board Composition

As at the date of this report, the Board comprises 18 Directors, including the Chairman, Deputy Chairman, Group Co-Managing Director and Group Finance Director (“GCMD/GFD”), Group Co-Managing Director, two Deputy Managing Directors, two Executive Directors, three Non-executive Directors and seven Independent Non-executive Directors. Throughout 2025, the number of Independent Non-executive Directors on the Board exceeds the one-third requirement under the Listing Rules.

During the year and up to the date of this report, Mr George Colin Magnus retired as a Non-executive Director and serves as Special Advisor of the Company, both with effect from 21 March 2025.

On the date of this report, the Company has announced that Mr Chow Kun Chee, Roland will retire as a Non-executive Director of the Company with effect from the conclusion of the annual general meeting (“AGM”) of the Company to be held on 21 May 2026. In addition, Mr Lee Yeh Kwong, Charles, who will retire by rotation at the 2026 AGM, has informed the Company that he would not be seeking re-election at the 2026 AGM and would cease to be a Non-executive Director of the Company with effect from the conclusion of the 2026 AGM.

Biographical details of the Directors are set out in the section of “Information on Directors” on pages 66 to 70 and on the website of the Company. A list setting out the names of the Directors and their roles and functions is posted on the websites of the Company and Hong Kong Exchanges and Clearing Limited (“HKEX”) (www.hkexnews.hk).

All Non-executive Directors (other than Ms Chow Ching Yee, Cynthia, Mr Graeme Allan Jack, Mr Philip Lawrence Kadoorie and Ms Tsim Sin Ling, Ruth) entered into service contracts for an initial term ending on 31 December of the year of appointment. Thereafter, the appointment is automatically renewed for successive 12-month periods. Although the appointment of Ms Chow Ching Yee, Cynthia, Mr Graeme Allan Jack, Mr Philip Lawrence Kadoorie and Ms Tsim Sin Ling, Ruth does not have a specific term, their appointment is subject to the same rotation requirement as the other Directors. All Directors are subject to retirement by rotation at least once every three years. A retiring Director is eligible for re-election, and the re-election of retiring Directors at general meetings is presented in separate resolutions. Further, no Director has a service contract with the Company not terminable by the Company within one year without payment of compensation (other than statutory compensation).

Chairman, Deputy Chairman and Group Co-Managing Directors

The Chairman is responsible for providing leadership to the Board, overseeing its functioning and ensuring that it acts in the best interests of the Group. The Deputy Chairman supports the Chairman in effectively managing the Group, fostering its growth and ensuring its sustainable success. Through close collaboration with the Chairman, the Deputy Chairman actively contributes to the overall leadership and strategic direction of the Group. They are also responsible for ensuring that Board meetings are planned and conducted effectively, including setting the agenda for each Board meeting, taking into account, where appropriate, matters proposed by Directors and the Company Secretary. With the support of other Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues to be deliberated at Board meetings and are provided with adequate and accurate information in a timely manner.

The Chairman promotes a culture of openness and actively encourages Directors to voice their opinion and be fully engaged in the Board's affairs so as to contribute to the Board's effective functioning. The Board, under the leadership of the Chairman, has adopted good corporate governance practices and procedures and taken appropriate steps to promote effective communication and ongoing engagement with shareholders and other stakeholders, as outlined later in this report.

The Group Co-Managing Directors, assisted by other Executive Directors, are responsible for managing the businesses of the Group, attending to the formulation and successful implementation of Group policies and assuming full accountability to the Board for all Group operations. Acting as principal managers of the Group's businesses, the Group Co-Managing Directors attend to developing strategic operating plans that reflect the long-term objectives and priorities established by the Board and are directly responsible for overseeing and delivering operational performance of the Group.

Working with the other Executive Directors and the executive management team of each core business division, the Group Co-Managing Directors present annual budgets to the Board for consideration and approval, and ensure that the Board is fully apprised of the funding requirements of the Group. The Group Co-Managing Directors ensure that the funding requirements of the businesses are met and monitor the operating and financial performance of the businesses against plans and budgets. The Group Co-Managing Directors maintain an ongoing dialogue with all Directors to keep them fully informed of all major business development and issues. In addition, they are also responsible for building and maintaining an effective executive team to support them in their roles.

Board Process

The Board meets regularly, and at least four times a year with meeting dates scheduled prior to the beginning of the year. Between scheduled meetings, senior management of the Group provides to Directors, on a regular basis, monthly updates and other information with respect to the performance and business activities of the Group. Throughout the year, in addition to Board meetings, Directors participate in the deliberation and approval of routine and operational matters of the Company by way of written resolutions with supporting explanatory materials, supplemented by additional verbal and written information from the Company Secretary or other executives as and when required. Details of material or notable transactions of subsidiaries and associated companies are provided to Directors as appropriate. Whenever warranted, additional Board meetings are held. Further, Directors have full access to information on the Group and advice and services of the Company Secretary and the GLD. They also have full access to independent professional advice at all times whenever deemed necessary and they are at liberty to propose appropriate matters for inclusion in Board agendas.

With respect to regular meetings of the Board, Directors receive written notice of the meeting generally about a month in advance and a draft agenda for review and comment about three weeks prior thereto. The full set of Board papers is normally supplied no less than three days prior to the meeting. For other meetings, Directors are given as much notice as is reasonable and practicable in the circumstances. Except for those circumstances permitted by the Articles of Association of the Company and the Listing Rules, a Director would abstain from voting on resolutions approving any contract, transaction, arrangement or any other kind of proposal put forward to the Board in which he/she or any of his/her close associates is materially interested, and such Director is not counted for quorum determination purposes.

Corporate Governance Report

Directors' Attendance and Commitment

In 2025, the Company held four Board meetings with 100% attendance. All Directors also attended the AGM of the Company held on 22 May 2025. The attendance record is set out below:

Directors	Board Meetings Attended/ Eligible to Attend	Attendance at 2025 AGM
Executive Directors		
Victor T K Li ⁽¹⁾ (<i>Chairman</i>)	4/4	√
Fok Kin Ning, Canning (<i>Deputy Chairman</i>)	4/4	√
Frank John Sixt (<i>Group Co-Managing Director and Group Finance Director</i>)	4/4	√
Lai Kai Ming, Dominic (<i>Group Co-Managing Director</i>)	4/4	√
Ip Tak Chuen, Edmond (<i>Deputy Managing Director</i>)	4/4	√
Kam Hing Lam ⁽¹⁾ (<i>Deputy Managing Director</i>)	4/4	√
Edith Shih	4/4	√
Andrew John Hunter	4/4	√
Non-executive Directors		
Chow Kun Chee, Roland	4/4	√
Chow Woo Mo Fong, Susan	4/4	√
Lee Yeh Kwong, Charles	4/4	√
George Colin Magnus ⁽²⁾	1/1	N/A
Independent Non-executive Directors		
Chow Ching Yee, Cynthia	4/4	√
Graeme Allan Jack	4/4	√
Philip Lawrence Kadoorie	4/4	√
Leung Lau Yau Fun, Sophie	4/4	√
Paul Joseph Tighe	4/4	√
Tsim Sin Ling, Ruth	4/4	√
Wong Kwai Lam	4/4	√

Notes:

- (1) Mr Victor T K Li is a nephew of Mr Kam Hing Lam.
(2) Retired with effect from 21 March 2025.

In addition to Board meetings, in 2025 the Chairman held monthly meetings with the Executive Directors and also met with the Independent Non-executive Directors twice without the presence of other Directors. Such meetings provide an effective forum for the Chairman to listen to the views of the Independent Non-executive Directors on issues including corporate governance improvement, effectiveness of the Board, and such other issues they may wish to raise in the absence of other Directors and senior management of the Company.

All Directors have confirmed that they have given sufficient time and attention to the affairs of the Group throughout their tenure during the year ended 31 December 2025. In addition, Directors disclose to the Company in a timely manner their other commitments, such as directorships in other public listed companies and major appointments as well as update the Company on any subsequent changes. As at the date of this report, none of the Independent Non-executive Directors concurrently holds more than four Hong Kong listed company directorships (including the Company).

Board Performance

The Company regards board evaluation as a critical tool to assess Board effectiveness and efficiency, and conducts it annually. Led by the Chairman with the support of the Company Secretary, an internal performance evaluation on the Board and its committees had been conducted for the year 2025. The Nomination Committee supports and draws reference from this annual evaluation. The evaluation involved each Director completing a questionnaire to provide individual ratings as well as comments covering a range of topics. The objective of the evaluation is to ensure that the Board and its committees continue to act effectively in fulfilling the duties and responsibilities expected of them, and to develop action plans for improvement. The scope of the evaluation covered various aspects, including Board composition and expertise, information flow to Board members, Board process and effectiveness, continuous development and training, Board accountability and leadership. In addition, the constituent, expertise and effectiveness of each of the Board committees were also evaluated. The findings of the evaluation were then analysed and presented to the Nomination Committee and the Board in aggregate form without attributing specific comments or ratings to individual Board members in order to preserve confidentiality, foster a culture of trust and facilitate candid discussions. Based on the performance review for the year 2025, the Board considers its existing practice as effective and is also satisfied that the Board committees are appropriately constituted and operate effectively. The Group's initiatives to enhance overall performance in challenging and rapidly evolving times were also acknowledged. The Board is satisfied that it has met its performance objectives and each Director has contributed positively to the overall effectiveness of the Board and Board committees.

Board Independence

The Company recognises that Board independence is key to good corporate governance. As part of the established governance framework, the Group has in place effective mechanisms that underpin a strong independent Board, ensuring that independent views and input from Directors are conveyed to the Board. The governance framework and mechanisms are kept under regular review to align with international best practice, ensuring their effectiveness. In March 2026, the Board conducted a review and considered that such mechanisms were properly implemented during 2025 and were effective.

The current composition of the Board (comprising more than one-third Independent Non-executive Directors) and the Audit Committee (comprising all Independent Non-executive Directors) exceed the independence requirements under the Listing Rules. The Company has a vigorous selection, nomination and appointment/re-appointment process for Directors (including Independent Non-executive Directors), see "Nomination Process" on page 114 of this report. None of the Independent Non-executive Directors has served on the Board for more than nine years. Fees to Independent Non-executive Directors are in the form of cash payment with additional fees payable to reflect membership of Board committees and none of them receives remuneration based on performance of the Group. Information about remuneration of the Directors is set out on pages 119 and 120 of this report. The remuneration of Independent Non-executive Directors is also subject to a regular review mechanism to maintain competitiveness and commensurate with their responsibilities and workload.

To facilitate attendance and participation at Board and other Board committee meetings, the Company plans meeting schedules for the year well in advance, with electronic facilities for attendance as required. External independent professional advice is also available to all Directors (including Independent Non-executive Directors) whenever deemed necessary. A guide for obtaining independent and legal or other professional advice is provided to Directors. The Board process, ranging from agenda setting, provision of information and focus on constructive debates and discussions, facilitates effective and active participation by all Independent Non-executive Directors (see "Board Process" and "Directors' Attendance and Commitment" on pages 93 and 94 of this report). Board process and effectiveness are also assessed during the annual evaluation of the Board performance, see "Board Performance" above. Each year, the Chairman meets with the Independent Non-executive Directors twice without the presence of other Directors, which provides an open agenda enabling them to express their views outside the boardroom.

The Independent Non-executive Directors have historically and consistently demonstrated strong commitment to their roles, dedicating sufficient time to discharge their responsibilities at the Board and its relevant committees. Notably, they all achieved 100% attendance throughout 2025. Their commitment is also subject to self-confirmation each year.

Corporate Governance Report

Training and Development

Upon appointment to the Board, Directors receive a comprehensive set of orientation materials on the Group, comprising information on the Group, duties as a director and board committee member, as well as internal governance and sustainability policies of the Group. These orientation materials are presented by senior executives through a structured induction programme, which provides Directors with an overview of the Group's businesses, culture, purpose, strategic direction and governance practices.

Training and Continuous Professional Development ("CPD") help Directors keep abreast of current trends and developments relevant to the Group, including commercial, industry-specific and innovative changes, as well as legal and regulatory matters and refresh their knowledge and skills on the roles, functions and duties of a listed company director. From time to time, Directors also participate as speakers at events to share knowledge and insights on different topics. Directors may undertake CPD on their own initiative or by participating in training arranged or facilitated by the Company. In 2025, CPD training of over 25 hours had been arranged by the Company to Directors.

All Directors are required to provide the Company with details of CPD training undertaken by them from time to time. The training records are maintained by the Company Secretary and are made available for regular review by the Audit Committee.

The CPD training covers the following topics:

T1	Roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness.
T2	The Company's obligations and directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rule updates) relevant to the discharge of such obligations.
T3	Corporate governance and Environmental, Social and Governance ("ESG") matters (including developments on sustainability or climate-related risks and opportunities relevant to the Company and its business).
T4	Risk management and internal controls.
T5	Updates on industry-specific developments, business trends and strategies relevant to the Company.

Directors undertake the CPD training through a combination of:

External Training includes structured programmes such as training courses, seminars, workshops, expert briefings, and webcasts organised or delivered by external parties, including advisory and professional service firms, professional associations, industry bodies (such as The Hong Kong Institute of Directors), academic or training institutions, regulatory or government bodies (such as Companies Registry, Securities and Futures Commission and HKEX) and professional institutes (such as The Hong Kong Chartered Governance Institute), as well as participation in industry forums, conferences, or networking events, and serving as a speaker, panelist, or presenter at such events.	Internal Training includes training sessions, workshops, briefings, and knowledge-sharing sessions delivered by internal teams, including legal, compliance, risk, and senior management, as well as serving as a speaker at internal training programmes, covering updates on policies, procedures, regulatory developments, and business or strategic initiatives.
	Self-Study includes independent learning through reading and research materials, internal guidance notes, regulatory and industry updates, and other relevant reference resources.

All Directors listed in the table below, except for Mr George Colin Magnus who retired during the year, fulfilled the mandatory continuous professional development requirements under the Listing Rules during 2025, covering all five mandated topics. Based on the details so provided, the CPD training undertaken by the Directors during the year is summarised as follows:

Directors	Mode	Topics Covered	Hours Completed	Total
Executive Directors				
Victor T K Li	Internal Training	T2, T3, T4, T5	3 hours)
	Self-Study	T1, T2, T3, T4, T5	13 hours	) 16 hours ⁽¹⁾
Fok Kin Ning, Canning	Internal Training	T2, T3, T4, T5	3 hours)
	Self-Study	T1, T2, T3, T4, T5	13 hours	) 16 hours ⁽¹⁾
Frank John Sixt	Self-Study	T1, T2, T3, T4, T5	32.5 hours	32.5 hours ⁽¹⁾⁽²⁾
Lai Kai Ming, Dominic	Internal Training	T2, T3, T4, T5	3 hours)
	External Training	T2	1 hour)
	Self-Study	T1, T2, T3, T4, T5	42.5 hours	) 46.5 hours ⁽¹⁾⁽²⁾
Ip Tak Chuen, Edmond	Internal Training	T2, T3, T4, T5	3 hours)
	Self-Study	T1, T2, T3, T4, T5	11 hours	) 14 hours ⁽¹⁾
Kam Hing Lam	Internal Training	T2, T3, T4, T5	3 hours)
	Self-Study	T1, T2, T3, T4, T5	10 hours	) 13 hours ⁽¹⁾
Edith Shih	Internal Training	T2, T3, T4, T5	6 hours)
	External Training	T1, T2, T3, T4	15 hours ⁽³⁾)
	Self-Study	T1, T2, T3, T4, T5	8.5 hours	) 29.5 hours ⁽¹⁾
Andrew John Hunter	Self-Study	T1, T2, T3, T4, T5	14 hours	14 hours ⁽¹⁾
Non-executive Directors				
Chow Kun Chee, Roland	Internal Training	T2, T3, T4, T5	3 hours)
	External Training	T2, T4	13.5 hours ⁽⁴⁾)
	Self-Study	T1, T2, T3, T4, T5	5.5 hours	) 22 hours ⁽¹⁾
Chow Woo Mo Fong, Susan	External Training	T1, T2, T3, T4, T5	32.5 hours)
	Self-Study	T1, T2, T3, T4, T5	17.5 hours	) 50 hours ⁽¹⁾
Lee Yeh Kwong, Charles	External Training	T1, T2	15 hours ⁽⁴⁾)
	Self-Study	T1, T2, T3, T4, T5	8 hours	) 23 hours ⁽¹⁾
George Colin Magnus ⁽⁵⁾	Self-Study	T2	1.5 hours	1.5 hours

Corporate Governance Report

Directors	Mode	Topics Covered	Hours Completed	Total
Independent Non-executive Directors				
Chow Ching Yee, Cynthia	Internal Training	T5	1 hour)
	Self-Study	T1, T2, T3, T4, T5	8 hours	) 9 hours
Graeme Allan Jack	Internal Training	T1, T2, T3, T4, T5	5 hours)
	External Training	T1, T2, T3, T5	8.5 hours)
	Self-Study	T1, T2, T3, T4, T5	13.5 hours ⁽⁴⁾) 27 hours ⁽¹⁾
Philip Lawrence Kadoorie	Internal Training	T2, T3, T4, T5	3 hours)
	External Training	T5	16 hours ⁽⁴⁾)
	Self-Study	T1, T2, T3, T4, T5	34.5 hours ⁽⁴⁾) 53.5 hours ⁽¹⁾
Leung Lau Yau Fun, Sophie	Internal Training	T2, T3, T4, T5	3 hours)
	External Training	T1, T2, T3, T4, T5	8.5 hours)
	Self-Study	T2, T3, T4, T5	10 hours	) 21.5 hours ⁽²⁾
Paul Joseph Tighe	Internal Training	T2, T3, T4, T5	2 hours)
	External Training	T1, T2	1.5 hours)
	Self-Study	T1, T2, T3, T4, T5	11 hours	) 14.5 hours ⁽²⁾
Tsim Sin Ling, Ruth	Internal Training	T2, T3, T4, T5	3 hours)
	External Training	T1, T2, T3, T4	8.5 hours ⁽⁴⁾)
	Self-Study	T1, T2, T3, T4, T5	25.5 hours	) 37 hours ⁽¹⁾
Wong Kwai Lam	Internal Training	T2, T3, T4, T5	3 hours)
	Self-Study	T1, T2, T3, T4, T5	15 hours ⁽⁴⁾) 18 hours ⁽¹⁾

Notes:

- (1) Included the CPD training provided by Directors.
- (2) Included the CPD training provided in 2024 and undertaken by the Directors in 2025.
- (3) Included the preparation time for being chairperson and speaker.
- (4) Included certain CPD training which do not fall within the five prescribed topics as required under the Listing Rules.
- (5) Retired with effect from 21 March 2025.

Securities Transactions

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules as the code of conduct regulating Directors' dealings in securities of the Company (the "CKHH Securities Code"). In summary, a Director who wishes to deal in the securities of the Company must notify the Chairman (or a Director designated by the Board for such specific purpose) in writing prior to any dealings and obtain a dated written acknowledgement before any dealing. Any clearance to deal granted in response to a Director's request would be valid for no longer than five business days of clearance being received. After dealings, the Director must submit a disclosure of interests filing with respect to the dealing, within the time frame required under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

In response to specific enquiries made, all Directors have confirmed that they have complied with the required standards set out in the CKHH Securities Code regarding their securities transactions throughout their tenure during the year ended 31 December 2025, except as disclosed below.

Ms Chow Ching Yee, Cynthia, an Independent Non-executive Director of the Company, purchased 18,000 shares (representing approximately 0.0005% of the issued share capital) of the Company on 6 March 2025 and sold the same number of shares on 19 March 2025 (together, the “Dealings”) without first notifying in writing the Chairman (or a Director designated by the Board for the specific purpose) and receiving a dated acknowledgment. The Dealings took place during the blackout period for dealings in securities of the Company from 19 January 2025 to 20 March 2025 (both dates inclusive) prior to the publication of the 2024 annual results of the Company. The Director concerned confirmed that the Dealings were carried out by her sister acting as her sole attorney appointed with full authority to manage and control assets in her bank account (including any investment decision thereof) for family arrangements, that the Dealings were made inadvertently and without the Director’s prior knowledge and approval, and that The Stock Exchange of Hong Kong Limited eventually issued a warning letter to the Director without any further action.

The Director concerned confirmed to the Company that, to avoid future inadvertent dealings, the Director concerned took out remedial measures and had terminated all relevant arrangements under which authorisation was given to her sister to manage her account, and reconfirmed that she had not engaged in any other dealings in the Company’s securities.

With a view to preventing any recurrence, the Company Secretary reminded the Director concerned of her obligations under the CKHH Securities Code and relevant Listing Rules. The Company has also adopted the following remedial actions to strengthen its internal controls over Directors’ dealings:

- (i) in addition to the usual notification to Directors in advance of the commencement date of each blackout period, the Company will in the future remind Directors to inform their brokers and close associates of the dealing restrictions during the blackout period to reduce the risk of unintentional breaches arising from actions by third parties; and
- (ii) arranging refresher training to Directors (including the Director concerned) on the legal and regulatory requirements relating to securities dealings, including those under the CKHH Securities Code, to reinforce good corporate governance and ensure continued understanding of regulatory obligations.

Board Committees

The Board is supported by four permanent board committees: Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Committee, details of which are described later in this report. The terms of reference for these Committees, which have been adopted by the Board, are available on the websites of the Company and HKEX. Other board committees are established by the Board as and when warranted to take charge of specific tasks.

COMPANY SECRETARY

The Company Secretary is accountable to the Board for ensuring that Board procedures are followed and Board activities are efficiently and effectively conducted. These objectives are achieved through adherence to proper Board processes and timely preparation of and dissemination to Directors comprehensive Board meeting papers. Minutes of all meetings of the Board and Board Committees are prepared and maintained by the Company Secretary to record in sufficient detail the matters considered and decisions reached by the Board or Board Committees, including any concerns raised or dissenting views voiced by any Director. All draft and final minutes of Board meetings and meetings of Board Committees are sent to Directors or Board Committee members as appropriate for comments, approval and records. Board records are available for inspection by any Director upon request.

The Company Secretary who works closely with the Board to formulate the purpose, values and strategy of the Company, takes charge in developing a robust compliance and ethical culture to meet both mounting regulatory and investor expectations, and to ensure the culture and the purpose, values and strategy of the Group are aligned.

The Company Secretary plays a leading role in ensuring that the Company develops and maintains a sound and effective corporate governance framework, in particular, a set of risk management and internal control systems so that regulatory compliance, good corporate governance practices and culture are upheld and practised by the Company.

The Company Secretary is responsible for apprising the Board with all legislative, regulatory, corporate governance and sustainability developments of relevance to the Group and that it takes these developments into consideration when making decisions for the Group. The Company Secretary also facilitates induction training and CPD training for directors, including seminars on specific topics of importance and interest and circulation of reference materials.

The Company Secretary is also directly responsible for the Group's compliance with all obligations under the Listing Rules and the Codes on Takeovers and Mergers and Share Buy-backs, including the preparation, publication and despatch of annual reports and interim reports within the time limits laid down in the Listing Rules, and the timely dissemination to shareholders and the market of information relating to the Group.

Furthermore, the Company Secretary advises the Directors on connected transactions, notifiable transactions, price-sensitive/inside information, and Directors' obligations for disclosure of interests and dealings in the Group's securities, to ensure that the standards and disclosure requirements under the Listing Rules and applicable laws, rules and regulations are complied with and, where required, reported in the annual reports of the Company.

The Company Secretary also serves as a crucial conduit of communications internally and externally. She facilitates information flow and communication among Directors and also conveys the Board's decisions to Management from time to time and ensures a good channel of communication with shareholders. She also works with the Board and Management to assist in responding to regulators in a timely manner.

The appointment and removal of the Company Secretary is subject to Board approval. Whilst the Company Secretary reports to the Chairman, the Deputy Chairman and the Group Co-Managing Directors, all members of the Board have access to her advice and service. The Company Secretary has day-to-day knowledge of the Group's affairs. She confirms that she has complied with all the required qualifications, experience and training requirements under the Listing Rules.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Company historically prepared its consolidated annual financial statements and consolidated interim financial statements under HKFRS Accounting Standards (“HKFRS” or Hong Kong Financial Reporting Standards) and Hong Kong Accounting Standard 34 “Interim Financial Reporting”, respectively, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Effective from 1 January 2025, the Company has adopted IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and prepares its consolidated annual financial statements and consolidated interim financial statements under IFRS and International Accounting Standard 34 “Interim Financial Reporting” issued by the IASB, respectively.

The Company’s annual and interim results are published in a timely manner, within three months of the financial year-end and two months of the half-year end, respectively.

Responsibilities of Directors for the Financial Statements

The Directors’ responsibilities in relation to the financial statements are set out below. This statement should be read in conjunction with, and is distinct from, the independent auditor’s report on pages 127 to 131 which addresses the reporting responsibilities of the Group’s external auditor.

Annual Report and Financial Statements

The Directors acknowledge their responsibility for the preparation of the annual report and financial statements of the Group. They are responsible for the preparation of financial statements that give a true and fair view in accordance with the aforementioned applicable accounting standards and comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”) and the Listing Rules. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Accounting Policies

In preparing the financial statements, the Directors are responsible for assessing that appropriate accounting policies have been adopted, and that judgements and estimates made are reasonable and in accordance with applicable accounting standards. Based on appropriate enquiries, the Directors confirm that appropriate accounting policies have been adopted, and that judgements and estimates made are reasonable and in accordance with applicable accounting standards.

Accounting Records

The Directors are responsible for ensuring that the Group maintains accounting records which disclose, with reasonable accuracy, the financial position of the Group and reflect its transactions. Such records enable the preparation of financial statements in accordance with the Group’s accounting policies.

Going Concern

In preparing the financial statements, the Directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern, and applying the going concern basis of accounting. Having made appropriate enquiries, the Directors are of the view that the Group has adequate resources to continue in operational existence for the foreseeable future, and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements.

Safeguarding Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities within the Group.

Corporate Governance Report

Audit Committee

As at the date of this report, the Audit Committee comprises five Independent Non-executive Directors who possess the relevant financial and business management experience and skills to understand financial statements and monitor the financial governance, risk management and internal controls of the Company. The composition of the Audit Committee exceeds the independence requirements under the Listing Rules. It is chaired by Mr Wong Kwai Lam with Ms Chow Ching Yee, Cynthia, Mr Graeme Allan Jack, Mr Paul Joseph Tighe and Ms Tsim Sin Ling, Ruth as members.

The Audit Committee held four meetings in 2025 with 100% attendance.

Members	Attended/Eligible to Attend
Wong Kwai Lam (<i>Chairman</i>)	4/4
Chow Ching Yee, Cynthia	4/4
Graeme Allan Jack	4/4
Paul Joseph Tighe	4/4
Tsim Sin Ling, Ruth	4/4

The internal and external auditors attended all Audit Committee meetings. In addition, the Audit Committee held private sessions with them, separately and without the presence of Management, as well as with GCMD/GFD and the Group Chief Financial Officer ("GCFO").

Terms of Reference and Authority

The Audit Committee assists the Board in fulfilling its oversight duties by reviewing and supervising the Company's financial reporting, risk management and internal control systems (including cyber risks), and by undertaking any other responsibilities delegated by the Board from time to time. The Audit Committee is responsible for monitoring the integrity of the Company's interim and annual results and financial statements, reviewing significant financial reporting judgements contained therein, and overseeing the relationship between the Company and its external auditor. It is also tasked with developing and reviewing the Company's corporate governance policies and practices, including compliance with statutory and Listing Rules requirements; and reviewing the scope, extent and effectiveness of the internal audit function. The Audit Committee is authorised to engage independent legal and other advisers, and to conduct investigations as it deems necessary.

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference and to obtain independent professional advice as reasonably required.

In March 2025, the Audit Committee reviewed and recommended to the Board updates to its terms of reference to align with the revised CG Code effective 1 July 2025. The updated terms of reference are available on the websites of the Company and HKEX.

Throughout 2025, the Audit Committee discharged its duties and responsibilities in accordance with its terms of reference and the CG Code. The following paragraphs summarise the work performed by the Audit Committee during 2025 and 2026 (up to the date of this report).

Financial Reporting and Significant Judgements

During 2025 and up to the date of this report, the Audit Committee met with the GCMD/GFD and GCFO, other senior management, the General Manager of Group Management Services Department (“GMSD”, the Group’s internal audit function) (“Internal Audit GM”) and the external auditor, PricewaterhouseCoopers (“PwC”), to review the 2025 interim results and the 2024 and 2025 annual results, reports and financial statements, and other financial, corporate governance, risk management, internal control and cyber risk matters of the Group.

The Audit Committee received, considered and discussed reports and presentations from Management, the Internal Audit GM and PwC. Key areas of focus included:

- the Group’s transition from HKFRS to IFRS with effect from 1 January 2025, including the implementation approach, adjustments and related disclosures in the 2025 interim and annual financial statements;
- the application of critical accounting policies and areas involving significant accounting judgements; and
- key audit matters reported by PwC, particularly Management’s impairment assessment of goodwill, other indefinite-life intangible assets, and investments in associated companies and joint ventures.

The Audit Committee engaged in detailed discussions with Management and the external auditor to thoroughly review the IFRS transition, including the implementation approach, adjustments and related disclosures. The Audit Committee challenged Management to reassess all aspects of the impairment assessment approach to ensure its robustness in terms of accounting judgements and compliance with relevant requirements. Based on these reviews and discussions, the Audit Committee is satisfied with the Group’s transition to IFRS, including the implementation approach, adjustments and related disclosures in the 2025 interim and annual financial statements. It is also satisfied that the Group’s 2025 interim and 2024 and 2025 annual results, reports and financial statements have been prepared in accordance with the aforementioned requirements, and recommended them to the Board for approval.

External Auditor – Independence, Objectivity and Effectiveness

The Audit Committee met four times during 2025 and twice during 2026 (up to the date of this report) with PwC to consider its reports on the scope, strategy, progress and outcome of the independent review of the 2025 interim financial statements and the audit of the 2024 and 2025 annual financial statements.

The Audit Committee reviewed:

- the composition of the audit engagement teams;
- PwC’s strategy and approach for the review and audit, including audit risk and materiality assessment, and the nature, timing and scope of audit procedures;
- PwC’s reporting obligations prior to commencement of the audit;
- observations on the control environment and material areas involving significant accounting judgements;
- the firm’s quality management and monitoring processes, including recent results from internal and external key quality reviews and inspections across the Group; and
- audit quality indicators, focusing on: delivery of audit deliverables against agreed timetable and milestones; hours of audit work delivered by senior PwC audit team members; involvement of specialists and experts; findings and results from internal and external reviews and inspections; and use of technology.

There were no breaches of the policy on hiring employees or former employees of the external auditor during the reported period. The Audit Committee reviewed the audit fees and non-audit services fees payable to PwC. All non-audit services were carried out in accordance with PwC’s independence policy and did not give rise to any conflict of interest and complied with the Group’s policy regarding engagement of the external auditor.

Corporate Governance Report

During the reported period, the Audit Committee also reviewed the independence and objectivity of the external auditor. It had considered all relationships (including requirements for rotation of audit partners, provision of non-audit services and long-term audit relationship) between the Company and PwC when assessing the independence and objectivity of the external auditor. The Audit Committee considered PwC to be independent and PwC, in accordance with applicable professional ethical standards, provided the Audit Committee written confirmation of its independence and objectivity for 2025.

The Audit Committee is satisfied with PwC's competence, expertise, resources, independence, objectivity and the overall effectiveness of the audit process. The Committee has recommended to the Board the re-appointment of PwC as the external auditor, to be considered by shareholders at the forthcoming 2026 AGM.

Risk Management and Internal Control Systems

The Audit Committee assists the Board in assessing the overall governance, financial reporting, risk management and internal control framework, and in maintaining effective risk management and internal control systems covering all material controls, including financial, operational and compliance controls. In 2025, the Audit Committee reviewed the process by which the Group evaluates its control environment and manages significant risks, including cyber risks. It received, considered and provided feedback on:

- the risk management report;
- the composite risk register and risk heat map; and
- presentations from the Internal Audit GM and Management on the review of the effectiveness of the Group's risk management and internal control systems, and the adequacy of resources, staff qualifications and experience of the Group's accounting, internal audit and financial reporting functions, and their training programmes and budgets.

The Audit Committee also reviewed the effectiveness of the Group's Whistleblowing Policy and the arrangements for employees to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters. The Committee confirmed that appropriate procedures are in place for independent investigation and follow-up actions.

Based on these reviews, the Audit Committee concurred with Management's confirmation that the risk management and internal control systems are appropriate and effective. The Audit Committee was also satisfied with the adequacy of resources, staff qualifications and experience of the Group's accounting, internal audit and financial reporting functions, and their training programmes and budgets.

In addition, the Audit Committee reviewed, in conjunction with GMSD, the 2025 work plans and resource requirements, and deliberated on reports regarding the effectiveness of the Group's risk management and internal control systems (including cyber risks). Further, it considered reports from the GLD on material litigation proceedings and the Group's compliance status with key legal and regulatory requirements. These reviews and reports informed the Audit Committee's recommendation to the Board for approval of the consolidated financial statements.

Corporate Governance and Compliance

During 2025, the Audit Committee received periodic presentations on, and reviewed, the Group's compliance with the CG Code, as well as other corporate governance topics including the Group's policies and practices on compliance with legal and regulatory requirements.

The Audit Committee noted that the Company complied throughout the year with all applicable code provisions of the CG Code, as in force during the reporting period.

The Audit Committee received regular updates on CPD training undertaken by Directors. A summary of their training records is set out on pages 96 to 98 of this report.

In March 2025, the Audit Committee reviewed and recommended to the Board updates to its terms of reference to reflect the latest amendments to the CG Code which took effect on 1 July 2025. In August 2025, the Audit Committee reviewed and recommended to the Board updates to the Anti-Fraud and Anti-Bribery Policy, Policy on Appointment of Third Party Representatives and Whistleblowing Policy in response to the introduction of a new strict liability criminal offence for failure to prevent fraud under the UK Economic Crime and Corporate Transparency Act 2023 which took effect on 1 September 2025.

Shareholders Communication Policy

In January 2026, the Audit Committee, on behalf of the Board, conducted a review of the implementation and effectiveness of the Shareholders Communication Policy for the year ended 31 December 2025. Having considered the multiple channels of communication and engagement in place (see “Relationship with Shareholders and Other Stakeholders” on pages 120 and 121 of this report), the Audit Committee is satisfied that the Shareholders Communication Policy has been properly implemented and is effective.

Overall Conclusion

Throughout 2025 and up to the date of this report, the Audit Committee has discharged its duties and responsibilities in accordance with its terms of reference and the requirements of the CG Code. All reviews and recommendations made by the Audit Committee were duly considered by the Board.

External Auditor

The Group’s policy regarding the engagement of its external auditors for the various services listed below is as follows:

- Audit services – include services provided in connection with the audit of the consolidated financial statements. All such services are to be provided by the external auditor.
- Audit-related services – include services that would normally be provided by an external auditor but are not generally included in audit fees, such as audits of the Group’s pension plans, accounting advice related to mergers and acquisitions, internal control reviews of systems and/or processes, and issuance of special audit reports for tax or other purposes. The external auditor is to be invited to undertake those services that must be, or are otherwise best placed to be, performed by it in its capacity as auditor.
- Taxation related services – include all tax compliance and tax planning services, except for those services which are provided in connection with the audit. The Group engages the services of the external auditor where it is best suited. All other significant taxation related work is undertaken by other parties as appropriate.
- Other services – include, amongst others, financial due diligence, review of actuarial reports and calculations, risk management diagnostics and assessments, and non-financial systems consultations. The external auditor is also permitted to assist Management and GMSD with internal investigations and fact-finding into alleged improprieties. These services are subject to specific approval by the Audit Committee.
- General consulting services – the external auditor is not eligible to provide services involving general consulting work.

An analysis of the fees of PwC and other external auditors is shown in note 8(d) to the financial statements. For the year ended 31 December 2025, PwC fees, amounting to HK\$332 million, were primarily for audit services. Non-audit services (which included tax compliance and other tax-related services, and financial due diligence services) amounted to HK\$14 million, representing approximately 4% of total PwC fees (audit and non-audit).

Mr Wong Hung Nam of PwC was appointed as the lead engagement partner for the Group’s financial statement audits with effect from the 2024 audit. Mr Wong replaced Ms Luk Lai Yin who had retired from the Group’s audit engagement by rotation after servicing in the lead audit engagement partner role for the audits of 2017 to 2023.

Audit Report on the Annual Financial Statements

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by PwC in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. The unqualified auditor’s report is set out on pages 127 to 131. The consolidated financial statements of the Group for the year ended 31 December 2025 have also been reviewed by the Audit Committee.

RISK MANAGEMENT AND INTERNAL CONTROL

Effective risk management and internal control systems are fundamental components of good corporate governance. They are pivotal to the sustainable growth of the Group, fostering resilience, and safeguarding the interests of stakeholders.

The Company recognises the dynamic nature of the risks (including sustainability and cyber risks) its businesses face. To ensure an effective management of the risks, a comprehensive governance structure is in place to systematically identify, assess, manage, and monitor risks that may have a material adverse impact on the achievement of the Group's strategic and business objectives.

To illustrate the structure and process of the risk management and internal control systems of the Group, the following table depicts detailed roles and responsibilities, in terms of "Governance and Oversight" by the Board through the Audit Committee and the Sustainability Committee, "Risk Review and Communication" by the Executive Directors, "Risk and Control Monitoring" by the Group functions, "Risk and Control Ownership" by the executive management teams of each core business, and "Independent Assurance" by GMSD.

Governance and Oversight

The Board

- Has overall responsibility for the systems of risk management and internal control of the Group.
- Evaluates and determines the nature and extent of the risks that the Group is willing to accept in pursuit of its strategic and business objectives, with due regard to its risk appetite.
- Inculcates appropriate risk culture across the business operations of the Group.
- Ensures that appropriate and effective risk management and internal control systems are established and maintained for the purposes of dealing with identified risks, safeguarding assets, preventing and detecting fraud, misconduct and loss.
- Oversees the management of sustainability risks and opportunities, through delegation to the Sustainability Committee.
- Reviews the effectiveness of the risk management and internal control systems of the Group, through delegation to the Audit Committee, and through review of Group-wide strategies, budgets, business plans and performances.

Audit Committee

- Reviews and assesses the risk management and internal control systems of the Group, with particular regard to their effectiveness.
- Performs corporate governance functions delegated by the Board.

(For details of roles and responsibilities, please refer to the Audit Committee Terms of Reference)

Sustainability Committee

- Reviews sustainability risks and opportunities, and assesses emerging sustainability issues and trends that could impact the business operations and performance of the Group.

(For details of roles and responsibilities, please refer to the Sustainability Committee Terms of Reference)

Risk Review and Communication

Executive Directors

- Provides leadership on risk and return balance.
- Monitors the risk profile of the Group and assesses if significant risks are appropriately mitigated.
- Ensures that a review of the effectiveness of the risk management and internal control systems of the Group has been conducted, and makes recommendation to the Board, through the Audit Committee, regarding the effectiveness of the systems.

Risk and Control Monitoring

Group Functions

- Establishes relevant policies and procedures for Group-wide adoption.
- Monitors the implementation and effectiveness of the risk management practices in core businesses and provides guidance where appropriate. In particular, the following dedicated working groups are formed:
 - Governance Working Group, chaired by the Executive Director and Company Secretary and comprising representatives from key functional departments of the Company, provides timely updates on emerging matters of compliance.
 - Competition and Regulatory Affairs Group, chaired by the Deputy Chairman of European Head Office and comprising legal and public affairs representatives across the Group, serves as a dedicated forum for the review, assessment and coordination of regulatory, public affairs and competition matters relevant to the Group's businesses.
 - Cyber Security Working Group, chaired by the GCMD/GFD and including technical specialists from core businesses, as well as representatives from GMSD and the Group Information Services Department, manages the cyber security defences of the Group, monitors cyber threat landscape and set strategic plan.
 - Sustainability Working Group, comprising two Executive Directors as Co-Chairs, as well as other senior executives from key functional departments of the Company, supports the Sustainability Committee in discharging its responsibilities.

Risk and Control Ownership

Core Businesses

- Carries out risk management activities and escalates promptly on material issues.
- Ensures that a risk-aware culture is maintained at all levels of the operations through ongoing policy reinforcement and training.
- Conducts a review of the effectiveness of the risk management and internal control systems and provides management declaration on the review results half-yearly.

Independent Assurance

Internal Audit

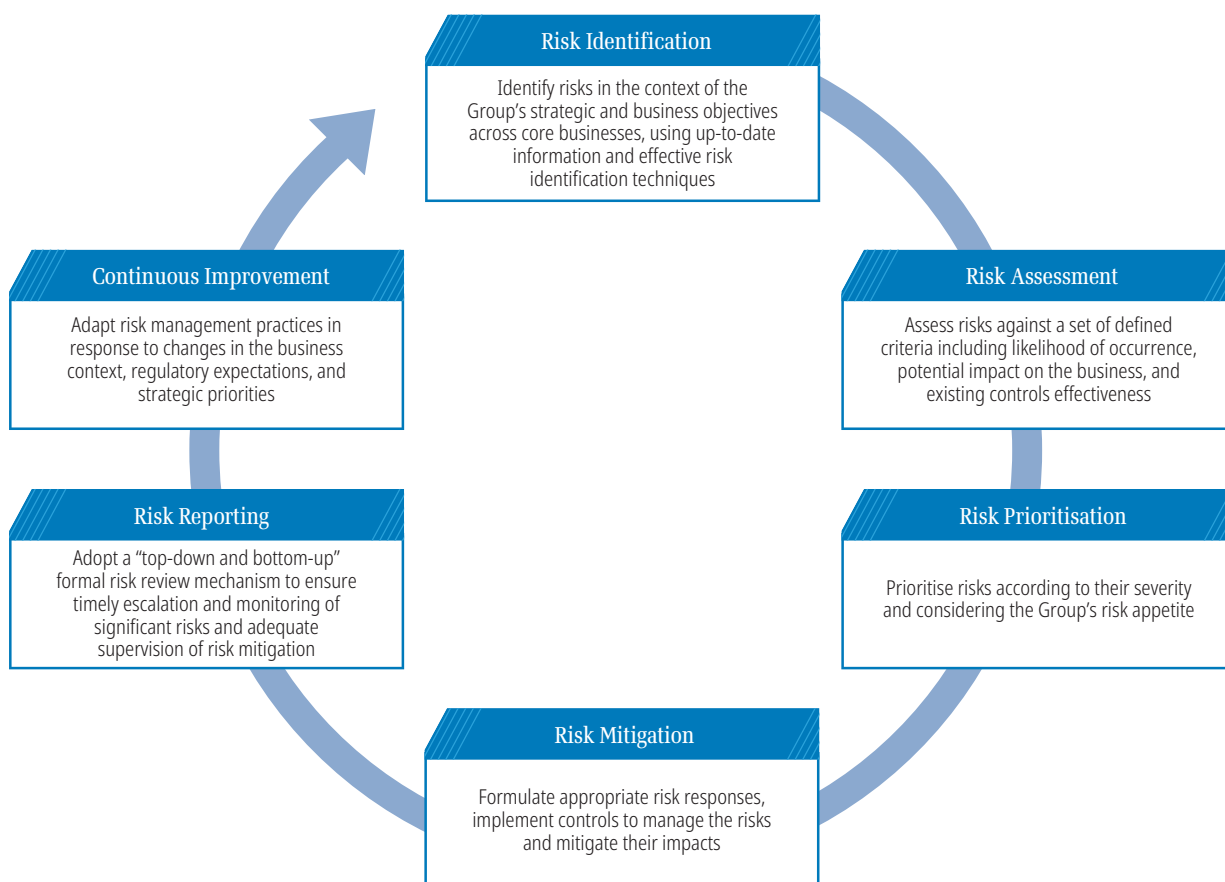
- Provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the business operations of the Group (please refer to page 113 of this annual report for more details).

Whilst the risk management and internal control systems of the Group are designed to identify and manage risks that could adversely impact the achievement of the Group's strategic and business objectives, they do not provide absolute assurance against material misstatement, errors, losses, fraud or non-compliance.

Risk Management

The Company adopts an Enterprise Risk Management framework which is consistent with the COSO (the Committee of Sponsoring Organizations of the Treadway Commission) framework. The framework facilitates a systematic approach in identifying, assessing, prioritising, mitigating and reporting risks (including sustainability and cyber risks) within the Group, be they of strategic, financial, operational or compliance nature.

The following diagram illustrates the key risk management processes of the Group, which are embedded across the Group's businesses:



Risk management is an integral part of the day-to-day operations and management of the Group and is a continuous process carried out at all levels of the Group. There are ongoing dialogues between the Executive Directors and the executive management teams of each core business about the current and emerging risks (including sustainability and cyber risks) that are relevant to their businesses, the plausible impacts of the risks and mitigation measures to ensure that the executive management teams of each core business have performed their duties to have effective systems. These measures, among others, include instituting additional controls and deploying appropriate insurance instruments to minimise or transfer the impact of risks that the Group's businesses face. The latter also includes Directors and Officers Liability Insurance to protect Directors and officers of the Group against potential personal legal liabilities.

In terms of formal risk review and reporting, the Group adopts a "top-down and bottom-up" approach, involving regular inputs from each core business as well as discussions and reviews by the Executive Directors and the Board, through the Audit Committee. More specifically, on a half-yearly basis, each core business is required to formally identify the significant risks (including sustainability and cyber risks) it faces and assess the risk severity based on potential impact and likelihood, whilst the Executive Directors provide input after taking a holistic assessment of all the significant risks that the Group faces. Relevant risk information including key mitigation measures and plans are recorded in a risk register to facilitate the ongoing review and tracking of progress.

The composite risk register together with the risk heat map, as confirmed by the Executive Directors, form part of the risk management report for review and approval by the Audit Committee on a half-yearly basis. The Audit Committee, on behalf of the Board, reviews the report, discusses the risk management and internal control systems, including matters related to cyber risks, with the Internal Audit GM and Executive Directors, and provides input as appropriate so as to ensure effective systems are in place. Pages 58 to 65 of this annual report provide a description of the Group's risk factors which could affect the Group's financial condition or results of operations that differ materially from expected or historical results. More information about the Group's strategies and approaches to managing the sustainability and cyber risks that are material and relevant to the Group's businesses is set out in the standalone Sustainability Report of the Group.

Internal Control

Group structures covering all subsidiaries, associated companies and joint ventures are maintained and updated on a timely and regular basis. Executive Directors are appointed to the boards of all material operating subsidiaries and associated companies for overseeing and monitoring those companies, including attendance at board meetings, review and approval of budgets and plans, and determination of business strategies with associated risks identified and key business performance targets set. The executive management team of each core business division is accountable for the conduct and performance of each business in the division within the agreed strategies, and similarly, management of each business is accountable for its conduct and performance. The Group Co-Managing Directors monitor the performance and review the risk profiles of the Group companies on an ongoing basis.

The internal control procedures of the Group include a comprehensive system for reporting information to the executive management teams of each core business and the Executive Directors.

Business plans and budgets are prepared annually by the management of individual businesses and subject to review and approval by both the executive management teams and Executive Directors as part of the Group's five-year corporate planning cycle. Reforecasts for the current year are prepared on a quarterly basis, reviewed for variances to the budget and for approval. When setting budgets and reforecasts, management identifies, evaluates and reports on the likelihood and potential financial impact of significant business risks.

Executive Directors review monthly management reports on the financial results and key operating statistics of each business and hold monthly meetings with the executive management team and senior management of business operations to review these reports, business performance against budgets, forecasts, significant business risk sensitivities and strategies. In addition, finance directors and financial controllers of the executive management teams of each core business attend monthly meetings with the GCFO and members of his finance team to review monthly performance against budget and forecast, and to address accounting and finance related matters.

The Group maintains a centralised cash management system for its unlisted subsidiary operations. The Group's Treasury function oversees the Group's investment and lending activities and also evaluates and monitors financial and operational risks, and makes recommendations to Management to mitigate those risks. Treasury reports on the Group's cash and liquid investments, borrowings and movements thereof are distributed to the Management weekly.

The Group has established guidelines and procedures for the approval and control of expenditures. Operating expenditures are subject to overall budget control and are controlled within each business with approval levels set by reference to the level of responsibility of each executive and officer. Capital expenditures are subject to overall control within the annual budget review and approval process, and more specifically, material expenditures within the approved budget as well as unbudgeted expenditures are subject to approval by the GCFO prior to commitment. Quarterly reports of actual versus budgeted and approved expenditures are also reviewed.

The Group has also established treasury policies covering specific aspects, such as bank account control and procedures, monitoring and compliance control for loan covenants, approval and reporting process for derivatives and hedging transactions.

In terms of formal review of the Group's risk management and internal control systems, a risk management and internal control self-assessment process that, on a half-yearly basis, requires the executive management team and senior management of each core business to review, evaluate and declare the effectiveness of such systems covering all material controls, including financial, operational and compliance controls over the operations of the business and devise action plans to address the issues, if any, is in place. These assessment results, together with the risk management report as mentioned earlier and the independent assessments by the internal and external auditors, form part of the bases on which the Audit Committee formulates its opinion on the effectiveness of the Group's risk management and internal control systems.

Corporate Governance Report

Legal and Regulatory Compliance

The Group is committed to ensuring its businesses are operated in compliance with local and international laws, rules and regulations. The GLD has the responsibility of safeguarding the legal interests of the Group. The Group has established a Policy on Legal Documentation Review and Reporting Procedures and Litigation Proceedings which defines the common procedures on legal documentation and that handling of material legal matters across the Group worldwide, subject to variations that may be agreed between the GLD and an individual division from time to time. This policy is reviewed periodically and was updated in 2025 to reflect current regulatory and operational requirements.

In addition, the Group has adopted a Policy on Corporate Secretarial Practices which outlines the procedures for corporate secretarial compliance matters, including corporate authorisation for execution of documentation, and the preparation, approval and signing of minutes of Board and committee meetings and Board resolutions. In respect of any transaction which requires GLD clearance, GCSD will obtain confirmation of such clearance before arranging for the convening of Board meetings or the circulation or signing of Board resolutions. The GCSD is also responsible for regulatory filings and Listing Rules compliance. This policy is subject to periodic review and was updated in 2025 to ensure continued alignment with regulatory and governance standards.

The GLD team, led by the Head Group General Counsel, is responsible for overseeing the day-to-day legal affairs of the Group. This includes preparing, reviewing and approving legal documentation of Group companies in accordance with established policies and approval frameworks, working in conjunction with finance, tax, treasury, corporate secretarial and business unit personnel in the review and co-ordination process, and advising Management on legal and commercial issues of concern. In addition, the GLD oversees regulatory compliance matters across the Group. It analyses and monitors the regulatory frameworks within which the Group operates, including reviewing applicable laws and regulations and preparing and submitting responses or filings to relevant regulatory and/or government authorities on regulatory issues and consultations.

GLD also prepares and updates internal policies and where necessary, conducts tailor-made workshops to strengthen the internal controls and compliance procedures of the Group. It determines and approves the engagement of external legal advisers, ensuring that appropriate professional standards are maintained and that services are rendered in a cost-effective manner. Further, GLD organises and holds continuing education seminars and conferences on legal and regulatory matters relevant to the Group for Directors, business executives and the Group's legal and corporate secretarial teams.

On the listed companies level, the Group is subject to the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs, the Cayman Islands Companies Act, the Companies Ordinance, the SFO and/or the laws, rules and regulations of the jurisdictions where the Group companies are incorporated or registered and where their securities are listed and traded. The GLD is vigilant in monitoring compliance with these statutes, rules and regulations which may have a material impact on the Group. The Company is not aware of any incidents of non-compliance with such laws and regulations that may have a significant impact on the Group.

Governance Policies

The Group places utmost importance on the ethical, personal and professional standards of Directors and employees of the Group. All employees adhere to various Group policies that reflect the core values and corporate culture of the Group. The Code of Conduct is the central tool through which the Company sets the conduct expectations for employees underscoring the strong commitment of the Group to upholding high standards of business integrity, honesty and transparency in all its business dealings. The Company has also established anti-corruption and whistleblowing policies and systems, which are conducive to setting a healthy corporate culture and good corporate governance practices. In addition, the Group has adopted and implemented a number of other governance policies to incorporate the core values of the Group into its operations and practices. These policies are reviewed from time to time to ensure their relevance and appropriateness to the Group's businesses, corporate strategy and stakeholder expectations. In addition, employees are required to make a self-declaration every year to confirm that he/she has read, understood and will continue to comply with, the various Group policies. See the governance policies on the Company's website.

Key governance policies and guidelines of the Group include:

Code of Conduct

The Code of Conduct of the Group sets the standards for employees as are reasonably necessary to promote honest and ethical conduct, accurate and timely disclosure in the reports and documents that the Group files or submits to regulators, compliance with applicable laws and regulations, prompt internal reporting of violations and accountability for adherence to the Code of Conduct. Every employee is required to undertake to adhere to the Code of Conduct, which includes provisions dealing with conflict of interest, diversity and a respectful workplace, health and safety, protection and proper use of company assets, record keeping, bribery and corruption, personal data protection and privacy as well as reporting procedures for illegal and unethical behaviour. Employees are required to report any non-compliance with the Code of Conduct in accordance with the established reporting and escalation procedures.

Whistleblowing Policy

In line with the commitment to achieve and maintain the highest standards of openness, probity and accountability, the Company expects and encourages employees of the Group and those who deal with the Group (e.g. customers, suppliers, creditors and debtors) to report to the Company, in confidence, any suspected impropriety, misconduct or malpractice within the Group. In this regard, the Company has adopted the Whistleblowing Policy. The policy aims to provide reporting channels and guidance on reporting possible improprieties and reassurance to whistleblowers of the protection that the Group will extend to them, including anonymity and legal protection against unfair dismissal or victimisation for any genuine reports made. The Board delegated the authority to the Audit Committee, which is responsible for ensuring that proper arrangements are in place for fair and independent investigation of any matters raised and appropriate follow-up actions are taken.

Anti-Fraud and Anti-Bribery Policy

In its business dealings, the Group does not tolerate any form of fraud or bribery, whether direct or indirect, by, or of, its Directors, officers, employees, agents or consultants or any persons or companies acting for it or on its behalf. The Anti-Fraud and Anti-Bribery Policy, which outlines the Group's zero-tolerance stance against fraud and bribery, assists employees in recognising circumstance which may lead to or give the appearance of being involved in fraudulent behaviour, corruption or unethical business conduct, so as to avoid such conduct which is clearly prohibited, and to promptly seek guidance where necessary. Each Group company is required to report any actual or suspected incidents of bribery, theft, fraud or similar offences to the GCMD/GFD and the Internal Audit GM for independent analyses and necessary follow up (see page 113 of this report for more details).

Policy on Appointment of Third Party Representatives

The Group is also committed to exercising proper controls in engaging third party representatives (such as advisers, agents, consultants, introducers and finders). All Group companies are required to exercise due care and diligence in selecting third party representatives and in monitoring their activities, and should adhere to the Group's Policy on Appointment of Third Party Representatives in this regard.

Corporate Communications Policy

The Group highly values its reputation in the communities and countries where it operates. Employees are required to observe the Corporate Communications Policy to ensure that the market receives timely and accurate information about the Group. The Group Corporate Affairs Department ("GCAD") and subsidiary corporate communications/public relations departments assist the Management to provide clear, consistent and congruent messages for the Group's businesses through the media in a speedy, professional and well-coordinated manner.

Shareholders Communication Policy

The Group is committed to enhancing long-term shareholder value through regular communication with its shareholders, both individual and institutional. To this end, the Group strives to ensure that all shareholders have ready, equal and timely access to all publicly available information of the Group. The Shareholders Communication Policy sets out the framework the Company has put in place to promote effective two-way communication with shareholders so as to enable them to engage actively with the Company and exercise their rights as shareholders in an informed manner.

Corporate Governance Report

Policy on Securities Dealings and Handling of Confidential and Price-sensitive Inside Information

With a view to ensuring that inside information is identified, handled and disseminated in compliance with the SFO, and proper internal control procedures are in place to guard against mishandling of inside information which may constitute insider dealing or breach of any other statutory obligations, the Group has implemented the Policy on Securities Dealings and Handling of Confidential and Price-sensitive Inside Information. The policy also adopts additional precautions which should be taken by employees who are in possession of inside information, including identification of project by code name and dissemination of information for stated purpose and on a need-to-know basis only. Whilst all employees are absolutely prohibited at all times from dealing in the securities of any listed entity within the Group when they are in possession of unpublished and price-sensitive information or confidential information, certain members of senior management or staff are subject to specific additional compliance requirements as are communicated to them individually from time to time (including but not limited to obtaining written pre-clearance from designated members of management prior to any dealing in any such securities). Further, certain staff members in the Group CFO Office are subject to a two-month blackout period prior to the release of the Company's annual results and a one-month blackout period prior to the release of interim results, while relevant staff in the GCSD and GCAD are subject to a two-week blackout period.

The Company has established effective systems and procedures to ensure a timely and structured flow of information, enabling Management to promptly identify, assess, and escalate any material information. Control procedures are in place to monitor the Group's financial performance, business developments and corporate events across various business divisions and function units, which are required to report to Management through regular reporting or as and when internal escalation triggers occur. Management will promptly evaluate the impact of reported matters and where appropriate, escalate the matter to a designated committee (comprising at least two Executive Directors) for further consideration. If the committee considers that the reported matter constitutes inside information, such matter will be submitted to the Board for consideration and determination, and, if appropriate, disclosed by the Company in a timely manner.

Policy on Personal Data Governance

The Group is also committed to the safeguard and protection of the personal data of its customers and employees. Employees must only collect and use personal data in accordance with applicable data protection laws, as well as the Policy on Personal Data Governance and the applicable local policies and procedures.

Information Security Policy

Employees must not disclose any confidential information of the Group, its customers, suppliers, business partners or shareholders, except when disclosure is authorised by the Group in accordance with the Information Security Policy which defines the common policies for information confidentiality, integrity and availability to be applied across the entire Group.

Cyber Security Policy

The policy provides a framework for defining the baseline for cyber security practices, and managing cyber risks to ensure that the Group's efforts in this area are effective, coherent and well-coordinated.

Cyber Security Acceptable Use Policy

This policy outlines the guidelines and responsibilities governing the usage of information systems and resources as well as associated assets across the Group. The policy aims to protect the Group's assets, ensures compliance with laws and maintains a secure cyber environment. It also covers sections on cyber security incident reporting and handling, setting out the procedures to facilitate prompt assessment and support for affected business units to enhance overall cyber security governance and minimise the impact and prevent future occurrence.

Policy on Reasonable and Ethical Procurement, Implementation and Use of Artificial Intelligence (AI)

This policy defines and helps communicate the common policies on usages and deployments of AI systems to be applied across the Group to ensure that AI system is used on a safe and ethical basis.

Board Diversity Policy and Director Nomination Policy

The two Board policies, Board Diversity Policy and Director Nomination Policy, set out the approach to achieving diversity as well as the approach and procedures the Board adopts for the nomination and selection of Directors. Further details of the policies are provided on page 114 of this report.

Workforce Diversity Policy

This policy promotes a diversified and inclusive working environment where individual differences are respected and all employees are treated with dignity. It enhances recruitment, supports retention, and fosters innovation and growth by leveraging diverse perspectives. Key components include adhering to non-discriminatory employment practices and procedures, encouraging collaboration among the workforce, providing training and development opportunities to address specific needs and career aspirations of diverse employees and regularly assessing the policy's effectiveness.

Internal Audit

The Internal Audit GM, reporting directly to the Audit Committee and also to the GCMD/GFD, provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the Group's business operations worldwide. It has wide authority to access to documents, records, properties and personnel of the Group. By applying risk assessment methodology and considering the dynamics of the Group's activities, internal audit devises its three-year risk-based audit plan for review by the Audit Committee. The audit plan is subject to continuous reassessment taking into account external and internal factors such as macro economic and regulatory changes, business and operational changes, emerging risks and opportunities (including sustainability and cyber-related ones), as well as audit and fraud findings which may affect the risk profile of the Group during the year.

GMSD is responsible for assessing the effectiveness of the Group's risk management and internal control systems, including reviewing the continuing connected transactions of the Company (refer to pages 84 and 85 of this annual report for more details), formulating an impartial opinion on the systems, and reporting its findings and recommendations to the Audit Committee, the GCMD/GFD and the senior management concerned, as well as following up on the issues to ensure that they are satisfactorily resolved within the agreed timeline. In addition, GMSD maintains a regular dialogue with the external auditor so that the parties are aware of the significant factors which may affect their respective scope of work.

Depending on the nature of business and risk exposure of individual business units, the scope of work performed by GMSD includes financial, IT, operations, sustainability, business ethics, governance policy and regulatory compliance reviews, recurring and surprise audits, as well as productivity efficiency reviews.

GMSD is also responsible for periodic fraud analyses and independent investigations. In accordance with the Group's Code of Conduct and Anti-Fraud and Anti-Bribery Policy, each core business derives its own set of escalation procedures to cater for its operational needs, and is required to report to the GCMD/GFD and the Internal Audit GM any actual or suspected fraudulent activities within a 24-hour timeframe should the amount involved exceeds the de minimis threshold as agreed between the GCMD/GFD and the executive management team of each core business. In addition, each core business submits a summary of fraud incidents statistics to the GCMD/GFD and the Internal Audit GM on a quarterly basis. These cases, together with those escalated through the Company's established whistleblowing channels, are recorded in the Company's centralised fraud incidents register under the custody of the Internal Audit GM, and are independently assessed and investigated as appropriate. The Internal Audit GM would promptly escalate any incidents of a material nature to the Chairman of the Audit Committee for his direction. Also, a summary of the quarterly fraud incidents and relevant statistics (including results of independent investigations and actions taken) is presented to the Audit Committee and the Group Co-Managing Directors.

Reports from the external auditor on internal controls and relevant financial reporting matters are presented to the Internal Audit GM and, as appropriate, to the GCMD/GFD and the finance director or financial controller of the relevant executive management team. These reports are reviewed and appropriate actions are taken.

The Board acknowledges its responsibility for the Group's risk management and internal control systems and, through the Audit Committee, has conducted a review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2025 covering all material controls, including financial, operational and compliance controls, and concurs with confirmation from Management that such systems are appropriate and effective. Neither significant changes in the risk profile of the Group nor significant areas of concern which might affect shareholders were identified. In addition, the Board, through the Audit Committee and the Sustainability Committee, has reviewed and is satisfied with the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting, and sustainability performance and reporting functions.

NOMINATION OF DIRECTORS

Nomination Committee

The Nomination Committee is chaired by Mr Paul Joseph Tighe, an Independent Non-executive Director, and with the Chairman Mr Victor T K Li and Independent Non-executive Director Mrs Leung Lau Yau Fun, Sophie as members. While the majority of the members are Independent Non-executive Directors, the Nomination Committee has an Executive Director among its membership. This is to provide perspective and insight from executive management relating to the day-to-day business and operations of the Group, thereby enabling more befitting candidates to be nominated for consideration.

The responsibilities of the Nomination Committee are to review the structure, size, composition (including skills, knowledge, experience and diversity profile) of members of the Board against the Group's needs at least annually, assist the Board in maintaining a Board skills matrix (please refer to "Board Skills Matrix" below for more details) and make recommendation on the composition of the Board to achieve the Group's corporate strategy as well as promote shareholder value. It identifies suitable director candidates and selects or makes recommendation to the Board on the appointment or re-appointment of Directors and succession planning of Directors. Furthermore, it also assesses the independence of Independent Non-executive Directors having regard to the criteria under the Listing Rules and reviews the Director Nomination Policy and the Board Diversity Policy periodically and makes recommendation on any proposed revisions to the Board. The Nomination Committee also reviews and assesses regularly the time commitment of and contribution to the Board by each Director as well as the Director's ability to discharge his/her responsibilities, and supports the regular evaluation of the performance of the Board. It is authorised by the Board to obtain independent professional advice where necessary on matters within its terms of reference.

Nomination Process

The nomination process has been, and will continue to be, conducted in accordance with the Director Nomination Policy and the Board Diversity Policy, which are available on the website of the Company. The Board will from time to time review these policies and monitor their implementation to ensure continued effectiveness and compliance with regulatory requirements and good corporate governance practices.

Pursuant to the Director Nomination Policy, the Nomination Committee, in determining the suitability of a candidate, will consider the potential contributions a candidate can bring to the Board including the attributes complementary to the Board, the commitment, motivation and integrity of the candidate, having due consideration of the benefits of a diversified Board.

Under the Board Diversity Policy, Board candidates are selected based on merit and the contribution such candidate can bring to the Board to complement and expand the competencies, experience and perspectives of the Board as a whole, taking into account the corporate strategy of the Group and the benefits of various aspects of diversity, including gender, age, culture, ethnicity, educational background, professional experience and other factors that the Nomination Committee may consider relevant from time to time towards achieving a diversified Board.

Board Skills Matrix

As at the date of this report, the Board comprises 18 Directors. The following table and chart provide an overview of the structure, skills set, expertise, competencies and diversity profile of the Board:

Structure and Size						Committees				Qualification		Skills and Expertise								
Name	Age	Years on Board	Gender	Ethnicity	ED/NED/INED	Audit	Nomination	Remuneration	Sustainability	Professional	Educational	Strategic Planning	Leadership	Industry Knowledge and Experience	Financial Literacy/ Banking	Risk Management	Legal & Regulatory Compliance	Sustainability	Technology, Digital & Innovation	
Victor T K Li	61	11 ^(a)	M	C	ED		•	•			BSc, MSc	•	•	•	•	•			•	
Canning Fok	74	11 ^(b)	M	C	ED					N1	BA	•	•	•	•	•			•	
Frank Sixt	74	11 ^(c)	M	NC	ED				•	N2	MA, LLL	•	•	•	•	•	•	•	•	
Dominic Lai	72	10.5 ^(a)	M	C	ED						BSc, MBA	•	•	•	•	•			•	
Edmond Ip	73	11 ^(a)	M	C	ED						BA, MSc	•	•	•	•	•			•	
Kam Hing Lam	79	11 ^(c)	M	C	ED						BSc, MBA	•	•	•	•	•			•	
Edith Shih	74	9 ^(c)	F	C	ED				•	N3	BSE, MA, MA, EdM	•	•	•	•	•	•	•	•	
Andrew Hunter	67	1 ^(a)	M	NC	ED					N4	MA, MBA	•	•	•	•	•			•	
Roland Chow	88	11 ^(c)	M	C	NED					N5	LLM	•	•				•			
Susan Chow	72	9 ^(a)	F	C	NED					N6	BSc	•	•	•	•	•	•			
Charles Lee	89	11 ^(b)	M	C	NED					N7	LLM	•	•		•	•	•			
Cynthia Chow	62	2 ^(a)	F	C	INED	•		•			BA, MBA	•	•	•	•				•	
Graeme Jack	75	1 ^(c)	M	NC	INED	•				N8	BCom	•	•	•	•	•				
Philip Kadoorie	34	3 ^(c)	M	NC	INED						BSc	•	•	•	•	•			•	
Sophie Leung	80	4 ^(c)	F	C	INED		•				BS	•	•		•	•	•			
Paul Tighe	69	5 ^(b)	M	NC	INED	•	•				BSc	•	•	•	•	•	•	•	•	
Ruth Tsim	69	2 ^(a)	F	C	INED	•			•	N9	MBA	•	•	•	•	•			•	
Wong Kwai Lam	76	5.5 ^(b)	M	C	INED	•		•			BA, PhD	•	•		•	•				
												Coverage (% of entire Board)	100%	100%	78%	94%	89%	39%	44%	44%
												No. of Directors (Full Board of 18)	18	18	14	17	16	7	8	8

F: Female
M: Male

C: Chinese
NC: Non-Chinese

ED: Executive Director
NED: Non-executive Director
INED: Independent Non-executive Director

Notes:

(a): Last re-elected at AGM held on 23 May 2024 ^

(b): Last re-elected at AGM held on 18 May 2023 ^

(c): Last re-elected at AGM held on 22 May 2025 ^

N1: Fellow of Chartered Accountants Australia and New Zealand ("CA ANZ")

N2: Member of the Bar and of the Law Society of the Provinces of Québec and Ontario, Canada

N3: Solicitor qualified in England and Wales, Hong Kong and Victoria, Australia; Fellow of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute, holding Chartered Secretary and Chartered Governance Professional dual designations

N4: Member of the Institute of Chartered Accountants of Scotland and of the HKICPA

N5: Solicitor of the High Court of the Hong Kong Special Administrative Region

N6: Qualified solicitor

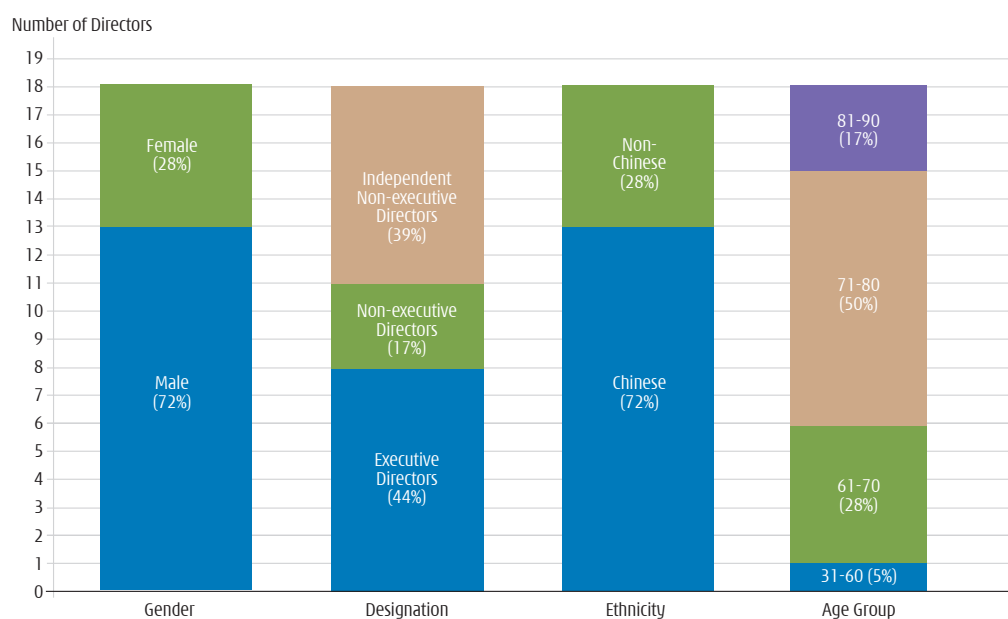
N7: Qualified solicitor in both Hong Kong and the United Kingdom; Chartered Secretary and Chartered Governance Professional

N8: Fellow of the HKICPA; Associate of CA ANZ

N9: Fellow of the Association of Chartered Certified Accountants, the HKICPA and the Institute of Chartered Accountants in England and Wales; member of the Chartered Professional Accountants of British Columbia in Canada

^ In accordance with the Articles of Association regarding the retirement and rotation of Directors, a Director typically serves a three-year term following their last re-election. However, some may serve a shorter term depending on the Board size and in accordance with the retirement provisions.

Corporate Governance Report



The Board demonstrates strong capabilities across essential areas including strategic planning, leadership, industry knowledge, financial literacy, risk management and legal/regulatory compliance. Its combination of diverse experience and perspectives enables the Board to effectively drive strategy, uphold the Company's values and foster a culture that integrates agile decision-making, forward-looking thinking, compliance and ethical governance, ensuring Board decisions consistently support the Company's purpose and desired culture. Recognising emerging priorities, such as sustainability and technology/innovation, the Board continues to develop further expertise through targeted CPD training and ongoing development initiatives. These efforts build skills and ensure the Board remains equipped to respond effectively to evolving business, regulatory and strategic challenges.

Overall, the Board's existing skills, expertise and qualifications are considered adequate and aligned with the Company's long-term objectives, with ongoing development reinforcing the effectiveness and adaptability of the Board in a dynamic business and regulatory environment.

Following the retirement of Mr George Colin Magnus from the Board with effect from 21 March 2025, the female representation on the Board increased from 26% to 28% (five out of 18 Directors), which remains at a relatively high level amongst companies listed on The Stock Exchange of Hong Kong Limited. Upon the retirement of Mr Chow Kun Chee, Roland and Mr Lee Yeh Kwong, Charles from the Board with effect from the conclusion of the 2026 AGM, the female representation on the Board will increase to 31% (five out of 16 Directors). The Company cements its commitment to gender diversity within its business so it continues to review and assess the appropriate level of gender diversity and composition that aligns with the strategy of the Company. The Company targets to have about 30% female directors on its Board. This target will be reviewed on an annual basis and from time to time by the Nomination Committee, as warranted. The Company will continue to seek to ensure it has an appropriate mix of diversity and has a number of initiatives in place to meet its strategic imperative of ensuring it has a diverse Board. Structured recruitment, selection and training programmes at various levels within the Group will also continue to be conducted to develop a broader pool of skilled and experienced potential Board members.

The Board also places tremendous emphasis on diversity (including gender diversity) across all levels of the Group. The senior management of the Company comprising the chairmen, president, managing directors and chief executive officers of the core businesses and the executives in charge of major head office functions of the Company, includes two women, representing 25% of the team (two out of eight). A Workforce Diversity Policy was introduced in March 2025 to promote a diversified and inclusive workplace where all employees feel valued, regardless of background (see page 113 of this report). The total gender diversity of the Group is balanced, 48% male and 52% female, with a slightly higher female employee base driven by the Retail division. To support diversity across all facets, beyond gender, including race and ethnicity, disability, social mobility and age, the Group is enhancing diversity and inclusion efforts through employee networks, mentoring programmes, hiring practices, policies and awareness raising events and training for all employees to support inclusive behaviours. Further details on the gender ratio of the Group and initiatives taken to improve gender diversity across senior management and the wider workforce, together with relevant data, can be found in the 2025 Sustainability Report of the Group, which will be published together with this annual report.

If the Board determines that an additional or replacement Director is required, the Nomination Committee will deploy multiple channels for identifying suitable director candidates, including referral from Directors, shareholders, management, advisers of the Company and external executive search firms. Where a retiring Director, being eligible, offers himself/herself for re-election, the Nomination Committee will consider and, if appropriate, recommend such retiring Director to stand for re-election. A circular containing the requisite information on retiring Directors will be sent to shareholders prior to the general meeting at which such Directors are to be proposed for re-election, in accordance with the Listing Rules.

Shareholders of the Company may also nominate a person to stand for election as a Director at a general meeting in accordance with the Articles of Association of the Company and applicable laws and regulations. The procedures for such proposal are posted on the website of the Company.

The Nomination Committee held one meeting in 2025 with 100% attendance.

Members	Attended/Eligible to Attend
Paul Joseph Tighe (<i>Chairman</i>)	1/1
Victor T K Li	1/1
Leung Lau Yau Fun, Sophie	1/1

In 2025, the Nomination Committee reviewed the structure, size and composition of the Board, ensuring that it has a sound diversity and a balanced composition of skills and experience appropriate for the requirements of the businesses of the Group and that appropriate individuals with relevant expertise and leadership qualities are appointed to the Board to complement the capabilities of existing Directors.

The Nomination Committee also assessed the independence of all Independent Non-executive Directors and considered all of them to be independent having regard to their annual independence confirmation and the assessment of their independence with reference to the independence criteria set out in Rule 3.13 of the Listing Rules. In particular, the Nomination Committee considered that all Independent Non-executive Directors continue to provide a balanced and independent view to the Board and play a leading role in the Board committees and bring independent and external dimension as well as constructive and informed comments on issues of the Group's strategy, policy, performance, accountability, resources, key appointments and standards of conduct. None of the Independent Non-executive Directors have any involvement in the daily management of the Company, or any financial or other interests or relationships in the business of the Company. In addition, there are no circumstances which would materially interfere with their exercise of independent judgement.

At its meeting in February 2026, the Nomination Committee, alongside its review of the structure, size, composition (including skills, knowledge, experience and diversity profile) of the Board, reviewed and assessed the time commitment and contribution to the Board by each Director. The assessment considered each Director's ability to discharge their responsibilities, referencing factors such as participation in Board and Board Committee meetings, existing listed company directorships, other significant external time commitments, CPD training undertaken and the results of the performance evaluation for the Board and its committees. The Nomination Committee recognised the invaluable advice provided by senior Board members, drawing from their decades of experiences and deep understanding of commercial trends, especially during the turbulent times in Hong Kong. The Nomination Committee is satisfied that each Director can discharge their responsibilities effectively.

At the same meeting, the Nomination Committee reviewed the results of the Board performance evaluation, confirming that the overall performance aligns with the business and strategic goals of the Group. The Nomination Committee affirmed the independence of the Independent Non-executive Directors, deliberated and selected Directors for retirement and re-election at the forthcoming 2026 AGM and recommended to the Board for consideration. The Board Diversity Policy and Director Nomination Policy were also reviewed and their implementation and effectiveness during 2025 were endorsed by the Nomination Committee. The Nomination Committee concluded that both policies remain robust and effective for the Group, taking into account the processes leading to the re-election of Directors at the 2025 AGM of the Company.

The terms of reference of the Nomination Committee was updated in April 2025 to reflect the amendments to the CG Code.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Remuneration Committee

The Remuneration Committee comprises three members with expertise in human resources and personnel emoluments. The Remuneration Committee is chaired by Mr Wong Kwai Lam, an Independent Non-executive Director, with the Chairman Mr Victor T K Li and Independent Non-executive Director Ms Chow Ching Yee, Cynthia as members. The composition of the Remuneration Committee meets the requirements of chairmanship and independence under the Listing Rules. While the majority of the members are Independent Non-executive Directors, the Remuneration Committee has an Executive Director among its membership. This is to provide perspective and insight from executive management on the capabilities, effectiveness and performance of Directors and senior management. The Remuneration Committee meets towards the end of each year. But remuneration matters are also considered and approved by way of written resolutions and where warranted, at additional meetings.

The Remuneration Committee held one meeting in 2025 with 100% attendance.

Members	Attended/Eligible to Attend
Wong Kwai Lam (<i>Chairman</i>)	1/1
Victor T K Li	1/1
Chow Ching Yee, Cynthia	1/1

The responsibilities of the Remuneration Committee are to assist the Board in achieving its objectives of attracting, retaining and motivating a broader and more diverse pool of employees of the highest calibre and experience needed to shape and execute the strategy across the Group's substantial, diverse and international business operations. It assists the Group in the administration of a fair and transparent procedure for setting remuneration policies for all Directors and senior executives of the Group. Whilst the Board retains its power to determine the remuneration of Non-executive Directors, the responsibility for reviewing and determining the remuneration package of individual Executive Directors and senior management of the Group is delegated to the Remuneration Committee. It is authorised by the Board to obtain independent professional advice where necessary on matters within its terms of reference.

During the year, the Remuneration Committee reviewed background information on market data (including economic indicators, statistics and the Remuneration Bulletin), the Group's business activities and human resources issues, and headcount and staff costs. In December 2025, the Remuneration Committee reviewed and approved the proposed 2026 directors' fees for Executive Directors, which will be subject to approval by shareholders at the forthcoming 2026 AGM, and made recommendation to the Board on the proposed 2026 directors' fees for Non-executive Directors and Independent Non-executive Directors. Prior to the end of the year, the Remuneration Committee also reviewed and approved the 2025 year-end bonus and 2026 remuneration packages of Executive Directors, subsidiaries' managing directors and senior executives of the Group. No Director or any of his/her associates was involved in deciding his/her own remuneration.

Remuneration Policy

The remuneration of Directors and senior executives is determined with reference to their expertise and experience in the industry, the performance and profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions. Executive Directors and employees also participate in bonus arrangements which are determined in accordance with the performance of the Group and the individual's performance.

2025 Remuneration

Directors' emoluments comprise payments to Directors by the Company and its subsidiaries in connection with the management of the affairs of the Company and its subsidiaries. The emoluments exclude amounts received from the Company's listed subsidiaries and paid to the Company. Details of emoluments paid to each Director in 2025 are set out below:

Name of Directors	Director's fees HK\$ million	Basic salaries, allowances and benefits-in-kind HK\$ million	Discretionary bonuses HK\$ million	Provident fund contributions HK\$ million	Inducement or compensation fees HK\$ million	Total emoluments HK\$ million
Victor T K LI ⁽¹⁾⁽²⁾						
<i>Paid by the Company</i>	0.31	5.45	47.42	–	–	53.18
<i>Paid by CK Infrastructure Holdings Limited ("CKI")</i>	0.13	–	30.02	–	–	30.15
	0.44	5.45	77.44	–	–	83.33
FOK Kin Ning, Canning ⁽³⁾	0.22	7.14	62.26	0.59	–	70.21
Frank John SIXT ⁽³⁾⁽⁴⁾	0.28	12.96	77.92	–	–	91.16
LAI Kai Ming, Dominic ⁽³⁾	0.22	7.96	75.10	0.68	–	83.96
IP Tak Chuen, Edmond						
<i>Paid by the Company</i>	0.22	–	1.84	–	–	2.06
<i>Paid by CKI</i>	0.10	1.80	2.36	–	–	4.26
	0.32	1.80	4.20	–	–	6.32
KAM Hing Lam						
<i>Paid by the Company</i>	0.22	2.65	8.82	–	–	11.69
<i>Paid by CKI</i>	0.08	4.20	9.63	–	–	13.91
	0.30	6.85	18.45	–	–	25.60
Edith SHIH ⁽³⁾⁽⁴⁾	0.28	5.12	18.74	0.38	–	24.52
Andrew John HUNTER						
<i>Paid by the Company</i>	0.22	–	1.09	–	–	1.31
<i>Paid by CKI</i>	0.08	14.80	18.58	1.48	–	34.94
	0.30	14.80	19.67	1.48	–	36.25
CHOW Kun Chee, Roland ⁽⁵⁾	0.22	–	–	–	–	0.22
CHOW WOO Mo Fong, Susan ⁽⁵⁾	0.22	–	–	–	–	0.22
LEE Yeh Kwong, Charles ⁽⁵⁾	0.22	–	–	–	–	0.22
George Colin MAGNUS ⁽⁶⁾						
<i>Paid by the Company</i>	0.04	–	–	–	–	0.04
<i>Paid by CKI</i>	0.08	–	–	–	–	0.08
	0.12	–	–	–	–	0.12
CHOW Ching Yee, Cynthia ⁽²⁾⁽⁷⁾⁽⁸⁾	0.41	–	–	–	–	0.41
Graeme Allan JACK ⁽⁷⁾⁽⁸⁾	0.35	–	–	–	–	0.35
Philip Lawrence KADOORIE ⁽⁷⁾	0.22	–	–	–	–	0.22
LEUNG LAU Yau Fun, Sophie ⁽¹⁾⁽⁷⁾	0.25	–	–	–	–	0.25
Paul Joseph TIGHE ⁽¹⁾⁽⁷⁾⁽⁸⁾						
<i>Paid by the Company</i>	0.38	–	–	–	–	0.38
<i>Paid by CKI</i>	0.20	–	–	–	–	0.20
	0.58	–	–	–	–	0.58
TSIM Sin Ling, Ruth ⁽⁴⁾⁽⁷⁾⁽⁸⁾	0.41	–	–	–	–	0.41
WONG Kwai Lam ⁽²⁾⁽⁷⁾⁽⁸⁾	0.41	–	–	–	–	0.41
Total:	5.77	62.08	353.78	3.13	–	424.76

Corporate Governance Report

Notes:

- (1) Member of the Nomination Committee.
- (2) Member of the Remuneration Committee.
- (3) Directors' fees to these Directors from the Company's listed subsidiaries during the period they served as directors have been paid to the Company and are not included in the amounts above.
- (4) Member of the Sustainability Committee.
- (5) Non-executive Director.
- (6) Former Non-executive Director. Retired on 21 March 2025.
- (7) Independent Non-executive Director. The total emoluments of the Independent Non-executive Directors of the Company are HK\$2.63 million (2024: HK\$2.40 million).
- (8) Member of the Audit Committee.

The remuneration paid to the members of senior management by bands during the year is set out below:

Remuneration Bands*	Number of Individuals
HK\$11 million to HK\$20 million	1
HK\$21 million to HK\$25 million	3
HK\$26 million to HK\$30 million	1
HK\$31 million to HK\$35 million	1
HK\$36 million to HK\$40 million	1
HK\$41 million to HK\$85 million	1

* Rounding to the nearest million.

RELATIONSHIP WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

The Board is committed to maintaining effective communication channels with shareholders for constructive engagement and clear understanding of shareholder views on matters affecting the Company, including governance and performance against the corporate strategy of the Group.

In order to stay attuned to changing expectations of stakeholders, the Group places high priority to, and actively promotes, investor relations and constructive dialogues with the investment community throughout the year. In 2025, the Company continued to maintain and enhance multiple channels of communication and engagement, consistent with its Shareholders Communication Policy (please refer to page 111 of this report for more details).

Shareholder Engagement and Corporate Communications

Channels	2025 Highlights
<p>Investor Engagements <i>(Led by Group Co-Managing Directors, certain members of senior management, executive management teams of core business divisions, representatives from Group CFO office, the Group's sustainability team, GCAD and GIRD)</i></p>	<p>Through its Executive Directors, the GCAD, Group Investor Relations Department (“GIRD”) and the GCSD, the Group engaged with and responded to requests for information and queries from the investment community including shareholders, potential investors, analysts and the media through regular briefing meetings, webcasts, conference calls and presentations.</p> <p>In 2025, over 140 meetings were conducted with institutional investors and analysts through diverse channels such as video calls, conference calls, group and one-on-one meetings, roadshows and site visit, with an increasing emphasis on sustainability strategy and priorities.</p>
<p>General Meetings</p>	<p>On 22 May 2025, the Company conducted its AGM in hybrid format enabling broader shareholder participation. Shareholders were able to attend physically or by electronic facilities, vote through the online platform, and submit questions prior to or during the AGM, providing meaningful engagement with the Directors and senior management.</p> <p>All Directors attended the 2025 AGM, including the chairpersons of the Board, Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Committee.</p> <p>For more details, please refer to “Shareholders’ Rights and Meetings” below.</p>
<p>Webcasts and Presentations <i>(Led by Executive Directors and senior management)</i></p>	<p>On 14 August 2025, a webcast was arranged for the interim results of the Company.</p> <p>Recording of the webcast and presentation slides were available on the corporate website, ensuring transparency and accessibility.</p>
<p>Corporate Communication (Announcements/Reports)</p>	<p>During 2025, the 2024 annual report, 2024 sustainability report, 2025 interim report and approximately 20 notices, announcements, circulars and media releases were issued and published.</p>
<p>Corporate Website</p>	<p>Extensive information is available on the Company's website, which serves as a key reference point for stakeholders. This includes the Memorandum and Articles of Association of the Company, relevant policies and codes, together with a wide range of investor resources including financial highlights, share price information, financial calendar, press releases and webcast materials.</p> <p>The Investor Relations page provides details of arrangements on dissemination of corporate communications of the Company and printed corporate communications request. Corporate governance policies and practices, as well as sustainability information and policies are regularly updated and accessible through the dedicated Corporate Governance and Sustainability sections.</p>
<p>Dedicated Contacts</p>	<p>Channels are available for enquiries, feedback, comments, and suggestions from shareholders and other stakeholders. All correspondence are logged and categorised for review and follow-up.</p> <p>Comments and suggestions to the Board or the Company are welcome and can be addressed to Company Secretary by mail to 48th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong or by email at cosec@ckh.com.hk.</p> <p>Institutional investors and analysts can contact the Group Investor Relations of the Company by mail to 47th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong or by email at ir@ckh.com.hk.</p> <p>Stakeholders who wish to provide feedback and suggestions on the sustainability report and sustainability issues can send email to sustainability@ckh.com.hk.</p>

Corporate Governance Report

Shareholder Feedback and Follow-up

The Group values feedback from shareholders and other stakeholders on its efforts to promote transparency and foster investor relationship. It has established timely and comprehensive procedures to monitor the outcomes of shareholder engagements. Questions raised during live interactions with shareholders are typically addressed onsite. A structured tracking system is in place to manage shareholder feedback; all comments and suggestions received through various channels are systematically logged and categorised for review and follow up actions. Where relevant, such feedback is taken into account in the Company's strategy formulation, business operations and risk evaluation processes. During 2025, key areas of interest from investors included pipeline progress, governance practices, strategic direction, ESG performance, and capital allocation.

Shareholders' Rights and Meetings

Shareholders are encouraged to participate at general meetings of the Company physically, through electronic means, or by proxy if they are unable to attend in person. Pursuant to the Articles of Association of the Company, any two or more shareholders (or one shareholder which is a recognised clearing house, or its nominee(s)) holding not less than one-tenth of the paid up share capital of the Company, carrying the right of voting at general meetings of the Company, have rights to call for general meetings and to put forward agenda items for consideration by shareholders, by depositing at the principal office of the Company in Hong Kong a written requisition for such general meetings, signed by the shareholders concerned together with the objects of the meeting. The Board would within 21 days from the date of deposit of requisition convene the meeting to be held within a further 21 days.

All substantive resolutions at general meetings are decided on a poll which is conducted by the Company Secretary and scrutinised by the Company's Hong Kong Share Registrar. The results of the poll are published on the websites of the Company and HKEX. In addition, regular updated financial, business and other information on the Group are made available to the shareholders and other stakeholders on the Company's website.

The Company held one shareholders' meeting in 2025, being the 2025 AGM held on 22 May 2025 at Harbour Grand Kowloon as hybrid meeting at which shareholders could join physically or by electronic facilities and could also vote through the online platform. The 2025 AGM was attended by all Directors and PwC. The respective chairpersons of the Board, Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Committee all attended the 2025 AGM. Directors are requested and encouraged to attend shareholders' meetings.

Separate resolutions were proposed at the 2025 AGM on each substantive issue and the percentage of votes cast in favour of such resolutions as disclosed in the announcement of the Company dated 22 May 2025 are set out below:

Ordinary Resolutions Proposed at the 2025 AGM	Percentage of Votes
1 Adoption of the audited Financial Statements, the Directors' Report and the Independent Auditor's Report for the year ended 31 December 2024	99.6252%
2 Declaration of a final dividend	99.9984%
3(a) Re-election of Mr Frank John Sixt as Director	94.7852%
3(b) Re-election of Mr Kam Hing Lam as Director	93.8825%
3(c) Re-election of Ms Edith Shih as Director	95.1128%
3(d) Re-election of Mr Chow Kun Chee, Roland as Director	93.4825%
3(e) Re-election of Mr Graeme Allan Jack as Director	99.5230%
3(f) Re-election of Mr Philip Lawrence Kadoorie as Director	99.5284%
3(g) Re-election of Mrs Leung Lau Yau Fun, Sophie as Director	98.5817%
4 Re-appointment of PricewaterhouseCoopers as Independent Auditor and authorisation of Directors to fix the Auditor's remuneration	99.3092%
5 Granting of a general mandate to Directors to issue additional shares of the Company	96.5686%
6 Granting of a general mandate to Directors to repurchase shares of the Company	99.9665%

Accordingly, all resolutions put to shareholders at the 2025 AGM were passed. The results of the voting by poll were published on the websites of the Company and HKEX.

Other corporate information relating to the Company is set out in the “Information for Shareholders” section of this annual report. This includes, among others, dates for key corporate events for 2026.

Shareholders Communication Policy

The Audit Committee is responsible for regular review of the effectiveness and compliance with prevailing regulatory and other requirements of the Shareholders Communication Policy. In January 2026, the Audit Committee reviewed the policy and considered that the implementation of the policy was effective during 2025 (see page 105 of this report).

Dividend Policy

The Board adopted a Dividend Policy for the Company and is committed to maintaining an optimal capital structure and investment grade credit ratings. The policy is pursued to deliver returns to shareholders whilst ensuring that adequate capital resources are available for business growth and investment opportunities. Subject to business conditions, market opportunities and maintenance of the Company's strong investment grade credit ratings, the Board aims to deliver a sustainable dividend that is in line with earnings improvement and long-term growth of the Company. It is confirmed that all dividend decisions made by the Board were made in accordance with the Dividend Policy of the Company.

SUSTAINABILITY

Sustainability Governance

The Group's sustainability governance structure provides a solid foundation for developing and delivering its commitment to sustainability, which is embedded at all levels of the Group, including the Board, the Sustainability Committee, the Audit Committee, the Sustainability Working Group, the European Working Group, the Governance Working Group and the Cyber Security Working Group as well as the sustainability functions embedded across all core businesses.

The Board level Sustainability Committee is chaired by Mr Frank John Sixt, GCMD/GFD, with Executive Director and Company Secretary Ms Edith Shih and Independent Non-executive Director Ms Tsim Sin Ling, Ruth as members.

The responsibilities of the Sustainability Committee are to propose and recommend to the Board on the Group's sustainability objectives, strategies, priorities, initiatives and goals. It oversees, reviews and evaluates actions taken by the Group in furtherance of sustainability priorities and goals, including coordinating with business divisions of the Group and ensuring that operations and practices adhere to the relevant priorities and goals. The Sustainability Committee also reviews and reports to the Board on sustainability risks and opportunities, monitors and assesses emerging sustainability issues and trends that could impact the business operations and performance of the Group. Moreover, it considers the impact of the Company's sustainability programmes on its stakeholders, including employees, shareholders, investors, customers, business partners, suppliers, governments and regulators, local communities, non-government organisations, and the environment, and appraises and advises the Board on the Company's public communication, disclosure and publications as regards to its sustainability performance. It is authorised by the Board to obtain independent professional advice where necessary on matters within its terms of reference.

Corporate Governance Report

The Sustainability Committee held two meetings in 2025 with 100% attendance.

Members	Attended/Eligible to Attend
Frank John Sixt (<i>Chairman</i>)	2/2
Edith Shih	2/2
Tsim Sin Ling, Ruth	2/2

During 2025, the Sustainability Committee reviewed and approved the 2024 Sustainability Report published in April 2025. The Sustainability Committee also reviewed the progress and highlights on sustainability goals, and received updates from the Group's sustainability lead on the European sustainability progress, as well as presentations on (i) proposed changes/enhancement on the forthcoming 2025 Sustainability Report; (ii) preparation for the upcoming disclosure requirements; (iii) ESG rating agencies and sustainability surveys; (iv) CKHH Group sustainability portal; and (v) review of adequacy of resources, staff qualifications and experience, training programmes and budget. In March 2025, the Sustainability Committee adopted a new Workforce Diversity Policy which was subsequently approved by the Board.

At its meeting in March 2026, the Sustainability Committee received a presentation on (i) debrief on 2025 Sustainability Report; (ii) updates on rating agencies' methodology changes and follow-up actions; (iii) 2026 Sustainability Conference conducted by the Group in February 2026; (iv) European sustainability updates; and (v) review of the adequacy of resources, staff qualifications and experience, training programmes and budget. The Sustainability Committee also reviewed and recommended to the Board for approval the 2025 Sustainability Report, which will be published together with this annual report.

The adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's sustainability performance and reporting function was examined and considered satisfactory by the Sustainability Committee in March 2025 for the 2024 annual review, in August 2025 for the 2025 interim review and in March 2026 for the 2025 annual review.

Supporting the Sustainability Committee is the Sustainability Working Group, comprising two Executive Directors as Co-Chairs, as well as other senior executives from key departments that impact the material sustainability issues of the Group.

Sustainability is embedded in the risk management approach of the Group, through the biannual formal examination of all business divisions as to its respective material sustainability risks and presentations to senior management with plans on how these risks are managed as part of the biannual review of risk management and internal control systems. As an integral part of the sustainability governance, these self-assessment results are subject to internal audits and then submitted to the GCMD/GFD biannually as well as the Audit Committee and Sustainability Committee respectively for review and approval.

Sustainability Framework

The Group's overall sustainability approach and priorities are built on four pillars: Environmental, Social, Governance and Sustainable Business Model & Innovation, with the latter pillar underscoring the importance of sustainability integration into the business strategies of the Group and the commercial opportunities that sustainability presents. The Group-level framework includes eight goals which extend to all core businesses which complement, rather than replace, the business division level strategies which should always serve to address individual material sustainability issues based on the sectors and geographical locations in which they operate.

Each pillar is supported by Group-wide policies, leadership at Group level and collective efforts of each core business division. On an ongoing basis, the Group continues to assess, update and refine its sustainability policies with a view of ensuring that its systems, processes, standards and practices are enabling the achievement of the sustainability objectives of the Group which also evolve to reflect emerging sustainability trends. These policies can be found in the "Sustainability Policies" section of the Company's website (https://www.ckh.com.hk/en/esg/esg_policies.php). These policies and the governance policies mentioned earlier in this report form the foundation of the sustainability governance framework of the Group.

Progress

Beyond the following sustainability summary of progress, the standalone Sustainability Report of the Group, which will be published together with this annual report, will provide more details of the Group's initiatives, efforts and achievement in sustainability.

During 2025, the Group dedicated significant efforts to implement its decarbonisation strategy focusing on achieving its science-based targets, net-zero pathways and Scope 3 footprints, as more granular details can be found in the Sustainability Report.

With the Group's core businesses having set emissions reduction targets, underpinned by expansive action plans, the Group has decided to set its own Group-wide commitment of reducing Scope 1 and 2 emissions by 50% by 2035 versus a 2020 baseline, as well as committing to the long-term pursuit of net-zero carbon emissions across its value chain by 2050. This target is based on the significant efforts by each of its core businesses in recent years to develop ambitious targets that are supported by expansive plans.

As part of the ongoing efforts to align the Group's climate action strategy development and reporting to leading practice frameworks, the Company has leveraged the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to provide more detailed insight to the Group's climate-related governance, strategy, risk management, and metrics and targets. While CK Hutchison Group Telecom also published its first TCFD report in 2023, both CKI and 3 UK also completed their own climate scenario analysis assessments and worked diligently to align with the TCFD recommendation. This process enabled respective division to identify the climate-related risks and opportunities, aiding in the evaluation of potential financial implications for its operations.

Sustainability is prioritised by the Group not only because of the risks it poses but also as it acts as a growth opportunity for the Group. Throughout 2025, the Group's core businesses continued to invest in innovation and technology to create competitive advantage and future-ready its business:

- The Ports division implemented a number of decarbonising initiatives, such as the application of mandatory "Equipment Electrification Directive" and on-site renewable energy generation, ensuring the Greenhouse Gas (GHG) emission reduction roadmap and net zero targets shall be reached according to the proposed timeline.
- The Retail division continues to expand its low carbon vehicle fleet across the division, significant achievement can be found with Watsons China, where electric vehicles account for over 80% of all warehouse-to-store deliveries in the cities of Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, Chongqing and Xiamen. Furthermore, the division has been purchasing renewable energy through Energy Attributes Certificates in selected markets, acquired over 580 GWh of renewable energy through Energy Attributes Certificates across Chinese Mainland, Hong Kong, Philippines, Malaysia, Thailand, Türkiye, Indonesia, bringing positive contribution to the Group's emission reduction targets.
- The Infrastructure division acquired a number of renewable energy assets in 2024, such as UK Renewables Energy, a portfolio of operating onshore wind farms in the United Kingdom, and Powerlink Renewable Assets, a renewable energy portfolio in the United Kingdom.
- The Telecommunications division has leveraged on technology solution and the purchase of renewable energy to achieve encouraging outcome, as CK Hutchison Group Telecom increased its supply of purchased renewable electricity and continued to invest in energy efficiency for its operations. All operations continue to invest in energy efficiency measures with the implementation of network optimisation equipment features, virtualisation of core network and network services, and optimisation of data centres, including through the use of Artificial Intelligence.

Corporate Governance Report

Stakeholder Engagement

Throughout 2025, the Group continued its ongoing efforts to engage with a variety of stakeholders. As the Group has a diverse range of businesses and operates in about 50 countries/markets, maintaining a close dialogue with key stakeholders in each industry and geographical jurisdiction is critical when making business decisions and considering the associated potential sustainability impact. Recognising that sustainability performance is becoming an important investment decision factor for investors, the Company is dedicating significant efforts to investor outreach on sustainability topics as well as engaging with the ESG ratings agencies, which are highlighted as the most important to the Group's top investors. In 2025, the Company sustained its participation in CDP disclosure and received "B" score in both climate change and water security sections, received a one-notch improvement to "AA+" in the Hang Seng Corporate Sustainability Indexes as well as the "Prime" status in the ISS ESG rating, and continued its disclosure to MSCI and Sustainalytics.

The Group aspires to be an employer of choice through competitive remuneration packages, continuous professional training, and a safe and inclusive working environment. As part of the talent pipeline development, monthly in-house and external training courses and programmes covering a wide range of topics including technical skills development training, soft skills training and wellness programmes are provided to employees at all levels. Further, Group companies work with educational and professional institutions to inspire, train and mentor the younger generation for future careers with the Group. The Group is committed to providing a work environment that is free from all forms of discrimination on the basis of race, ethnicity, gender, creed, religion, age, disability, sexual preference or position.

Service excellence and human capital continue to be core values guiding operations across all business units, and these principles delivered strong results during the year. Wind Tre and 3 Sweden were recognised as Top Employer Italy and Great Place to Work, respectively. AS Watson Group received the "Caring Company" designation for over 20 consecutive years and was honoured with HR Asia's Best Companies to Work for in Asia, receiving the Platinum Harmonia Award. UK Power Networks was named "Utility of the Year" at the Utility Week Awards 2025 for its exceptional customer service, investment in employees, and leadership in the energy transition. HIT and COSCO HIT from the Ports division also received the Partner Employer Award in 2025. In addition, ensuring a safe working environment remains a core principle across the Group, with facilities in the Ports division continuing to maintain ISO 45001 certification. Safety training also remains a priority, benefiting not only employees but also contractors.

Compliance with Laws and Regulations

Many of the Group's businesses operate in highly regulated environments. Regulatory frameworks are closely analysed and monitored and internal policies are prepared and updated accordingly. Tailor-made workshops are conducted to strengthen awareness and understanding of the Group's internal controls and compliance procedures. In addition, refresher courses on ethical business practices are provided on a regular basis. Where appropriate, best practices are shared amongst Group companies to increase cross-fertilisation of ideas and know-how. Further, GMSD is responsible for the assessment of the Group's sustainability practices and relevant regulatory compliance.

The Company is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning employment, occupational health and safety or labour standards, product responsibility, anti-corruption, air and water discharges, and generation of waste during the year (see also page 110 of this report on the Group's compliance with the relevant laws and regulations which have a significant impact on the Group).

By order of the Board

Edith Shih

Executive Director and Company Secretary

Hong Kong, 19 March 2026

Independent Auditor's Report

To the Shareholders of CK Hutchison Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of CK Hutchison Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), which are set out on pages 132 to 346, comprise:

- the consolidated and Company statements of financial position as at 31 December 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 December 2025, and of its consolidated profit and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants ("the Code"), as applicable to audits of financial statements of public interest entities and we have also fulfilled our other ethical responsibilities in accordance with the Code.

Independent Auditor's Report

Key Audit Matters

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

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

- Goodwill; and
- Investments in associated companies and joint ventures

Key Audit Matter

Goodwill

Refer to notes 17 and 46 to the consolidated financial statements

The Group has a significant amount of goodwill arising from various acquisitions. As at 31 December 2025, the carrying amounts of goodwill amounted to approximately HK\$275 billion.

Goodwill is subject to impairment assessments annually and when there is an indication of impairment.

In carrying out the impairment assessments, significant judgements are required to estimate the recoverable amounts, being the higher of the fair value less costs of disposal and value in use. The recoverable amounts are estimated taking into consideration the future cash flows of the respective business units based on the latest approved financial budgets for the next five years and a number of other assumptions, including the growth rates to extrapolate the cash flows beyond the budget period and the discount rates to bring the future cash flows back to their present values.

We considered this is a key audit matter as significant judgements are involved in the impairment assessments.

How our audit addressed the Key Audit Matter

Our procedures to address this key audit matter included:

- Understanding management's assessment process of impairment of goodwill;
- Assessing the appropriateness of the valuation methodologies used;
- Assessing the reasonableness of key assumptions used in management's estimation of recoverable amounts based on our knowledge of the relevant businesses and industries, other appropriate supporting evidence, and with the involvement of our valuations experts;
- Testing source data to supporting evidence, such as approved budgets, on a sample basis, and considering the reasonableness of the estimated future cash flows, the growth rates and discount rates applied; and
- Performing sensitivity analyses on the key assumptions to evaluate the potential impacts on the recoverable amounts including the growth rates and discount rates as these are the key assumptions to which the measurement of recoverable amounts is the most sensitive.

We found the assumptions adopted in relation to the impairment assessments to be supportable and reasonable based on available evidence.

Key Audit Matters *(continued)*

Key Audit Matter

Investments in associated companies and joint ventures

Refer to notes 18, 19 and 46 to the consolidated financial statements

The Group has significant investments in associated companies and joint ventures, which are accounted for under the equity method. As at 31 December 2025, the carrying amounts of investments in associated companies and joint ventures amounted to approximately HK\$181 billion and HK\$171 billion respectively.

Investments in associated companies and joint ventures are subject to impairment assessments when there is an indication of impairment. For those associated companies and joint ventures in which such indication exists, the Group performed impairment assessments. In carrying out the impairment assessments, significant judgements are required for discounted cash flow models to estimate the recoverable amounts of the Group's investments in the associated companies and the joint ventures.

We considered this is a key audit matter as significant judgements are involved in the impairment assessments.

How our audit addressed the Key Audit Matter

Our procedures to address this key audit matter included:

- Understanding management's process for identifying the existence of impairment indicators and performing impairment assessments of investments in associated companies and joint ventures when indicators of impairment exist;
- Assessing the appropriateness of the valuation methodologies used in the impairment assessments; and
- Assessing the reasonableness of key assumptions used by management in the estimation of recoverable amounts of those investments in associated companies or joint ventures with impairment indicators, including the projections of cash flows, the growth rates and discount rates applied; and comparing cash flow projections to supporting evidence, such as approved budgets.

We found the assumptions adopted in relation to the impairment assessments to be supportable and reasonable based on available evidence.

Independent Auditor's Report

Other Information

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

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wong Hung Nam.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 19 March 2026

Consolidated Income Statement

for the year ended 31 December 2025

2025 [#] US\$ million		Note	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
35,902	Revenue	5	280,036	281,351	275,575
(14,565)	Cost of inventories sold	8	(113,608)	(106,194)	(105,739)
(5,601)	Staff costs		(43,688)	(41,591)	(39,226)
(1,228)	Expensed customer acquisition and retention costs		(9,576)	(15,433)	(15,188)
(4,922)	Depreciation and amortisation	8	(38,391)	(40,460)	(40,083)
(7,280)	Other expenses and losses	8	(56,789)	(52,895)	(47,845)
125	Other income and gains	8	976	524	2,159
	Share of profits less losses of:				
1,141	Associated companies		8,900	6,903	8,138
1,420	Joint ventures		11,074	9,757	7,990
4,992			38,934	41,962	45,781
(1,580)	Interest expenses and other finance costs	9	(12,327)	(13,392)	(12,227)
3,412	Profit before tax		26,607	28,570	33,554
(678)	Current tax charge	10	(5,285)	(4,189)	(4,119)
(251)	Deferred tax credit (charge)	10	(1,952)	(528)	1,116
2,483	Profit after tax		19,370	23,853	30,551
(965)	Profit attributable to non-controlling interests and holders of perpetual capital securities		(7,529)	(6,765)	(6,712)
1,518	Profit attributable to ordinary shareholders		11,841	17,088	23,839
US\$ 0.40	Earnings per share for profit attributable to ordinary shareholders	11	HK\$ 3.09	HK\$ 4.46	HK\$ 6.22

Details of the distribution paid to holders of perpetual capital securities, the interim dividend paid, and the proposed final dividend for ordinary shareholders are provided in note 12.

See note 42.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2025

2025 # US\$ million	Note	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
2,483		19,370	23,853	30,551
	Profit after tax			
	Other comprehensive income (losses)			
	Items that will not be reclassified to profit or loss			
28	Changes in fair value of equity instruments at fair value through other comprehensive income	217	(528)	718
(89)	Remeasurement of defined benefit obligations	(695)	810	(1,470)
13	Share of other comprehensive income (losses) of associated companies	98	(83)	(560)
43	Share of other comprehensive income (losses) of joint ventures	335	(945)	269
15	Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	114	(90)	376
	33 (b)			
10		69	(836)	(667)
	Items that may be reclassified to profit or loss			
22	Changes in fair value of debt instruments at fair value through other comprehensive income	170	126	120
3,168	Exchange gains (losses) on translation of foreign operations	24,711	(9,543)	7,771
(814)	Reserves reclassified to profit or loss	(6,350)	–	–
6	Gains (losses) on cash flow hedges	46	(132)	(1,059)
(378)	Gains (losses) on net investment hedges	(2,949)	1,484	(1,641)
–	Reclassification adjustments for hedging gains included in profit or loss	–	–	(1,735)
348	Share of other comprehensive income (losses) of associated companies	2,724	(5,670)	1,889
1,128	Share of other comprehensive income (losses) of joint ventures	8,795	(5,311)	3,728
–	Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	3	5	4
	33 (b)			
3,480		27,150	(19,041)	9,077
3,490	Other comprehensive income (losses), net of tax	27,219	(19,877)	8,410
5,973	Total comprehensive income	46,589	3,976	38,961
(1,402)	Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	(10,936)	(4,155)	(7,476)
4,571	Total comprehensive income (losses) attributable to ordinary shareholders	35,653	(179)	31,485

See note 42.

Consolidated Statement of Financial Position

at 31 December 2025

2025# US\$ million		Note	31 December 2025 HK\$ million	31 December 2024 HK\$ million	31 December 2023 HK\$ million	1 January 2023 HK\$ million
	Non-current assets					
12,831	Fixed assets	13	100,080	111,777	119,826	112,650
7,585	Right-of-use assets	14	59,160	57,589	61,198	59,337
6,248	Telecommunications licences	15	48,732	63,869	64,264	60,689
9,887	Brand names and other rights	16	77,120	79,241	83,396	83,694
35,199	Goodwill	17	274,553	267,325	271,136	268,008
23,143	Associated companies	18	180,518	139,855	143,638	140,711
21,937	Interests in joint ventures	19	171,108	154,208	156,337	148,561
911	Deferred tax assets	20	7,102	18,140	21,074	18,509
969	Liquid funds and other listed investments	21	7,562	8,142	15,786	16,103
2,179	Other non-current assets	22	16,995	20,203	19,862	15,900
120,889			942,930	920,349	956,517	924,162
	Current assets					
18,429	Cash and cash equivalents	24	143,748	121,303	127,323	138,085
3,421	Inventories		26,688	24,923	24,473	23,283
5,424	Trade receivables and other current assets	25	42,307	45,967	50,590	56,811
27,274			212,743	192,193	202,386	218,179
–	Assets classified as held for sale		–	–	–	6,096
27,274			212,743	192,193	202,386	224,275
	Current liabilities					
4,883	Bank and other debts	26	38,087	30,956	58,324	70,130
–	Interest-bearing loan from a non-controlling shareholder	29	–	1,874	–	–
283	Current tax liabilities		2,211	3,368	4,166	4,001
1,799	Lease liabilities	14	14,027	12,142	13,616	12,128
10,394	Trade payables and other current liabilities	27	81,074	82,645	86,419	89,129
17,359			135,399	130,985	162,525	175,388
–	Liabilities directly associated with assets classified as held for sale		–	–	–	1,127
17,359			135,399	130,985	162,525	176,515
9,915	Net current assets		77,344	61,208	39,861	47,760
130,804	Total assets less current liabilities		1,020,274	981,557	996,378	971,922
	Non-current liabilities					
28,911	Bank and other debts	26	225,506	225,436	213,598	214,196
538	Interest-bearing loans from non-controlling shareholders	29	4,193	1,597	3,245	2,567
6,727	Lease liabilities	14	52,469	52,377	54,307	53,931
2,215	Deferred tax liabilities	20	17,275	17,974	19,572	19,290
447	Pension obligations	30	3,490	3,197	3,536	2,730
3,711	Other non-current liabilities	31	28,949	28,384	31,571	31,899
42,549			331,882	328,965	325,829	324,613
88,255	Net assets		688,392	652,592	670,549	647,309

2025 [#]			31 December 2025	31 December 2024	31 December 2023	1 January 2023
US\$ million		Note	HK\$ million	HK\$ million	HK\$ million	HK\$ million
	Capital and reserves					
491	Share capital	32 (a)	3,830	3,830	3,830	3,830
31,150	Share premium	32 (a)	242,972	242,972	242,972	242,972
40,509	Reserves	33	315,970	287,913	297,233	276,711
72,150	Total ordinary shareholders' funds		562,772	534,715	544,035	523,513
–	Perpetual capital securities	32 (b)	–	–	4,566	4,561
16,105	Non-controlling interests		125,620	117,877	121,948	119,235
88,255	Total equity		688,392	652,592	670,549	647,309

See note 42.

Frank John Sixt

Director

Lai Kai Ming, Dominic

Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

Total equity # US\$ million		Attributable to				Total equity HK\$ million
		Ordinary shareholders			Non-controlling interests HK\$ million	
		Share capital and share premium† HK\$ million	Reserves® HK\$ million	Total ordinary shareholders' funds HK\$ million		
83,666	At 1 January 2025	246,802	287,913	534,715	117,877	652,592
2,483	Profit for the year	-	11,841	11,841	7,529	19,370
28	Other comprehensive income (losses)					
	Changes in fair value of equity instruments at fair value through other comprehensive income	-	193	193	24	217
22	Changes in fair value of debt instruments at fair value through other comprehensive income	-	170	170	-	170
(89)	Remeasurement of defined benefit obligations	-	(523)	(523)	(172)	(695)
3,168	Exchange gains on translation of foreign operations	-	23,131	23,131	1,580	24,711
(814)	Reserves reclassified to profit or loss	-	(6,352)	(6,352)	2	(6,350)
6	Gains on cash flow hedges	-	44	44	2	46
(378)	Losses on net investment hedges	-	(2,232)	(2,232)	(717)	(2,949)
361	Share of other comprehensive income of associated companies	-	2,298	2,298	524	2,822
1,171	Share of other comprehensive income of joint ventures	-	6,994	6,994	2,136	9,130
15	Tax relating to components of other comprehensive income (losses)	-	89	89	28	117
3,490	Other comprehensive income, net of tax	-	23,812	23,812	3,407	27,219
5,973	Total comprehensive income	-	35,653	35,653	10,936	46,589
(744)	Transactions with owners in their capacity as owners:					
	Dividends paid relating to 2024	-	(5,799)	(5,799)	-	(5,799)
(349)	Dividends paid relating to 2025	-	(2,719)	(2,719)	-	(2,719)
(653)	Dividends paid to non-controlling interests	-	-	-	(5,090)	(5,090)
17	Equity contribution from non-controlling interests	-	-	-	130	130
1	Unclaimed dividends written back	-	9	9	-	9
(34)	Acquisition of non-controlling interests	-	555	555	(824)	(269)
378	Partial disposal / disposal of subsidiaries	-	358	358	2,591	2,949
(1,384)		-	(7,596)	(7,596)	(3,193)	(10,789)
88,255	At 31 December 2025	246,802	315,970	562,772	125,620	688,392

Total equity # US\$ million		Attributable to					Total equity HK\$ million
		Ordinary shareholders			Holders of perpetual capital securities HK\$ million	Non-controlling interests HK\$ million	
		Share capital and share premium* HK\$ million	Reserves@ HK\$ million	Total ordinary shareholders' funds HK\$ million			
85,968	At 1 January 2024	246,802	297,233	544,035	4,566	121,948	670,549
3,058	Profit for the year	-	17,088	17,088	71	6,694	23,853
	Other comprehensive income (losses)						
(68)	Changes in fair value of equity instruments at fair value through other comprehensive income	-	(528)	(528)	-	-	(528)
16	Changes in fair value of debt instruments at fair value through other comprehensive income	-	126	126	-	-	126
104	Remeasurement of defined benefit obligations	-	646	646	-	164	810
(1,223)	Exchange losses on translation of foreign operations	-	(8,156)	(8,156)	-	(1,387)	(9,543)
(17)	Losses on cash flow hedges	-	(122)	(122)	-	(10)	(132)
190	Gains on net investment hedges	-	1,123	1,123	-	361	1,484
(737)	Share of other comprehensive income (losses) of associated companies	-	(5,320)	(5,320)	-	(433)	(5,753)
(802)	Share of other comprehensive income (losses) of joint ventures	-	(4,969)	(4,969)	-	(1,287)	(6,256)
(11)	Tax relating to components of other comprehensive income (losses)	-	(67)	(67)	-	(18)	(85)
(2,548)	Other comprehensive income (losses), net of tax	-	(17,267)	(17,267)	-	(2,610)	(19,877)
510	Total comprehensive income (losses)	-	(179)	(179)	71	4,084	3,976
	Transactions with owners in their capacity as owners:						
(872)	Dividends paid relating to 2023	-	(6,798)	(6,798)	-	-	(6,798)
(338)	Dividends paid relating to 2024	-	(2,635)	(2,635)	-	-	(2,635)
(1,017)	Dividends paid to non-controlling interests	-	-	-	-	(7,932)	(7,932)
(21)	Distributions paid on perpetual capital securities	-	-	-	(162)	-	(162)
(574)	Redemption of perpetual capital securities	-	-	-	(4,475)	-	(4,475)
80	Equity contribution from non-controlling interests	-	-	-	-	624	624
1	Unclaimed dividends written back	-	9	9	-	-	9
(2)	Acquisition of non-controlling interests	-	(37)	(37)	-	16	(21)
(69)	Partial disposal / disposal of subsidiaries	-	320	320	-	(863)	(543)
(2,812)		-	(9,141)	(9,141)	(4,637)	(8,155)	(21,933)
83,666	At 31 December 2024	246,802	287,913	534,715	-	117,877	652,592

See note 42.

* See note 32(a).

@ See note 33.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

Total equity # US\$ million		Attributable to					
		Ordinary shareholders			Holders of perpetual capital securities HK\$ million	Non-controlling interests HK\$ million	Total equity HK\$ million
		Share capital and share premium † HK\$ million	Reserves @ HK\$ million	Total ordinary shareholders' funds HK\$ million			
82,988	At 1 January 2023	246,802	276,711	523,513	4,561	119,235	647,309
3,917	Profit for the year	-	23,839	23,839	172	6,540	30,551
	Other comprehensive income (losses)						
92	Changes in fair value of equity instruments at fair value through other comprehensive income	-	718	718	-	-	718
15	Changes in fair value of debt instruments at fair value through other comprehensive income	-	120	120	-	-	120
(188)	Remeasurement of defined benefit obligations	-	(1,108)	(1,108)	-	(362)	(1,470)
996	Exchange gains on translation of foreign operations	-	7,457	7,457	-	314	7,771
(136)	Losses on cash flow hedges	-	(1,033)	(1,033)	-	(26)	(1,059)
(210)	Losses on net investment hedges	-	(1,308)	(1,308)	-	(333)	(1,641)
(222)	Reclassification adjustments for hedging gains included in profit or loss	-	(1,735)	(1,735)	-	-	(1,735)
170	Share of other comprehensive income of associated companies	-	1,183	1,183	-	146	1,329
512	Share of other comprehensive income of joint ventures	-	3,065	3,065	-	932	3,997
49	Tax relating to components of other comprehensive income (losses)	-	287	287	-	93	380
1,078	Other comprehensive income, net of tax	-	7,646	7,646	-	764	8,410
4,995	Total comprehensive income	-	31,485	31,485	172	7,304	38,961
13	Impact of hyperinflation	-	82	82	-	21	103
	Transactions with owners in their capacity as owners:						
(1,024)	Dividends paid relating to 2022	-	(7,989)	(7,989)	-	-	(7,989)
(371)	Dividends paid relating to 2023	-	(2,896)	(2,896)	-	-	(2,896)
(608)	Dividends paid to non-controlling interests	-	-	-	-	(4,744)	(4,744)
(21)	Distribution paid on perpetual capital securities	-	-	-	(167)	-	(167)
(19)	Recognition of put option liabilities over non-controlling interests	-	(148)	(148)	-	-	(148)
2	Unclaimed dividends written back	-	15	15	-	-	15
1	Acquisition of a subsidiary	-	-	-	-	8	8
4	Acquisition of non-controlling interests	-	(34)	(34)	-	70	36
8	Partial disposal of subsidiaries	-	7	7	-	54	61
(2,015)		-	(10,963)	(10,963)	(167)	(4,591)	(15,721)
85,968	At 31 December 2023	246,802	297,233	544,035	4,566	121,948	670,549

See note 42.

* See note 32(a).

@ See note 33.

Consolidated Statement of Cash Flows

for the year ended 31 December 2025

2025 [#] US\$ million	Note	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Operating activities				
9,826				
(1,568)				
(714)				
7,544				
477				
8,021				
Investing activities				
(2,403)				
–				
(268)				
(5)				
(590)				
424				
(193)				
10				
1,897				
–				
129				
14				
(985)				
153				
(25)				
(857)				
7,164				
Financing activities				
4,604				
(5,310)				
(1,902)				
22				
17				
(34)				
57				
–				
(1,093)				
(648)				
–				
(4,287)				
2,877				
15,552				
18,429				

See note 42.

Consolidated Statement of Cash Flows

for the year ended 31 December 2025

2025 [#] US\$ million	Note	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Analysis of cash, liquid funds and other listed investments				
18,429	Cash and cash equivalents, as above	143,748	121,303	127,323
969	Liquid funds and other listed investments	7,562	8,142	15,786
19,398	Total cash, liquid funds and other listed investments	151,310	129,445	143,109
33,975	Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	265,002	258,003	273,694
538	Interest-bearing loans from non-controlling shareholders	4,193	3,471	3,245
15,115	Net debt	117,885	132,029	133,830
(538)	Interest-bearing loans from non-controlling shareholders	(4,193)	(3,471)	(3,245)
14,577	Net debt (excluding interest-bearing loans from non-controlling shareholders)	113,692	128,558	130,585

See note 42.

Notes to the Financial Statements

1 General information

CK Hutchison Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands, with its shares listed on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025 (the “2025 Annual Financial Statements”) were authorised for issue by the Company’s Board of Directors on 19 March 2026.

These financial statements are presented together with supplementary disclosures included in the Company’s 2025 annual results announcement and 2025 Annual Report. Such sections – namely the Chairman’s Statement, the Operations Review, Group Capital Resources and Liquidity, and the Risk Factors – are provided outside the 2025 Annual Financial Statements and offer further insight into the Group’s business performance during the reporting period. They also include discussions on significant corporate developments since 31 December 2024, as well as an overview of the Group’s capital resources, liquidity position, and overall financial profile.

2 Basis of preparation

The 2025 Annual Financial Statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). These financial statements represent the Company’s first annual financial statements in which IFRS is adopted (the “first IFRS financial statements” as defined under IFRS), as further explained in note 4. In prior years, up to and including the year ended 31 December 2024, the Company prepared its annual financial statements in accordance with HKFRS Accounting Standards (“HKFRS” or “Previous GAAP”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

In adopting IFRS for the first time, the Company has applied the relevant optional exemptions under IFRS 1 First-time Adoption of International Financial Reporting Standards (“IFRS 1”), as detailed in note 4. A summary of material accounting policies is set out in note 47.

The 2025 Annual Financial Statements have been prepared on a going concern basis. Management has assessed the Group’s ability to continue as a going concern by considering its expected cash generation, liquidity position, and available funding sources. Based on this assessment, Management has concluded that the use of the going concern basis of accounting remains appropriate as at the date these financial statements were authorised for issue.

The financial statements have been prepared under the historical cost convention, except for the following items, which are measured at fair value: plan assets of defined benefit plans, investment properties, and certain financial assets and liabilities (including derivative instruments).

3 Use of judgements, assumptions and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the accompanying disclosures at the date of the financial statements.

In preparing the 2025 Annual Financial Statements, the Group has applied accounting-related estimates based on judgements and assumptions regarding current and, where applicable, future economic and market conditions. These reflect what management considers to be relevant and reasonable at the time of preparation.

Actual outcomes may differ from these estimates, and such differences could result in material adjustments to the carrying amounts of assets and liabilities in future periods. Accordingly, the Group’s accounting estimates, judgements, and assumptions are subject to evolution in response to changing external conditions.

The estimation methodologies adopted reflect the circumstances existing at each respective reporting dates and throughout the periods presented.

Further information on significant accounting judgements, estimates and assumptions is set out in note 46.

Notes to the Financial Statements

4 Adoption of IFRS

Historically, the Company prepared its consolidated financial statements in accordance with HKFRS. Although HKFRS are fully converged with IFRS, the consolidated financial statements for years up to and including the year ended 31 December 2024, prepared under HKFRS, do not constitute IFRS financial statements.

As the globally accepted accounting standards, IFRS are applied over 140 jurisdictions. The transition to IFRS delivers significant strategic and operational advantages:

- | | | |
|----|---|--|
| 1) | Enhanced investor confidence | <ul style="list-style-type: none">• Increases credibility with institutional investors.• Enables direct performance comparisons with global peers listed in IFRS-based jurisdictions. |
| 2) | Alignment with future growth strategies | <ul style="list-style-type: none">• Supports mergers and acquisitions due diligence and post-transaction integration in IFRS-based jurisdictions.• Ensures readiness for potential mergers and acquisitions activities, listings, partnerships, or acquisitions in market requiring IFRS. |
| 3) | Improved capital markets access | <ul style="list-style-type: none">• Aligns with reporting requirements in major financial markets (EU, UK, Australia, Canada).• Eliminates reconciliation requirements for cross-border investors.• Strengthens position for future debt and equity transactions. |
| 4) | Operational efficiency | <ul style="list-style-type: none">• Reduces compliance costs by eliminating dual reporting.• Streamlines financial consolidation across multinational operations under a single, unified set of accounting standards. |
| 5) | Global consistency and comparability | <ul style="list-style-type: none">• Enhances transparency through alignment with global reporting standards used in over 140 jurisdictions.• Facilitates benchmarking against international peers.• Simplifies financial analysis for global investors. |

Effective from 1 January 2025, the Company has adopted IFRS as its financial reporting framework. The standards applied comprise:

- International Financial Reporting Standards;
- International Accounting Standards;
- IFRIC Interpretations; and
- SIC Interpretations.

This transition to IFRS underscores the Company's commitment to global best practices and enhances its position as an internationally integrated organisation.

The 2025 Annual Financial Statements have been prepared in accordance with IFRS, applying the guidance of IFRS 1. These financial statements represent the Company's first IFRS financial statements and include two years (2023 and 2024) of full comparative information, together with an opening consolidated statement of financial position as at 1 January 2023. In accordance with IFRS 1, the Company's date of transition to IFRS is accordingly 1 January 2023.

The presentation of three consecutive years of financial information under IFRS ensures compliance with IFRS reporting requirements and provides meaningful comparable financial data. It also positions the Company favourably for future debt and equity capital transaction, as well as strategic initiatives and opportunities that require IFRS reporting.

4 Adoption of IFRS *(continued)*

The adoption has been applied retrospectively in accordance with IFRS 1, with the Company's date of transition to IFRS being 1 January 2023.

This note and note 48 explain the Company's transition from HKFRS to IFRS and set out the principal changes resulting from the adoption of IFRS.

(a) IFRS 1 provides first-time adopters with certain optional exemptions from the retrospective application of IFRS:

(i) Business combinations

In accordance with the exemption guidance under IFRS 1, the business combination requirements of IFRS were not applied retrospectively to transactions that occurred prior to the Company's transition date to IFRS.

As a result, the carrying amounts of assets and liabilities recognised in business combinations under Previous GAAP were treated as their deemed cost at the respective acquisition dates. This approach was also consistently applied to past acquisitions of equity-accounted investments.

In line with IFRS 1 requirements, the carrying amount of goodwill reported under Previous GAAP was adopted in the Company's opening consolidated statement of financial position prepared under IFRS.

No impairment of goodwill was recognised upon transition to IFRS at the date of transition.

(ii) Share-based payment transactions

In accordance with the exemption guidance under IFRS 1, the requirements of IFRS for share-based payment transactions were not applied retrospectively to:

- Equity instruments granted on or before 7 November 2002; and
- Equity instruments granted after 7 November 2002 that vested before the later of the Company's transition date to IFRS and 1 January 2005.

This approach was also consistently applied to liabilities arising from cash-settled share-based payment transactions that were settled prior to 1 January 2023 which are also exempt from retrospective application.

(iii) Foreign currency translation

In accordance with the exemption guidance under IFRS 1, the Company has elected not to recognise cumulative translation differences on foreign operations that existed at the date of transition to IFRS. Under this exemption:

- The cumulative currency translation losses at 1 January 2023 (the date of transition to IFRS) of HK\$40,203 million for all foreign operations are deemed to be zero.
- Any gain or loss arising from the subsequent disposal of a foreign operation will exclude translation differences accumulated prior to the transition date and will only include those arising post-transition.

Notes to the Financial Statements

4 Adoption of IFRS (continued)

(a) IFRS 1 provides first-time adopters with certain optional exemptions from the retrospective application of IFRS (continued):

(iii) Foreign currency translation (continued)

As a result of applying this exemption, cumulative translation losses at 1 January 2023 (the date of transition) of HK\$40,203 million were reclassified from the Exchange Reserve to Retained Profit. This reclassification represents a transfer between reserve accounts within "Total Ordinary Shareholders' Funds" and "Total Equity". It does not affect the overall amount of "Total Ordinary Shareholders' Funds" or "Total Equity".

Due to the elimination of the opening balance of cumulative currency translation differences at the transition date:

• 2025 Annual Profit and Loss Impact:

The loss on disposal of 3 UK (see note 8(f)) is HK\$11,340 million lower under IFRS. Consequently, profit for the current year is HK\$11,340 million higher and other comprehensive income is HK\$11,340 million lower. Under Previous GAAP, HK\$11,340 million pre-transition cumulative translation losses (out of HK\$40,203 million previously disclosed) would have been recycled from other comprehensive income and charged to the income statement for the current year.

• 2024 Annual Profit and Loss Impact:

No impact on the comparative 2024 annual period as no disposal involving pre-transition cumulative translation differences occurred.

• 2023 Annual Profit and Loss Impact:

Other expenses and losses are HK\$250 million lower and other income and gains are HK\$92 million higher under IFRS. Consequently, profit for the 2023 annual period is HK\$342 million higher and other comprehensive income is HK\$342 million lower, while profit attributable to non-controlling interests and holders of perpetual capital securities is HK\$3 million higher and profit attributable to ordinary shareholders is HK\$339 million higher under IFRS. Under Previous GAAP, HK\$339 million of pre-transition cumulative translation losses (out of HK\$40,203 million previously disclosed) would have been recycled from other comprehensive income and charged to the income statement for the 2023 comparative year.

These differences reflect the application of the IFRS 1 exemption, which prohibits recycling of pre-transition cumulative translation differences to profit or loss upon disposal of foreign operations.

Save as discussed above, no material differences would have arisen had the 2025 Annual Financial Statements been prepared under Previous GAAP.

(b) Estimates

The estimates made by the Group as at the date of transition to IFRS, as well as those made at comparative reporting dates and for the periods presented, are consistent with the estimates previously made under Previous GAAP for the same dates and periods. In accordance with IFRS 1, no retrospective adjustments to estimates were required.

(c) Gap year between local and Group transition date

The Group adopted IFRS after several subsidiaries had already applied IFRS. In these cases, the Group measured the assets and liabilities of these subsidiaries at the same carrying amounts as in the subsidiaries' local financial statements, subject to applicable consolidation adjustments.

4 Adoption of IFRS (continued)

(d) Reconciliations between amounts reported under IFRS and Previous GAAP

Upon transitioning to IFRS, the Group did not recognise any new assets or liabilities that were not previously recorded under Previous GAAP, nor did it exclude any amounts that had been recognised in the consolidated statement of financial position at the transition date or during the periods presented.

Refer to note 48 for reconciliations between amounts reported under IFRS and Previous GAAP in respect of the following:

Total Equity

- Total Equity at 1 January 2023, 31 December 2023 and 31 December 2024

Opening Consolidated Statement of Financial Position

- Consolidated Statement of Financial Position at 1 January 2023

Year ended 31 December 2024

- Consolidated Income Statement for the year ended 31 December 2024
- Consolidated Statement of Comprehensive Income for the year ended 31 December 2024
- Consolidated Statement of Financial Position at 31 December 2024
- Consolidated Statement of Changes in Equity for the year ended 31 December 2024
- Consolidated Statement of Cash Flows for the year ended 31 December 2024

Year ended 31 December 2023

- Consolidated Income Statement for the year ended 31 December 2023
- Consolidated Statement of Comprehensive Income for the year ended 31 December 2023
- Consolidated Statement of Financial Position at 31 December 2023
- Consolidated Statement of Changes in Equity for the year ended 31 December 2023
- Consolidated Statement of Cash Flows for the year ended 31 December 2023

Note to Financial Statements – Consolidated Reserves

- Consolidated Reserves at 31 December 2024
- Consolidated Reserves at 31 December 2023

Notes to the Financial Statements

5 Revenue

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

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Sale of goods	168,405	162,682	161,147
Revenue from services	105,199	110,586	105,838
Interest	6,286	7,969	8,448
Dividend income	146	114	142
	280,036	281,351	275,575

(b) The following table presents revenue from contracts with customers within the scope of IFRS 15, disaggregated by revenue category for the Company and its subsidiaries:

(i) By segments *

	Revenue from contracts with customers			Revenue from other sources HK\$ million	2025 Total HK\$ million
	recognised at a point in time	recognised over time	Subtotal		
	HK\$ million	HK\$ million	HK\$ million		
Ports and Related Services	–	37,080	37,080	179	37,259
Retail	147,035	22	147,057	–	147,057
Infrastructure	3,254	–	3,254	1,407	4,661
Telecommunications					
CK Hutchison Group Telecom					
3 Group Europe	8,071	60,355	68,426	13	68,439
Hutchison Telecommunications Hong Kong Holdings	1,831	3,745	5,576	–	5,576
Corporate and Others	–	799	799	967	1,766
	9,902	64,899	74,801	980	75,781
Finance & Investments and Others	10,410	906	11,316	3,962	15,278
	170,601	102,907	273,508	6,528	280,036

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

* See note 6 for operating segment information.

5 Revenue (continued)

(b) The following table presents revenue from contracts with customers within the scope of IFRS 15, disaggregated by revenue category for the Company and its subsidiaries (continued):

(i) By segments * (continued)

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

(ii) By geographical locations *

	Revenue from contracts with customers			Revenue from other sources HK\$ million	2025 Total HK\$ million
	recognised at a point in time HK\$ million	recognised over time HK\$ million	Subtotal HK\$ million		
Hong Kong	25,125	4,340	29,465	238	29,703
Chinese Mainland	16,357	231	16,588	7	16,595
The People's Republic of China	41,482	4,571	46,053	245	46,298
Europe	78,639	75,683	154,322	1,534	155,856
Canada	–	–	–	89	89
Asia, Australia and Others	40,070	21,747	61,817	698	62,515
	118,709	97,430	216,139	2,321	218,460
	160,191	102,001	262,192	2,566	264,758
Finance & Investments and Others	10,410	906	11,316	3,962	15,278
	170,601	102,907	273,508	6,528	280,036

* See note 6 for operating segment information.

Notes to the Financial Statements

5 Revenue (continued)

(b) The following table presents revenue from contracts with customers within the scope of IFRS 15, disaggregated by revenue category for the Company and its subsidiaries (continued):

(ii) By geographical locations * (continued)

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

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

* See note 6 for operating segment information.

5 Revenue (continued)

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

Under IFRS 15, a contract asset or a contract liability arises when either party to a contract performs, depending on the relationship between the entity's performance and the customer's payment. When an entity satisfies a performance obligation by transferring a promised goods or service, the entity has earned a right to consideration from the customer and, accordingly, recognises a contract asset. Conversely, when the customer performs first, for example, by prepaying its promised consideration, the entity recognises a contract liability.

Contract assets may represent either conditional or unconditional rights to consideration. A right is conditional if, for instance, the entity is required to satisfy another performance obligation in the contract before becoming entitled to payment. If the entity has an unconditional right to consideration, where only the passage of time is required before payment is due, the contract asset is classified as and accounted for as a receivable and is presented separately from other contract assets.

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

	31 December 2025 HK\$ million	31 December 2024 HK\$ million	31 December 2023 HK\$ million	1 January 2023 HK\$ million
Trade receivables, which are included in "Trade receivables and other current assets" (see note 25)	14,952	15,327	16,297	14,945
Trade receivables, which are included in "Assets classified as held for sale"	–	–	–	21
Contract assets (see notes 22 and 25)	4,508	7,121	7,580	6,314
Contract liabilities (see note 27)	(5,321)	(5,500)	(5,948)	(6,027)

Trade receivables are non-interest-bearing and are generally on terms of 30 to 60 days. In 2025, HK\$601 million (2024: HK\$717 million; 2023: HK\$653 million) was recognised in the consolidated income statement as a provision for expected credit losses on trade receivables.

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices that have not been billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional, which typically occurs upon issuance of an invoice to the customer. In 2025, HK\$660 million (2024: HK\$1,018 million; 2023: HK\$927 million) was recognised in the consolidated income statement as provision for expected credit losses on contract assets.

Contract liabilities primarily relate to the Group's unfulfilled performance obligations for which consideration has been received at the reporting date. Upon fulfilment of these obligations, the contract liability is recognised in revenue in the period when the performance obligations are satisfied. During 2025, HK\$5,039 million (2024: HK\$4,792 million; 2023: HK\$4,614 million) was recognised as revenue that was included in the contract liability balance at the beginning of the year.

(d) Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date. The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose the amount of the transaction price allocated to the remaining performance obligations for contracts with an original expected duration of one year or less.

In addition, contracts that include a promise to perform an undefined quantity of tasks at a fixed contractual rate per unit, with no contractual minimums that would render some or all of the consideration variable, are excluded from the following analysis. This is because the transaction price and ultimate consideration for those contracts will depend on the occurrence or non-occurrence of future customer usage.

In light of this basis of preparation, the following table does not reflect an expectation of the Group's future performance. The analysis is presented solely to comply with the IFRS 15 disclosure requirement in respect of the transaction price allocated to remaining performance obligations.

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Within one year	13,673	12,200	15,384
More than one year	8,896	7,121	5,195
	22,569	19,321	20,579

Notes to the Financial Statements

6 Operating segment information

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

For management purposes, the Group is organised into four core businesses:

- Ports and Related Services
- Retail
- Infrastructure
- Telecommunications

The Group's most senior executive management (the Chief Operating Decision Maker as defined in IFRS 8) monitors the operating results of the core businesses separately for the purpose of making decisions about resource allocation and performance assessment. The segment information set out in this note is organised into these four core businesses, as follows:

Ports and Related Services:

- Comprises: 80% interest in the Hutchison Ports group and its 30.07% interest in Hutchison Port Holdings Trust ("HPH Trust"), a listed associate.
- Includes the Group's effective shares of HPH Trust's results (net of non-controlling interests).

Retail:

- Operates as AS Watson ("ASW"), the world's largest international health and beauty retailer.
- Key metrics (as at 31 December 2025): 183 million loyalty members, 17,114 stores across 31 markets and 12 retail brands.

Infrastructure:

- Includes a 75.67% interest in CK Infrastructure Holdings Limited ("CKI"), a listed subsidiary.
- Includes six co-owned infrastructure investments with CKI: Northumbrian Water, Park'N Fly, Australian Gas Networks, Dutch Enviro Energy, Wales & West Utilities and UK Rails.

Telecommunications:

- Comprises: CK Hutchison Group Telecom Holdings (consolidating 3 Group Europe operations) and a 66.09% interest in Hutchison Telecommunications Hong Kong Holdings, a listed subsidiary.

In addition, "Finance & Investments and Others" is presented in the segment information below to reconcile to the totals included in the Group's consolidated income statement and consolidated statement of financial position. This category covers the activities of other areas of the Group that are not presented separately and includes:

- A 100% (31 December 2024: 87.87%; 31 December 2023: 87.87%; 1 January 2023: 87.87%) interest in Hutchison Telecommunications (Australia) Pty Limited ("HTAL"), which has a 23.73% (31 December 2024: 25.05%; 31 December 2023: 25.05%; 1 January 2023: 25.05%) attributable interest in a listed associated company, TPG Telecom Limited ("TPG");
- Hutchison Asia Telecommunications;
- Hutchison Whampoa (China);
- Hutchison E-Commerce;
- The Marionnaud business;
- Listed associated companies: HUTCHMED (China) Limited ("HUTCHMED"), TOM Group, CK Life Sciences Int'l., (Holdings) Inc. and Cenovus Energy Inc. ("Cenovus Energy");
- Corporate head office operations; and
- Returns earned on the Group's holdings of cash and liquid investments.

Segment presentation basis:

- Financial statements are prepared under IFRS 16 ("Post-IFRS 16 basis").
- Management reporting maintained on the precedent lease accounting standard. International Accounting Standard 17 "Leases" ("Pre-IFRS 16 basis").
- Segment information presented, where available and where cost or practical constraints allow, on Pre-IFRS 16 basis (with reconciliations to Post-IFRS 16 basis).
- Reconciliations provided in section (c) of this note.

Unless otherwise stated:

- The "Company and Subsidiaries" column represents the holding company and its subsidiaries.
- The "Associates and JV" column reflects the Group's share of results from associates and joint ventures.

6 Operating segment information (continued)

(b) Segment results, assets and liabilities

(i) An analysis of revenue by segments

	Revenue			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2025 Total HK\$ million	%
Ports and Related Services	37,259	11,636	48,895	10%
Retail	147,057	62,210	209,267	41%
Infrastructure	4,661	54,114	58,775	12%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	68,439	25,400	93,839	19%
Hutchison Telecommunications Hong Kong Holdings	5,576	–	5,576	1%
Corporate and Others	1,766	130	1,896	–
	75,781	25,530	101,311	20%
Finance & Investments and Others	15,278	73,771	89,049	17%
	280,036	227,261	507,297	100%
<i>Portion attributable to:</i>				
Non-controlling interests of HPH Trust	–	1,371	1,371	
Divestiture of infrastructure investments	–	924	924	
	280,036	229,556	509,592	
IFRS 16 impact	–	–	–	
	280,036	229,556	509,592	

	Revenue			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2024 Total HK\$ million	%
Ports and Related Services	34,287	10,995	45,282	9%
Retail	135,960	54,233	190,193	40%
Infrastructure	5,458	49,866	55,324	12%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	81,701	9	81,710	18%
Hutchison Telecommunications Hong Kong Holdings	4,782	–	4,782	1%
Corporate and Others	1,748	131	1,879	–
	88,231	140	88,371	19%
Finance & Investments and Others	17,415	80,097	97,512	20%
	281,351	195,331	476,682	100%
<i>Portion attributable to:</i>				
Non-controlling interests of HPH Trust	–	1,296	1,296	
Divestiture of infrastructure investments	–	901	901	
	281,351	197,528	478,879	
IFRS 16 impact	–	–	–	
	281,351	197,528	478,879	

Notes to the Financial Statements

6 Operating segment information (continued)

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

(i) An analysis of revenue by segments (continued)

	Revenue			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2023 Total HK\$ million	%
Ports and Related Services	30,954	9,897	40,851	9%
Retail	133,672	49,672	183,344	40%
Infrastructure	6,605	48,109	54,714	12%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	80,222	9	80,231	17%
Hutchison Telecommunications Hong Kong Holdings	4,896	–	4,896	1%
Corporate and Others	1,565	122	1,687	–
	86,683	131	86,814	18%
Finance & Investments and Others	17,661	78,174	95,835	21%
	275,575	185,983	461,558	100%
<i>Portion attributable to:</i>				
Non-controlling interests of HPH Trust	–	1,158	1,158	
Divestiture of infrastructure investments	–	813	813	
	275,575	187,954	463,529	
IFRS 16 impact	–	–	–	
	275,575	187,954	463,529	

6 Operating segment information *(continued)*

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

The Group uses two measures of segment results, EBITDA (see note 6(b)(xiv)) and EBIT (see note 6(b)(xv)). Analyses of segment results by EBITDA and EBIT are set out in (ii), (iii), (ix), (x) and (xiii) below.

(ii) An analysis of EBITDA by segments

	EBITDA (LBITDA) ^(xiv)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2025 Total HK\$ million	%
Ports and Related Services	13,320	4,119	17,439	17%
Retail	12,414	5,824	18,238	17%
Infrastructure	945	30,396	31,341	30%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	19,651	5,452	25,103	24%
Hutchison Telecommunications Hong Kong Holdings	1,198	51	1,249	1%
Corporate and Others	(9,888)	(7)	(9,895)	-9%
	10,961	5,496	16,457	16%
Finance & Investments and Others	2,042	19,299	21,341	20%
EBITDA	39,682	65,134	104,816	100%
<i>Portion attributable to:</i>				
Non-controlling interests of HPH Trust	–	976	976	
EBITDA [^]	39,682 [^]	66,110 [^]	105,792 [^]	
Depreciation and amortisation	(24,186)	(28,518)	(52,704)	
Interest expenses and other finance costs	(9,366)	(10,676)	(20,042)	
Current tax charge	(5,284)	(4,962)	(10,246)	
Deferred tax charge	(2,016)	(1,265)	(3,281)	
Non-controlling interests	(7,607)	(576)	(8,183)	
	(8,777)	20,113	11,336	
IFRS 16 impact				
EBITDA [^]	17,669 [^]	6,620 [^]	24,289 [^]	
Depreciation and amortisation	(14,205)	(4,863)	(19,068)	
Interest expenses and other finance costs	(2,961)	(1,969)	(4,930)	
Current tax	(1)	–	(1)	
Deferred tax	64	73	137	
Non-controlling interests	78	–	78	
	(8,133)	19,974	11,841	
[^] Reconciliation to Post-IFRS 16 basis EBITDA:				
Pre-IFRS 16 basis EBITDA per above	39,682	66,110	105,792	
IFRS 16 impact per above	17,669	6,620	24,289	
Post-IFRS 16 basis EBITDA (see note 34(a)(i))	57,351	72,730	130,081	

Notes to the Financial Statements

6 Operating segment information (continued)

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

(ii) An analysis of EBITDA by segments (continued)

	EBITDA (LBITDA) ^(xiv)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2024 Total HK\$ million	%
Ports and Related Services	12,098	4,074	16,172	16%
Retail	11,274	5,121	16,395	16%
Infrastructure	1,765	27,849	29,614	29%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	22,689	433	23,122	22%
Hutchison Telecommunications Hong Kong Holdings	1,236	54	1,290	1%
Corporate and Others	(256)	(27)	(283)	–
	23,669	460	24,129	23%
Finance & Investments and Others	(176)	16,466	16,290	16%
EBITDA	48,630	53,970	102,600	100%
<i>Portion attributable to:</i>				
Non-controlling interests of HPH Trust	–	909	909	
EBITDA ^	48,630 ^	54,879 ^	103,509 ^	
Depreciation and amortisation	(26,391)	(22,047)	(48,438)	
Interest expenses and other finance costs	(10,678)	(8,977)	(19,655)	
Current tax charge	(4,199)	(4,594)	(8,793)	
Deferred tax charge	(528)	(1,665)	(2,193)	
Non-controlling interests	(6,829)	(571)	(7,400)	
	5	17,025	17,030	
IFRS 16 impact				
EBITDA ^	17,132 ^	5,376 ^	22,508 ^	
Depreciation and amortisation	(14,069)	(4,112)	(18,181)	
Interest expenses and other finance costs	(2,714)	(1,681)	(4,395)	
Current tax	10	–	10	
Deferred tax	–	52	52	
Non-controlling interests	64	–	64	
	428	16,660	17,088	
^ Reconciliation to Post-IFRS 16 basis EBITDA:				
Pre-IFRS 16 basis EBITDA per above	48,630	54,879	103,509	
IFRS 16 impact per above	17,132	5,376	22,508	
Post-IFRS 16 basis EBITDA (see note 34(a)(i))	65,762	60,255	126,017	

6 Operating segment information *(continued)*

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

(ii) An analysis of EBITDA by segments *(continued)*

	EBITDA (LBITDA) ^(xiv)			%
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2023 Total HK\$ million	
Ports and Related Services	10,119	3,524	13,643	13%
Retail	11,335	4,891	16,226	15%
Infrastructure	3,364	25,837	29,201	28%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	21,059	289	21,348	21%
Hutchison Telecommunications Hong Kong Holdings	1,182	61	1,243	1%
Corporate and Others	89	(10)	79	–
	22,330	340	22,670	22%
Finance & Investments and Others	5,631	17,853	23,484	22%
EBITDA	52,779	52,445	105,224	100%
<i>Portion attributable to:</i>				
Non-controlling interests of HPH Trust	–	780	780	
EBITDA [^]	52,779 [^]	53,225 [^]	106,004 [^]	
Depreciation and amortisation	(25,957)	(20,623)	(46,580)	
Interest expenses and other finance costs	(9,720)	(10,427)	(20,147)	
Current tax charge	(4,123)	(3,582)	(7,705)	
Deferred tax credit (charge)	1,083	(1,878)	(795)	
Non-controlling interests	(6,711)	(482)	(7,193)	
	7,351	16,233	23,584	
IFRS 16 impact				
EBITDA [^]	16,957 [^]	5,470 [^]	22,427 [^]	
Depreciation and amortisation	(14,126)	(4,101)	(18,227)	
Interest expenses and other finance costs	(2,507)	(1,546)	(4,053)	
Current tax	4	–	4	
Deferred tax	33	72	105	
Non-controlling interests	(1)	–	(1)	
	7,711	16,128	23,839	
[^] Reconciliation to Post-IFRS 16 basis EBITDA:				
Pre-IFRS 16 basis EBITDA per above	52,779	53,225	106,004	
IFRS 16 impact per above	16,957	5,470	22,427	
Post-IFRS 16 basis EBITDA (see note 34(a)(i))	69,736	58,695	128,431	

Notes to the Financial Statements

6 Operating segment information (continued)

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

(iii) An analysis of EBIT by segments

	EBIT (LBIT) ^(iv)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2025 Total HK\$ million	%
Ports and Related Services	10,248	2,602	12,850	25%
Retail	9,803	4,750	14,553	28%
Infrastructure	589	18,946	19,535	37%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe				
EBITDA before the following non-cash items:	19,651	5,452	25,103	
Depreciation	(9,395)	(4,557)	(13,952)	
Amortisation of licence fees, other rights, customer acquisition and retention costs	(7,450)	(506)	(7,956)	
EBIT – 3 Group Europe	2,806	389	3,195	6%
Hutchison Telecommunications Hong Kong Holdings	113	12	125	–
Corporate and Others	(9,890)	(7)	(9,897)	-19%
	(6,971)	394	(6,577)	-13%
Finance & Investments and Others	1,827	10,187	12,014	23%
EBIT	15,496	36,879	52,375	100%
<i>Portion attributable to:</i>				
Non-controlling interests of HPH Trust	–	713	713	
EBIT ^	15,496 ^	37,592 ^	53,088 ^	
Interest expenses and other finance costs	(9,366)	(10,676)	(20,042)	
Current tax charge	(5,284)	(4,962)	(10,246)	
Deferred tax charge	(2,016)	(1,265)	(3,281)	
Non-controlling interests	(7,607)	(576)	(8,183)	
	(8,777)	20,113	11,336	
IFRS 16 impact				
EBIT ^	3,464 ^	1,757 ^	5,221 ^	
Interest expenses and other finance costs	(2,961)	(1,969)	(4,930)	
Current tax	(1)	–	(1)	
Deferred tax	64	73	137	
Non-controlling interests	78	–	78	
	(8,133)	19,974	11,841	
^ Reconciliation to Post-IFRS 16 basis EBIT:				
Pre-IFRS 16 basis EBIT per above	15,496	37,592	53,088	
IFRS 16 impact per above	3,464	1,757	5,221	
Post-IFRS 16 basis EBIT	18,960	39,349	58,309	

6 Operating segment information *(continued)*

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

(iii) An analysis of EBIT by segments *(continued)*

	EBIT (LBIT) ^(xv)			%
	Company and Subsidiaries	Associates and JV	2024 Total	
	HK\$ million	HK\$ million	HK\$ million	
Ports and Related Services	9,239	2,634	11,873	22%
Retail	8,766	4,252	13,018	24%
Infrastructure	1,490	17,690	19,180	35%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe				
EBITDA before the following non-cash items:	22,689	433	23,122	
Depreciation	(11,852)	(351)	(12,203)	
Amortisation of licence fees, other rights, customer acquisition and retention costs	(7,316)	–	(7,316)	
EBIT – 3 Group Europe	3,521	82	3,603	6%
Hutchison Telecommunications Hong Kong Holdings	154	14	168	–
Corporate and Others	(259)	(27)	(286)	–
	3,416	69	3,485	6%
Finance & Investments and Others	(672)	7,547	6,875	13%
EBIT	22,239	32,192	54,431	100%
<i>Portion attributable to:</i>				
Non-controlling interests of HPH Trust	–	640	640	
EBIT [^]	22,239 [^]	32,832 [^]	55,071 [^]	
Interest expenses and other finance costs	(10,678)	(8,977)	(19,655)	
Current tax charge	(4,199)	(4,594)	(8,793)	
Deferred tax charge	(528)	(1,665)	(2,193)	
Non-controlling interests	(6,829)	(571)	(7,400)	
	5	17,025	17,030	
IFRS 16 impact				
EBIT [^]	3,063 [^]	1,264 [^]	4,327 [^]	
Interest expenses and other finance costs	(2,714)	(1,681)	(4,395)	
Current tax	10	–	10	
Deferred tax	–	52	52	
Non-controlling interests	64	–	64	
	428	16,660	17,088	
[^] Reconciliation to Post-IFRS 16 basis EBIT:				
Pre-IFRS 16 basis EBIT per above	22,239	32,832	55,071	
IFRS 16 impact per above	3,063	1,264	4,327	
Post-IFRS 16 basis EBIT	25,302	34,096	59,398	

Notes to the Financial Statements

6 Operating segment information (continued)

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

(iii) An analysis of EBIT by segments (continued)

	EBIT (LBIT) ^(xv)			
	Company and Subsidiaries	Associates and JV	2023 Total	%
	HK\$ million	HK\$ million	HK\$ million	
Ports and Related Services	7,276	2,067	9,343	16%
Retail	8,785	4,103	12,888	22%
Infrastructure	3,079	16,483	19,562	33%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe				
EBITDA before the following non-cash items:	21,059	289	21,348	
Depreciation	(11,489)	(260)	(11,749)	
Amortisation of licence fees, other rights, customer acquisition and retention costs	(7,199)	–	(7,199)	
EBIT – 3 Group Europe	2,371	29	2,400	4%
Hutchison Telecommunications Hong Kong Holdings	100	16	116	–
Corporate and Others	88	(10)	78	–
	2,559	35	2,594	4%
Finance & Investments and Others	5,123	9,402	14,525	25%
EBIT	26,822	32,090	58,912	100%
<i>Portion attributable to:</i>				
Non-controlling interests of HPH Trust	–	512	512	
EBIT ^	26,822 ^	32,602 ^	59,424 ^	
Interest expenses and other finance costs	(9,720)	(10,427)	(20,147)	
Current tax charge	(4,123)	(3,582)	(7,705)	
Deferred tax credit (charge)	1,083	(1,878)	(795)	
Non-controlling interests	(6,711)	(482)	(7,193)	
	7,351	16,233	23,584	
IFRS 16 impact				
EBIT ^	2,831 ^	1,369 ^	4,200 ^	
Interest expenses and other finance costs	(2,507)	(1,546)	(4,053)	
Current tax	4	–	4	
Deferred tax	33	72	105	
Non-controlling interests	(1)	–	(1)	
	7,711	16,128	23,839	
^ Reconciliation to Post-IFRS 16 basis EBIT:				
Pre-IFRS 16 basis EBIT per above	26,822	32,602	59,424	
IFRS 16 impact per above	2,831	1,369	4,200	
Post-IFRS 16 basis EBIT	29,653	33,971	63,624	

6 Operating segment information (continued)

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

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

	Depreciation and amortisation		
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2025 Total HK\$ million
Ports and Related Services	3,072	1,517	4,589
Retail	2,611	1,074	3,685
Infrastructure	356	11,450	11,806
Telecommunications			
CK Hutchison Group Telecom			
3 Group Europe	16,845	5,063	21,908
Hutchison Telecommunications Hong Kong Holdings	1,085	39	1,124
Corporate and Others	2	-	2
	17,932	5,102	23,034
Finance & Investments and Others	215	9,112	9,327
	24,186	28,255	52,441
<i>Portion attributable to:</i>			
Non-controlling interests of HPH Trust	-	263	263
	24,186	28,518	52,704
Divestiture of infrastructure investments	-	210	210
	24,186	28,728	52,914
IFRS 16 impact	14,205	4,863	19,068
	38,391	33,591	71,982

	Depreciation and amortisation		
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2024 Total HK\$ million
Ports and Related Services	2,859	1,440	4,299
Retail	2,508	869	3,377
Infrastructure	275	10,159	10,434
Telecommunications			
CK Hutchison Group Telecom			
3 Group Europe	19,168	351	19,519
Hutchison Telecommunications Hong Kong Holdings	1,082	40	1,122
Corporate and Others	3	-	3
	20,253	391	20,644
Finance & Investments and Others	496	8,919	9,415
	26,391	21,778	48,169
<i>Portion attributable to:</i>			
Non-controlling interests of HPH Trust	-	269	269
	26,391	22,047	48,438
Divestiture of infrastructure investments	-	212	212
	26,391	22,259	48,650
IFRS 16 impact	14,069	4,112	18,181
	40,460	26,371	66,831

Notes to the Financial Statements

6 Operating segment information (continued)

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

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

	Depreciation and amortisation		
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2023 Total HK\$ million
Ports and Related Services	2,843	1,457	4,300
Retail	2,550	788	3,338
Infrastructure	285	9,354	9,639
Telecommunications			
CK Hutchison Group Telecom			
3 Group Europe	18,688	260	18,948
Hutchison Telecommunications Hong Kong Holdings	1,082	45	1,127
Corporate and Others	1	–	1
	19,771	305	20,076
Finance & Investments and Others	508	8,451	8,959
	25,957	20,355	46,312
<i>Portion attributable to:</i>			
Non-controlling interests of HPH Trust	–	268	268
	25,957	20,623	46,580
Divestiture of infrastructure investments	–	176	176
	25,957	20,799	46,756
IFRS 16 impact	14,126	4,101	18,227
	40,083	24,900	64,983

(v) An analysis of capital expenditure by segments

	Capital expenditure ^(xxii)			
	Fixed assets HK\$ million	Telecommunications licences HK\$ million	Brand names and other rights HK\$ million	2025 Total HK\$ million
Ports and Related Services	5,038	–	11	5,049
Retail	2,959	–	–	2,959
Infrastructure	286	–	6	292
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	9,896	–	2,070	11,966
Hutchison Telecommunications Hong Kong Holdings	440	–	–	440
Corporate and Others	–	–	1	1
	10,336	–	2,071	12,407
Finance & Investments and Others	234	–	4	238
	18,853	–	2,092	20,945
IFRS 16 impact	(110)	–	–	(110)
	18,743	–	2,092	20,835

6 Operating segment information (continued)

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

(v) An analysis of capital expenditure by segments (continued)

	Capital expenditure ^(xxii)			
	Fixed assets	Telecom- munications licences	Brand names and other rights	2024 Total
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Ports and Related Services	3,804	–	16	3,820
Retail	3,240	–	–	3,240
Infrastructure	363	–	–	363
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	12,408	59	1,897	14,364
Hutchison Telecommunications Hong Kong Holdings	434	–	–	434
Corporate and Others	1	–	–	1
	12,843	59	1,897	14,799
Finance & Investments and Others	345	13	–	358
	20,595	72	1,913	22,580
IFRS 16 impact	(230)	–	–	(230)
	20,365	72	1,913	22,350

	Capital expenditure ^(xxii)			
	Fixed assets	Telecom- munications licences	Brand names and other rights	2023 Total
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Ports and Related Services	5,511	–	10	5,521
Retail	2,814	–	–	2,814
Infrastructure	320	–	2	322
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	12,450	1,937	1,663	16,050
Hutchison Telecommunications Hong Kong Holdings	481	–	–	481
Corporate and Others	2	–	–	2
	12,933	1,937	1,663	16,533
Finance & Investments and Others	301	19	–	320
	21,879	1,956	1,675	25,510
IFRS 16 impact	(209)	–	–	(209)
	21,670	1,956	1,675	25,301

Notes to the Financial Statements

6 Operating segment information (continued)

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

(vi) An analysis of total assets by segments

	Total assets			
	31 December 2025			
	Segment assets ^(xx) HK\$ million	Deferred tax assets HK\$ million	Investments in associated companies and interests in joint ventures HK\$ million	Total assets HK\$ million
Ports and Related Services	76,110	537	23,634	100,281
Retail	206,832	1,661	20,987	229,480
Infrastructure	52,934	4	178,921	231,859
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	222,578	2,987	42,640	268,205
Hutchison Telecommunications				
Hong Kong Holdings	14,716	1	97	14,814
Corporate and Others	41,376	–	12	41,388
	278,670	2,988	42,749	324,407
Finance & Investments and Others	131,615	76	87,860	219,551
	746,161	5,266	354,151	1,105,578
IFRS 16 impact	50,784	1,836	(2,525)	50,095
	796,945	7,102	351,626	1,155,673

	Total assets			
	31 December 2024			
	Segment assets ^(xx) HK\$ million	Deferred tax assets HK\$ million	Investments in associated companies and interests in joint ventures HK\$ million	Total assets HK\$ million
Ports and Related Services	70,019	490	22,825	93,334
Retail	201,748	1,701	16,999	220,448
Infrastructure	54,777	1	168,113	222,891
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	263,429	14,162	2,664	280,255
Hutchison Telecommunications				
Hong Kong Holdings	15,208	1	112	15,321
Corporate and Others	25,226	–	3	25,229
	303,863	14,163	2,779	320,805
Finance & Investments and Others	121,400	68	85,603	207,071
	751,807	16,423	296,319	1,064,549
IFRS 16 impact	48,532	1,717	(2,256)	47,993
	800,339	18,140	294,063	1,112,542

6 Operating segment information (continued)

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

(vi) An analysis of total assets by segments (continued)

	Total assets			
	31 December 2023			
	Segment assets ^(xx) HK\$ million	Deferred tax assets HK\$ million	Investments in associated companies and interests in joint ventures HK\$ million	Total assets HK\$ million
Ports and Related Services	75,587	609	21,519	97,715
Retail	201,155	1,802	17,233	220,190
Infrastructure	59,577	2	171,277	230,856
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	275,196	16,858	2,628	294,682
Hutchison Telecommunications				
Hong Kong Holdings	15,776	2	109	15,887
Corporate and Others	26,995	–	1	26,996
	317,967	16,860	2,738	337,565
Finance & Investments and Others	131,868	64	89,124	221,056
	786,154	19,337	301,891	1,107,382
IFRS 16 impact	51,700	1,737	(1,916)	51,521
	837,854	21,074	299,975	1,158,903

	Total assets				
	1 January 2023				
	Segment assets ^(xx) HK\$ million	Deferred tax assets HK\$ million	Assets classified as held for sale HK\$ million	Investments in associated companies and interests in joint ventures HK\$ million	Total assets HK\$ million
Ports and Related Services	72,263	352	–	23,200	95,815
Retail	198,358	1,471	–	15,630	215,459
Infrastructure	65,516	3	–	165,138	230,657
Telecommunications					
CK Hutchison Group Telecom					
3 Group Europe	263,859	15,067	5,178	10	284,114
Hutchison Telecommunications					
Hong Kong Holdings	16,148	4	–	157	16,309
Corporate and Others	35,040	–	–	2	35,042
	315,047	15,071	5,178	169	335,465
Finance & Investments and Others	133,457	57	–	87,030	220,544
	784,641	16,954	5,178	291,167	1,097,940
IFRS 16 impact	49,919	1,555	918	(1,895)	50,497
	834,560	18,509	6,096	289,272	1,148,437

Notes to the Financial Statements

6 Operating segment information (continued)

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

(vii) An analysis of total liabilities by segments

	Total liabilities			
	31 December 2025			
	Segment liabilities ^(xx) HK\$ million	Current & non-current borrowings ^(xxi) and other non-current liabilities HK\$ million	Current & deferred tax liabilities HK\$ million	Total liabilities HK\$ million
Ports and Related Services	13,012	11,171	4,527	28,710
Retail	30,857	8,191	10,266	49,314
Infrastructure	6,628	21,102	577	28,307
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	25,697	13,973	1,470	41,140
Hutchison Telecommunications				
Hong Kong Holdings	1,610	1,980	272	3,862
Corporate and Others	1,384	45,338	223	46,945
	28,691	61,291	1,965	91,947
Finance & Investments and Others	7,006	195,776	2,922	205,704
	86,194	297,531	20,257	403,982
IFRS 16 impact	64,866	(796)	(771)	63,299
	151,060	296,735	19,486	467,281

	Total liabilities			
	31 December 2024			
	Segment liabilities ^(xx) HK\$ million	Current & non-current borrowings ^(xxi) and other non-current liabilities HK\$ million	Current & deferred tax liabilities HK\$ million	Total liabilities HK\$ million
Ports and Related Services	11,044	10,385	4,531	25,960
Retail	28,340	6,626	10,369	45,335
Infrastructure	6,809	19,131	535	26,475
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	28,865	14,883	3,622	47,370
Hutchison Telecommunications				
Hong Kong Holdings	1,657	2,118	198	3,973
Corporate and Others	865	44,914	46	45,825
	31,387	61,915	3,866	97,168
Finance & Investments and Others	9,714	191,885	2,739	204,338
	87,294	289,942	22,040	399,276
IFRS 16 impact	63,067	(1,695)	(698)	60,674
	150,361	288,247	21,342	459,950

6 Operating segment information (continued)

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

(vii) An analysis of total liabilities by segments (continued)

	Total liabilities			
	31 December 2023			
	Segment liabilities ^(xx) HK\$ million	Current & non-current borrowings ^(xx) and other non-current liabilities HK\$ million	Current & deferred tax liabilities HK\$ million	Total liabilities HK\$ million
Ports and Related Services	11,591	14,867	4,535	30,993
Retail	27,748	7,056	10,900	45,704
Infrastructure	7,236	24,551	615	32,402
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	32,856	16,319	3,935	53,110
Hutchison Telecommunications				
Hong Kong Holdings	1,835	2,249	123	4,207
Corporate and Others	1,105	44,428	26	45,559
	35,796	62,996	4,084	102,876
Finance & Investments and Others	8,642	198,493	4,462	211,597
	91,013	307,963	24,596	423,572
IFRS 16 impact	66,865	(1,225)	(858)	64,782
	157,878	306,738	23,738	488,354

	Total liabilities				
	1 January 2023				
	Segment liabilities ^(xx) HK\$ million	Current & non-current borrowings ^(xx) and other non-current liabilities HK\$ million	Liabilities directly associated with assets classified as held for sale HK\$ million	Current & deferred tax liabilities HK\$ million	Total liabilities HK\$ million
Ports and Related Services	10,948	14,604	–	4,696	30,248
Retail	24,598	10,531	–	10,619	45,748
Infrastructure	7,338	28,416	–	556	36,310
Telecommunications					
CK Hutchison Group Telecom					
3 Group Europe	37,008	14,989	207	3,393	55,597
Hutchison					
Telecommunications					
Hong Kong Holdings	1,808	2,371	–	50	4,229
Corporate and Others	777	50,923	–	11	51,711
	39,593	68,283	207	3,454	111,537
Finance & Investments and Others	10,660	198,023	–	4,860	213,543
	93,137	319,857	207	24,185	437,386
IFRS 16 impact	64,781	(1,065)	920	(894)	63,742
	157,918	318,792	1,127	23,291	501,128

Notes to the Financial Statements

6 Operating segment information (continued)

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

(viii) An analysis of revenue by geographical locations

	Revenue ^(xix)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2025 Total HK\$ million	%
Hong Kong	29,703	4,416	34,119	7%
Chinese Mainland	16,595	7,832	24,427	5%
The People's Republic of China	46,298	12,248	58,546	12%
Europe	155,856	121,518	277,374	55%
Canada	89	3,266	3,355	1%
Asia, Australia and Others	62,515	16,458	78,973	15%
	218,460	141,242	359,702	71%
Finance & Investments and Others	264,758	153,490	418,248	83%
	15,278	73,771	89,049	17%
	280,036	227,261	507,297 **	100%

	Revenue ^(xix)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2024 Total HK\$ million	%
Hong Kong	28,763	5,143	33,906	7%
Chinese Mainland	16,833	7,506	24,339	5%
The People's Republic of China	45,596	12,649	58,245	12%
Europe	161,049	83,323	244,372	52%
Canada	204	3,151	3,355	1%
Asia, Australia and Others	57,087	16,111	73,198	15%
	218,340	102,585	320,925	68%
Finance & Investments and Others	263,936	115,234	379,170	80%
	17,415	80,097	97,512	20%
	281,351	195,331	476,682 **	100%

	Revenue ^(xix)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2023 Total HK\$ million	%
Hong Kong	29,857	4,554	34,411	8%
Chinese Mainland	20,072	7,264	27,336	6%
The People's Republic of China	49,929	11,818	61,747	14%
Europe	154,709	76,970	231,679	50%
Canada	229	3,633	3,862	1%
Asia, Australia and Others	53,047	15,388	68,435	14%
	207,985	95,991	303,976	65%
Finance & Investments and Others	257,914	107,809	365,723	79%
	17,661	78,174	95,835	21%
	275,575	185,983	461,558 **	100%

** see note 6(b)(i) for reconciliation of segment revenue to revenue presented in the consolidated income statement.

6 Operating segment information (continued)

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

(ix) An analysis of EBITDA by geographical locations

	EBITDA (LBITDA) ^(xiv)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2025 Total HK\$ million	%
Hong Kong	427	1,826	2,253	2%
Chinese Mainland	372	2,525	2,897	3%
The People's Republic of China	799	4,351	5,150	5%
Europe	22,462	30,299	52,761	50%
Canada	97	1,893	1,990	2%
Asia, Australia and Others	14,282	9,292	23,574	23%
	36,841	41,484	78,325	75%
Finance & Investments and Others	37,640	45,835	83,475	80%
	2,042	19,299	21,341	20%
	39,682	65,134	104,816 ^{##}	100%

	EBITDA (LBITDA) ^(xiv)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2024 Total HK\$ million	%
Hong Kong	469	1,884	2,353	2%
Chinese Mainland	613	2,577	3,190	3%
The People's Republic of China	1,082	4,461	5,543	5%
Europe	34,121	22,393	56,514	55%
Canada	199	1,834	2,033	2%
Asia, Australia and Others	13,404	8,816	22,220	22%
	47,724	33,043	80,767	79%
Finance & Investments and Others	48,806	37,504	86,310	84%
	(176)	16,466	16,290	16%
	48,630	53,970	102,600 ^{##}	100%

	EBITDA (LBITDA) ^(xiv)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2023 Total HK\$ million	%
Hong Kong	1,182	1,686	2,868	3%
Chinese Mainland	1,499	2,222	3,721	4%
The People's Republic of China	2,681	3,908	6,589	7%
Europe	31,845	20,612	52,457	50%
Canada	230	1,978	2,208	2%
Asia, Australia and Others	12,392	8,094	20,486	19%
	44,467	30,684	75,151	71%
Finance & Investments and Others	47,148	34,592	81,740	78%
	5,631	17,853	23,484	22%
	52,779	52,445	105,224 ^{##}	100%

^{##} see note 6(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

Notes to the Financial Statements

6 Operating segment information (continued)

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

(x) An analysis of EBIT by geographical locations

	EBIT (LBIT) ^(xv)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2025 Total HK\$ million	%
Hong Kong	(1,051)	833	(218)	–
Chinese Mainland	(384)	1,742	1,358	3%
The People's Republic of China	(1,435)	2,575	1,140	3%
Europe	3,402	17,468	20,870	40%
Canada	98	1,211	1,309	2%
Asia, Australia and Others	11,604	5,438	17,042	32%
	15,104	24,117	39,221	74%
Finance & Investments and Others	13,669	26,692	40,361	77%
	1,827	10,187	12,014	23%
	15,496	36,879	52,375 ^{@@}	100%

	EBIT (LBIT) ^(xv)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2024 Total HK\$ million	%
Hong Kong	(1,017)	945	(72)	–
Chinese Mainland	(110)	1,822	1,712	3%
The People's Republic of China	(1,127)	2,767	1,640	3%
Europe	12,911	15,499	28,410	52%
Canada	200	1,155	1,355	2%
Asia, Australia and Others	10,927	5,224	16,151	30%
	24,038	21,878	45,916	84%
Finance & Investments and Others	22,911	24,645	47,556	87%
	(672)	7,547	6,875	13%
	22,239	32,192	54,431 ^{@@}	100%

	EBIT (LBIT) ^(xv)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2023 Total HK\$ million	%
Hong Kong	(342)	741	399	1%
Chinese Mainland	647	1,460	2,107	3%
The People's Republic of China	305	2,201	2,506	4%
Europe	11,194	14,376	25,570	43%
Canada	229	1,308	1,537	3%
Asia, Australia and Others	9,971	4,803	14,774	25%
	21,394	20,487	41,881	71%
Finance & Investments and Others	21,699	22,688	44,387	75%
	5,123	9,402	14,525	25%
	26,822	32,090	58,912 ^{@@}	100%

@@ see note 6(b)(iii) for reconciliation of segment EBIT to EBIT included and presented in the consolidated income statement.

6 Operating segment information (continued)

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

(xi) An analysis of capital expenditure by geographical locations

	Capital expenditure ^(xxii)			
	Fixed assets HK\$ million	Telecom- munications licences HK\$ million	Brand names and other rights HK\$ million	2025 Total HK\$ million
Hong Kong	1,110	–	–	1,110
Chinese Mainland	327	–	–	327
The People's Republic of China	1,437	–	–	1,437
Europe	13,439	–	2,071	15,510
Asia, Australia and Others	3,743	–	17	3,760
	17,182	–	2,088	19,270
Finance & Investments and Others	18,619	–	2,088	20,707
	234	–	4	238
IFRS 16 impact	18,853	–	2,092	20,945
	(110)	–	–	(110)
	18,743	–	2,092	20,835

	Capital expenditure ^(xxii)			
	Fixed assets HK\$ million	Telecom- munications licences HK\$ million	Brand names and other rights HK\$ million	2024 Total HK\$ million
Hong Kong	1,241	–	–	1,241
Chinese Mainland	668	–	–	668
The People's Republic of China	1,909	–	–	1,909
Europe	15,088	59	1,897	17,044
Asia, Australia and Others	3,253	–	16	3,269
	18,341	59	1,913	20,313
Finance & Investments and Others	20,250	59	1,913	22,222
	345	13	–	358
IFRS 16 impact	20,595	72	1,913	22,580
	(230)	–	–	(230)
	20,365	72	1,913	22,350

	Capital expenditure ^(xxii)			
	Fixed assets HK\$ million	Telecom- munications licences HK\$ million	Brand names and other rights HK\$ million	2023 Total HK\$ million
Hong Kong	1,389	–	–	1,389
Chinese Mainland	658	–	–	658
The People's Republic of China	2,047	–	–	2,047
Europe	14,799	1,088	1,663	17,550
Asia, Australia and Others	4,732	849	12	5,593
	19,531	1,937	1,675	23,143
Finance & Investments and Others	21,578	1,937	1,675	25,190
	301	19	–	320
IFRS 16 impact	21,879	1,956	1,675	25,510
	(209)	–	–	(209)
	21,670	1,956	1,675	25,301

Notes to the Financial Statements

6 Operating segment information (continued)

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

(xii) An analysis of total assets by geographical locations

	Total assets			
	31 December 2025			
	Segment assets ^(xx) HK\$ million	Deferred tax assets HK\$ million	Investments in associated companies and interests in joint ventures HK\$ million	Total assets HK\$ million
Hong Kong	40,826	288	8,902	50,016
Chinese Mainland	26,245	476	15,366	42,087
The People's Republic of China	67,071	764	24,268	92,103
Europe	422,149	3,652	171,201	597,002
Canada	4,532	1	11,097	15,630
Asia, Australia and Others	120,794	773	59,725	181,292
	547,475	4,426	242,023	793,924
	614,546	5,190	266,291	886,027
Finance & Investments and Others	131,615	76	87,860	219,551
	746,161	5,266	354,151	1,105,578
IFRS 16 impact	50,784	1,836	(2,525)	50,095
	796,945	7,102	351,626	1,155,673

	Total assets			
	31 December 2024			
	Segment assets ^(xx) HK\$ million	Deferred tax assets HK\$ million	Investments in associated companies and interests in joint ventures HK\$ million	Total assets HK\$ million
Hong Kong	47,825	287	10,631	58,743
Chinese Mainland	29,076	570	15,298	44,944
The People's Republic of China	76,901	857	25,929	103,687
Europe	432,453	14,787	119,130	566,370
Canada	4,969	1	10,980	15,950
Asia, Australia and Others	116,084	710	54,677	171,471
	553,506	15,498	184,787	753,791
	630,407	16,355	210,716	857,478
Finance & Investments and Others	121,400	68	85,603	207,071
	751,807	16,423	296,319	1,064,549
IFRS 16 impact	48,532	1,717	(2,256)	47,993
	800,339	18,140	294,063	1,112,542

6 Operating segment information (continued)

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

(xii) An analysis of total assets by geographical locations (continued)

	Total assets			
	31 December 2023			
	Segment assets ^(xx) HK\$ million	Deferred tax assets HK\$ million	Investments in associated companies and interests in joint ventures HK\$ million	Total assets HK\$ million
Hong Kong	48,053	161	10,656	58,870
Chinese Mainland	33,223	688	15,184	49,095
The People's Republic of China	81,276	849	25,840	107,965
Europe	444,041	17,614	117,538	579,193
Canada	4,333	2	12,329	16,664
Asia, Australia and Others	124,636	808	57,060	182,504
	573,010	18,424	186,927	778,361
	654,286	19,273	212,767	886,326
Finance & Investments and Others	131,868	64	89,124	221,056
	786,154	19,337	301,891	1,107,382
IFRS 16 impact	51,700	1,737	(1,916)	51,521
	837,854	21,074	299,975	1,158,903

	Total assets				
	1 January 2023				
	Segment assets ^(xx) HK\$ million	Deferred tax assets HK\$ million	Assets classified as held for sale HK\$ million	Investments in associated companies and interests in joint ventures HK\$ million	Total assets HK\$ million
Hong Kong	52,247	79	–	10,708	63,034
Chinese Mainland	37,850	765	–	17,209	55,824
The People's Republic of China	90,097	844	–	27,917	118,858
Europe	420,785	15,512	5,178	106,525	548,000
Canada	4,169	3	–	12,238	16,410
Asia, Australia and Others	136,133	538	–	57,457	194,128
	561,087	16,053	5,178	176,220	758,538
	651,184	16,897	5,178	204,137	877,396
Finance & Investments and Others	133,457	57	–	87,030	220,544
	784,641	16,954	5,178	291,167	1,097,940
IFRS 16 impact	49,919	1,555	918	(1,895)	50,497
	834,560	18,509	6,096	289,272	1,148,437

Notes to the Financial Statements

6 Operating segment information (continued)

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

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

The Group's EBITDA and EBIT for the year ended 31 December 2025 included the losses attributable to shareholders arising from the disposal of interests in the Group's telecommunications business in the United Kingdom (the "UK"), which was completed in May 2025. These losses amounted to HK\$9,915 million, with a related impact of HK\$1,007 million, totalling HK\$10,922 million (see note 6(b)(xvi)). For the year ended 31 December 2024, EBITDA and EBIT included losses attributable to shareholders from an impairment charge against the assets of the Group's telecommunications business in Vietnam of HK\$1,859 million, together with other provisions of HK\$1,881 million (see note 6(b)(xvii)).

An analysis by segments of EBITDA before losses from major transaction activities and other one-off items is set out below:

	EBITDA (LBITDA) ^(xiv)			
	Company and Subsidiaries	Associates and JV	2025 Total	%
	HK\$ million	HK\$ million	HK\$ million	
EBITDA before one-off item				
Ports and Related Services	13,320	4,119	17,439	15%
Retail	12,414	5,824	18,238	16%
Infrastructure	945	30,396	31,341	27%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	20,425	5,452	25,877	22%
Hutchison Telecommunications Hong Kong Holdings	1,198	51	1,249	1%
Corporate and Others	698	(7)	691	1%
	22,321	5,496	27,817	24%
Finance & Investments and Others	1,604	19,299	20,903	18%
	50,604	65,134	115,738	100%
One-off item				
Loss from disposal of telecommunications business in UK and related impact ^(xvi)	(10,922)	–	(10,922)	
	39,682	65,134	104,816 ^{##}	
	EBITDA (LBITDA) ^(xiv)			
	Company and Subsidiaries	Associates and JV	2024 Total	%
	HK\$ million	HK\$ million	HK\$ million	
EBITDA before one-off item				
Ports and Related Services	12,098	4,074	16,172	15%
Retail	11,274	5,121	16,395	15%
Infrastructure	1,765	27,849	29,614	28%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	22,689	433	23,122	22%
Hutchison Telecommunications Hong Kong Holdings	1,236	54	1,290	1%
Corporate and Others	(256)	(27)	(283)	–
	23,669	460	24,129	23%
Finance & Investments and Others	3,564	16,466	20,030	19%
	52,370	53,970	106,340	100%
One-off item				
Impairment of telecommunications business in Vietnam and other provisions ^(xvii)	(3,740)	–	(3,740)	
	48,630	53,970	102,600 ^{##}	

^{##} see note 6(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

6 Operating segment information (continued)

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

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

An analysis by segments of EBITDA before losses from major transaction activities and other one-off items is set out below (continued):

	EBITDA (LBITDA) ^(xiv)			%
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2023 Total HK\$ million	
EBITDA before one-off item				
Ports and Related Services	10,119	3,524	13,643	13%
Retail	11,335	4,891	16,226	15%
Infrastructure	3,364	25,837	29,201	28%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	21,059	289	21,348	21%
Hutchison Telecommunications Hong Kong Holdings	1,182	61	1,243	1%
Corporate and Others	89	(10)	79	–
	22,330	340	22,670	22%
Finance & Investments and Others ^(xviii)	5,631	17,853	23,484	22%
	52,779	52,445	105,224	100%
One-off item	–	–	–	
	52,779	52,445	105,224 ^{##}	

An analysis by geographical locations of EBITDA before losses from major transaction activities and other one-off items is set out below:

	EBITDA (LBITDA) ^(xiv)			%
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2025 Total HK\$ million	
EBITDA before one-off item				
Hong Kong	427	1,826	2,253	2%
Chinese Mainland	372	2,525	2,897	3%
The People's Republic of China	799	4,351	5,150	5%
Europe	33,822	30,299	64,121	55%
Canada	97	1,893	1,990	2%
Asia, Australia and Others	14,282	9,292	23,574	20%
	48,201	41,484	89,685	77%
	49,000	45,835	94,835	82%
Finance & Investments and Others	1,604	19,299	20,903	18%
	50,604	65,134	115,738	100%
One-off item				
Loss from disposal of telecommunications business in UK and related impact ^(xv)	(10,922)	–	(10,922)	
	39,682	65,134	104,816 ^{##}	

see note 6(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

Notes to the Financial Statements

6 Operating segment information (continued)

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

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

An analysis by geographical locations of EBITDA before losses from major transaction activities and other one-off items is set out below (continued):

	EBITDA (LBITDA) ^(xiv)			%
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2024 Total HK\$ million	
EBITDA before one-off item				
Hong Kong	469	1,884	2,353	2%
Chinese Mainland	613	2,577	3,190	3%
The People's Republic of China	1,082	4,461	5,543	5%
Europe	34,121	22,393	56,514	53%
Canada	199	1,834	2,033	2%
Asia, Australia and Others	13,404	8,816	22,220	21%
	47,724	33,043	80,767	76%
Finance & Investments and Others	48,806	37,504	86,310	81%
	3,564	16,466	20,030	19%
	52,370	53,970	106,340	100%
One-off item				
Impairment of telecommunications business in Vietnam and other provisions ^(xvii)	(3,740)	–	(3,740)	
	48,630	53,970	102,600 ^{##}	

	EBITDA (LBITDA) ^(xiv)			%
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2023 Total HK\$ million	
EBITDA before one-off item				
Hong Kong	1,182	1,686	2,868	3%
Chinese Mainland	1,499	2,222	3,721	4%
The People's Republic of China	2,681	3,908	6,589	7%
Europe	31,845	20,612	52,457	50%
Canada	230	1,978	2,208	2%
Asia, Australia and Others	12,392	8,094	20,486	19%
	44,467	30,684	75,151	71%
Finance & Investments and Others ^(xviii)	47,148	34,592	81,740	78%
	5,631	17,853	23,484	22%
	52,779	52,445	105,224	100%
One-off item	–	–	–	
	52,779	52,445	105,224 ^{##}	

^{##} see note 6(b)(ii) for reconciliation of segment EBITDA to EBITDA included and presented in the consolidated income statement.

6 Operating segment information (continued)

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

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

An analysis by segments of EBIT before losses from major transaction activities and other one-off items is set out below:

	EBIT (LBIT) ^(xv)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2025 Total HK\$ million	%
EBIT before one-off item				
Ports and Related Services	10,248	2,602	12,850	20%
Retail	9,803	4,750	14,553	23%
Infrastructure	589	18,946	19,535	31%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	3,580	389	3,969	7%
Hutchison Telecommunications Hong Kong Holdings	113	12	125	–
Corporate and Others	696	(7)	689	1%
	4,389	394	4,783	8%
Finance & Investments and Others	1,389	10,187	11,576	18%
	26,418	36,879	63,297	100%
One-off item				
Loss from disposal of telecommunications business in UK and related impact ^(xvi)	(10,922)	–	(10,922)	
	15,496	36,879	52,375 ^{@@}	

	EBIT (LBIT) ^(xv)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2024 Total HK\$ million	%
EBIT before one-off item				
Ports and Related Services	9,239	2,634	11,873	21%
Retail	8,766	4,252	13,018	22%
Infrastructure	1,490	17,690	19,180	33%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	3,521	82	3,603	6%
Hutchison Telecommunications Hong Kong Holdings	154	14	168	–
Corporate and Others	(259)	(27)	(286)	–
	3,416	69	3,485	6%
Finance & Investments and Others	3,068	7,547	10,615	18%
	25,979	32,192	58,171	100%
One-off item				
Impairment of telecommunications business in Vietnam and other provisions ^(xvii)	(3,740)	–	(3,740)	
	22,239	32,192	54,431 ^{@@}	

@@ see note 6(b)(iii) for reconciliation of segment EBIT to EBIT included and presented in the consolidated income statement.

Notes to the Financial Statements

6 Operating segment information (continued)

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

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

An analysis by segments of EBIT before losses from major transaction activities and other one-off items is set out below (continued):

	EBIT (LBIT) ^(xv)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2023 Total HK\$ million	%
EBIT before one-off item				
Ports and Related Services	7,276	2,067	9,343	16%
Retail	8,785	4,103	12,888	22%
Infrastructure	3,079	16,483	19,562	33%
Telecommunications				
CK Hutchison Group Telecom				
3 Group Europe	2,371	29	2,400	4%
Hutchison Telecommunications Hong Kong Holdings	100	16	116	–
Corporate and Others	88	(10)	78	–
	2,559	35	2,594	4%
Finance & Investments and Others ^(xviii)	5,123	9,402	14,525	25%
	26,822	32,090	58,912	100%
One-off item	–	–	–	
	26,822	32,090	58,912 ^{@@}	

An analysis by segments of EBIT before losses from major transaction activities and other one-off items is set out below:

	EBIT (LBIT) ^(xv)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2025 Total HK\$ million	%
EBIT before one-off item				
Hong Kong	(1,051)	833	(218)	–
Chinese Mainland	(384)	1,742	1,358	2%
The People's Republic of China	(1,435)	2,575	1,140	2%
Europe	14,762	17,468	32,230	51%
Canada	98	1,211	1,309	2%
Asia, Australia and Others	11,604	5,438	17,042	27%
	26,464	24,117	50,581	80%
	25,029	26,692	51,721	82%
Finance & Investments and Others	1,389	10,187	11,576	18%
	26,418	36,879	63,297	100%
One-off item				
Loss from disposal of telecommunications business in UK and related impact ^(xvi)	(10,922)	–	(10,922)	
	15,496	36,879	52,375 ^{@@}	

@@ see note 6(b)(iii) for reconciliation of segment EBIT to EBIT included in the consolidated income statement.

6 Operating segment information (continued)

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

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

An analysis by segments of EBIT before losses from major transaction activities and other one-off items is set out below (continued):

	EBIT (LBIT) ^(xv)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2024 Total HK\$ million	%
EBIT before one-off item				
Hong Kong	(1,017)	945	(72)	–
Chinese Mainland	(110)	1,822	1,712	3%
The People's Republic of China	(1,127)	2,767	1,640	3%
Europe	12,911	15,499	28,410	49%
Canada	200	1,155	1,355	2%
Asia, Australia and Others	10,927	5,224	16,151	28%
	24,038	21,878	45,916	79%
	22,911	24,645	47,556	82%
Finance & Investments and Others	3,068	7,547	10,615	18%
	25,979	32,192	58,171	100%
One-off item				
Impairment of telecommunications business in Vietnam and other provisions ^(xvii)	(3,740)	–	(3,740)	
	22,239	32,192	54,431 ^{@@}	

	EBIT (LBIT) ^(xv)			
	Company and Subsidiaries HK\$ million	Associates and JV HK\$ million	2023 Total HK\$ million	%
EBIT before one-off item				
Hong Kong	(342)	741	399	1%
Chinese Mainland	647	1,460	2,107	3%
The People's Republic of China	305	2,201	2,506	4%
Europe	11,194	14,376	25,570	43%
Canada	229	1,308	1,537	3%
Asia, Australia and Others	9,971	4,803	14,774	25%
	21,394	20,487	41,881	71%
	21,699	22,688	44,387	75%
Finance & Investments and Others ^(xviii)	5,123	9,402	14,525	25%
	26,822	32,090	58,912	100%
One-off item				
	–	–	–	
	26,822	32,090	58,912 ^{@@}	

@@ see note 6(b)(iii) for reconciliation of segment EBIT to EBIT included and presented in the consolidated income statement.

Notes to the Financial Statements

6 Operating segment information (continued)

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

(xiv) EBITDA (LBITDA)

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

(xv) EBIT (LBIT)

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

(xvi) Disposal of 3 UK and merger with Vodafone Group

The merger transaction to combine the Group's and Vodafone Group's respective telecommunications operations in the United Kingdom was completed on 31 May 2025. Immediately following completion, 3 UK and its subsidiaries ceased to be subsidiaries of the Group and were deconsolidated from the Company's consolidated financial statements. The combined business, named VodafoneThree, is 51% owned by Vodafone and 49% by the Group. This transaction is accounted for in these consolidated financial statements as a disposal of the Group's entire interest in 3 UK and concurrently an acquisition of a 49% interest in the combined business, which is accounted for as an associated company (see note 18).

Included in the current year are the profit and loss effects arising from the disposal of 3 UK, comprising a loss on disposal of HK\$9,915 million (HK\$9,462 million on a Post-IFRS 16 basis) and related impacts of HK\$1,007 million (HK\$1,007 million on a Post-IFRS 16 basis), such as legal and professional fees arising from the merger transaction. These amounts are presented at both the EBITDA and EBIT levels.

In the consolidated income statement, these amounts are reported on a Post-IFRS 16 basis. The loss on disposal of HK\$9,462 million is reported in "Other expenses and losses" (see note 8), and the related impacts of HK\$732 million, HK\$258 million and HK\$17 million are included in legal and professional fees, staff costs and office and general administrative expenses and others, respectively (see note 8).

(xvii) Impairment and provisions relating to Vietnam telecommunications business

The 31 December 2024 comparative balance includes an impairment charge of HK\$1,859 million (HK\$1,859 million on a Post-IFRS 16 basis, see note 8(e)) against assets of the Group's telecommunications business in Vietnam, and provisions totalling HK\$1,881 million for exposures relating to the Group's interest in this business. The total amount of HK\$3,740 million is reflected at both the EBITDA and EBIT levels and is reported under "Finance & Investments and Others" in the segment results.

In the consolidated income statement, these charges are reported in the line item "Other expenses and losses", with HK\$1,859 million presented as "Impairment loss on telecommunications business in Vietnam" and HK\$1,881 million included in "Office and general administrative expenses and others".

6 Operating segment information *(continued)*

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

(xviii) Gain on disposal of Cenovus Energy warrants

The 31 December 2023 comparative year balance included a gain on disposal of financial instruments of HK\$1,829 million. On 14 June 2023, the Group entered into a warrant repurchase agreement with Cenovus Energy, under which the Group sold 26.3 million Cenovus Energy share warrants to Cenovus Energy for a total consideration of approximately C\$410 million. Prior to their disposal, these share warrants, which served as hedging instrument in a cash flow hedge, were measured at fair value through other comprehensive income and reported under "Finance & Investments and Others" in the segment information note and under other non-current assets in the consolidated statement of financial position.

The disposal resulted in a gain (after reclassification adjustments of hedging gains to profit or loss) of approximately HK\$1,829 million (HK\$1,829 million on a Post-IFRS 16 basis) in the comparative year. This gain was reported under "Finance & Investments and Others" in the segment results and under "Other income and gains" in the consolidated income statement.

(xix) Geographical location of customers

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

(xx) Segment assets and segment liabilities

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

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

Refer to note 6(b)(vi) and 6(b)(vii) for reconciliation of segment assets and segment liabilities from a Pre-IFRS 16 basis to a Post-IFRS 16 basis.

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

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Hong Kong	65,065	73,423	72,857	76,195
Chinese Mainland	53,035	54,341	57,362	63,398
The People's Republic of China	118,100	127,764	130,219	139,593
Europe	543,640	513,988	523,476	487,612
Canada	61,345	59,958	62,643	59,262
Asia, Australia and Others	195,265	185,897	197,955	193,888
	800,250	759,843	784,074	740,762
	918,350	887,607	914,293	880,355

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

(xxi) Current and non-current borrowings

Current and non-current borrowings comprise bank and other debts, as well as interest-bearing loans from non-controlling shareholders.

(xxii) Capital expenditure treatment for leases

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

Notes to the Financial Statements

6 Operating segment information (continued)

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis

(i) Consolidated Income Statement

	2025		
	Pre-IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post-IFRS 16 basis HK\$ million
Revenue	280,036	–	280,036
Cost of inventories sold	(113,633)	25	(113,608)
Staff costs	(43,688)	–	(43,688)
Expensed customer acquisition and retention costs	(9,820)	244	(9,576)
Depreciation and amortisation	(24,186)	(14,205)	(38,391)
Other expenses and losses	(74,189)	17,400	(56,789)
Other income and gains	976	–	976
Share of profits less losses of:			
Associated companies	8,858	42	8,900
Joint ventures	11,255	(181)	11,074
	35,609	3,325	38,934
Interest expenses and other finance costs	(9,366)	(2,961)	(12,327)
Profit before tax	26,243	364	26,607
Current tax charge	(5,284)	(1)	(5,285)
Deferred tax charge	(2,016)	64	(1,952)
Profit after tax	18,943	427	19,370
Profit attributable to non-controlling interests	(7,607)	78	(7,529)
Profit attributable to ordinary shareholders	11,336	505	11,841
Earnings per share for profit attributable to ordinary shareholders	HK\$ 2.96	HK\$ 0.13	HK\$ 3.09

6 Operating segment information *(continued)*

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis *(continued)*

(i) Consolidated Income Statement *(continued)*

	2024		
	Pre-IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post-IFRS 16 basis HK\$ million
Revenue	281,351	–	281,351
Cost of inventories sold	(106,223)	29	(106,194)
Staff costs	(41,591)	–	(41,591)
Expensed customer acquisition and retention costs	(15,787)	354	(15,433)
Depreciation and amortisation	(26,391)	(14,069)	(40,460)
Other expenses and losses	(69,594)	16,699	(52,895)
Other income and gains	474	50	524
Share of profits less losses of:			
Associated companies	7,012	(109)	6,903
Joint ventures	10,013	(256)	9,757
	39,264	2,698	41,962
Interest expenses and other finance costs	(10,678)	(2,714)	(13,392)
Profit before tax	28,586	(16)	28,570
Current tax charge	(4,199)	10	(4,189)
Deferred tax charge	(528)	–	(528)
Profit after tax	23,859	(6)	23,853
Profit attributable to non-controlling interests and holders of perpetual capital securities	(6,829)	64	(6,765)
Profit attributable to ordinary shareholders	17,030	58	17,088
Earnings per share for profit attributable to ordinary shareholders	HK\$ 4.45	HK\$ 0.01	HK\$ 4.46

Notes to the Financial Statements

6 Operating segment information (continued)

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis (continued)

(i) Consolidated Income Statement (continued)

	2023		
	Pre-IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post-IFRS 16 basis HK\$ million
Revenue	275,575	–	275,575
Cost of inventories sold	(105,771)	32	(105,739)
Staff costs	(39,226)	–	(39,226)
Expensed customer acquisition and retention costs	(15,577)	389	(15,188)
Depreciation and amortisation	(25,957)	(14,126)	(40,083)
Other expenses and losses	(64,383)	16,538	(47,845)
Other income and gains	2,161	(2)	2,159
Share of profits less losses of:			
Associated companies	8,215	(77)	8,138
Joint ventures	8,018	(28)	7,990
	43,055	2,726	45,781
Interest expenses and other finance costs	(9,720)	(2,507)	(12,227)
Profit before tax	33,335	219	33,554
Current tax charge	(4,123)	4	(4,119)
Deferred tax credit	1,083	33	1,116
Profit after tax	30,295	256	30,551
Profit attributable to non-controlling interests and holders of perpetual capital securities	(6,711)	(1)	(6,712)
Profit attributable to ordinary shareholders	23,584	255	23,839
Earnings per share for profit attributable to ordinary shareholders	HK\$ 6.15	HK\$ 0.07	HK\$ 6.22

6 Operating segment information (continued)

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis (continued)

(ii) Consolidated Statement of Comprehensive Income

	2025		
	Pre-IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post-IFRS 16 basis HK\$ million
Profit after tax	18,943	427	19,370
Other comprehensive income (losses)			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments at fair value through other comprehensive income	217	–	217
Remeasurement of defined benefit obligations	(695)	–	(695)
Share of other comprehensive income of associated companies	98	–	98
Share of other comprehensive income of joint ventures	335	–	335
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	114	–	114
	69	–	69
Items that may be reclassified to profit or loss			
Changes in fair value of debt instruments at fair value through other comprehensive income	170	–	170
Exchange gains on translation of foreign operations	25,517	(806)	24,711
Reserves reclassified to profit or loss	(6,350)	–	(6,350)
Gains on cash flow hedges	46	–	46
Losses on net investment hedges	(2,949)	–	(2,949)
Share of other comprehensive income of associated companies	2,774	(50)	2,724
Share of other comprehensive income of joint ventures	8,875	(80)	8,795
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	3	–	3
	28,086	(936)	27,150
Other comprehensive income, net of tax	28,155	(936)	27,219
Total comprehensive income	47,098	(509)	46,589
Total comprehensive income attributable to non-controlling interests	(11,243)	307	(10,936)
Total comprehensive income attributable to ordinary shareholders	35,855	(202)	35,653

Notes to the Financial Statements

6 Operating segment information (continued)

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis (continued)

(ii) Consolidated Statement of Comprehensive Income (continued)

	2024		
	Pre-IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post-IFRS 16 basis HK\$ million
Profit after tax	23,859	(6)	23,853
Other comprehensive income (losses)			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments at fair value through other comprehensive income	(528)	–	(528)
Remeasurement of defined benefit obligations	810	–	810
Share of other comprehensive income (losses) of associated companies	(83)	–	(83)
Share of other comprehensive income (losses) of joint ventures	(945)	–	(945)
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	(90)	–	(90)
	(836)	–	(836)
Items that may be reclassified to profit or loss			
Changes in fair value of debt instruments at fair value through other comprehensive income	126	–	126
Exchange losses on translation of foreign operations	(10,064)	521	(9,543)
Losses on cash flow hedges	(132)	–	(132)
Gains on net investment hedges	1,484	–	1,484
Share of other comprehensive income (losses) of associated companies	(5,658)	(12)	(5,670)
Share of other comprehensive income (losses) of joint ventures	(5,348)	37	(5,311)
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	5	–	5
	(19,587)	546	(19,041)
Other comprehensive income (losses), net of tax	(20,423)	546	(19,877)
Total comprehensive income	3,436	540	3,976
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	(4,061)	(94)	(4,155)
Total comprehensive income (losses) attributable to ordinary shareholders	(625)	446	(179)

6 Operating segment information (continued)

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis (continued)

(ii) Consolidated Statement of Comprehensive Income (continued)

	2023		
	Pre-IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post-IFRS 16 basis HK\$ million
Profit after tax	30,295	256	30,551
Other comprehensive income (losses)			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments at fair value through other comprehensive income	718	–	718
Remeasurement of defined benefit obligations	(1,470)	–	(1,470)
Share of other comprehensive income (losses) of associated companies	(560)	–	(560)
Share of other comprehensive income of joint ventures	269	–	269
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	376	–	376
	(667)	–	(667)
Items that may be reclassified to profit or loss			
Changes in fair value of debt instruments at fair value through other comprehensive income	120	–	120
Exchange gains on translation of foreign operations	8,100	(329)	7,771
Losses on cash flow hedges	(1,059)	–	(1,059)
Losses on net investment hedges	(1,641)	–	(1,641)
Reclassification adjustments for hedging gains included in profit or loss	(1,735)	–	(1,735)
Share of other comprehensive income of associated companies	1,812	77	1,889
Share of other comprehensive income of joint ventures	3,748	(20)	3,728
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	4	–	4
	9,349	(272)	9,077
Other comprehensive income, net of tax	8,682	(272)	8,410
Total comprehensive income	38,977	(16)	38,961
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	(7,560)	84	(7,476)
Total comprehensive income attributable to ordinary shareholders	31,417	68	31,485

Notes to the Financial Statements

6 Operating segment information (continued)

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis (continued)

(iii) Consolidated Statement of Financial Position

	31 December 2025		
	Pre- IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post- IFRS 16 basis HK\$ million
Non-current assets			
Fixed assets	101,011	(931)	100,080
Right-of-use assets	–	59,160	59,160
Leasehold land	5,774	(5,774)	–
Telecommunications licences	48,732	–	48,732
Brand names and other rights	77,120	–	77,120
Goodwill	274,553	–	274,553
Associated companies	181,367	(849)	180,518
Interests in joint ventures	172,784	(1,676)	171,108
Deferred tax assets	5,266	1,836	7,102
Liquid funds and other listed investments	7,562	–	7,562
Other non-current assets	16,400	595	16,995
	890,569	52,361	942,930
Current assets			
Cash and cash equivalents	143,748	–	143,748
Inventories	26,688	–	26,688
Trade receivables and other current assets	44,573	(2,266)	42,307
	215,009	(2,266)	212,743
Current liabilities			
Bank and other debts	38,120	(33)	38,087
Current tax liabilities	2,212	(1)	2,211
Lease liabilities	–	14,027	14,027
Trade payables and other current liabilities	82,704	(1,630)	81,074
	123,036	12,363	135,399
Net current assets	91,973	(14,629)	77,344
Total assets less current liabilities	982,542	37,732	1,020,274
Non-current liabilities			
Bank and other debts	225,570	(64)	225,506
Interest-bearing loans from non-controlling shareholders	4,193	–	4,193
Lease liabilities	–	52,469	52,469
Deferred tax liabilities	18,045	(770)	17,275
Pension obligations	3,490	–	3,490
Other non-current liabilities	29,648	(699)	28,949
	280,946	50,936	331,882
Net assets	701,596	(13,204)	688,392
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	324,888	(8,918)	315,970
Total ordinary shareholders' funds	571,690	(8,918)	562,772
Non-controlling interests	129,906	(4,286)	125,620
Total equity	701,596	(13,204)	688,392

6 Operating segment information (continued)

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis (continued)

(iii) Consolidated Statement of Financial Position (continued)

	31 December 2024		
	Pre- IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post- IFRS 16 basis HK\$ million
Non-current assets			
Fixed assets	113,994	(2,217)	111,777
Right-of-use assets	–	57,589	57,589
Leasehold land	5,443	(5,443)	–
Telecommunications licences	63,869	–	63,869
Brand names and other rights	79,241	–	79,241
Goodwill	267,325	–	267,325
Associated companies	140,713	(858)	139,855
Interests in joint ventures	155,606	(1,398)	154,208
Deferred tax assets	16,423	1,717	18,140
Liquid funds and other listed investments	8,142	–	8,142
Other non-current assets	19,589	614	20,203
	870,345	50,004	920,349
Current assets			
Cash and cash equivalents	121,303	–	121,303
Inventories	24,923	–	24,923
Trade receivables and other current assets	47,978	(2,011)	45,967
	194,204	(2,011)	192,193
Current liabilities			
Bank and other debts	31,427	(471)	30,956
Interest-bearing loan from a non-controlling shareholder	1,874	–	1,874
Current tax liabilities	3,431	(63)	3,368
Lease liabilities	–	12,142	12,142
Trade payables and other current liabilities	84,097	(1,452)	82,645
	120,829	10,156	130,985
Net current assets	73,375	(12,167)	61,208
Total assets less current liabilities	943,720	37,837	981,557
Non-current liabilities			
Bank and other debts	226,021	(585)	225,436
Interest-bearing loans from non-controlling shareholders	1,597	–	1,597
Lease liabilities	–	52,377	52,377
Deferred tax liabilities	18,609	(635)	17,974
Pension obligations	3,197	–	3,197
Other non-current liabilities	29,023	(639)	28,384
	278,447	50,518	328,965
Net assets	665,273	(12,681)	652,592
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	296,847	(8,934)	287,913
Total ordinary shareholders' funds	543,649	(8,934)	534,715
Non-controlling interests	121,624	(3,747)	117,877
Total equity	665,273	(12,681)	652,592

Notes to the Financial Statements

6 Operating segment information (continued)

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis (continued)

(iii) Consolidated Statement of Financial Position (continued)

	31 December 2023		
	Pre- IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post- IFRS 16 basis HK\$ million
Non-current assets			
Fixed assets	121,957	(2,131)	119,826
Right-of-use assets	–	61,198	61,198
Leasehold land	5,958	(5,958)	–
Telecommunications licences	64,264	–	64,264
Brand names and other rights	83,396	–	83,396
Goodwill	271,136	–	271,136
Associated companies	144,375	(737)	143,638
Interests in joint ventures	157,516	(1,179)	156,337
Deferred tax assets	19,337	1,737	21,074
Liquid funds and other listed investments	15,786	–	15,786
Other non-current assets	19,356	506	19,862
	903,081	53,436	956,517
Current assets			
Cash and cash equivalents	127,323	–	127,323
Inventories	24,473	–	24,473
Trade receivables and other current assets	52,505	(1,915)	50,590
	204,301	(1,915)	202,386
Current liabilities			
Bank and other debts	58,785	(461)	58,324
Current tax liabilities	4,215	(49)	4,166
Lease liabilities	–	13,616	13,616
Trade payables and other current liabilities	87,477	(1,058)	86,419
	150,477	12,048	162,525
Net current assets	53,824	(13,963)	39,861
Total assets less current liabilities	956,905	39,473	996,378
Non-current liabilities			
Bank and other debts	214,362	(764)	213,598
Interest-bearing loans from non-controlling shareholders	3,245	–	3,245
Lease liabilities	–	54,307	54,307
Deferred tax liabilities	20,381	(809)	19,572
Pension obligations	3,536	–	3,536
Other non-current liabilities	31,571	–	31,571
	273,095	52,734	325,829
Net assets	683,810	(13,261)	670,549
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	306,629	(9,396)	297,233
Total ordinary shareholders' funds	553,431	(9,396)	544,035
Perpetual capital securities	4,566	–	4,566
Non-controlling interests	125,813	(3,865)	121,948
Total equity	683,810	(13,261)	670,549

6 Operating segment information (continued)

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis (continued)

(iii) Consolidated Statement of Financial Position (continued)

	1 January 2023		
	Pre- IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post- IFRS 16 basis HK\$ million
Non-current assets			
Fixed assets	114,564	(1,914)	112,650
Right-of-use assets	–	59,337	59,337
Leasehold land	6,129	(6,129)	–
Telecommunications licences	60,689	–	60,689
Brand names and other rights	83,694	–	83,694
Goodwill	268,008	–	268,008
Associated companies	141,475	(764)	140,711
Interests in joint ventures	149,692	(1,131)	148,561
Deferred tax assets	16,954	1,555	18,509
Liquid funds and other listed investments	16,103	–	16,103
Other non-current assets	15,358	542	15,900
	872,666	51,496	924,162
Current assets			
Cash and cash equivalents	138,085	–	138,085
Inventories	23,283	–	23,283
Trade receivables and other current assets	58,728	(1,917)	56,811
	220,096	(1,917)	218,179
Assets classified as held for sale	5,178	918	6,096
	225,274	(999)	224,275
Current liabilities			
Bank and other debts	70,430	(300)	70,130
Current tax liabilities	4,040	(39)	4,001
Lease liabilities	–	12,128	12,128
Trade payables and other current liabilities	90,407	(1,278)	89,129
	164,877	10,511	175,388
Liabilities directly associated with assets classified as held for sale	207	920	1,127
	165,084	11,431	176,515
Net current assets	60,190	(12,430)	47,760
Total assets less current liabilities	932,856	39,066	971,922
Non-current liabilities			
Bank and other debts	214,963	(767)	214,196
Interest-bearing loans from non-controlling shareholders	2,567	–	2,567
Lease liabilities	–	53,931	53,931
Deferred tax liabilities	20,145	(855)	19,290
Pension obligations	2,730	–	2,730
Other non-current liabilities	31,897	2	31,899
	272,302	52,311	324,613
Net assets	660,554	(13,245)	647,309
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	286,167	(9,456)	276,711
Total ordinary shareholders' funds	532,969	(9,456)	523,513
Perpetual capital securities	4,561	–	4,561
Non-controlling interests	123,024	(3,789)	119,235
Total equity	660,554	(13,245)	647,309

Notes to the Financial Statements

6 Operating segment information (continued)

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis (continued)

(iv) Consolidated Statement of Cash Flows

	2025		
	Pre-IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post-IFRS 16 basis HK\$ million
	(A)		(B)
Operating activities			
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	59,541	17,104	76,645
Interest expenses and other finance costs paid (net of capitalisation)	(9,268)	(2,961)	(12,229)
Tax paid	(5,571)	–	(5,571)
Funds from operations (Funds from operations under (B) is before principal elements of lease payments)	44,702	14,143	58,845
Changes in working capital	3,297	425	3,722
Net cash from operating activities	47,999	14,568	62,567
Investing activities			
Purchase of fixed assets	(18,853)	110	(18,743)
Additions to brand names and other rights	(2,092)	–	(2,092)
Purchase of subsidiary companies, net of cash acquired	(41)	–	(41)
Additions to unlisted investments	(4,600)	–	(4,600)
Repayments from (including capital reduction of) associated companies and joint ventures	3,307	–	3,307
Purchase of and advances to associated companies and joint ventures	(1,503)	–	(1,503)
Proceeds from disposal of fixed assets	78	–	78
Proceeds from disposal of subsidiary companies, net of cash disposed	14,798	–	14,798
Proceeds from partial disposal / disposal of associated companies and joint ventures	1,003	–	1,003
Proceeds from disposal of other unlisted investments	106	–	106
Cash flows used in investing activities before disposal of / additions to liquid funds and other listed investments	(7,797)	110	(7,687)
Disposal of liquid funds and other listed investments	1,191	–	1,191
Additions to liquid funds and other listed investments	(192)	–	(192)
Cash flows used in investing activities	(6,798)	110	(6,688)
Net cash inflow before financing activities	41,201	14,678	55,879
Financing activities			
New borrowings	36,015	(108)	35,907
Repayment of borrowings	(41,684)	269	(41,415)
Principal elements of lease payments	–	(14,839)	(14,839)
Net loans from non-controlling shareholders	173	–	173
Issue of equity securities by subsidiary companies to non-controlling shareholders	130	–	130
Payment to acquire additional interests in subsidiary companies	(269)	–	(269)
Proceeds from partial disposal of subsidiary companies (without loss of control)	450	–	450
Dividends paid to ordinary shareholders	(8,518)	–	(8,518)
Dividends paid to non-controlling interests	(5,053)	–	(5,053)
Cash flows used in financing activities	(18,756)	(14,678)	(33,434)
Increase in cash and cash equivalents	22,445	–	22,445
Cash and cash equivalents at 1 January	121,303	–	121,303
Cash and cash equivalents at 31 December	143,748	–	143,748

6 Operating segment information *(continued)*

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis *(continued)*

(iv) Consolidated Statement of Cash Flows *(continued)*

	2025		
	Pre- IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post- IFRS 16 basis HK\$ million
Analysis of cash, liquid funds and other listed investments			
Cash and cash equivalents, as above	143,748	–	143,748
Liquid funds and other listed investments	7,562	–	7,562
Total cash, liquid funds and other listed investments	151,310	–	151,310
Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	265,099	(97)	265,002
Interest-bearing loans from non-controlling shareholders	4,193	–	4,193
Net debt	117,982	(97)	117,885
Interest-bearing loans from non-controlling shareholders	(4,193)	–	(4,193)
Net debt (excluding interest-bearing loans from non-controlling shareholders)	113,789	(97)	113,692

Notes to the Financial Statements

6 Operating segment information (continued)

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis (continued)

(iv) Consolidated Statement of Cash Flows (continued)

	2024		
	Pre- IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post- IFRS 16 basis HK\$ million
	(A)		(B)
Operating activities			
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	57,913	17,217	75,130
Interest expenses and other finance costs paid (net of capitalisation)	(10,553)	(2,714)	(13,267)
Tax paid	(4,652)	–	(4,652)
Funds from operations (Funds from operations under (B) is before principal elements of lease payments)	42,708	14,503	57,211
Changes in working capital	(2,189)	(794)	(2,983)
Net cash from operating activities	40,519	13,709	54,228
Investing activities			
Purchase of fixed assets	(20,595)	230	(20,365)
Additions to telecommunications licences	(72)	–	(72)
Additions to brand names and other rights	(1,913)	–	(1,913)
Purchase of subsidiary companies, net of cash acquired	(4,114)	–	(4,114)
Additions to unlisted investments	(44)	–	(44)
Repayments of loans from associated companies and joint ventures	1,242	–	1,242
Purchase of and advances to associated companies and joint ventures	(2,470)	–	(2,470)
Proceeds from disposal of fixed assets	146	–	146
Proceeds from disposal of subsidiary companies, net of cash disposed	333	–	333
Proceeds from partial disposal / disposal of associated companies and joint ventures	179	–	179
Proceeds from disposal of other unlisted investments	266	–	266
Cash flows used in investing activities before disposal of / additions to liquid funds and other listed investments	(27,042)	230	(26,812)
Disposal of liquid funds and other listed investments	7,172	–	7,172
Additions to liquid funds and other listed investments	(262)	–	(262)
Cash flows used in investing activities	(20,132)	230	(19,902)
Net cash inflow before financing activities	20,387	13,939	34,326
Financing activities			
New borrowings	54,806	(212)	54,594
Repayment of borrowings	(60,577)	376	(60,201)
Principal elements of lease payments	–	(14,103)	(14,103)
Net loans from non-controlling shareholders	466	–	466
Issue of equity securities by subsidiary companies to non-controlling shareholders	624	–	624
Redemption of perpetual capital securities	(4,180)	–	(4,180)
Dividends paid to ordinary shareholders	(9,433)	–	(9,433)
Dividends paid to non-controlling interests	(7,951)	–	(7,951)
Distributions paid on perpetual capital securities	(162)	–	(162)
Cash flows used in financing activities	(26,407)	(13,939)	(40,346)
Decrease in cash and cash equivalents	(6,020)	–	(6,020)
Cash and cash equivalents at 1 January	127,323	–	127,323
Cash and cash equivalents at 31 December	121,303	–	121,303

6 Operating segment information *(continued)*

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis *(continued)*

(iv) Consolidated Statement of Cash Flows *(continued)*

	2024		
	Pre- IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post- IFRS 16 basis HK\$ million
Analysis of cash, liquid funds and other listed investments			
Cash and cash equivalents, as above	121,303	–	121,303
Liquid funds and other listed investments	8,142	–	8,142
Total cash, liquid funds and other listed investments	129,445	–	129,445
Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	259,059	(1,056)	258,003
Interest-bearing loans from non-controlling shareholders	3,471	–	3,471
Net debt	133,085	(1,056)	132,029
Interest-bearing loans from non-controlling shareholders	(3,471)	–	(3,471)
Net debt (excluding interest-bearing loans from non-controlling shareholders)	129,614	(1,056)	128,558

Notes to the Financial Statements

6 Operating segment information (continued)

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis (continued)

(iv) Consolidated Statement of Cash Flows (continued)

	2023		
	Pre- IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post- IFRS 16 basis HK\$ million
	(A)		(B)
Operating activities			
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	58,574	16,842	75,416
Interest expenses and other finance costs paid (net of capitalisation)	(9,576)	(2,507)	(12,083)
Tax paid	(3,931)	–	(3,931)
Funds from operations (Funds from operations under (B) is before principal elements of lease payments)	45,067	14,335	59,402
Changes in working capital	(7,909)	(56)	(7,965)
Net cash from operating activities	37,158	14,279	51,437
Investing activities			
Purchase of fixed assets	(21,879)	209	(21,670)
Additions to telecommunications licences	(1,956)	–	(1,956)
Additions to brand names and other rights	(1,675)	–	(1,675)
Purchase of subsidiary companies, net of cash acquired	(55)	–	(55)
Additions to unlisted investments	(74)	–	(74)
Repayments of loans from associated companies and joint ventures	2,829	–	2,829
Purchase of and advances to associated companies and joint ventures	(819)	–	(819)
Proceeds from disposal of fixed assets	168	–	168
Proceeds from disposal of subsidiary companies, net of cash disposed	2,563	–	2,563
Proceeds from disposal of financial instruments	2,451	–	2,451
Proceeds from partial disposal / disposal of associated companies and joint ventures	734	–	734
Proceeds from disposal of other unlisted investments	74	–	74
Cash flows used in investing activities before disposal of / additions to liquid funds and other listed investments	(17,639)	209	(17,430)
Disposal of liquid funds and other listed investments	2,088	–	2,088
Additions to liquid funds and other listed investments	(73)	–	(73)
Cash flows used in investing activities	(15,624)	209	(15,415)
Net cash inflow before financing activities	21,534	14,488	36,022
Financing activities			
New borrowings	58,420	(209)	58,211
Repayment of borrowings	(75,558)	197	(75,361)
Principal elements of lease payments	–	(14,476)	(14,476)
Net loans from non-controlling shareholders	527	–	527
Proceeds from partial disposal of subsidiary companies (without loss of control)	61	–	61
Dividends paid to ordinary shareholders	(10,885)	–	(10,885)
Dividends paid to non-controlling interests	(4,694)	–	(4,694)
Distributions paid on perpetual capital securities	(167)	–	(167)
Cash flows used in financing activities	(32,296)	(14,488)	(46,784)
Decrease in cash and cash equivalents	(10,762)	–	(10,762)
Cash and cash equivalents at 1 January	138,085	–	138,085
Cash and cash equivalents at 31 December	127,323	–	127,323

6 Operating segment information *(continued)*

(c) Reconciliation of Pre-IFRS 16 basis to Post-IFRS 16 basis *(continued)*

(iv) Consolidated Statement of Cash Flows *(continued)*

	2023		
	Pre- IFRS 16 basis HK\$ million	Effect of applying IFRS 16 HK\$ million	Post- IFRS 16 basis HK\$ million
Analysis of cash, liquid funds and other listed investments			
Cash and cash equivalents, as above	127,323	–	127,323
Liquid funds and other listed investments	15,786	–	15,786
Total cash, liquid funds and other listed investments	143,109	–	143,109
Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	274,919	(1,225)	273,694
Interest-bearing loans from non-controlling shareholders	3,245	–	3,245
Net debt	135,055	(1,225)	133,830
Interest-bearing loans from non-controlling shareholders	(3,245)	–	(3,245)
Net debt (excluding interest-bearing loans from non-controlling shareholders)	131,810	(1,225)	130,585

Notes to the Financial Statements

7 Directors' emoluments

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Directors' emoluments	425	424	419

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

As at 31 December 2025, 31 December 2024 and 31 December 2023, neither the Company nor its subsidiary companies operated a share option scheme. None of the directors received any share-based payments from the Company or any of its subsidiaries during the year (2024: nil; 2023: nil).

In 2025, the five individuals whose emoluments were the highest for the year were directors of the Company (2024: five directors of the Company; 2023: four directors of the Company and one director of a subsidiary of the Company). For the year ended 31 December 2023, the remuneration of the director of the subsidiary company consisted of basic salary, allowances and benefits-in-kind of HK\$4.94 million, provident fund contribution of HK\$0.39 million, and a discretionary bonus of HK\$23.85 million.

7 Directors' emoluments (continued)

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

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

2025						
Name of directors	Director's fees HK\$ million	Basic salaries, allowances and benefits-in-kind HK\$ million	Discretionary bonuses HK\$ million	Provident fund contributions HK\$ million	Inducement or compensation fees HK\$ million	Total emoluments HK\$ million
Victor T K LI ^{(1) (2)}						
<i>Paid by the Company</i>	0.31	5.45	47.42	–	–	53.18
<i>Paid by CKI</i>	0.13	–	30.02	–	–	30.15
	0.44	5.45	77.44	–	–	83.33
FOK Kin Ning, Canning ⁽⁶⁾	0.22	7.14	62.26	0.59	–	70.21
Frank John SIXT ^{(3) (6)}	0.28	12.96	77.92	–	–	91.16
LAI Kai Ming, Dominic ⁽⁶⁾	0.22	7.96	75.10	0.68	–	83.96
IP Tak Chuen, Edmond						
<i>Paid by the Company</i>	0.22	–	1.84	–	–	2.06
<i>Paid by CKI</i>	0.10	1.80	2.36	–	–	4.26
	0.32	1.80	4.20	–	–	6.32
KAM Hing Lam						
<i>Paid by the Company</i>	0.22	2.65	8.82	–	–	11.69
<i>Paid by CKI</i>	0.08	4.20	9.63	–	–	13.91
	0.30	6.85	18.45	–	–	25.60
Edith SHIH ^{(3) (6)}	0.28	5.12	18.74	0.38	–	24.52
Andrew John HUNTER						
<i>Paid by the Company</i>	0.22	–	1.09	–	–	1.31
<i>Paid by CKI</i>	0.08	14.80	18.58	1.48	–	34.94
	0.30	14.80	19.67	1.48	–	36.25
CHOW Kun Chee, Roland ⁽⁵⁾	0.22	–	–	–	–	0.22
CHOW WOO Mo Fong, Susan ⁽⁵⁾	0.22	–	–	–	–	0.22
LEE Yeh Kwong, Charles ⁽⁵⁾	0.22	–	–	–	–	0.22
George Colin MAGNUS ⁽¹⁴⁾						
<i>Paid by the Company</i>	0.04	–	–	–	–	0.04
<i>Paid by CKI</i>	0.08	–	–	–	–	0.08
	0.12	–	–	–	–	0.12
CHOW Ching Yee, Cynthia ^{(2) (4) (7)}	0.41	–	–	–	–	0.41
Graeme Allan JACK ^{(4) (7)}	0.35	–	–	–	–	0.35
Philip Lawrence KADOORIE ⁽⁷⁾	0.22	–	–	–	–	0.22
LEUNG LAU Yau Fun, Sophie ^{(1) (7)}	0.25	–	–	–	–	0.25
Paul Joseph TIGHE ^{(1) (4) (7)}						
<i>Paid by the Company</i>	0.38	–	–	–	–	0.38
<i>Paid by CKI</i>	0.20	–	–	–	–	0.20
	0.58	–	–	–	–	0.58
TSIM Sin Ling, Ruth ^{(3) (4) (7)}	0.41	–	–	–	–	0.41
WONG Kwai Lam ^{(2) (4) (7)}	0.41	–	–	–	–	0.41
Total	5.77	62.08	353.78	3.13	–	424.76

Notes to the Financial Statements

7 Directors' emoluments (continued)

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

2024						
Name of directors	Director's fees HK\$ million	Basic salaries, allowances and benefits-in-kind HK\$ million	Discretionary bonuses HK\$ million	Provident fund contributions HK\$ million	Inducement or compensation fees HK\$ million	Total emoluments HK\$ million
Victor T K LI ^{(1) (2)}						
<i>Paid by the Company</i>	0.31	5.31	46.04	–	–	51.66
<i>Paid by CKI</i>	0.13	–	30.02	–	–	30.15
	0.44	5.31	76.06	–	–	81.81
FOK Kin Ning, Canning ⁽⁶⁾	0.22	8.41	71.57	0.72	–	80.92
Frank John SIXT ^{(3) (6)}	0.28	12.07	74.21	–	–	86.56
LAI Kai Ming, Dominic ⁽⁶⁾	0.22	7.53	71.52	0.62	–	79.89
IP Tak Chuen, Edmond						
<i>Paid by the Company</i>	0.22	0.45	1.79	–	–	2.46
<i>Paid by CKI</i>	0.10	1.80	2.35	–	–	4.25
	0.32	2.25	4.14	–	–	6.71
KAM Hing Lam						
<i>Paid by the Company</i>	0.22	2.59	8.56	–	–	11.37
<i>Paid by CKI</i>	0.08	4.20	10.57	–	–	14.85
	0.30	6.79	19.13	–	–	26.22
Edith SHIH ^{(3) (6)}	0.28	4.99	17.84	0.37	–	23.48
Andrew John HUNTER ⁽¹⁰⁾						
<i>Paid by the Company</i>	0.16	–	1.06	–	–	1.22
<i>Paid by CKI</i>	0.08	14.37	17.67	1.44	–	33.56
	0.24	14.37	18.73	1.44	–	34.78
CHOW Kun Chee, Roland ⁽⁵⁾	0.22	–	–	–	–	0.22
CHOW WOO Mo Fong, Susan ⁽⁵⁾	0.22	–	–	–	–	0.22
LEE Yeh Kwong, Charles ⁽⁵⁾	0.22	–	–	–	–	0.22
George Colin MAGNUS ⁽⁵⁾						
<i>Paid by the Company</i>	0.22	–	–	–	–	0.22
<i>Paid by CKI</i>	0.08	–	–	–	–	0.08
	0.30	–	–	–	–	0.30
CHOW Ching Yee, Cynthia ^{(2) (4) (7)}	0.39	–	–	–	–	0.39
Graeme Allan JACK ^{(4) (7) (11)}	0.02	–	–	–	–	0.02
Philip Lawrence KADOORIE ⁽⁷⁾	0.22	–	–	–	–	0.22
LEUNG LAU Yau Fun, Sophie ^{(1) (7)}	0.25	–	–	–	–	0.25
Paul Joseph TIGHE ^{(1) (4) (7)}						
<i>Paid by the Company</i>	0.37	–	–	–	–	0.37
<i>Paid by CKI</i>	0.20	–	–	–	–	0.20
	0.57	–	–	–	–	0.57
TSIM Sin Ling, Ruth ^{(3) (4) (7) (9)}	0.39	–	–	–	–	0.39
WONG Kwai Lam ^{(2) (4) (7)}	0.41	–	–	–	–	0.41
WONG Yick-ming, Rosanna ⁽¹³⁾	0.15	–	–	–	–	0.15
Total	5.66	61.72	353.20	3.15	–	423.73

7 Directors' emoluments (continued)

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

2023

Name of directors	Director's fees HK\$ million	Basic salaries, allowances and benefits-in-kind HK\$ million	Discretionary bonuses HK\$ million	Provident fund contributions HK\$ million	Inducement or compensation fees HK\$ million	Total emoluments HK\$ million
Victor T K LI ^{(1) (2)}						
<i>Paid by the Company</i>	0.31	5.14	44.70	–	–	50.15
<i>Paid by CKI</i>	0.13	–	30.02	–	–	30.15
	0.44	5.14	74.72	–	–	80.30
FOK Kin Ning, Canning ⁽⁶⁾	0.22	12.28	116.14	1.10	–	129.74
Frank John SIXT ^{(3) (6)}	0.28	9.48	59.36	0.53	–	69.65
LAI Kai Ming, Dominic ⁽⁶⁾	0.22	6.23	57.22	0.51	–	64.18
IP Tak Chuen, Edmond						
<i>Paid by the Company</i>	0.22	1.72	8.94	–	–	10.88
<i>Paid by CKI</i>	0.10	1.80	11.79	–	–	13.69
	0.32	3.52	20.73	–	–	24.57
KAM Hing Lam						
<i>Paid by the Company</i>	0.22	2.52	8.31	–	–	11.05
<i>Paid by CKI</i>	0.08	4.20	10.82	–	–	15.10
	0.30	6.72	19.13	–	–	26.15
Edith SHIH ^{(3) (6)}	0.28	4.84	16.22	0.36	–	21.70
CHOW Kun Chee, Roland ⁽⁵⁾	0.22	–	–	–	–	0.22
CHOW WOO Mo Fong, Susan ⁽⁵⁾	0.22	–	–	–	–	0.22
LEE Yeh Kwong, Charles ⁽⁵⁾	0.22	–	–	–	–	0.22
George Colin MAGNUS ⁽⁵⁾						
<i>Paid by the Company</i>	0.22	–	–	–	–	0.22
<i>Paid by CKI</i>	0.08	–	–	–	–	0.08
	0.30	–	–	–	–	0.30
LEE Wai Mun, Rose ⁽¹²⁾	0.33	–	–	–	–	0.33
CHOW Ching Yee, Cynthia ^{(4) (7) (8)}	0.02	–	–	–	–	0.02
Philip Lawrence KADOORIE ⁽⁷⁾	0.22	–	–	–	–	0.22
LEUNG LAU Yau Fun, Sophie ^{(1) (7)}	0.25	–	–	–	–	0.25
Paul Joseph TIGHE ^{(4) (7)}						
<i>Paid by the Company</i>	0.35	–	–	–	–	0.35
<i>Paid by CKI</i>	0.20	–	–	–	–	0.20
	0.55	–	–	–	–	0.55
WONG Kwai Lam ^{(2) (4) (7)}	0.41	–	–	–	–	0.41
WONG Yick-ming, Rosanna ^{(1) (2) (3) (7)}	0.37	–	–	–	–	0.37
Total	5.17	48.21	363.52	2.50	–	419.40

- (1) Member of the Nomination Committee.
- (2) Member of the Remuneration Committee.
- (3) Member of the Sustainability Committee.
- (4) Member of the Audit Committee.
- (5) Non-executive Director.
- (6) Directors' fees to these Directors from the Company's listed subsidiaries during the period they served as directors have been paid to the Company and are not included in the amounts above.
- (7) Independent Non-executive Director. The total emoluments of the Independent Non-executive Directors of the Company are HK\$2.63 million (2024: HK\$2.40 million; 2023: HK\$2.15 million).
- (8) Appointed on 14 December 2023.
- (9) Appointed on 2 January 2024.
- (10) Appointed on 1 April 2024.
- (11) Appointed on 13 December 2024.
- (12) Former Independent Non-executive Director and member of the Audit Committee. Resigned on 14 December 2023.
- (13) Former Independent Non-executive Director and member of each of the Nomination Committee, Remuneration Committee and Sustainability Committee. Retired on 23 May 2024.
- (14) Former Non-executive Director. Retired on 21 March 2025.

Notes to the Financial Statements

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

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

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Cost of goods sold: ^(a)			
included in "Cost of inventories sold"	113,608	106,194	105,739
included in "Expensed customer acquisition and retention costs"	4,848	9,299	9,456
	118,456	115,493	115,195
	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Depreciation and amortisation: ^(b)			
Fixed assets (see note 13)	15,579	17,862	17,550
Right-of-use assets (see note 14(b))	14,725	14,631	14,651
Telecommunications licences (see note 15)	945	907	953
Brand names and other rights (see note 16)	3,418	3,157	3,262
Customer acquisition and retention costs (see note 22(a))	3,724	3,903	3,667
	38,391	40,460	40,083
	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Other expenses and losses:			
Cost of providing services ^(c)	(27,224)	(30,385)	(29,435)
Office and general administrative expenses and others	(9,466)	(9,716)	(7,740)
Expenses relating to short-term leases (see note 14(b))	(729)	(850)	(498)
Expenses relating to leases of low-value assets that are not short-term leases (see note 14(b))	(352)	(491)	(568)
Expenses relating to variable lease payments not included in lease liabilities (see note 14(b))	(2,268)	(2,168)	(2,253)
Advertising and promotion expenses	(4,157)	(4,717)	(4,783)
Legal and professional fees	(2,425)	(2,147)	(2,101)
Auditors' remuneration ^(d)	(443)	(548)	(397)
Impairment loss on telecommunications business in Vietnam ^(e)	–	(1,859)	–
Loss on disposal of subsidiary companies ^(f) (see note 34(d))	(9,463)	–	–
Loss on disposal of associated companies and joint ventures	(262)	(14)	(70)
	(56,789)	(52,895)	(47,845)

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

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Other income and gains:			
Gains on disposals of subsidiary companies (See note 34(d))	–	364	74
Gains on disposals of interests in associated companies and joint ventures	88	–	246
A gain on disposal of financial instruments (see note 6(b)(xviii))	–	–	1,829
Gains on note buybacks	883	–	–
Others	5	160	10
	976	524	2,159

(a) Cost of goods sold

Cost of goods sold for the year amounted to HK\$118,456 million (2024: HK\$115,493 million; 2023: HK\$115,195 million), comprising:

- Retail segment: HK\$101,676 million (2024: HK\$94,091 million; 2023: HK\$92,765 million)
- Infrastructure segment: HK\$1,234 million (2024: HK\$1,505 million; 2023: HK\$1,654 million)
- Telecommunications segment: HK\$8,027 million (2024: HK\$11,889 million; 2023: HK\$12,212 million)
- Finance & Investments and Others segment of HK\$7,519 million (2024: HK\$8,008 million; 2023: HK\$8,564 million)

(b) See note 6(b)(iv) for contribution by segments.

(c) Service provision costs

The Group incurred service provision costs of HK\$27,224 million (2024: HK\$30,385 million; 2023: HK\$29,435 million), comprising:

- Telecommunication network related costs: HK\$16,574 million (2024: HK\$19,653 million; 2023: HK\$19,093 million)
- Repair and maintenance: HK\$3,725 million (2024: HK\$4,145 million; 2023: HK\$4,160 million)
- Other costs: HK\$6,925 million (2024: HK\$6,587 million; 2023: HK\$6,182 million)

By segment, these costs were allocated as follows:

- Ports and Related Services: HK\$7,452 million (2024: HK\$6,974 million; 2023: HK\$6,441 million)
- Retail: HK\$341 million (2024: HK\$313 million; 2023: HK\$277 million)
- Infrastructure: HK\$818 million (2024: HK\$830 million; 2023: HK\$1,164 million)
- Telecommunications: HK\$18,216 million (2024: HK\$21,745 million; 2023: HK\$21,089 million)
- Finance & Investments and Others: HK\$397 million (2024: HK\$523 million; 2023: HK\$464 million)

(d) Auditors' remuneration

Auditors' remuneration of HK\$443 million (2024: HK\$548 million; 2023: HK\$397 million) was charged for audit and audit-related work, and for non-audit work, as set out below:

Audit and audit-related work:

- Performed by the Company's auditor, PricewaterhouseCoopers: HK\$332 million (2024: HK\$407 million; 2023: HK\$262 million)
- Performed by other auditors: HK\$18 million (2024: HK\$76 million; 2023: HK\$14 million)

Non-audit work (including tax compliance, other tax-related services, and other services):

- Performed by the Company's auditor, PricewaterhouseCoopers: HK\$14 million (2024: HK\$22 million; 2023: HK\$71 million)
- Performed by other auditors: HK\$79 million (2024: HK\$43 million; 2023: HK\$50 million)

Notes to the Financial Statements

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

(e) Impairment loss on telecommunications business in Vietnam

For the comparative year ended 31 December 2024, an impairment loss of HK\$1,859 million arose in the telecommunications business in Vietnam, which is included as part of the “Finance & Investments and Others” segment in note 6.

The Group’s telecommunications businesses in Vietnam (disposed in the current year) were principally engage in providing 3G and 4G mobile network services. Heightened competition and a challenging operating environment in the Vietnamese telecommunications market led the Group to perform an impairment test on this business as at 31 December 2024, by comparing the carrying amount of the business with its recoverable amount. As a result, the Group recognised an impairment loss of HK\$1,859 million, comprising HK\$1,236 million against fixed assets, HK\$500 million against right-of-use assets, and HK\$123 million against other assets. The impairment loss was primarily driven by lower-than-expected growth and reduced projected service revenues from 3G and 4G services in the Vietnam businesses.

The recoverable amount of this business was determined based on the value-in-use (“VIU”) calculations. The VIU calculations used discounted cash flow projections derived from the latest financial budget covering a five-year period and business plan approved by the management. Key assumptions and estimates used in preparing the discounted cash flow model include a post-tax discount rate of 10.1% and a growth rate of 0%, reflecting current market conditions and the fact that the business has not yet initiated a plan to invest in commercialisation of 5G services.

(f) Loss on disposal of subsidiaries

The merger transaction to combine the Group’s and Vodafone Group’s respective telecommunications operations in the United Kingdom was completed on 31 May 2025. Immediately following completion, 3 UK and its subsidiaries have ceased to be subsidiaries of the Group and were deconsolidated from the Company’s consolidated financial statements. The combined business, named VodafoneThree, is 51% owned by Vodafone and 49% by the Group.

This transaction is accounted for in these consolidated financial statements as a disposal of the Group’s entire interest in 3 UK and, concurrently, an acquisition of a 49% interest in the combined business. The loss on disposal of subsidiaries for the current year, as reported above, represents mainly the loss arising from the derecognition of 3 UK and its subsidiaries from the Company’s consolidated financial statements. See note 34(d).

9 Interest expenses and other finance costs

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Bank loans and overdrafts	3,390	4,596	4,384
Other loans	3	4	4
Notes and bonds	5,627	5,672	5,057
Interest-bearing loans from non-controlling shareholders	145	159	124
Other finance costs	92	100	234
Amortisation of loan facilities fees and premiums or discounts relating to debts	230	248	237
Other non-cash interest adjustments ^(a)	(132)	(123)	(93)
	9,355	10,656	9,947
Less: interest capitalised	(21)	(21)	(266)
Interest on lease liabilities (see note 14(b))	2,993	2,757	2,546
	12,327	13,392	12,227

- (a) Other non-cash interest adjustments represent the amortisation of acquisition-date fair value adjustments relating to debts of HK\$322 million (2024: HK\$338 million; 2023: HK\$341 million), net of accretion expense associated with the increase in the present value of certain obligations over time.

10 Tax

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Current tax charge			
Hong Kong	341	167	216
Outside Hong Kong	4,944	4,022	3,903
	5,285	4,189	4,119
Deferred tax charge (credit)			
Hong Kong	24	(60)	(37)
Outside Hong Kong	1,928	588	(1,079)
	1,952	528	(1,116)
	7,237	4,717	3,003

Notes to the Financial Statements

10 Tax (continued)

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

Hong Kong profits tax has been provided for at the rate of 16.5% (2024: 16.5%; 2023: 16.5%) on the estimated assessable profits less estimated available tax losses. Tax outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses.

The tax charged to the consolidated income statement of HK\$7,237 million (2024: HK\$4,717 million; 2023: HK\$3,003 million) differs from the tax charge of HK\$2,773 million (2024: HK\$3,961 million; 2023: HK\$2,982 million) that would apply if the Group's pre-tax profits (before share of results of the associated companies and joint ventures) had been taxed at the statutory rates of the countries in which the profits arose. The differences are set out as follows:

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Tax calculated at the domestic rates applicable in the jurisdiction concerned	2,773	3,961	2,982
Tax effect of:			
Tax losses not recognised	4,287	1,524	1,824
Income or gains not subject to tax	(1,580)	(1,843)	(1,112)
Expenses not deductible for tax purposes	3,122	3,036	1,847
Recognition of previously unrecognised tax losses	(36)	–	(32)
Utilisation of previously unrecognised tax losses	(1,203)	(440)	(200)
Under (over) provision in prior years	(7)	1,055	(855)
Other temporary differences	(119)	(2,576)	(1,451)
Total tax for the year	7,237	4,717	3,003

The Group is within the scope of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development ("OECD"). As at 31 December 2025, Pillar Two legislation has been enacted and is in effect in certain jurisdictions where the Group operates. Based on the Group's assessment for the year ended 31 December 2025 and the information currently available, the overall impact of Pillar Two rules on the Group's income tax position, including current tax, is not material. The Group will continue to monitor developments in Pillar Two legislation across relevant jurisdictions and assess the potential future impact on its financial statements.

Furthermore, in accordance with the IAS 12, the Group applies the mandatory exception from recognising, and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

11 Earnings per share for profit attributable to ordinary shareholders

The calculation of earnings per share is based on profit attributable to ordinary shareholders of the Company of HK\$11,841 million (2024: HK\$17,088 million; 2023: HK\$23,839 million) and 3,830,044,500 shares in issue during the year of 2025 (2024: 3,830,044,500 shares; 2023: 3,830,044,500 shares).

The Company and its subsidiary companies do not have share option scheme or other dilutive potential ordinary shares as at 31 December 2025, 31 December 2024 and 31 December 2023. Certain of the Company's associated companies have employee share options outstanding as at 31 December 2025, 31 December 2024 and 31 December 2023. The employee share options of these associated companies outstanding as at 31 December 2025, 31 December 2024 and 31 December 2023 did not have a dilutive effect on earnings per share.

12 Distributions and dividends

(a) Distribution paid on perpetual capital securities

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Distribution paid on perpetual capital securities	–	162	167

(b) Dividends

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Interim dividend, paid of HK\$0.710 per share (2024: HK\$0.688 per share; 2023: HK\$0.756 per share)	2,719	2,635	2,896
Final dividend, proposed of HK\$1.602 per share (2024: HK\$1.514 per share; 2023: HK\$1.775 per share)	6,136	5,799	6,798
	8,855	8,434	9,694

The final dividend proposed after the end of the reporting period has not been recognised as a liability at 31 December 2025. The amount of the 2025 proposed final dividend is expected to be paid on 11 June 2026 out of retained profit.

Notes to the Financial Statements

13 Fixed assets

	Land and buildings HK\$ million	Telecom- munications network assets HK\$ million	Other assets ^(a) HK\$ million	Total HK\$ million
Cost				
At 1 January 2023	28,981	70,505	88,835	188,321
Additions	1,291	2,243	18,136	21,670
Relating to subsidiaries acquired (see note 34(c))	–	–	6	6
Disposals	(273)	(908)	(2,637)	(3,818)
Transfer between categories	255	7,818	(8,073)	–
Exchange translation differences	685	2,580	2,512	5,777
At 31 December 2023	30,939	82,238	98,779	211,956
Additions	1,404	2,296	16,665	20,365
Relating to subsidiaries acquired (see note 34(c))	–	451	177	628
Disposals	(310)	(5,109)	(6,125)	(11,544)
Relating to subsidiaries disposed (see note 34(d))	(119)	–	(5,096)	(5,215)
Transfer between categories	431	6,118	(6,549)	–
Exchange translation differences	(1,221)	(3,785)	(3,541)	(8,547)
At 31 December 2024	31,124	82,209	94,310	207,643
Additions	1,186	2,611	14,946	18,743
Relating to subsidiaries acquired (see note 34(c))	10	–	6	16
Disposals	(5)	(407)	(2,856)	(3,268)
Relating to subsidiaries disposed (see note 34(d))	(852)	(18,790)	(29,152)	(48,794)
Transfer between categories	110	5,265	(5,375)	–
Exchange translation differences	1,831	9,194	6,722	17,747
At 31 December 2025	33,404	80,082	78,601	192,087
Accumulated depreciation and impairment				
At 1 January 2023	7,210	30,943	37,518	75,671
Charge for the year	1,093	8,256	8,201	17,550
Disposals	(270)	(783)	(2,424)	(3,477)
Transfer between categories	–	(42)	42	–
Exchange translation differences	333	1,327	726	2,386
At 31 December 2023	8,366	39,701	44,063	92,130
Charge for the year	1,104	8,991	7,767	17,862
Impairment recognised	–	1,221	15	1,236
Disposals	(308)	(5,047)	(5,946)	(11,301)
Relating to subsidiaries disposed (see note 34(d))	(119)	–	(383)	(502)
Transfer between categories	–	4	(4)	–
Exchange translation differences	(116)	(1,842)	(1,601)	(3,559)
At 31 December 2024	8,927	43,028	43,911	95,866
Charge for the year	1,258	7,468	6,853	15,579
Disposals	(3)	(395)	(2,732)	(3,130)
Relating to subsidiaries disposed (see note 34(d))	(647)	(14,179)	(9,640)	(24,466)
Transfer between categories	(11)	11	–	–
Exchange translation differences	492	4,480	3,186	8,158
At 31 December 2025	10,016	40,413	41,578	92,007
Net book value				
At 31 December 2025	23,388	39,669	37,023	100,080
At 31 December 2024	22,197	39,181	50,399	111,777
At 31 December 2023	22,573	42,537	54,716	119,826
At 1 January 2023	21,771	39,562	51,317	112,650

13 Fixed assets (continued)

(a) Other assets

The net book value of other assets of HK\$37,023 million (31 December 2024: HK\$50,399 million; 31 December 2023: HK\$54,716 million; 1 January 2023: HK\$51,317 million) primarily relates to fixed assets used in the following businesses:

- Ports and related services: HK\$20,293 million (31 December 2024: HK\$17,094 million; 31 December 2023: HK\$21,837 million; 1 January 2023: HK\$18,984 million)
- Telecommunications: HK\$6,350 million (31 December 2024: HK\$23,715 million; 31 December 2023: HK\$23,411 million; 1 January 2023: HK\$23,327 million)
- Infrastructure of HK\$1,372 million (31 December 2024: HK\$1,259 million; 31 December 2023: HK\$1,476 million; 1 January 2023: HK\$1,376 million)

As at 31 December 2025, other assets with a net book value of HK\$6,958 million (31 December 2024: HK\$15,433 million; 31 December 2023: HK\$22,227 million; 1 January 2023: HK\$18,753 million) represent assets under construction.

(b) Operating lease receivable

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

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Within 1 year	88	81	80	95
Between 1 and 2 years	11	18	13	31
Between 2 and 3 years	4	4	2	11
Between 3 and 4 years	4	2	2	11
Between 4 and 5 years	4	2	6	3
After 5 years	5	4	1	6
	116	111	104	157

14 Leases

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

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Right-of-use assets				
Container terminals	17,438	14,818	15,312	15,225
Retail stores	20,258	19,924	20,653	20,715
Telecommunications network infrastructure sites	12,158	12,956	14,688	13,085
Leasehold land	5,355	5,443	5,958	6,129
Other assets	3,951	4,448	4,587	4,183
	59,160	57,589	61,198	59,337
Lease liabilities				
Current	14,027	12,142	13,616	12,128
Non-current	52,469	52,377	54,307	53,931
	66,496	64,519	67,923	66,059

Additions to right-of-use assets and lease liabilities during the year ended 31 December 2025 amounted to HK\$11,306 million (2024: HK\$7,567 million; 2023: HK\$8,871 million) and HK\$11,299 million (2024: HK\$7,534 million; 2023: HK\$8,871 million), respectively.

Notes to the Financial Statements

14 Leases (continued)

(b) Group as a lessee – additional disclosures

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Depreciation charge of right-of-use assets (included in "Depreciation and amortisation")			
Container terminals	1,142	949	1,080
Retail stores	6,418	6,521	6,721
Telecommunications network infrastructure sites	5,641	5,585	5,203
Leasehold land	345	348	348
Other assets	1,179	1,228	1,299
	14,725	14,631	14,651
Interest on lease liabilities (included in "Interest expenses and other finance costs")	2,993	2,757	2,546
Expenses relating to short-term leases (included in "Other expenses and losses")	729	850	498
Expenses relating to leases of low-value assets that are not short-term leases (included in "Other expenses and losses")	352	491	568
Expenses relating to variable lease payments not included in lease liabilities (included in "Other expenses and losses")	2,268	2,168	2,253

The total cash outflow for leases in 2025 was HK\$21,062 million (2024: HK\$20,235 million; 2023: HK\$20,025 million), of which HK\$6,223 million (2024: HK\$6,132 million; 2023: HK\$5,549 million) is included in operating cash flows and HK\$14,839 million (2024: HK\$14,103 million; 2023: HK\$14,476 million) is included in financing cash flows (see note 34(e)).

Variable lease payments

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

A 1% increase in sales across all stores and operations in the companies with leases containing variable payment terms linked to sales would increase total lease payments by approximately 0.1% or HK\$16 million (2024: approximately 0.1% or HK\$17 million; 2023: approximately 0.1% or HK\$20 million).

Extension and termination options

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

As at 31 December 2025, in accordance with the applicable provisions of IFRS 16, potential future cash outflows of HK\$10,542 million (2024: HK\$7,021 million; 2023: HK\$8,635 million) (undiscounted) have not been included in the calculation of lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated).

14 Leases (continued)

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

Residual value guarantees

As at 31 December 2025, no residual value guarantee (31 December 2024: nil; 31 December 2023: HK\$15 million; 1 January 2023: HK\$11 million) is expected to be payable and is included in the calculation of lease liabilities.

Leases not yet commenced to which the lessee is committed

At 31 December 2025, the Group is committed to leases that have not yet commenced, and the lease payments payable under such leases amounted to HK\$80 million (31 December 2024: HK\$94 million; 31 December 2023: HK\$19 million; 1 January 2023: HK\$87 million). This amount has not been included in the calculation of lease liabilities as at each reporting date.

Restriction or covenants imposed by leases

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

(c) Group as a lessor

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Income from subleasing right-of-use assets (included in "Other expenses and losses")	150	116	182

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

	31 December 2025 HK\$ million	31 December 2024 HK\$ million	31 December 2023 HK\$ million	1 January 2023 HK\$ million
Within 1 year	75	87	153	150
Between 1 and 2 years	23	31	70	86
Between 2 and 3 years	16	21	49	60
Between 3 and 4 years	8	16	37	41
Between 4 and 5 years	5	10	33	37
After 5 years	3	9	27	57
	130	174	369	431

In addition, the Group has recognised income of HK\$252 million (2024: HK\$244 million; 2023: HK\$217 million) from leasing of fixed assets for the year ended 31 December 2025.

Notes to the Financial Statements

15 Telecommunications licences

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Net book value			
At 1 January	63,869	64,264	60,689
Additions	–	72	1,956
Relating to subsidiaries acquired (see note 34(c))	–	3,368	–
Amortisation for the year	(945)	(907)	(953)
Relating to subsidiaries disposed (see note 34(d))	(21,121)	–	–
Exchange translation differences	6,929	(2,928)	2,572
At 31 December	48,732	63,869	64,264
Cost	57,827	71,600	71,396
Accumulated amortisation and impairment	(9,095)	(7,731)	(7,132)
	48,732	63,869	64,264

The Group's telecommunications licences in Italy with a carrying value of HK\$39,451 million (31 December 2024: UK and Italy of HK\$19,737 million and HK\$31,704 million respectively; 31 December 2023: UK and Italy of HK\$19,914 million and HK\$33,781 million respectively; 1 January 2023: UK and Italy of HK\$18,924 million and HK\$32,527 million respectively) are considered to have an indefinite useful life. These telecommunications licences have been allocated to the Telecommunications segment.

16 Brand names and other rights

	Brand names HK\$ million	Other rights HK\$ million	Total HK\$ million
Net book value			
At 1 January 2023	66,899	16,795	83,694
Additions	–	1,675	1,675
Amortisation for the year	(11)	(3,251)	(3,262)
Relating to subsidiaries acquired (see note 34(c))	3	6	9
Exchange translation differences	1,163	117	1,280
At 31 December 2023	68,054	15,342	83,396
Additions	–	1,913	1,913
Amortisation for the year	(11)	(3,146)	(3,157)
Relating to subsidiaries acquired (see note 34(c))	–	18	18
Exchange translation differences	(1,484)	(1,445)	(2,929)
At 31 December 2024	66,559	12,682	79,241
Additions	–	2,092	2,092
Amortisation for the year	(11)	(3,407)	(3,418)
Relating to subsidiaries acquired (see note 34(c))	–	9	9
Relating to subsidiaries disposed (see note 34(d))	(5,212)	(71)	(5,283)
Exchange translation differences	3,284	1,195	4,479
At 31 December 2025	64,620	12,500	77,120
Cost	64,738	38,451	103,189
Accumulated amortisation and impairment	(118)	(25,951)	(26,069)
	64,620	12,500	77,120

Brand names considered to have an indefinite useful lives are not subject to amortisation. The carrying value of brand names with indefinite useful lives at 31 December 2025 of HK\$50,402 million (31 December 2024: HK\$49,181 million; 31 December 2023: HK\$49,730 million; 1 January 2023: HK\$49,294 million) and HK\$14,081 million (31 December 2024: HK\$17,235 million; 31 December 2023: HK\$18,156 million; 1 January 2023: HK\$17,424 million) has been attributed to the Retail segment and the Telecommunications segment respectively.

Other rights primarily include operating and service content rights, as well as resource consents and customer lists. These rights are amortised over their finite useful lives. At 31 December 2025, the carrying value of these rights amounted to HK\$8,798 million (31 December 2024: HK\$8,423 million; 31 December 2023: HK\$9,773 million; 1 January 2023: HK\$10,433 million) and HK\$3,702 million (31 December 2024: HK\$4,259 million; 31 December 2023: HK\$5,569 million; 1 January 2023: HK\$6,362 million), respectively.

Notes to the Financial Statements

17 Goodwill

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Net book value			
At 1 January	267,325	271,136	268,008
Relating to subsidiaries acquired (see note 34(c))	18	1,451	75
Relating to subsidiaries disposed (see note 34(d))	(3,528)	–	–
Exchange translation differences	10,738	(5,262)	3,053
At 31 December	274,553	267,325	271,136
Cost	302,194	291,757	297,159
Accumulated impairment	(27,641)	(24,432)	(26,023)
	274,553	267,325	271,136

Goodwill is monitored by the management at the level of the operating segments identified (see note 6). As at 31 December 2025, the carrying amount of goodwill is mainly allocated to following segments:

- Telecommunications segment: HK\$88,297 million (31 December 2024: HK\$81,085 million; 31 December 2023: HK\$84,897 million; 1 January 2023: HK\$81,771 million)
- Retail segment: HK\$114,092 million (31 December 2024: HK\$114,095 million; 31 December 2023: HK\$114,099 million; 1 January 2023: HK\$114,098 million)
- Infrastructure segment: HK\$39,148 million (31 December 2024: HK\$39,129 million; 31 December 2023: HK\$39,123 million; 1 January 2023: HK\$39,123 million)

Management tests goodwill and intangible assets with indefinite useful lives (including certain telecommunications licences and brand names as set out in notes 15 and 16) for impairment on an annual basis, or more frequently when there is an indication these assets may be impaired. The annual impairment tests for goodwill and intangible assets with indefinite useful lives were conducted at 31 December 2025. The results of these tests indicated no impairment charge was necessary for the Group.

Set out below is additional information about the estimates used to measure recoverable amounts in the 31 December 2025 annual impairment tests for the Telecommunications and the Retail operations.

17 Goodwill (continued)

Telecommunications operations

The recoverable amounts of the Group's Telecommunications operations at 31 December 2025 were determined based on VIU calculations. VIU is measured using discounted cash flow projections for the next five years and a calculated terminal value at the end of the five-year period. The cash flows projections are based on the latest approved financial budgets of the relevant telecommunications business for the next five years. Management prepared these financial budgets reflecting current and prior year performance and experience, market development expectations (including expected market share and growth momentum), and, where available and appropriate, observable market data.

A number of assumptions and estimates are involved in the preparation of the budgets, the cash flow projections for the period covered by the approved budgets, and the estimated terminal value at the end of the budget period. Key assumptions include revenues, service margin, operating costs, growth rates used for the budget periods, and the selection of discount rates and the terminal growth rate used to extrapolate cash flow projections to estimate the terminal value at the end of the five-year period.

The VIU amount derived from the cash flow projections is sensitive to the discount rate applied to the cash flow projections, the growth rate used for extrapolation purposes, and expectations regarding 5G revenue. A pre-tax discount rate ranging from 5.7% to 9.1% (31 December 2024: 4.8% to 9.6%; 31 December 2023: 5.4% to 11.0%; 1 January 2023: 4.8% to 20.6%) has been applied. A growth rate ranging from 1% to 2% per annum (31 December 2024: 1% to 2%; 31 December 2023: 1% to 2%; 1 January 2023: 0% to 2%), which is not expected to exceed the anticipated economic growth for the underlying business units, has been used to extrapolate cash flow projections to estimate the terminal value of the underlying business units at the end of the five-year period.

Retail operations

The recoverable amounts of the Group's Retail operations at 31 December 2025 were determined based on fair value less costs of disposal ("FVLCD") calculation. Fair value is measured using discounted cash flow projections for the next five years and a calculated terminal value at the end of the five-year period (a Level 3 fair value hierarchy). The cash flows projections are based on the latest approved financial budgets for the next five years. Management prepared these financial budgets reflecting current and prior year performance and experience, market development expectations (including expected market share and growth momentum), and, where available and appropriate, observable market data.

A number of assumptions and estimates are involved in the preparation of the budgets, the cash flow projections for the period covered by the approved budgets, and the estimated terminal value at the end of the budget period. Key assumptions include expected growth in revenues and gross margin, inventory levels, volume and operating costs, timing of future capital expenditures, growth rates used for the budget periods, and the selection of discount rates and the terminal growth rate used to extrapolate cash flow projections to estimate the terminal value at the end of the five-year period.

The FVLCD amount derived from the cash flow projections is sensitive to the discount rate applied to the discounted cash flow projections and the growth rate used for extrapolation purposes. A post-tax discount rate of 7.0% (31 December 2024: 7.0%; 31 December 2023: 8.4%; 1 January 2023: 8.4%) has been applied. In estimating the terminal value at the end of the five-year period, a growth rate of 2.4% per annum (31 December 2024: 2.6%; 31 December 2023: 3.9%; 1 January 2023: 4.2%), which is not expected to exceed the anticipated economic growth for the business, has been used to extrapolate cash flow projections.

Impairment testing conclusion

The results of the impairment tests undertaken as at 31 December 2025, 31 December 2024 and 31 December 2023 indicated that no impairment charge was necessary for the goodwill and intangible assets of the Group. In performing the impairment tests for these assets, management has considered and assessed reasonably possible changes in key assumptions and has not identified any instance that could cause the recoverable amount to fall below the carrying value.

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

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18 Associated companies

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Unlisted shares	51,239	11,193	9,071	9,071
Listed shares, Hong Kong	62,919	62,919	62,919	62,919
Listed shares, outside Hong Kong	73,059	80,612	80,837	81,012
Share of undistributed post acquisition reserves	(6,811)	(16,005)	(12,081)	(15,264)
	180,406	138,719	140,746	137,738
Amounts due from (net with amounts due to) associated companies ^(a)	112	1,136	2,892	2,973
	180,518	139,855	143,638	140,711

The current year balance includes an addition of a 49% interest in VodafoneThree, which the Group received following the completion of the merger transaction to combine the Group's and Vodafone Group's respective telecommunications operations in the United Kingdom on 31 May 2025. The value of the Group's 49% interest in VodafoneThree was determined at HK\$40,766 million, based on the average valuation of five independent midpoint valuation analyses (see note 34(d)).

The market value of the above listed investments at 31 December 2025 was HK\$118,996 million (31 December 2024: HK\$111,361 million; 31 December 2023: HK\$112,390 million; 1 January 2023: HK\$117,220 million), inclusive of HK\$40,438 million (31 December 2024: HK\$37,292 million; 31 December 2023: HK\$41,370 million; 1 January 2023: HK\$47,735 million) for Cenovus Energy and HK\$42,328 million (31 December 2024: HK\$41,598 million; 31 December 2023: HK\$34,614 million; 1 January 2023: HK\$32,811 million) for Power Assets Holdings Limited ("Power Assets").

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

18 Associated companies (continued)

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

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Amounts due from associated companies ⁽ⁱ⁾				
Interest free	2,076	428	410	398
Interest-bearing at fixed rates ⁽ⁱⁱ⁾	532	839	2,618	2,739
Interest-bearing at floating rates ⁽ⁱⁱⁱ⁾	409	404	407	405
	3,017	1,671	3,435	3,542
Amounts due to associated companies ^(iv)				
Interest free	2,905	535	543	569
Amounts due from (net with amounts due to) associated companies	112	1,136	2,892	2,973

(i) Amounts due from associated companies

At 31 December 2025, 31 December 2024, 31 December 2023 and 1 January 2023, the amounts due from associated companies are unsecured and have no fixed terms of repayment, except for:

HK\$1,608 million which is repayable within one to three years (31 December 2024: nil; 31 December 2023: nil; 1 January 2023: HK\$4 million within one year).

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

(ii) Amounts due from associated companies – fixed rate

At 31 December 2025, HK\$532 million (31 December 2024: HK\$839 million; 31 December 2023: HK\$2,618 million; 1 January 2023: HK\$2,739 million) bears interest at fixed rates ranging from approximately 10.9% to 11.2% (31 December 2024: 4.7% to 11.2%; 31 December 2023: 4.7% to 11.2%; 1 January 2023: 4.7% to 11.2%) per annum.

(iii) Amounts due from associated companies – floating rate

At 31 December 2025, HK\$409 million (31 December 2024: HK\$404 million; 31 December 2023: HK\$407 million; 1 January 2023: HK\$405 million) bears interest at floating rates ranging from approximately 3.3% to 4.1% (31 December 2024: 5.0% to 5.8%; 31 December 2023: 6.0% to 6.4%; 1 January 2023: 3.4% to 4.1%) per annum, with reference to Euro Interbank Offered Rate ("EURIBOR") and Hong Kong Interbank Offered Rate ("HIBOR"), where applicable.

(iv) Amounts due to associated companies

At 31 December 2025, 31 December 2024, 31 December 2023 and 1 January 2023, the amounts due to associated companies are unsecured and have no fixed terms of repayment, except for:

HK\$1,259 million which is repayable within one to three years (31 December 2024: nil; 31 December 2023: nil; 1 January 2023: nil).

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18 Associated companies *(continued)*

(b) Material associated companies

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

	2025		2024		2023	
	Cenovus Energy	Power Assets	Cenovus Energy	Power Assets	Cenovus Energy	Power Assets
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Dividends received from associated companies	1,366	2,164	1,465	2,164	964	2,164
Gross amount of the following items of the associated companies ⁽ⁱ⁾ :						
Total revenue	277,860	771	309,396	919	304,130	1,292
EBITDA	57,463	19,858	54,433	18,747	60,278	18,733
EBIT	28,205	12,813	26,321	12,577	33,224	13,077
Other comprehensive income (losses)	1,215	3,353	(17,735)	(1,785)	3,706	1,901
Total comprehensive income (losses)	23,287	9,589	(2,315)	4,334	25,882	7,904
Current assets	55,977	3,019	56,344	3,488	57,898	4,359
Non-current assets	406,413	132,936	347,556	128,219	367,380	128,973
Current liabilities	35,737	5,049	39,755	4,077	36,763	3,249
Non-current liabilities	144,172	2,551	104,803	2,924	112,439	3,701
Net assets (net of preferred shares and non-controlling interests)	281,728	128,355	257,274	124,706	272,773	126,382
Reconciliation to the carrying amount of the Group's interests in associated companies:						
Group's interest	16.4%	36.0%	17.4%	36.0%	16.9%	36.0%
Group's share of net assets	46,085	46,225	44,677	44,912	46,180	45,515
Carrying amount	46,085	46,225	44,677	44,912	46,180	45,515

The carrying amount of the Group's interests in all individually immaterial associated companies that are accounted for using the equity method of accounting is HK\$88,208 million (31 December 2024: HK\$50,266 million; 31 December 2023: HK\$51,943 million).

18 Associated companies (continued)

(b) Material associated companies (continued)

	2025			
	Cenovus Energy HK\$ million	Power Assets HK\$ million	Other associated companies HK\$ million	Total HK\$ million
Group's share of the following items of the associated companies ⁽ⁱ⁾ :				
Profits less losses after tax	3,757	2,246	2,897	8,900
Other comprehensive income	199	1,208	1,415	2,822
Total comprehensive income	3,956	3,454	4,312	11,722
	2024			
	Cenovus Energy HK\$ million	Power Assets HK\$ million	Other associated companies HK\$ million	Total HK\$ million
Group's share of the following items of the associated companies ⁽ⁱ⁾ :				
Profits less losses after tax	3,041	2,204	1,658	6,903
Other comprehensive income (losses)	(3,080)	(643)	(2,030)	(5,753)
Total comprehensive income (losses)	(39)	1,561	(372)	1,150
	2023			
	Cenovus Energy HK\$ million	Power Assets HK\$ million	Other associated companies HK\$ million	Total HK\$ million
Group's share of the following items of the associated companies ⁽ⁱ⁾ :				
Profits less losses after tax	3,963	2,161	2,014	8,138
Other comprehensive income	627	685	17	1,329
Total comprehensive income	4,590	2,846	2,031	9,467

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

Particulars regarding the principal associated companies are set forth on pages 343 to 346.

Notes to the Financial Statements

19 Interests in joint ventures

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Unlisted shares	134,667	133,389	127,116	118,039
Share of undistributed post acquisition reserves	19,665	4,136	7,154	1,049
	154,332	137,525	134,270	119,088
Amounts due from (net with amounts due to) joint ventures ^(a)	16,776	16,683	22,067	29,473
	171,108	154,208	156,337	148,561

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

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

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Amounts due from joint ventures ⁽ⁱ⁾				
Interest free	2,275	2,525	2,239	2,764
Interest-bearing at fixed rates ⁽ⁱⁱ⁾	6,309	5,972	7,972	9,650
Interest-bearing at floating rates ⁽ⁱⁱⁱ⁾	8,412	8,456	12,166	17,378
	16,996	16,953	22,377	29,792
Amounts due to joint ventures ^(iv)				
Interest free	220	270	310	319
Amounts due from (net with amounts due to) joint ventures	16,776	16,683	22,067	29,473

(i) Amounts due from joint ventures

At 31 December 2025, 31 December 2024, 31 December 2023 and 1 January 2023, the amounts due from joint ventures are unsecured and have no fixed terms of repayment, except for:

HK\$29 million which is repayable within one year (31 December 2024: HK\$322 million repayable within one year; 31 December 2023: HK\$32 million repayable within one to two years; 1 January 2023: HK\$1,650 million repayable within one to three years).

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

19 Interests in joint ventures (continued)

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

(ii) Amounts due from joint ventures – fixed rate

At 31 December 2025, HK\$6,309 million (31 December 2024: HK\$5,972 million; 31 December 2023: HK\$7,972 million; 1 January 2023: HK\$9,650 million) bears interest at fixed rates ranging from approximately 4.2% to 10.0% (31 December 2024: 4.2% to 10.0%; 31 December 2023: 4.4% to 11.0%; 1 January 2023: 4.4% to 11.0%) per annum.

(iii) Amounts due from joint ventures – floating rate

At 31 December 2025, HK\$8,412 million (31 December 2024: HK\$8,456 million; 31 December 2023: HK\$12,166 million; 1 January 2023: HK\$17,378 million) bears interest at floating rates ranging from approximately 3.1% to 6.9% (31 December 2024: 3.7% to 7.7%; 31 December 2023: 4.1% to 8.3%; 1 January 2023: 4.9% to 14.1%) per annum, with reference to Australian Bank Bill Swap Reference Rate, EURIBOR, HIBOR and Sterling Overnight Index Average Rate, where applicable.

(iv) Amounts due to joint ventures

At 31 December 2025, 31 December 2024, 31 December 2023 and 1 January 2023, the amounts due to joint ventures are unsecured and have no fixed terms of repayment.

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

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Profits less losses after tax	11,074	9,757	7,990
Other comprehensive income (losses)	9,130	(6,256)	3,997
Total comprehensive income	20,204	3,501	11,987
Capital commitments	3,833	3,929	13,880

As at 31 December 2025, 31 December 2024, 31 December 2023 and 1 January 2023, no interests in joint ventures are individually material to the Group. Particulars regarding the principal joint ventures are set forth on pages 343 to 346.

Notes to the Financial Statements

20 Deferred tax

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Deferred tax assets	7,102	18,140	21,074	18,509
Deferred tax liabilities	17,275	17,974	19,572	19,290
Net deferred tax assets (liabilities)	(10,173)	166	1,502	(781)

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

	2025	2024	2023
	HK\$ million	HK\$ million	HK\$ million
At 1 January	166	1,502	(781)
Relating to subsidiaries acquired	(2)	(354)	3
Relating to subsidiaries disposed	(9,429)	35	–
Transfer to current tax	64	(15)	6
Net credit (charge) to other comprehensive income	117	(85)	380
Net credit (charge) to the consolidated income statement			
Tax losses	(1,246)	(1,184)	1,617
Accelerated depreciation allowances	(329)	(1,005)	(62)
Fair value adjustments arising from acquisitions	(289)	(154)	(551)
Withholding tax on undistributed profits	(16)	49	(48)
Other temporary differences	(72)	1,766	160
Exchange translation differences	863	(389)	778
At 31 December	(10,173)	166	1,502

Analysis of net deferred tax assets (liabilities):

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Tax losses	4,556	15,289	16,865	14,703
Accelerated depreciation allowances	(3,237)	(3,365)	(2,425)	(2,555)
Fair value adjustments arising from acquisitions	(13,908)	(12,492)	(12,268)	(11,625)
Revaluation of investment properties and other investments	30	24	20	16
Withholding tax on undistributed profits	(778)	(842)	(912)	(875)
Other temporary differences	3,164	1,552	222	(445)
	(10,173)	166	1,502	(781)

20 Deferred tax (continued)

Deferred taxation

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

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

At 31 December 2025, the Group has recognised accumulated deferred tax assets amounting to HK\$7,102 million (31 December 2024: HK\$18,140 million; 31 December 2023: HK\$21,074 million; 1 January 2023: HK\$18,509 million), of which HK\$3,042 million (31 December 2024: HK\$14,269 million; 31 December 2023: HK\$16,973 million; 1 January 2023: HK\$15,191 million) relates to 3 Group Europe.

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

Unrecognised deferred tax assets

The amounts of unutilised tax losses and deductible temporary differences for which no deferred tax asset has been recognised in the consolidated statement of financial position at 31 December 2025 were HK\$583,937 million (31 December 2024: HK\$502,204 million; 31 December 2023: HK\$531,915 million; 1 January 2023: HK\$504,116 million) and HK\$29,030 million (31 December 2024: HK\$25,794 million; 31 December 2023: HK\$27,472 million; 1 January 2023: HK\$21,289 million), respectively, totalling HK\$612,967 million (31 December 2024: HK\$527,998 million; 31 December 2023: HK\$559,387 million; 1 January 2023: HK\$525,405 million). These amounts included balances that are subject to agreement by relevant tax authorities.

These unutilised tax losses and deductible temporary differences can be carried forward against future taxable income. Of the total amounts unrecognised:

- HK\$160,863 million (31 December 2024: HK\$166,087 million; 31 December 2023: HK\$174,454 million; 1 January 2023: HK\$91,882 million) has no expiry date;
- HK\$5,623 million (31 December 2024: HK\$8,008 million; 31 December 2023: HK\$8,269 million; 1 January 2023: HK\$6,658 million) is expected to expire within 10 years; and
- The remaining balances are expected to expire after 10 years.

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21 Liquid funds and other listed investments

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Financial assets at amortised cost				
Managed funds – cash and cash equivalents, outside Hong Kong ^(c)	60	34	50	40
Financial assets at fair value through other comprehensive income (“FVOCI”) ^(d)				
Listed equity securities, Hong Kong ^(e)	330	536	608	608
Listed equity securities, outside Hong Kong ^(e)	11	747	8,589	9,096
Managed funds – listed debt securities, outside Hong Kong ^{(b) (f)}	7,161	6,825	6,539	6,359
	7,562	8,142	15,786	16,103

(a) Liquid funds and other listed investments by currency

At 31 December 2025, liquid funds and other listed investments totalling HK\$7,562 million (31 December 2024: HK\$8,142 million; 31 December 2023: HK\$15,786 million; 1 January 2023: HK\$16,103 million) are denominated in the following currencies:

	31 December 2025		31 December 2024	
	Financial assets at amortised cost Percentage	Financial assets at FVOCI Percentage	Financial assets at amortised cost Percentage	Financial assets at FVOCI Percentage
HK dollar	–	4%	–	7%
US dollar	100%	95%	100%	84%
Other currencies	–	1%	–	9%
	100%	100%	100%	100%

	31 December 2023		1 January 2023	
	Financial assets at amortised cost Percentage	Financial assets at FVOCI Percentage	Financial assets at amortised cost Percentage	Financial assets at FVOCI Percentage
HK dollar	–	4%	–	4%
US dollar	100%	42%	60%	39%
Other currencies	–	54%	40%	57%
	100%	100%	100%	100%

See note 45(a) for further analysis.

(b) Listed debt securities

At 31 December 2025, listed debt securities totalling HK\$7,161 million (31 December 2024: HK\$6,825 million; 31 December 2023: HK\$6,539 million; 1 January 2023: HK\$6,359 million) presented above are analysed as follows:

21 Liquid funds and other listed investments (continued)

(b) Listed debt securities (continued)

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	Financial assets at FVOCI Percentage	Financial assets at FVOCI Percentage	Financial assets at FVOCI Percentage	Financial assets at FVOCI Percentage
Credit ratings				
Aaa / AAA	16%	15%	14%	12%
Aa1 / AA+	84%	85%	86%	87%
Other investment grades	–	–	–	1%
	100%	100%	100%	100%
Sectorial				
US Treasury notes	75%	74%	72%	73%
Government and government guaranteed notes	16%	22%	25%	23%
Others	9%	4%	3%	4%
	100%	100%	100%	100%
Weighted average maturity	3.1 years	1.1 years	1.8 years	2.6 years
Weighted average effective yield	3.04%	2.73%	1.61%	1.54%

(c) Managed funds – cash and cash equivalents

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

(d) Fair value measurement

The fair values are based on quoted market prices.

(e) Equity securities

These equity securities are not held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at fair value through other comprehensive income. For the comparative balances as at 31 December 2024, 31 December 2023 and 1 January 2023, the Group had collar agreements with banks to hedge the fair values of certain of these listed equity securities:

- 31 December 2024: fair value surplus of HK\$14 million was included in current assets;
- 31 December 2023: fair value deficits of HK\$297 million and HK\$59 million were included in current and non-current liabilities, respectively; and
- 1 January 2023: fair value surplus of HK\$216 million was included in listed equity securities, outside Hong Kong.

(f) Managed funds – listed debt securities

“Managed funds – listed debt securities” comprised predominately US Treasury notes and government and government-guaranteed notes. At 31 December 2025, all of the carrying amount of these assets (31 December 2024: all; 31 December 2023: all; 1 January 2023: 99%) were rated at Aaa/AAA or Aa1/AA+. These assets are considered to be of low credit risk. As a result, an insignificant provision for credit losses was required at each reporting date in respect of these assets.

Notes to the Financial Statements

22 Other non-current assets

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Investment properties (see note 23)	381	389	408	408
Customer acquisition and retention costs ^(a)	4,127	4,231	4,290	3,660
Contract assets (see note 25(b))	1,739	3,202	3,826	2,095
Unlisted investments				
Financial assets at FVOCI – equity securities ^(b)	6,360	1,933	2,189	2,451
Financial assets at fair value through profit or loss – equity securities	54	366	369	417
Financial assets at fair value through profit or loss – debt securities	326	414	604	555
Pension assets (see note 30)	2,280	2,239	1,428	1,311
Derivative financial instruments				
Cash flow hedges				
Interest rate swaps	22	–	52	84
Cross currency interest rate swaps	–	227	150	132
Other contracts	–	–	–	3,081
Net investment hedges – Cross currency swaps	874	1,281	572	1,164
Other non-current assets ^(c)	832	5,921	5,974	542
	16,995	20,203	19,862	15,900

(a) Customer acquisition and retention costs

Customer acquisition and retention costs primarily relate to incremental commission costs incurred to obtain telecommunications contracts with customers. The amount of customer acquisition and retention costs shown above is stated after deducting the amortisation charged to the consolidated income statement for the current year of HK\$3,724 million (31 December 2024: HK\$3,903 million; 31 December 2023: HK\$3,667 million; 1 January 2023: HK\$3,464 million). No impairment loss was recognised in relation to the costs capitalised.

The Group applies the practical expedient in paragraph 94 of IFRS 15 and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the costs that the Group would otherwise have recognised is one year or less.

(b) Equity securities designated at fair value through other comprehensive income

These equity securities are not held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at fair value through other comprehensive income. The Group considers this fair value through other comprehensive income designation to be appropriate. Fair values for these investments are determined using valuation techniques, including discounted cash flow analysis.

(c) Other non-current assets

The balance included lease receivables of HK\$832 million (31 December 2024: HK\$875 million; 31 December 2023: HK\$507 million; 1 January 2023: HK\$542 million), which are considered to be of low credit risk. As a result, an insignificant provision for credit losses was made at each reporting date in respect of lease receivables. The expected credit loss was minimal as lease receivables are from entities which are subject to the Group's lease acceptance requirements. There was no unfavourable current conditions or forecast future economic conditions at the reporting date that would require the Group to make a provision for expected credit losses in respect of these assets.

The remaining balances for the comparative years ended 31 December 2024 and 31 December 2023 mainly comprise prepayments of telecommunications annual licences fee of 3 UK.

23 Investment properties

Investment properties are included in “Other non-current assets” (see note 22) in the consolidated statement of financial position.

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Valuation			
At 1 January	389	408	408
Decrease in fair value of investment properties	(8)	(19)	–
At 31 December	381	389	408

At 31 December 2025, investment properties amounting to HK\$381 million (31 December 2024: HK\$389 million; 31 December 2023: HK\$408 million; 1 January 2023: HK\$408 million) were measured at fair value based on valuation inputs, other than quoted prices, that are observable either directly or indirectly. The fair values of the investment properties at 31 December 2025, 31 December 2024, 31 December 2023 and 1 January 2023 were determined based on valuations carried out by Cushman & Wakefield Limited, independent professional valuers. The valuations, which reflect the highest and best use, were arrived at by reference to comparable market transactions and also took into account the capitalising of rental income derived from existing tenancies, with due provision for the reversionary income potential of the properties.

There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the year. The Group’s policy is to recognise transfers into or out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer.

At 31 December 2025, 31 December 2024, 31 December 2023 and 1 January 2023, the Group’s aggregate future minimum lease receivable under non-cancellable operating leases were not material.

24 Cash and cash equivalents

	31 December 2025 HK\$ million	31 December 2024 HK\$ million	31 December 2023 HK\$ million	1 January 2023 HK\$ million
Cash at bank and in hand	30,901	26,734	34,000	27,769
Short term bank deposits	112,847	94,569	93,323	110,316
	143,748	121,303	127,323	138,085

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

Cash and cash equivalents were held with reputable financial institutions. The Group controls the credit risk arising from non-performance by counterparties, where applicable, through monitoring their equity share price movements and credit ratings, as well as setting approved counterparty credit limits that are regularly reviewed. Accordingly, cash and cash equivalents are considered to be of low credit risk. As a result, an insignificant provision for credit losses was made at each reporting date in respect of these assets. See note 45(a) for further analysis.

Notes to the Financial Statements

25 Trade receivables and other current assets

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Trade receivables ^(a)	18,283	18,825	20,264	18,650
Less: loss allowance provision	(3,331)	(3,498)	(3,967)	(3,705)
	14,952	15,327	16,297	14,945
Other current assets				
Derivative financial instruments				
Fair value hedges – collar agreements	–	14	–	–
Cash flow hedges				
Interest rate swaps	–	7	–	153
Cross currency interest rate swaps	–	–	–	622
Forward foreign exchange contracts	–	5	–	1
Other contracts	2	1	26	167
Net investment hedges				
Cross currency interest rate swaps	–	–	–	112
Forward foreign exchange contracts	90	436	201	44
Cross currency swaps	–	79	336	9
Contract assets ^(b)	2,769	3,919	3,754	4,219
Prepayments	12,663	13,908	16,361	22,978
Other receivables ^(c)	11,711	12,169	13,491	13,433
Current tax receivables	120	102	124	128
	42,307	45,967	50,590	56,811

(a) Trade receivables

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

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

The Group's five largest customers contributed less than 4% of the Group's revenue for the year ended 31 December 2025 (31 December 2024: less than 5%; 31 December 2023: less than 5%).

25 Trade receivables and other current assets (continued)

(a) Trade receivables (continued)

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

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Less than 31 days	11,433	11,532	11,996	10,609
Within 31 to 60 days	1,796	1,655	1,874	1,704
Within 61 to 180 days	1,056	1,504	1,523	1,681
Over 180 days	3,998	4,134	4,871	4,656
	18,283	18,825	20,264	18,650

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

	2025	2024	2023
	HK\$ million	HK\$ million	HK\$ million
At 1 January	3,498	3,967	3,705
Additions	601	717	653
Utilisations	(1,011)	(936)	(492)
Write back	(25)	(32)	(41)
Relating to subsidiaries disposed	(154)	–	–
Exchange translation differences	422	(218)	142
At 31 December	3,331	3,498	3,967

The Group applies the simplified approach to provide for expected credit losses as prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for trade receivables. The expected credit loss provision rates for trade receivables are based on historical payment profiles and historical credit loss experience, adjusted to reflect, where relevant and appropriate, current information specific to the debtors, future economic and market conditions, and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables. The Group considers these adjustments to be reasonable and appropriate.

To measure expected credit losses, trade receivables have been grouped based on the number of days past due. The gross carrying amount of trade receivables and the loss allowance provision, analysed by ageing bands, are set out below.

	31 December 2025		
	Gross carrying amount	Loss allowance provision	Expected loss rate
	HK\$ million	HK\$ million	Percentage
Not past due	9,549	77	1%
Past due less than 31 days	2,782	29	1%
Past due within 31 to 60 days	1,161	36	3%
Past due within 61 to 180 days	926	119	13%
Past due over 180 days	3,865	3,070	79%
	18,283	3,331	

Notes to the Financial Statements

25 Trade receivables and other current assets (continued)

(a) Trade receivables (continued)

	31 December 2024		
	Gross carrying amount HK\$ million	Loss allowance provision HK\$ million	Expected loss rate Percentage
Not past due	9,674	106	1%
Past due less than 31 days	3,114	81	3%
Past due within 31 to 60 days	817	29	4%
Past due within 61 to 180 days	1,215	229	19%
Past due over 180 days	4,005	3,053	76%
	18,825	3,498	

	31 December 2023		
	Gross carrying amount HK\$ million	Loss allowance provision HK\$ million	Expected loss rate Percentage
Not past due	9,965	89	1%
Past due less than 31 days	3,501	67	2%
Past due within 31 to 60 days	787	70	9%
Past due within 61 to 180 days	1,291	380	29%
Past due over 180 days	4,720	3,361	71%
	20,264	3,967	

	1 January 2023		
	Gross carrying amount HK\$ million	Loss allowance provision HK\$ million	Expected loss rate Percentage
Not past due	9,169	95	1%
Past due less than 31 days	2,918	82	3%
Past due within 31 to 60 days	782	79	10%
Past due within 61 to 180 days	1,312	384	29%
Past due over 180 days	4,469	3,065	69%
	18,650	3,705	

25 Trade receivables and other current assets (continued)

(b) Contract assets

As at 31 December 2025, contract assets of HK\$2,769 million (31 December 2024: HK\$3,919 million; 31 December 2023: HK\$3,754 million; 1 January 2023: HK\$4,219 million) and HK\$1,739 million (31 December 2024: HK\$3,202 million; 31 December 2023: HK\$3,826 million; 1 January 2023: HK\$2,095 million) are included in "Trade receivables and other current assets" (see above) and "Other non-current assets" (see note 22), respectively. These assets are stated at the expected recoverable amount, net of provisions for estimated impairment losses of HK\$1,535 million (31 December 2024: HK\$1,926 million; 31 December 2023: HK\$1,637 million; 1 January 2023: HK\$1,525 million).

The Group measures the loss allowance for its contract assets at an amount equal to the lifetime expected credit losses. Movements in the provision for estimated impairment losses are as follows:

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
At 1 January	1,926	1,637	1,525
Additions	660	1,018	927
Utilisations	(463)	(595)	(823)
Write back	(43)	(54)	(55)
Relating to subsidiaries disposed	(756)	–	–
Exchange translation differences	211	(80)	63
At 31 December	1,535	1,926	1,637

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices that have not been billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional, which typically occurs upon issuance of an invoice to the customer.

The Group's historical credit loss experience does not indicate a substantially different loss pattern for contract assets as compared to trade receivables for similar customer bases. Accordingly, the Group makes reference to the expected credit loss provision rates for trade receivables to measure expected credit losses on contract assets. These rates are adjusted to reflect information specific to the contract assets that may affect the recovery of the carrying amount.

(c) Other receivables

Other receivables are considered to be of low credit risk. As a result, an insignificant provision for credit losses was made at each reporting date in respect of these assets.

Notes to the Financial Statements

26 Bank and other debts

	31 December 2025		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Principal amounts			
Bank loans	17,908	80,017	97,925
Other loans	4	68	72
Notes and bonds	20,138	145,228	165,366
	38,050	225,313	263,363
Unamortised fair value adjustments arising from acquisitions	85	1,554	1,639
Subtotal before the following items	38,135	226,867	265,002
Unamortised loan facilities fees and premiums or discounts related to debts	(48)	(1,361)	(1,409)
	38,087	225,506	263,593

	31 December 2024		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Principal amounts			
Bank loans	24,896	62,944	87,840
Other loans	4	64	68
Notes and bonds	6,068	162,072	168,140
	30,968	225,080	256,048
Unamortised fair value adjustments arising from acquisitions	–	1,955	1,955
Subtotal before the following items	30,968	227,035	258,003
Unamortised loan facilities fees and premiums or discounts related to debts	(12)	(1,599)	(1,611)
	30,956	225,436	256,392

26 Bank and other debts (continued)

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

Notes to the Financial Statements

26 Bank and other debts (continued)

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

	31 December 2025		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Bank loans	17,908	80,017	97,925
Other loans	4	68	72
Notes and bonds			
HK\$260 million notes, 4% due 2027	–	260	260
US\$500 million notes, 1.5% due 2026	3,900	–	3,900
US\$500 million notes, 2.75% due 2026	3,900	–	3,900
US\$309 million notes – Series C, 7.5% due 2027	–	2,410	2,410
US\$500 million notes, 3.25% due 2027	–	3,900	3,900
US\$800 million notes, 3.5% due 2027	–	6,240	6,240
US\$1,250 million notes, 4.75% due 2028	–	9,750	9,750
US\$491 million notes, 2.75% due 2029	–	3,829	3,829
US\$750 million notes, 3.625% due 2029	–	5,850	5,850
US\$1,000 million notes, 5.375% due 2029	–	7,800	7,800
US\$500 million notes, 4.25% due 2030	–	3,900	3,900
US\$500 million notes, 4.375% due 2030	–	3,900	3,900
US\$705 million notes, 2.5% due 2030	–	5,500	5,500
US\$786 million notes, 2.5% due 2031	–	6,127	6,127
US\$1,039 million notes, 7.45% due 2033	–	8,107	8,107
US\$1,250 million notes, 4.875% due 2033	–	9,750	9,750
US\$500 million notes, 4.75% due 2034	–	3,900	3,900
US\$1,000 million notes, 5.5% due 2034	–	7,800	7,800
US\$25 million notes – Series D, 6.988% due 2037	–	196	196
US\$647 million notes, 3.125% due 2041	–	5,044	5,044
US\$741 million notes, 3.375% due 2049	–	5,777	5,777
US\$694 million notes, 3.375% due 2050	–	5,410	5,410
EUR1,000 million notes, 0.75% due 2026	9,160	–	9,160
EUR650 million notes, 2% due 2028	–	5,954	5,954
EUR1,000 million notes, 1.125% due 2028	–	9,160	9,160
EUR500 million notes, 0.75% due 2029	–	4,580	4,580
EUR500 million notes, 2% due 2030	–	4,580	4,580
EUR750 million notes, 1.5% due 2031	–	6,870	6,870
EUR500 million notes, 1% due 2033	–	4,580	4,580
GBP303 million notes, 5.625% due 2026	3,178	–	3,178
GBP223 million notes, 2% due 2027	–	2,344	2,344
GBP92 million notes, 2.625% due 2034	–	964	964
JPY15,000 million notes, 2.6% due 2027	–	746	746
	20,138	145,228	165,366
	38,050	225,313	263,363

26 Bank and other debts (continued)

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

	31 December 2024		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Bank loans	24,896	62,944	87,840
Other loans	4	64	68
Notes and bonds			
HK\$260 million notes, 4% due 2027	–	260	260
US\$500 million notes, 1.5% due 2026	–	3,900	3,900
US\$500 million notes, 2.75% due 2026	–	3,900	3,900
US\$309 million notes – Series C, 7.5% due 2027	–	2,410	2,410
US\$500 million notes, 3.25% due 2027	–	3,900	3,900
US\$800 million notes, 3.5% due 2027	–	6,240	6,240
US\$1,250 million notes, 4.75% due 2028	–	9,750	9,750
US\$500 million notes, 2.75% due 2029	–	3,900	3,900
US\$750 million notes, 3.625% due 2029	–	5,850	5,850
US\$1,000 million notes, 5.375% due 2029	–	7,800	7,800
US\$500 million notes, 4.375% due 2030	–	3,900	3,900
US\$750 million notes, 2.5% due 2030	–	5,850	5,850
US\$850 million notes, 2.5% due 2031	–	6,630	6,630
US\$1,039 million notes, 7.45% due 2033	–	8,107	8,107
US\$1,250 million notes, 4.875% due 2033	–	9,750	9,750
US\$500 million notes, 4.75% due 2034	–	3,900	3,900
US\$1,000 million notes, 5.5% due 2034	–	7,800	7,800
US\$25 million notes – Series D, 6.988% due 2037	–	196	196
US\$650 million notes, 3.125% due 2041	–	5,070	5,070
US\$750 million notes, 3.375% due 2049	–	5,850	5,850
US\$750 million notes, 3.375% due 2050	–	5,850	5,850
EUR750 million notes, 1.25% due 2025	6,068	–	6,068
EUR1,000 million notes, 0.75% due 2026	–	8,090	8,090
EUR650 million notes, 2% due 2028	–	5,258	5,258
EUR1,000 million notes, 1.125% due 2028	–	8,090	8,090
EUR500 million notes, 0.75% due 2029	–	4,045	4,045
EUR500 million notes, 2% due 2030	–	4,045	4,045
EUR750 million notes, 1.5% due 2031	–	6,068	6,068
EUR500 million notes, 1% due 2033	–	4,045	4,045
GBP303 million notes, 5.625% due 2026	–	2,981	2,981
GBP500 million notes, 2% due 2027	–	4,920	4,920
GBP300 million notes, 2.625% due 2034	–	2,952	2,952
JPY15,000 million notes, 2.6% due 2027	–	765	765
	6,068	162,072	168,140
	30,968	225,080	256,048

Notes to the Financial Statements

26 Bank and other debts (continued)

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

	31 December 2023		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Bank loans	24,484	65,036	89,520
Other loans	154	72	226
Notes and bonds			
HK\$2,413 million notes, 3-mth HIBOR + 0.32% due 2024	2,413	–	2,413
HK\$260 million notes, 4% due 2027	–	260	260
US\$750 million notes, 3.25% due 2024	5,850	–	5,850
US\$1,500 million notes, 3.625% due 2024	11,700	–	11,700
US\$500 million notes, 1.5% due 2026	–	3,900	3,900
US\$500 million notes, 2.75% due 2026	–	3,900	3,900
US\$309 million notes – Series C, 7.5% due 2027	–	2,410	2,410
US\$500 million notes, 3.25% due 2027	–	3,900	3,900
US\$800 million notes, 3.5% due 2027	–	6,240	6,240
US\$1,250 million notes, 4.75% due 2028	–	9,750	9,750
US\$500 million notes, 2.75% due 2029	–	3,900	3,900
US\$750 million notes, 3.625% due 2029	–	5,850	5,850
US\$750 million notes, 2.5% due 2030	–	5,850	5,850
US\$850 million notes, 2.5% due 2031	–	6,630	6,630
US\$1,039 million notes, 7.45% due 2033	–	8,107	8,107
US\$1,250 million notes, 4.875% due 2033	–	9,750	9,750
US\$25 million notes – Series D, 6.988% due 2037	–	196	196
US\$650 million notes, 3.125% due 2041	–	5,070	5,070
US\$750 million notes, 3.375% due 2049	–	5,850	5,850
US\$750 million notes, 3.375% due 2050	–	5,850	5,850
EUR600 million bonds, 1% due 2024	5,172	–	5,172
EUR1,000 million notes, 0.875% due 2024	8,620	–	8,620
EUR750 million notes, 1.25% due 2025	–	6,465	6,465
EUR1,000 million notes, 0.75% due 2026	–	8,620	8,620
EUR650 million notes, 2% due 2028	–	5,603	5,603
EUR1,000 million notes, 1.125% due 2028	–	8,620	8,620
EUR500 million notes, 0.75% due 2029	–	4,310	4,310
EUR500 million notes, 2% due 2030	–	4,310	4,310
EUR750 million notes, 1.5% due 2031	–	6,465	6,465
EUR500 million notes, 1% due 2033	–	4,310	4,310
GBP303 million notes, 5.625% due 2026	–	3,010	3,010
GBP500 million notes, 2% due 2027	–	4,970	4,970
GBP300 million notes, 2.625% due 2034	–	2,982	2,982
JPY15,000 million notes, 2.6% due 2027	–	822	822
	33,755	147,900	181,655
	58,393	213,008	271,401

26 Bank and other debts (continued)

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

	1 January 2023		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Bank loans	40,697	53,806	94,503
Other loans	4	225	229
Notes and bonds			
HK\$2,413 million notes, 3-mth HIBOR + 0.32% due 2024	–	2,413	2,413
HK\$260 million notes, 4% due 2027	–	260	260
US\$750 million notes, 2.75% due 2023	5,850	–	5,850
US\$750 million notes, 3.25% due 2024	–	5,850	5,850
US\$1,500 million notes, 3.625% due 2024	–	11,700	11,700
US\$500 million notes, 1.5% due 2026	–	3,900	3,900
US\$500 million notes, 2.75% due 2026	–	3,900	3,900
US\$309 million notes – Series C, 7.5% due 2027	–	2,410	2,410
US\$500 million notes, 3.25% due 2027	–	3,900	3,900
US\$800 million notes, 3.5% due 2027	–	6,240	6,240
US\$500 million notes, 2.75% due 2029	–	3,900	3,900
US\$750 million notes, 3.625% due 2029	–	5,850	5,850
US\$750 million notes, 2.5% due 2030	–	5,850	5,850
US\$850 million notes, 2.5% due 2031	–	6,630	6,630
US\$1,039 million notes, 7.45% due 2033	–	8,107	8,107
US\$25 million notes – Series D, 6.988% due 2037	–	196	196
US\$650 million notes, 3.125% due 2041	–	5,070	5,070
US\$750 million notes, 3.375% due 2049	–	5,850	5,850
US\$750 million notes, 3.375% due 2050	–	5,850	5,850
EUR1,350 million notes, 1.25% due 2023	11,205	–	11,205
EUR1,500 million notes, 0.375% due 2023	12,450	–	12,450
EUR600 million bonds, 1% due 2024	–	4,980	4,980
EUR1,000 million notes, 0.875% due 2024	–	8,300	8,300
EUR750 million notes, 1.25% due 2025	–	6,225	6,225
EUR1,000 million notes, 0.75% due 2026	–	8,300	8,300
EUR650 million notes, 2% due 2028	–	5,395	5,395
EUR1,000 million notes, 1.125% due 2028	–	8,300	8,300
EUR500 million notes, 0.75% due 2029	–	4,150	4,150
EUR500 million notes, 2% due 2030	–	4,150	4,150
EUR750 million notes, 1.5% due 2031	–	6,225	6,225
EUR500 million notes, 1% due 2033	–	4,150	4,150
GBP303 million notes, 5.625% due 2026	–	2,866	2,866
GBP500 million notes, 2% due 2027	–	4,730	4,730
GBP300 million notes, 2.625% due 2034	–	2,837	2,837
JPY15,000 million notes, 2.6% due 2027	–	886	886
	29,505	159,370	188,875
	70,206	213,401	283,607

Notes to the Financial Statements

26 Bank and other debts (continued)

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

(a) By year of repayment

	31 December 2025		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Bank loans			
Within a year	17,908	–	17,908
After 1 year, but within 2 years	–	15,177	15,177
After 2 years, but within 5 years	–	64,840	64,840
	17,908	80,017	97,925
Other loans			
Within a year	4	–	4
After 1 year, but within 2 years	–	4	4
After 2 years, but within 5 years	–	12	12
After 5 years	–	52	52
	4	68	72
Notes and bonds			
Within a year	20,138	–	20,138
After 1 year, but within 2 years	–	15,900	15,900
After 2 years, but within 5 years	–	64,803	64,803
After 5 years	–	64,525	64,525
	20,138	145,228	165,366
	38,050	225,313	263,363

	31 December 2024		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Bank loans			
Within a year	24,896	–	24,896
After 1 year, but within 2 years	–	22,683	22,683
After 2 years, but within 5 years	–	40,261	40,261
	24,896	62,944	87,840
Other loans			
Within a year	4	–	4
After 1 year, but within 2 years	–	4	4
After 2 years, but within 5 years	–	10	10
After 5 years	–	50	50
	4	64	68
Notes and bonds			
Within a year	6,068	–	6,068
After 1 year, but within 2 years	–	18,871	18,871
After 2 years, but within 5 years	–	63,188	63,188
After 5 years	–	80,013	80,013
	6,068	162,072	168,140
	30,968	225,080	256,048

26 Bank and other debts (continued)

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

(a) By year of repayment (continued)

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

Notes to the Financial Statements

26 Bank and other debts (continued)

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

(a) By year of repayment (continued)

Bank and other debts – covenants

Under the terms of the major bank and other debt facilities, the Group is required to comply with certain financial and non-financial covenants at the end of the reporting period. If the Group were to breach the covenants, the non-current portion of bank and other debts with a principal amount of HK\$225,228 million (31 December 2024: HK\$224,756 million; 31 December 2023: HK\$212,676 million) that are subject to the fulfilment of such covenants would become repayable within twelve months after the reporting period.

The Group has complied with all applicable covenants throughout the reporting period. There are no indications that the Group would have difficulties complying with the covenants when they are next tested within twelve months of the reporting date.

(b) By secured and unsecured borrowings

	31 December 2025		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Secured borrowings	1	1,485	1,486
Unsecured borrowings	38,049	223,828	261,877
	38,050	225,313	263,363
	31 December 2024		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Secured borrowings	1,389	1	1,390
Unsecured borrowings	29,579	225,079	254,658
	30,968	225,080	256,048
	31 December 2023		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Secured borrowings	1	1,558	1,559
Unsecured borrowings	58,392	211,450	269,842
	58,393	213,008	271,401
	1 January 2023		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Secured borrowings	1	1,524	1,525
Unsecured borrowings	70,205	211,877	282,082
	70,206	213,401	283,607

26 Bank and other debts (continued)

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

(c) By borrowings at fixed and floating interest rate

	31 December 2025		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Borrowings at fixed rate	20,142	145,295	165,437
Borrowings at floating rate	17,908	80,018	97,926
	38,050	225,313	263,363

	31 December 2024		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Borrowings at fixed rate	6,071	162,136	168,207
Borrowings at floating rate	24,897	62,944	87,841
	30,968	225,080	256,048

	31 December 2023		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Borrowings at fixed rate	31,496	147,972	179,468
Borrowings at floating rate	26,897	65,036	91,933
	58,393	213,008	271,401

	1 January 2023		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Borrowings at fixed rate	29,509	157,183	186,692
Borrowings at floating rate	40,697	56,218	96,915
	70,206	213,401	283,607

Notes to the Financial Statements

26 Bank and other debts (continued)

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

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

	31 December 2025		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Borrowings at fixed rate	20,142	151,582	171,724
Borrowings at floating rate	17,908	73,731	91,639
	38,050	225,313	263,363

	31 December 2024		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Borrowings at fixed rate	9,200	162,136	171,336
Borrowings at floating rate	21,768	62,944	84,712
	30,968	225,080	256,048

	31 December 2023		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Borrowings at fixed rate	31,496	151,433	182,929
Borrowings at floating rate	26,897	61,575	88,472
	58,393	213,008	271,401

	1 January 2023		
	Current portion HK\$ million	Non-current portion HK\$ million	Total HK\$ million
Borrowings at fixed rate	47,449	160,603	208,052
Borrowings at floating rate	22,757	52,798	75,555
	70,206	213,401	283,607

26 Bank and other debts (continued)

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

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

Derivative financial instruments

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

The Group has entered into interest rate swap agreements to swap floating interest rate borrowings to fixed interest rate borrowings, primarily to mitigate interest rate exposures associated with certain infrastructure project-related borrowings. At 31 December 2025, the notional amount of outstanding interest rate swap agreements amounted to HK\$6,287 million (31 December 2024: HK\$3,129 million; 31 December 2023: HK\$3,461 million; 1 January 2023: interest rate swap agreements of HK\$11,220 million and cross currency interest rate swap agreements of HK\$10,140 million, respectively) (see note 45(i)(ii)).

- (e) By currency

	31 December 2025		
	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	3%	43%	46%
Euro	8%	23%	31%
HK dollar	1%	11%	12%
British Pound	1%	2%	3%
Other currencies	1%	7%	8%
	14%	86%	100%

	31 December 2024		
	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	7%	44%	51%
Euro	2%	28%	30%
HK dollar	–	6%	6%
British Pound	–	5%	5%
Other currencies	3%	5%	8%
	12%	88%	100%

Notes to the Financial Statements

26 Bank and other debts *(continued)*

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

(e) By currency (continued)

	31 December 2023		
	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	8%	41%	49%
Euro	11%	22%	33%
HK dollar	1%	4%	5%
British Pound	1%	4%	5%
Other currencies	1%	7%	8%
	22%	78%	100%

	1 January 2023		
	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	9%	40%	49%
Euro	12%	23%	35%
HK dollar	1%	1%	2%
British Pound	1%	4%	5%
Other currencies	2%	7%	9%
	25%	75%	100%

26 Bank and other debts *(continued)*

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

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

	31 December 2025		
	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	3%	43%	46%
Euro	8%	23%	31%
HK dollar	1%	11%	12%
British Pound	1%	2%	3%
Other currencies	1%	7%	8%
	14%	86%	100%

	31 December 2024		
	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	7%	44%	51%
Euro	2%	30%	32%
HK dollar	–	6%	6%
British Pound	–	3%	3%
Other currencies	3%	5%	8%
	12%	88%	100%

Notes to the Financial Statements

26 Bank and other debts (continued)

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

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

	31 December 2023		
	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	8%	41%	49%
Euro	11%	23%	34%
HK dollar	1%	4%	5%
British Pound	1%	3%	4%
Other currencies	1%	7%	8%
	22%	78%	100%

	1 January 2023		
	Current portion Percentage	Non-current portion Percentage	Total Percentage
US dollar	4%	39%	43%
Euro	17%	25%	42%
HK dollar	1%	1%	2%
British Pound	1%	3%	4%
Other currencies	2%	7%	9%
	25%	75%	100%

As at 31 December 2025, no currency swap agreement were in place with bank to swap the principal amount of borrowings.

For the comparative periods, the Group had currency swap agreements with banks to swap US dollar or British Pound principal amount of borrowings into Euro principal amount of borrowings, in order to reflect the currency exposures of its underlying businesses:

- 31 December 2024: British Pound principal amount of borrowings equivalent to HK\$4,920 million
- 31 December 2023: British Pound principal amount of borrowings equivalent to HK\$4,970 million
- 1 January 2023: US dollar principal amount of borrowings equivalent to HK\$15,990 million and British Pound principal amount of borrowings equivalent to HK\$4,730 million

For the comparative amount at 1 January 2023, the Hong Kong dollar equivalent amount of HK\$15,990 million referred to above includes the Hong Kong dollar equivalent amount of HK\$10,140 million disclosed under item (d).

27 Trade payables and other current liabilities

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Trade payables ^(a)	22,632	21,861	23,017	21,356
Other current liabilities				
Derivative financial instruments				
Fair value hedges – collar agreements	–	–	297	–
Cash flow hedges				
Forward foreign exchange contracts	–	–	2	2
Other contracts	2	5	113	151
Net investment hedges				
Forward foreign exchange contracts	491	155	1,072	891
Cross currency swaps	–	238	–	–
Other derivative financial instruments	–	–	–	795
Interest free loans from non-controlling shareholders	329	349	438	472
Contract liabilities	5,321	5,500	5,948	6,027
Obligations for telecommunications licences and other rights	477	861	621	680
Provisions (see note 28)	2,326	1,161	1,552	1,341
Expenses and other accruals	33,117	33,411	36,471	35,995
Other payables	16,379	19,104	16,888	21,419
	81,074	82,645	86,419	89,129

(a) The ageing analysis of the trade payables is as follows:

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Less than 31 days	15,567	14,782	15,763	13,566
Within 31 to 60 days	3,403	3,825	3,361	2,912
Within 61 to 90 days	1,665	1,308	1,333	1,427
Over 90 days	1,997	1,946	2,560	3,451
	22,632	21,861	23,017	21,356

(b) The Group's five largest suppliers accounted for less than 15% of the Group's cost of purchases for the year ended 31 December 2025 (31 December 2024: less than 19%; 31 December 2023: less than 17%).

Notes to the Financial Statements

28 Provisions

	Provision for commitments, onerous contracts and other guarantees HK\$ million	Closure obligations HK\$ million	Assets retirement obligations HK\$ million	Others HK\$ million	Total HK\$ million
At 1 January 2023	18,477	80	1,272	1,289	21,118
Additions	–	69	5	444	518
Interest accretion	–	–	54	–	54
Utilisations	(897)	(18)	(63)	(129)	(1,107)
Write back	(41)	(22)	(38)	(115)	(216)
Exchange translation differences	(384)	2	17	49	(316)
At 31 December 2023	17,155	111	1,247	1,538	20,051
Additions	–	45	187	227	459
Interest accretion	–	–	33	–	33
Utilisations	(390)	(11)	(65)	(392)	(858)
Write back	–	(49)	–	(28)	(77)
Exchange translation differences	(1,451)	(2)	(33)	(90)	(1,576)
At 31 December 2024	15,314	94	1,369	1,255	18,032
Additions	–	62	94	1,062	1,218
Interest accretion	–	–	35	–	35
Utilisations	(541)	(16)	(45)	(155)	(757)
Write back	–	(56)	–	(38)	(94)
Relating to subsidiaries disposed	–	(7)	(502)	–	(509)
Exchange translation differences	1,286	6	33	153	1,478
At 31 December 2025	16,059	83	984	2,277	19,403

Provisions are analysed as:

	31 December 2025 HK\$ million	31 December 2024 HK\$ million	31 December 2023 HK\$ million	1 January 2023 HK\$ million
Current portion (see note 27)	2,326	1,161	1,552	1,341
Non-current portion (see note 31)	17,077	16,871	18,499	19,777
	19,403	18,032	20,051	21,118

The provision for commitments, onerous contracts and other guarantees represents the unavoidable costs of meeting these commitments and obligations, after deducting associated, expected future benefits and/or estimated recoverable value.

The provision for closure obligations represents the estimated costs to execute integration plans and store closures.

The provision for assets retirement obligations represents the present value of the estimated future costs of dismantling and removing fixed assets when they are no longer in use, and restoring the sites on which they are located.

29 Interest-bearing loans from non-controlling shareholders

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Interest-bearing loans from non-controlling shareholders are analysed as:				
Current portion	–	1,874	–	–
Non-current portion	4,193	1,597	3,245	2,567
	4,193	3,471	3,245	2,567

At 31 December 2025, these loans mainly bear interest at rates of EURIBOR + 2.0%, Stockholm Interbank Offered Rate (“STIBOR”) + 2.0% and STIBOR + 0.7% per annum (31 December 2024 and 31 December 2023: EURIBOR + 2.0%, STIBOR + 2.0% and STIBOR + 0.7%; 1 January 2023: EURIBOR + 2.0% and STIBOR + 0.7%). The carrying amounts of the borrowings approximate their fair values.

30 Pension plans

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Defined benefit assets (see note 22)	2,280	2,239	1,428	1,311
Defined benefit liabilities	3,490	3,197	3,536	2,730
Net defined benefit liabilities	1,210	958	2,108	1,419

The Group operates several of defined benefit and defined contribution plans, the assets of which are held independently of the Group’s assets in trustee-administered funds.

(a) Defined benefit plans

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

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

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
Discount rates	2.3% – 5.6%	2.8% – 5.5%	3.2% – 4.7%	3.2% – 4.8%
Future salary increases	2.1% – 3.5%	2.2% – 3.5%	2.2% – 3.5%	2.3% – 3.5%
Interest credited on two principal plans in Hong Kong	5.0% – 6.0%	5.0% – 6.0%	5.0% – 6.0%	5.0% – 6.0%

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

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Present value of defined benefit obligations	17,903	16,585	17,965	15,163
Fair value of plan assets	16,693	15,630	15,860	13,750
	1,210	955	2,105	1,413
Restrictions on assets recognised	–	3	3	6
Net defined benefit liabilities	1,210	958	2,108	1,419

Notes to the Financial Statements

30 Pension plans (continued)

(a) Defined benefit plans (continued)

The following table shows movements in net defined benefit liabilities and its components:

	Present value of defined benefit obligations HK\$ million	Fair value of plan assets HK\$ million	Asset ceiling HK\$ million	Net defined benefit liabilities HK\$ million
At 1 January 2025	16,585	(15,630)	3	958
Net charge (credit) to the consolidated income statement				
Current service cost	530	25	–	555
Past service cost and gains and losses on settlements	(267)	–	–	(267)
Interest cost (income)	691	(678)	–	13
	954	(653)	–	301
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial loss arising from change in demographic assumptions	307	–	–	307
Actuarial gain arising from change in financial assumptions	(960)	–	–	(960)
Actuarial loss arising from experience adjustment	510	–	–	510
Return on plan assets excluding interest income	–	585	–	585
Change in asset ceiling	–	–	(3)	(3)
Exchange translation differences	1,329	(1,121)	–	208
	1,186	(536)	(3)	647
Contributions paid by the employer	–	(622)	–	(622)
Contributions paid by the employee	133	(133)	–	–
Benefits paid	(880)	880	–	–
Transfer from (to) other liabilities	(75)	1	–	(74)
At 31 December 2025	17,903	(16,693)	–	1,210

30 Pension plans (continued)

(a) Defined benefit plans (continued)

The following table shows movements in net defined benefit liabilities and its components (continued):

	Present value of defined benefit obligations HK\$ million	Fair value of plan assets HK\$ million	Asset ceiling HK\$ million	Net defined benefit liabilities HK\$ million
At 1 January 2024	17,965	(15,860)	3	2,108
Net charge (credit) to the consolidated income statement				
Current service cost	514	19	–	533
Past service cost and gains and losses on settlements	2	–	–	2
Interest cost (income)	625	(586)	–	39
	1,141	(567)	–	574
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial gain arising from change in demographic assumptions	(77)	–	–	(77)
Actuarial gain arising from change in financial assumptions	(1,143)	–	–	(1,143)
Actuarial loss arising from experience adjustment	118	–	–	118
Return on plan assets excluding interest income	–	419	–	419
Exchange translation differences	(658)	401	–	(257)
	(1,760)	820	–	(940)
Contributions paid by the employer	–	(766)	–	(766)
Contributions paid by the employee	118	(118)	–	–
Benefits paid	(849)	849	–	–
Relating to subsidiaries acquired (see note 34(c))	32	–	–	32
Relating to subsidiaries disposed (see note 34(d))	(45)	–	–	(45)
Transfer from (to) other liabilities	(17)	12	–	(5)
At 31 December 2024	16,585	(15,630)	3	958

Notes to the Financial Statements

30 Pension plans (continued)

(a) Defined benefit plans (continued)

The following table shows movements in net defined benefit liabilities and its components (continued):

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

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

30 Pension plans (continued)

(a) Defined benefit plans (continued)

The Group operates two principal pension plans in Hong Kong. One plan, which has been closed to new entrants since 1994, provides pension benefits based on the greater of: (i) the aggregate of employee and employer vested contributions plus a minimum interest thereon of 6% per annum; and (ii) pension benefits derived from a formula based on final salary and years of service. An independent actuarial valuation, undertaken for funding purposes under the provisions of Hong Kong's Occupational Retirement Schemes Ordinance ("ORSO"), as at 30 June 2024 reported a funding level of 169% of the accrued actuarial liabilities on an ongoing basis. The valuation used the attained age valuation method, and the main assumptions adopted were an investment return of 5% per annum, salary increases of 3.5% per annum and interest credited to balances of 6% per annum. The valuation was prepared by Tian Keat Aun, Director, Retirement Hong Kong (a Fellow of The Institute and Faculty of Actuaries), and Michael Lee, Consultant, Retirement Hong Kong, of Towers Watson Hong Kong Limited. The second plan provides benefits equal to employer vested contributions plus a minimum interest thereon of 5% per annum. As at 31 December 2025, vested benefits under this plan were fully funded in accordance with the ORSO funding requirements. During the year, forfeited contributions totalling HK\$15 million (31 December 2024: HK\$14 million; 31 December 2023: HK\$16 million) were used to reduce the current year's level of contributions, and HK\$1 million of forfeited contributions were available as at 31 December 2025 (31 December 2024: HK\$1 million; 31 December 2023: HK\$1 million) to reduce future years' contributions.

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

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

The Group operates a defined benefit pension plan for certain of its retail operations in the United Kingdom. It is not open to new entrants. With effect from 28 February 2010, the accrual of future defined benefits for all active members ceased, and the final salary linkage was also severed. The last triennial valuation was undertaken as at 31 March 2024.

This independent actuarial valuation, undertaken for funding purposes under the provisions of the Pensions Act 2004, as at 31 March 2024 reported a funding level of 107% of the accrued actuarial liabilities on an ongoing basis. The plan was in a surplus position as at 31 March 2024, and as a result, there was no requirement for the trustee to agree a recovery plan. The company will continue to make quarterly contributions to fund the scheme expenses of GBP175,000 per quarter. The valuation used the projected unit credit method, and the main assumptions adopted were investment returns of 3.69% to 5.63% per annum and pension increases of 2.66% to 4.39% per annum for pension tranches increasing at RPI, capped at 5% per annum. However, not all pension tranches are subject to the same level of pension increase; following an exercise completed in 2024, certain other pension tranches increase at either a fixed rate of 4% per annum or a fixed rate of 0% per annum. The valuation was prepared by Tracey McManus, a Fellow of the Institute and Faculty of Actuaries, of Barnett Waddingham LLP.

Notes to the Financial Statements

30 Pension plans (continued)

(a) Defined benefit plans (continued)

(i) Plan assets

Fair value of the plan assets are analysed as follows:

	31 December 2025 Percentage	31 December 2024 Percentage	31 December 2023 Percentage	1 January 2023 Percentage
Equity instruments				
Consumer markets and manufacturing	4%	5%	4%	6%
Energy and utilities	1%	1%	1%	2%
Financial institutions and insurance	4%	4%	3%	4%
Telecommunications and information technology	5%	5%	5%	6%
Units trust and equity instrument funds	5%	3%	4%	4%
Others	6%	7%	6%	8%
	25%	25%	23%	30%
Debt instruments				
US Treasury notes	1%	–	–	1%
Government and government guaranteed notes	25%	22%	22%	19%
Financial institutions notes	7%	6%	5%	7%
Others	7%	5%	7%	8%
	40%	33%	34%	35%
Qualifying insurance policies	29%	30%	31%	26%
Other assets	6%	12%	12%	9%
	100%	100%	100%	100%

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

	31 December 2025 Percentage	31 December 2024 Percentage	31 December 2023 Percentage	1 January 2023 Percentage
Aaa / AAA	10%	7%	6%	7%
Aa1 / AA+	13%	16%	12%	20%
Aa2 / AA	45%	48%	52%	41%
Aa3 / AA–	5%	2%	1%	2%
A1 / A+	2%	3%	2%	3%
A2 / A	7%	5%	4%	4%
Other investment grades	15%	16%	18%	17%
No investment grades	3%	3%	5%	6%
	100%	100%	100%	100%

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

The fair value of plan assets amounting to HK\$16,693 million (31 December 2024: HK\$15,630 million; 31 December 2023: HK\$15,860 million; 1 January 2023: HK\$13,750 million) includes investments in the Company's ordinary shares with a fair value of HK\$7 million (31 December 2024: HK\$7 million; 31 December 2023: HK\$10 million; 1 January 2023: HK\$11 million).

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

30 Pension plans (continued)

(a) Defined benefit plans (continued)

(ii) Defined benefit obligation

The average duration of the defined benefit obligation as at 31 December 2025 is 17 years (31 December 2024: 17 years; 31 December 2023: 18 years; 1 January 2023: 17 years).

The Group expects to make contributions of HK\$741 million (31 December 2024: HK\$819 million; 31 December 2023: HK\$958 million) to the defined benefit plans in the coming year.

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

The effects disclosed in the following assume that:

- (a) a hypothetical change in the relevant actuarial assumption had occurred at the end of the reporting period and been applied to the relevant actuarial assumption in existence on that date; and
- (b) the sensitivity analysis for each assumption does not reflect interdependencies between different assumptions.

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

If the discount rate were 0.25% higher or lower, the defined benefit obligation would decrease by 3.7% or increase by 4.0%, respectively (31 December 2024: decrease by 3.5% or increase by 3.8%, respectively; 31 December 2023: decrease by 2.9% or increase by 3.1%, respectively; 1 January 2023: decrease by 2.8% or increase by 3.0%, respectively).

If the future salary increase were 0.25% higher or lower, the defined benefit obligation would increase by 0.4% or decrease by 0.4%, respectively (31 December 2024: increase by 0.5% or decrease by 0.5%, respectively; 31 December 2023: increase by 0.6% or decrease by 0.5%, respectively; 1 January 2023: increase by 0.8% or decrease by 0.5%, respectively).

In presenting the above sensitivity analysis, the present value of the defined benefit obligation was calculated using the projected unit credit method at the end of the reporting period, the same method applied in calculating the defined benefit obligation liability recognised in the consolidated statement of financial position.

(b) Defined contribution plans

The Group's costs in respect of defined contribution plans for the year amounted to HK\$1,328 million (31 December 2024: HK\$1,354 million; 31 December 2023: HK\$1,505 million), which have been charged to the profit or loss for the year. Forfeited contributions of HK\$14 million (31 December 2024: HK\$15 million; 31 December 2023: HK\$15 million) were used to reduce the current year's level of contributions, and no forfeited contribution were available at 31 December 2025 (31 December 2024: nil; 31 December 2023: nil) to reduce future years' contributions.

Notes to the Financial Statements

31 Other non-current liabilities

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Derivative financial instruments				
Fair value hedges – collar agreements	–	–	59	–
Cash flow hedges				
Interest rate swaps	9	–	–	–
Other contracts	–	–	1	–
Net investment hedges				
Cross currency swaps	368	2	465	314
Other derivative financial instruments	148	91	–	–
Obligations for telecommunications licences and other rights	2,932	3,122	3,994	3,309
Other non-current liabilities	6,249	6,132	6,387	6,333
Liabilities relating to the economic benefits agreements	2,166	2,166	2,166	2,166
Provisions (see note 28)	17,077	16,871	18,499	19,777
	28,949	28,384	31,571	31,899

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

(a) Share capital and share premium

	Number of shares	Share capital HK\$ million	Share premium HK\$ million	Total HK\$ million
Authorised:				
Ordinary shares of HK\$1 each	8,000,000,000	8,000	–	8,000
Issued and fully paid:				
Ordinary shares				
At 1 January 2023, 31 December 2023, 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	3,830,044,500	3,830	242,972	246,802

(b) Perpetual capital securities

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
EUR500 million issued in 2018	–	–	4,566	4,561

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

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

(c) Capital management

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

As at 31 December 2025, total equity amounted to HK\$688,392 million (31 December 2024: HK\$652,592 million; 31 December 2023: HK\$670,549 million; 1 January 2023: HK\$647,309 million), and consolidated net debt of the Group, excluding loans from non-controlling shareholders, which are viewed as quasi-equity, was HK\$113,692 million (31 December 2024: HK\$128,558 million; 31 December 2023: HK\$130,585 million; 1 January 2023: HK\$132,042 million). The Group's net debt to net total capital ratio decreased to 14.1% from 16.4% at the end of the prior year.

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

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

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
A1 – excluding interest-bearing loans from non-controlling shareholders from debt	14.1%	16.4%	16.2%	16.9%
A2 – as in A1 above and investments in listed subsidiaries and associated companies marked to market value	14.9%	17.5%	18.0%	18.4%
B1 – including interest-bearing loans from non-controlling shareholders as debt	14.6%	16.8%	16.6%	17.2%
B2 – as in B1 above and investments in listed subsidiaries and associated companies marked to market value	15.4%	18.0%	18.4%	18.8%

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

Notes to the Financial Statements

33 Reserves

	2025				
	Retained profit	Attributable to ordinary shareholders			Total
		Exchange reserve	Hedging reserve	Others ^(a)	
HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
At 1 January 2025	636,053	(6,019)	2,611	(344,732)	287,913
Profit for the year	11,841	–	–	–	11,841
Other comprehensive income (losses) ^(b)					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	193	193
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	170	170
Remeasurement of defined benefit obligations	(523)	–	–	–	(523)
Exchange gains on translation of foreign operations	–	23,131	–	–	23,131
Reserves reclassified to profit or loss	–	(6,392)	40	–	(6,352)
Gains on cash flow hedges	–	–	44	–	44
Losses on net investment hedges	–	(2,232)	–	–	(2,232)
Share of other comprehensive income of associated companies	44	2,147	44	63	2,298
Share of other comprehensive income of joint ventures	254	6,607	131	2	6,994
Tax relating to components of other comprehensive income (losses)	87	–	2	–	89
Other comprehensive income (losses), net of tax	(138)	23,261	261	428	23,812
Transfer of losses on disposal of equity securities at FVOCI to retained profit	(769)	–	–	769	–
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2024	(5,799)	–	–	–	(5,799)
Dividends paid relating to 2025	(2,719)	–	–	–	(2,719)
Unclaimed dividends written back	9	–	–	–	9
Acquisition of non-controlling interests	–	–	–	555	555
Partial disposal / disposal of subsidiaries	1,378	(8)	–	(1,012)	358
At 31 December 2025	639,856	17,234	2,872	(343,992)	315,970

33 Reserves (continued)

	2024				Total HK\$ million
	Retained profit HK\$ million	Attributable to ordinary shareholders			
		Exchange reserve HK\$ million	Hedging reserve HK\$ million	Others ^(a) HK\$ million	
At 1 January 2024	629,309	10,604	2,618	(345,298)	297,233
Profit for the year	17,088	–	–	–	17,088
Other comprehensive income (losses) ^(b)					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	(528)	(528)
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	126	126
Remeasurement of defined benefit obligations	646	–	–	–	646
Exchange losses on translation of foreign operations	–	(8,156)	–	–	(8,156)
Losses on cash flow hedges	–	–	(122)	–	(122)
Gains on net investment hedges	–	1,123	–	–	1,123
Losses in other reserves related to subsidiaries disposed during the year transferred directly to retained profits	(24)	–	–	24	–
Share of other comprehensive income (losses) of associated companies	(68)	(5,101)	(130)	(21)	(5,320)
Share of other comprehensive income (losses) of joint ventures	(721)	(4,489)	241	–	(4,969)
Tax relating to components of other comprehensive income (losses)	(71)	–	4	–	(67)
Other comprehensive income (losses), net of tax	(238)	(16,623)	(7)	(399)	(17,267)
Transfer of losses on disposal of equity securities at FVOCI to retained profit	(682)	–	–	682	–
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2023	(6,798)	–	–	–	(6,798)
Dividends paid relating to 2024	(2,635)	–	–	–	(2,635)
Unclaimed dividends written back	9	–	–	–	9
Acquisition of non-controlling interests	–	–	–	(37)	(37)
Partial disposal of subsidiaries	–	–	–	320	320
At 31 December 2024	636,053	(6,019)	2,611	(344,732)	287,913

Notes to the Financial Statements

33 Reserves (continued)

	2023				
	Retained profit	Attributable to ordinary shareholders			Total
		Exchange reserve	Hedging reserve	Others ^(a)	
HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
At 1 January 2023	617,240	–	5,332	(345,861)	276,711
Profit for the year	23,839	–	–	–	23,839
Other comprehensive income (losses) ^(b)					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	718	718
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	120	120
Remeasurement of defined benefit obligations	(1,108)	–	–	–	(1,108)
Exchange gains on translation of foreign operations	–	7,457	–	–	7,457
Losses on cash flow hedges	–	–	(1,033)	–	(1,033)
Losses on net investment hedges	–	(1,308)	–	–	(1,308)
Reclassification adjustments for hedging gains included in profit or loss	–	–	(1,735)	–	(1,735)
Share of other comprehensive income (losses) of associated companies	(578)	1,785	(132)	108	1,183
Share of other comprehensive income of joint ventures	194	2,670	183	18	3,065
Tax relating to components of other comprehensive income (losses)	284	–	3	–	287
Other comprehensive income (losses), net of tax	(1,208)	10,604	(2,714)	964	7,646
Impact of hyperinflation	82	–	–	–	82
Transfer of gains on disposal of equity securities at FVOCI to retained profit	226	–	–	(226)	–
Transactions with owners in their capacity as owners:					
Dividends paid relating to 2022	(7,989)	–	–	–	(7,989)
Dividends paid relating to 2023	(2,896)	–	–	–	(2,896)
Recognition of put option liabilities over non-controlling interests	–	–	–	(148)	(148)
Unclaimed dividends written back	15	–	–	–	15
Acquisition of non-controlling interests	–	–	–	(34)	(34)
Partial disposal of subsidiaries	–	–	–	7	7
At 31 December 2023	629,309	10,604	2,618	(345,298)	297,233

(a) Other reserves comprise a revaluation reserve and other capital reserves.

The revaluation reserve deficit amounted to HK\$1,312 million as at 31 December 2025 (1 January 2025: HK\$2,526 million; 1 January 2024: HK\$2,835 million; 1 January 2023: HK\$3,472 million). This reserve includes surpluses and deficits arising from market value revaluations of debt securities and equity securities.

The other capital reserves deficit amounted to HK\$342,680 million as at 31 December 2025 (1 January 2025: HK\$342,206 million; 1 January 2024: HK\$342,463 million; 1 January 2023: HK\$342,389 million). This includes a deficit of HK\$341,336 million relating to the fair value of shares of Cheung Kong (Holdings) Limited (the Group's former holding company), which were cancelled as part of the 2015 reorganisation.

33 Reserves (continued)

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

	2025		
	Before-tax amount	Tax effect	Net-of-tax amount
	HK\$ million	HK\$ million	HK\$ million
Changes in fair value of equity instruments at fair value through other comprehensive income	217	–	217
Changes in fair value of debt instruments at fair value through other comprehensive income	170	–	170
Remeasurement of defined benefit obligations	(695)	114	(581)
Exchange gains on translation of foreign operations	24,711	–	24,711
Reserves reclassified to profit or loss	(6,350)	–	(6,350)
Gains on cash flow hedges	46	3	49
Losses on net investment hedges	(2,949)	–	(2,949)
Share of other comprehensive income of associated companies	2,822	–	2,822
Share of other comprehensive income of joint ventures	9,130	–	9,130
	27,102	117	27,219
	2024		
	Before-tax amount	Tax effect	Net-of-tax amount
	HK\$ million	HK\$ million	HK\$ million
Changes in fair value of equity instruments at fair value through other comprehensive income	(528)	–	(528)
Changes in fair value of debt instruments at fair value through other comprehensive income	126	–	126
Remeasurement of defined benefit obligations	810	(90)	720
Exchange losses on translation of foreign operations	(9,543)	–	(9,543)
Losses on cash flow hedges	(132)	5	(127)
Gains on net investment hedges	1,484	–	1,484
Share of other comprehensive income (losses) of associated companies	(5,753)	–	(5,753)
Share of other comprehensive income (losses) of joint ventures	(6,256)	–	(6,256)
	(19,792)	(85)	(19,877)
	2023		
	Before-tax amount	Tax effect	Net-of-tax amount
	HK\$ million	HK\$ million	HK\$ million
Changes in fair value of equity instruments at fair value through other comprehensive income	718	–	718
Changes in fair value of debt instruments at fair value through other comprehensive income	120	–	120
Remeasurement of defined benefit obligations	(1,470)	376	(1,094)
Exchange gains on translation of foreign operations	7,771	–	7,771
Losses on cash flow hedges	(1,059)	4	(1,055)
Losses on net investment hedges	(1,641)	–	(1,641)
Reclassification adjustments for hedging gains included in profit or loss	(1,735)	–	(1,735)
Share of other comprehensive income of associated companies	1,329	–	1,329
Share of other comprehensive income of joint ventures	3,997	–	3,997
	8,030	380	8,410

Notes to the Financial Statements

34 Notes to the consolidated statement of cash flows

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

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Profit after tax	19,370	23,853	30,551
Less: share of profits less losses of			
Associated companies	(8,900)	(6,903)	(8,138)
Joint ventures	(11,074)	(9,757)	(7,990)
	(604)	7,193	14,423
Adjustments for:			
Current tax charge	5,285	4,189	4,119
Deferred tax charge (credit)	1,952	528	(1,116)
Interest expenses and other finance costs	12,327	13,392	12,227
Depreciation and amortisation	38,391	40,460	40,083
EBITDA of Company and subsidiaries ⁽ⁱ⁾	57,351	65,762	69,736
Dividends received from associated companies and joint ventures	12,303	11,509	11,388
Impairment loss on telecommunications business in Vietnam (see note 8(e))	–	1,859	–
Loss on disposal of fixed assets	60	97	169
Gains on disposals of unlisted investments	–	(78)	–
Gains on disposals of interests in associated companies and joint ventures	(88)	–	(246)
Losses on disposals of associated companies and joint ventures (see note 8)	262	14	70
A gain on disposal of financial instruments (see note 8)	–	–	(1,829)
Losses (gains) on disposal of subsidiaries (see note 34(d))			
3 UK	9,462	–	–
Italian network business	–	–	(74)
Vietnamese network business	1	–	–
Ports businesses	–	(364)	–
Customer acquisition and retention costs capitalised in the year	(3,992)	(4,057)	(4,143)
Other non-cash items	1,286	388	345
	76,645	75,130	75,416

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

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

(i) Reconciliation of EBITDA:

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
EBITDA of Company and subsidiaries	57,351	65,762	69,736
Share of EBITDA of associated companies and joint ventures			
Share of profits less losses of			
Associated companies	8,900	6,903	8,138
Joint ventures	11,074	9,757	7,990
Adjustments for:			
Depreciation and amortisation	33,381	26,159	24,724
Interest expenses and other finance costs	12,645	10,658	11,973
Current tax charge	4,962	4,594	3,582
Deferred tax charge	1,192	1,613	1,806
Non-controlling interests	576	571	482
	72,730	60,255	58,695
EBITDA (see note 6(b)(ii))	130,081	126,017	128,431

(b) Changes in working capital

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Increase in inventories	(685)	(1,536)	(1,005)
Decrease (increase) in trade receivables and other current assets	(925)	1,128	(5,022)
Decrease in trade payables and other current liabilities	(2,289)	(1,535)	(3,767)
Other non-cash items	7,621	(1,040)	1,829
	3,722	(2,983)	(7,965)

Notes to the Financial Statements

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

(c) Purchase of subsidiary companies

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

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Purchase consideration transferred:			
Cash and cash equivalents paid	41	4,167	127
Fair value			
Fixed assets	16	628	6
Right-of-use assets	–	559	3
Telecommunications licences	–	3,368	–
Brand names and other rights	9	18	9
Deferred tax assets	–	4	3
Cash and cash equivalents	–	53	72
Trade receivables and other current assets	–	341	52
Inventories	–	67	13
Trade payables and other current liabilities and current tax liabilities	–	(683)	(57)
Bank and other debts	–	–	(2)
Lease liabilities	–	(1,249)	(3)
Deferred tax liabilities	(2)	(358)	–
Pension obligations	–	(32)	(1)
Net identifiable assets acquired	23	2,716	95
Non-controlling interests	–	–	(43)
Goodwill	18	1,451	75
Total consideration	41	4,167	127
Net cash outflow (inflow) arising from acquisition:			
Cash and cash equivalents paid	41	4,167	127
Cash and cash equivalents acquired	–	(53)	(72)
Total net cash outflow	41	4,114	55

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

For the years ended 31 December 2025, 31 December 2024 and 31 December 2023, the acquisition-related costs and the contributions to the Group's revenue and profit before tax from the subsidiaries acquired during the respective year since the date of acquisition were not material.

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

(d) Disposal of subsidiary companies

On 31 May 2025, the Group completed the merger of its UK telecommunications operations, **3** UK, with Vodafone Group's corresponding UK operations to form the combined entity, VodafoneThree. As a result of the transaction, **3** UK and its subsidiaries ceased to be subsidiaries of the Group and were deconsolidated from the Group's financial statements. The Group now holds a 49% interest in VodafoneThree, which is accounted for as an associated company under the equity method, while Vodafone holds a 51% ownership stake.

This transaction has been accounted for as a disposal of the Group's entire interest in **3** UK, coupled with the concurrent acquisition of a 49% stake in VodafoneThree. The fair value of the Group's 49% interest in VodafoneThree was determined to be HK\$40,766 million, derived from the average of five independent midpoint valuation analyses. The fair value assessment incorporated a comparable companies analysis (using EBITDA after leases ("EBITDAaL") and adjusted free cash flow) and a discounted cash flow ("DCF") analysis, based on the combined business's forward-looking financial plan, including projections for revenue, operating costs, capital expenditures, and terminal value. The five valuations yielded the following estimated fair values for the Group's 49% interest: HK\$35.8 billion, HK\$38.5 billion, HK\$39.4 billion, HK\$44.1 billion, and HK\$46.1 billion, with the final fair value reflecting the average of these outcomes.

In addition to the disposal of **3** UK, the amounts presented for the year ended 31 December 2025 also include the disposal of a 48% interest in the telecommunications business in Vietnam in September 2025.

The comparative amount for the year ended 31 December 2024 mainly related to the disposal of the Group's former non-wholly-owned subsidiary, Abu Qir Container Terminal Company S.A.E., which became a 41%-owned associated company following the disposal. The comparative amount for the year ended 31 December 2023 mainly related to the disposal of Zefiro Net S.r.l., which became a 50%-owned joint venture following the transaction.

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Total considerations	54,582	1,200	5,126
Cash and cash equivalents received	15,142	464	2,563
Closing cash and working capital adjustments and others	(1,326)	–	–
The portion of the consideration consisting of cash and cash equivalents	13,816	464	2,563
Cash and cash equivalents received, net with cash and cash equivalents in the subsidiaries over which control was lost	14,798	333	2,563
Net assets other than cash or cash equivalents in the subsidiaries over which control was lost	70,158	705	5,052
Cash and cash equivalents in the subsidiaries over which control was lost	344	131	–
Net assets in the subsidiaries over which control was lost	70,502	836	5,052
Disposal gain (loss) before reclassification of reserves	(15,920)	364	74
Reserves reclassified to profit or loss	6,457	–	–
Disposal gain (loss)	(9,463)	364	74

Notes to the Financial Statements

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

(d) Disposal of subsidiary companies (continued)

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Analysis of assets and liabilities over which control was lost:			
Fixed assets	24,328	4,713	–
Right-of-use assets	5,414	730	–
Telecommunications licences	21,121	–	–
Goodwill	3,528	–	–
Brand names and other rights	5,283	–	–
Deferred tax assets	9,429	–	–
Other non-current assets	6,136	–	–
Trade receivables and other current assets	8,132	91	–
Inventories	386	43	–
Cash and cash equivalents	344	131	–
Assets classified as held for sale	–	–	6,202
Trade payables and other current liabilities and current tax liabilities	(7,725)	(513)	–
Bank and other debts	–	(2,824)	–
Interest free loans from non-controlling shareholders	–	(92)	–
Lease liabilities	(5,651)	(820)	–
Deferred tax liabilities	–	(35)	–
Pension obligations	–	(45)	–
Other non-current liabilities	(2,719)	–	–
Liabilities directly associated with assets classified as held for sale	–	–	(1,150)
Non-controlling interests	2,496	(543)	–
Net assets disposed	70,502	836	5,052

Cash flows of 3 UK disposed of during current year:

	2025 HK\$ million
Net cash outflow from operating activities	(7,210)
Net cash outflow from investing activities	(1,898)
Net cash inflow from financing activities	8,341

Cash flows of subsidiary companies disposed of during the comparative years are not material for the comparative years.

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

(e) Changes in liabilities arising from financing activities

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

	Bank and other debts	Lease liabilities	Interest- bearing loans from non- controlling shareholders	Interest free loans from non- controlling shareholders	Liabilities relating to the economic benefits agreements	Total
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
At 1 January 2023	284,326	66,059	2,567	472	2,166	355,590
Financing cash flows						
New borrowings	58,211	–	–	–	–	58,211
Repayment of borrowings	(75,361)	–	–	–	–	(75,361)
Principal elements of lease payments (see note 14(b))	–	(14,476)	–	–	–	(14,476)
Net loans from (to) non-controlling shareholders	–	–	561	(34)	–	527
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 9)	237	–	–	–	–	237
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 9(a))	(341)	–	–	–	–	(341)
Increase in lease liabilities from entering into new leases (see note 14(a))	–	8,871	–	–	–	8,871
Interest on lease liabilities (see note 9)	–	2,546	–	–	–	2,546
Interest element of lease liabilities paid (included in "Net cash from operating activities")	–	(2,412)	–	–	–	(2,412)
Remeasurement / write off of lease liabilities	–	5,739	–	–	–	5,739
Relating to subsidiaries acquired (see note 34(c))	2	3	–	–	–	5
Exchange translation differences	4,848	1,593	117	–	–	6,558
At 31 December 2023 and 1 January 2024	271,922	67,923	3,245	438	2,166	345,694
Financing cash flows						
New borrowings	54,594	–	–	–	–	54,594
Repayment of borrowings	(60,201)	–	–	–	–	(60,201)
Principal elements of lease payments (see note 14(b))	–	(14,103)	–	–	–	(14,103)
Net loans from (to) non-controlling shareholders	–	–	485	(19)	–	466
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 9)	248	–	–	–	–	248
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 9(a))	(338)	–	–	–	–	(338)
Increase in lease liabilities from entering into new leases (see note 14(a))	–	7,534	–	–	–	7,534
Interest on lease liabilities (see note 9)	–	2,757	–	–	–	2,757
Interest element of lease liabilities paid (included in "Net cash from operating activities")	–	(2,739)	–	–	–	(2,739)
Remeasurement / write off of lease liabilities	–	6,087	–	–	–	6,087
Acquisition of non-controlling interests	–	–	–	22	–	22
Relating to subsidiaries acquired (see note 34(c))	–	1,249	–	–	–	1,249
Relating to subsidiaries disposed (see note 34(d))	(2,824)	(820)	–	(92)	–	(3,736)
Exchange translation differences	(7,009)	(3,369)	(259)	–	–	(10,637)
At 31 December 2024 and 1 January 2025	256,392	64,519	3,471	349	2,166	326,897

Notes to the Financial Statements

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

(e) Changes in liabilities arising from financing activities (continued)

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

	Bank and other debts HK\$ million	Lease liabilities HK\$ million	Interest- bearing loans from non- controlling shareholders HK\$ million	Interest free loans from non- controlling shareholders HK\$ million	Liabilities relating to the economic benefits agreements HK\$ million	Total HK\$ million
At 31 December 2024 and 1 January 2025	256,392	64,519	3,471	349	2,166	326,897
Financing cash flows						
New borrowings	35,907	-	-	-	-	35,907
Repayment of borrowings	(41,415)	-	-	-	-	(41,415)
Principal elements of lease payments (see note 14(b))	-	(14,839)	-	-	-	(14,839)
Net loans from (to) non-controlling shareholders	-	-	193	(20)	-	173
Other changes						
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 9)	230	-	-	-	-	230
Amortisation of bank and other debts' fair value adjustments arising from acquisitions (see note 9(a))	(322)	-	-	-	-	(322)
Increase in lease liabilities from entering into new leases (see note 14(a))	-	11,299	-	-	-	11,299
Interest on lease liabilities (see note 9)	-	2,993	-	-	-	2,993
Interest element of lease liabilities paid (included in "Net cash from operating activities")	-	(3,025)	-	-	-	(3,025)
Remeasurement / write off of lease liabilities	-	5,510	-	-	-	5,510
Relating to subsidiaries disposed (see note 34(d))	-	(5,651)	-	-	-	(5,651)
Exchange translation differences	12,801	5,690	529	-	-	19,020
At 31 December 2025	263,593	66,496	4,193	329	2,166	336,777

35 Share-based payments

Neither the Company nor its subsidiary companies had a share option scheme as at 31 December 2025, 31 December 2024, 31 December 2023, and 1 January 2023. Certain of the Company's associated companies have issued equity-settled and cash-settled share-based payments to certain employees. The aggregate amount of such share-based payments recognised by these companies during the current and comparative years is not material to the Group's results.

36 Pledge of assets

As at 31 December 2025, assets of the Group totalling HK\$1,571 million (31 December 2024: HK\$1,449 million; 31 December 2023: HK\$1,533 million; 1 January 2023: HK\$1,442 million) were pledged as security for bank and other debts.

37 Contingent liabilities and guarantees

As at 31 December 2025, the Company and its subsidiaries provided guarantees in respect of bank and other borrowing facilities to their associated companies and joint ventures totalling HK\$6,263 million (31 December 2024: HK\$10,753 million; 31 December 2023: HK\$4,560 million; 1 January 2023: HK\$4,856 million). The amounts utilised by these associated companies and joint ventures were as follows:

	31 December 2025 HK\$ million	31 December 2024 HK\$ million	31 December 2023 HK\$ million	1 January 2023 HK\$ million
To associated companies	5,975	8,444	3,661	3,527
To joint ventures	–	–	–	1,096

As at 31 December 2025, the Group had provided performance and other guarantees of HK\$5,849 million (31 December 2024: HK\$4,860 million; 31 December 2023: HK\$4,115 million; 1 January 2023: HK\$5,033 million).

38 Commitments

The Group's material outstanding commitments contracted for as at 31 December 2025, and not provided for in the consolidated financial statements, were as follows:

Capital commitments

- (a) Ports and Related Services: HK\$171 million (31 December 2024: HK\$235 million; 31 December 2023: HK\$462 million; 1 January 2023: HK\$582 million)
- (b) 3 Group Europe: HK\$117 million (31 December 2024: HK\$155 million; 31 December 2023: HK\$181 million; 1 January 2023: HK\$183 million)
- (c) Telecommunications, Hong Kong and Asia: HK\$748 million (31 December 2024: HK\$769 million; 31 December 2023: HK\$149 million; 1 January 2023: HK\$308 million)

39 Related parties transactions

Except as disclosed elsewhere in these financial statements, transactions between the Group and other related parties during the year were not significant to the Group. The outstanding balances with associated companies and joint ventures are disclosed in notes 18 and 19. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in these financial statements.

Other than emoluments paid to the directors of the Company (who are the key management personnel), no transactions were entered into with them during the year.

40 Legal proceedings

As at 31 December 2025, 31 December 2024, 31 December 2023, and 1 January 2023, the Group was not engaged in any material litigation or arbitration proceedings, and no material litigation or claim was known by the Group to be pending or threatened against it.

Notes to the Financial Statements

41 Events after the reporting period

Divestment of infrastructure investments

In January 2026, the Group completed the divestment of its entire 70% interest in UK Rails.

In February 2026, CKI, Power Assets, and CK Asset Holdings entered into an agreement to dispose of their respective 40%, 40%, and 20% interests in UK Power Networks. Completion of the transaction is subject to the satisfaction of conditions set out in the sale and purchase agreement.

Ports in Panama

On 23 February 2026, the official gazette of Panama published a ruling of the Supreme Court of Justice of Panama regarding Law No. 5 of 16 January 1997, more than 3 weeks after the announcement was made on 29 January 2026 (the "Ruling"), which determined that the relevant law pursuant to which the Group's concession to operate terminals at Balboa and Cristóbal was granted was unconstitutional and that the Group's concession was accordingly terminated. Also on 23 February 2026, the President of Panama issued an executive decree (the "Executive Decree") ordering the occupation by the Panama State of the two terminals and the confiscation of all property of the Group's subsidiary, Panama Ports Company, S.A. ("PPC") at the two terminals.

Representatives of the Panama State subsequently made direct physical entry into the terminals at Balboa and Cristóbal operated by PPC and took over administrative and operational control of the terminals.

As a consequence of the Ruling, the Executive Decree and the actions of the Panama State, PPC ceased all operations at the terminals at the two ports on 23 February 2026.

PPC has been advised that the Ruling, the Executive Decree and corresponding actions taken by the Panama State relating to the operations of PPC's terminals at the two ports are inconsistent with the relevant legal framework and the law of Panama that approved the concession contract.

The Group strongly disagrees with the Ruling, the Executive Decree and corresponding actions in Panama State. The Group is working with its legal counsel, has reserved all its rights, and is, and will continue, taking all legal steps properly available to it against Panama and any third parties colluding with Panama to protect the Group's interests including the commencement by PPC of international arbitration in New York against the Republic of Panama under the terms of the Balboa and Cristóbal concession, and a claim by the Company against the Republic of Panama under the UK-Panama bi-lateral investment treaty.

The Group will also continue to work to resolve its legal disputes with the Panamanian State and others relating to the Group's container terminal operations in Panama in a way that is fair and protects the interests of our shareholders.

Except as disclosed above, no other event occurring up to the date of approval of the 2025 Annual Financial Statements has been identified that may require material adjustment of, or disclosure in, these financial statements.

42 US dollar equivalents

Amounts in these financial statements are stated in Hong Kong dollars (HK\$), the functional currency of the Company. The translation into US dollars (US\$) of these consolidated financial statements as at, and for the year ended, 31 December 2025, is for convenience purposes only and has been made at the rate of HK\$7.8 to US\$1. This translation should not be construed as a representation that the Hong Kong dollars amounts represented have been, or could be, converted into US dollars at that or any other rate.

43 Rounding of amounts

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

44 Statement of financial position of the Company, as at 31 December 2025

	31 December 2025	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Non-current assets				
Subsidiary companies – Unlisted shares ^(a)	368,139	368,139	355,164	355,164
Current assets				
Amounts due from subsidiary companies ^(b)	25,731	21,216	17,660	15,575
Other receivables	1	1	1	1
Cash	7	7	12	8
Current liabilities				
Other payables and accruals	134	99	97	101
Net current assets	25,605	21,125	17,576	15,483
Net assets	393,744	389,264	372,740	370,647
Capital and reserves				
Share capital (see note 32(a))	3,830	3,830	3,830	3,830
Share premium (see note 32(a))	242,972	242,972	242,972	242,972
Reserves – Retained profit ^(c)	146,942	142,462	125,938	123,845
Shareholders' funds	393,744	389,264	372,740	370,647

Frank John Sixt
Director

Lai Kai Ming, Dominic
Director

Notes to the Financial Statements

44 Statement of financial position of the Company, as at 31 December 2025 (continued)

- (a) Particulars regarding the principal subsidiary companies are set forth on pages 343 to 346.
- (b) Amounts due from subsidiary companies are interest-free, unsecured and repayable on demand.
- (c) Reserves – Retained profit

	HK\$ million
At 1 January 2023	123,845
Profit for the year	12,963
Unclaimed dividends write back	15
Dividends paid relating to 2022	(7,989)
Dividends paid relating to 2023	(2,896)
At 31 December 2023	125,938
Profit for the year	25,948
Unclaimed dividends write back	9
Dividends paid relating to 2023	(6,798)
Dividends paid relating to 2024	(2,635)
At 31 December 2024	142,462
Profit for the year	12,989
Unclaimed dividends write back	9
Dividends paid relating to 2024	(5,799)
Dividends paid relating to 2025	(2,719)
At 31 December 2025	146,942

- (d) The Company did not have an option scheme for the purchase of ordinary shares in the Company as at 31 December 2025, 31 December 2024, 31 December 2023 or 1 January 2023.
- (e) The net profit of the Company for the year ended 31 December 2025 was HK\$12,989 million (31 December 2024: HK\$25,948 million; 31 December 2023: HK\$12,963 million), which is included in determining the profit attributable to ordinary shareholders of the Company in the consolidated income statement.
- (f) As at 31 December 2025, the Company's share premium account and retained earnings amounted to HK\$242,972 million (31 December 2024: HK\$242,972 million; 31 December 2023: HK\$242,972 million; 1 January 2023: HK\$242,972 million) and HK\$146,942 million (31 December 2024: HK\$142,462 million; 31 December 2023: HK\$125,938 million; 1 January 2023: HK\$123,845 million), respectively. Subject to a solvency test, these amounts are available for distribution to shareholders.

45 Financial risk management

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

(a) Cash management and funding

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

The Group continues to maintain a robust financial position. Cash, liquid funds and other listed investments ("Liquid assets") amounted to HK\$151,310 million at 31 December 2025 (31 December 2024: HK\$129,445 million; 31 December 2023: HK\$143,109 million; 1 January 2023: HK\$154,188 million). The increase was mainly reflecting proceeds received from disposal of subsidiary companies, cash arising from positive funds from operations of the Group's businesses and cash from new borrowings, partly offset by dividend payments to ordinary and non-controlling shareholders, repayment and early repayment of certain borrowings, capital expenditure and investment spending. Liquid assets were denominated as to 4% in HK dollar, 47% in US dollar, 3% in Renminbi, 29% in Euro, 8% in British Pound and 9% in other currencies (31 December 2024: 16% were denominated in HK dollar, 45% in US dollar, 3% in Renminbi, 23% in Euro, 5% in British Pound and 8% in other currencies; 31 December 2023: 17% were denominated in HK dollar, 45% in US dollar, 3% in Renminbi, 23% in Euro, 5% in British Pound and 7% in other currencies; 1 January 2023: 15% were denominated in HK dollar, 55% in US dollar, 3% in Renminbi, 14% in Euro, 7% in British Pound and 6% in other currencies).

Cash and cash equivalents represented 95% (31 December 2024: 94%; 31 December 2023: 89%; 1 January 2023: 90%) of the liquid assets, US Treasury notes and other listed debt securities 5% (31 December 2024: 5%; 31 December 2023: 5%; 1 January 2023: 4%) and listed equity securities of less than 1% (31 December 2024: 1%; 31 December 2023: 6%; 1 January 2023: 6%). The US Treasury notes and other listed debt securities, including those held under managed funds, consisted of US Treasury notes of 75% (31 December 2024: 74%; 31 December 2023: 72%; 1 January 2023: 73%), government and government guaranteed notes of 16% (31 December 2024: 22%; 31 December 2023: 25%; 1 January 2023: 23%) and others of 9% (31 December 2024: 4%; 31 December 2023: 3%; 1 January 2023: 4%). All of these US Treasury notes and other listed debt securities (31 December 2024: All; 31 December 2023: All; 1 January 2023: 99%) are rated at Aaa / AAA or Aa1 / AA+ with an average maturity of 3.1 years (31 December 2024: 1.1 years; 31 December 2023: 1.8 years; 1 January 2023: 2.6 years) on the overall portfolio. The Group has no exposure to mortgage-backed securities, collateralised debt obligations, or similar asset classes.

Notes to the Financial Statements

45 Financial risk management (continued)

(b) Interest rate exposure

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

At 31 December 2025, approximately 37% (31 December 2024: approximately 34%; 31 December 2023: approximately 34%; 1 January 2023: approximately 34%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 63% (31 December 2024: approximately 66%; 31 December 2023: approximately 66%; 1 January 2023: approximately 66%) were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK\$6,287 million (31 December 2024: HK\$3,129 million; 31 December 2023: HK\$3,461 million; 1 January 2023: HK\$21,360 million) principal amount of floating interest rate borrowings that were used to finance long term investments to fixed interest rate borrowings. After taking into consideration of these interest rate swaps, approximately 35% (31 December 2024: approximately 33%; 31 December 2023: approximately 32%; 1 January 2023: approximately 27%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 65% (31 December 2024: approximately 67%; 31 December 2023: approximately 68%; 1 January 2023: approximately 73%) were at fixed rates at 31 December 2025. All of the aforementioned interest rate derivatives are designated as hedges and these hedges are considered highly effective.

(c) Foreign currency exposure

For subsidiaries, associated companies, joint arrangements, branches and other investments (the activities of which are based or conducted in non-HK dollar or non-US dollar), the Group generally endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. For businesses (the activities of which are based or conducted in non-HK dollar or non-US dollar) that are in the development phase, or where borrowings in local currency are not or are no longer attractive, the Group may not borrow in the local currency or may repay existing borrowings and monitor the development of the businesses' cash flows and the relevant debt markets with a view to refinance these businesses with local currency borrowings in the future when conditions are more appropriate. Exposure to movements in exchange rates for individual transactions (such as major procurement contracts) directly related to its underlying businesses is minimised by using forward foreign exchange contracts and currency swaps where active markets for the relevant currencies exist. The Group generally does not enter into foreign currency hedges in respect of its long-term equity investments in foreign operations, except in relation to certain infrastructure investments. At 31 December 2025, the Group had foreign exchange forward contracts and cross currency swaps with banks to hedge these investments. The total notional amount of the net investment hedges amounted to HK\$50,717 million (31 December 2024: HK\$48,426 million; 31 December 2023: HK\$50,730 million; 1 January 2023: HK\$53,725 million).

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

As at 31 December 2025, the Group's total principal amount of bank and other debts are denominated as follows: 46% in US dollar, 31% in Euro, 12% in HK dollar, 3% in British Pound and 8% in other currencies (31 December 2024: 51% in US dollar, 30% in Euro; 6% in HK dollar, 5% in British Pound and 8% in other currencies; 31 December 2023: 49% in US dollar, 33% in Euro, 5% in HK dollar, 5% in British Pound and 8% in other currencies; 1 January 2023: 49% in US dollar, 35% in Euro, 2% in HK dollar, 5% in British Pound and 9% in other currencies). As at 31 December 2025, no currency swap agreement is arranged with bank to swap the principal amount of borrowings. For the comparative years, the Group had currency swap arrangements with banks to swap US dollar or British Pound principal amount of borrowings (31 December 2024: British Pound principal amount of borrowings equivalent to HK\$4,920 million; 31 December 2023: British Pound principal amount of borrowings equivalent to HK\$4,970 million; 1 January 2023: US dollar principal amount of borrowings equivalent to HK\$15,990 million and British Pound principal amount of borrowings equivalent to HK\$4,730 million) to Euro principal amount of borrowings to reflect currency exposures of its underlying businesses. The Group's total principal amount of bank and other debts for the comparative years, after the above swaps, were denominated as follows: 31 December 2024: 51% in US dollar, 32% in Euro, 6% in HK dollar, 3% in British Pound and 8% in other currencies; 31 December 2023: 49% in US dollar, 34% in Euro, 5% in HK dollar, 4% in British Pound and 8% in other currencies; 1 January 2023: 43% in US dollar, 42% in Euro, 2% in HK dollar, 4% in British Pound and 9% in other currencies.

45 Financial risk management (continued)

(d) Credit exposure

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

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

(e) Market price risk

The Group's main market price risk exposures relate to listed debt and equity securities as described in "liquid assets" above and the interest rate swaps described in "interest rate exposure" above. The Group's holding of listed debt and equity securities represented approximately 5% (31 December 2024: approximately 6%; 31 December 2023: approximately 11%; 1 January 2023: approximately 10%) of the liquid assets. The Group controls this risk through active monitoring of price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

(f) Market risks sensitivity analysis

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

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

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

Notes to the Financial Statements

45 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

(i) Interest rate sensitivity analysis

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

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

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

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

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

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

- cash and cash equivalents (see note 24)
- some of the listed debt securities and managed funds (see note 21) carried at fair value that bear interest at fixed rate
- some of the listed debt securities and managed funds (see note 21) that bear interest at floating rate
- some of the bank and other debts (see note 26) that bear interest at floating rate
- interest-bearing loans from non-controlling shareholders (see note 29)

Under these assumptions, the impact of a hypothetical 100 basis points (31 December 2024: 100 basis points; 31 December 2023: 100 basis points) increase in market interest rate at 31 December 2025, with all other variables held constant:

- profit for the year would increase by HK\$441 million (31 December 2024: HK\$327 million; 31 December 2023: HK\$334 million) due to increased interest income offset with increased interest expense;
- total equity would increase by HK\$441 million (31 December 2024: HK\$327 million; 31 December 2023: HK\$334 million) due to increased interest income offset with increased interest expense; and
- total equity would increase by HK\$205 million (31 December 2024: HK\$4 million; 31 December 2023: HK\$45 million) due to the change in fair value of derivative financial instruments.

45 Financial risk management *(continued)*

(f) Market risks sensitivity analysis *(continued)*

(ii) Foreign currency exchange rate sensitivity analysis

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

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

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

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

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

- some of the cash and cash equivalents (see note 24)
- some of the liquid funds and other listed investments (see note 21)
- some of the bank and other debts (see note 26)

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

Notes to the Financial Statements

45 Financial risk management (continued)

(f) Market risks sensitivity analysis (continued)

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

	31 December 2025	
	Hypothetical increase (decrease) in profit for the year	Hypothetical increase (decrease) in total equity
	HK\$ million	HK\$ million
Euro	150	(325)
British Pound	459	(797)
Australian dollar	38	(368)
Renminbi	13	13
US dollar	2,559	2,559
Japanese Yen	(38)	(38)

	31 December 2024	
	Hypothetical increase (decrease) in profit for the year	Hypothetical increase (decrease) in total equity
	HK\$ million	HK\$ million
Euro	159	(264)
British Pound	83	(1,118)
Australian dollar	40	(335)
Renminbi	45	45
US dollar	2,133	2,133
Japanese Yen	(39)	(39)

	31 December 2023	
	Hypothetical increase (decrease) in profit for the year	Hypothetical increase (decrease) in total equity
	HK\$ million	HK\$ million
Euro	172	(264)
British Pound	144	(1,078)
Australian dollar	43	(368)
Renminbi	68	68
US dollar	2,182	2,182
Japanese Yen	(83)	(83)

45 Financial risk management *(continued)*

(f) Market risks sensitivity analysis *(continued)*

(iii) Other price sensitivity analysis

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

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

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

- financial assets at FVOCI (see note 21)

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

- no impact to profit for the year (31 December 2024: nil; 31 December 2023: nil), and consequently no impact to total equity for the year (31 December 2024: nil; 31 December 2023: nil); and
- other comprehensive income would increase by HK\$375 million (31 December 2024: HK\$405 million; 31 December 2023: HK\$787 million) due to the increase in gains on financial assets at FVOCI, and consequently, total equity would increase by the same amount for all years.

Notes to the Financial Statements

45 Financial risk management *(continued)*

(g) Contractual maturities of financial liabilities

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

Non-derivative financial liabilities:

	Contractual maturities					Carrying amounts HK\$ million
	Within 1 year	After 1 year, but within 5 years	After 5 years	Total undiscounted cash flows	Difference from carrying amounts	
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
At 31 December 2025						
Trade payables	22,632	–	–	22,632	–	22,632
Expenses and other accruals	33,117	–	–	33,117	–	33,117
Other payables	16,379	–	–	16,379	–	16,379
Interest free loans from non-controlling shareholders	329	–	–	329	–	329
Lease liabilities	15,485	33,080	35,814	84,379	(17,883)	66,496
Bank loans	17,908	80,017	–	97,925	(204)	97,721
Other loans	4	16	52	72	–	72
Notes and bonds	20,138	80,703	64,525	165,366	434	165,800
Interest-bearing loans from non-controlling shareholders	–	4,180	13	4,193	–	4,193
Obligations for telecommunications licences and other rights	480	1,569	1,610	3,659	(250)	3,409
Liabilities relating to the economic benefits agreements	–	2,166	–	2,166	–	2,166
Amounts due to associated companies	2,066	839	–	2,905	–	2,905
Amounts due to joint ventures	220	–	–	220	–	220
	128,758	202,570	102,014	433,342	(17,903)	415,439

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK\$8,393 million in “within 1 year” maturity band, HK\$18,963 million in “after 1 year, but within 5 years” maturity band, and HK\$14,062 million in “after 5 years” maturity band. These estimates are calculated assuming the effect of hedging transactions and interest rates with respect to variable rate financial liabilities remain constant and there is no change in the aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

Derivative financial liabilities:

	Contractual maturities			
	Within 1 year	After 1 year, but within 5 years	After 5 years	Total undiscounted cash flows
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
At 31 December 2025				
Cash flow hedges				
Interest rate swaps				
Outflow	(5)	(7)	–	(12)
Other contracts				
Outflow	(10)	(3)	–	(13)
Net investment hedges				
Forward foreign exchange contracts				
Inflow	28,839	–	–	28,839
Outflow	(29,264)	–	–	(29,264)
Cross currency swaps				
Inflow	–	4,917	7,500	12,417
Outflow	–	(5,017)	(7,827)	(12,844)

45 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

Non-derivative financial liabilities:

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

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

Derivative financial liabilities:

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

Notes to the Financial Statements

45 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

Non-derivative financial liabilities:

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

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

Derivative financial liabilities:

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

45 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

Non-derivative financial liabilities:

	Contractual maturities				Difference from carrying amounts HK\$ million	Carrying amounts HK\$ million
	Within 1 year HK\$ million	After 1 year, but within 5 years HK\$ million	After 5 years HK\$ million	Total undiscounted cash flows HK\$ million		
At 1 January 2023						
Trade payables	21,356	–	–	21,356	–	21,356
Expenses and other accruals	35,995	–	–	35,995	–	35,995
Other payables	21,419	–	–	21,419	–	21,419
Interest free loans from non-controlling shareholders	472	–	–	472	–	472
Lease liabilities	13,063	30,683	39,922	83,668	(17,609)	66,059
Bank loans	40,697	53,806	–	94,503	(235)	94,268
Other loans	4	166	59	229	–	229
Notes and bonds	29,505	76,860	82,510	188,875	954	189,829
Interest-bearing loans from non-controlling shareholders	743	1,824	–	2,567	–	2,567
Obligations for telecommunications licences and other rights	682	1,585	2,128	4,395	(406)	3,989
Liabilities relating to the economic benefits agreements	–	2,166	–	2,166	–	2,166
Amounts due to associated companies	569	–	–	569	–	569
Amounts due to joint ventures	319	–	–	319	–	319
	164,824	167,090	124,619	456,533	(17,296)	439,237

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

Derivative financial liabilities:

	Contractual maturities			
	Within 1 year HK\$ million	After 1 year, but within 5 years HK\$ million	After 5 years HK\$ million	Total undiscounted cash flows HK\$ million
At 1 January 2023				
Cash flow hedges				
Forward foreign exchange contracts				
Net outflow	(2)	–	–	(2)
Other contracts				
Outflow	(151)	–	–	(151)
Net investment hedges				
Forward foreign exchange contracts				
Inflow	22,223	–	–	22,223
Outflow	(23,187)	–	–	(23,187)
Cross currency swaps				
Inflow	48	3,494	–	3,542
Outflow	–	(3,735)	–	(3,735)
Other derivative financial instruments				
Net outflow	(821)	–	–	(821)

Notes to the Financial Statements

45 Financial risk management (continued)

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

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
Dividends from equity securities at FVOCI – related to investments held at the end of the reporting period	146	114	142
Interest from debt securities at FVOCI	180	111	104
Interest from cash and cash equivalents held at amortised cost	4,277	5,834	5,616
Fair value losses on equity securities at fair value through profit or loss ("FVPL")	(385)	–	(103)
Fair value gains (losses) on debt securities at FVPL	(95)	(15)	13
Net impairment expense recognised on trade receivables	(576)	(685)	(612)

(i) Hedge accounting

- (i) Fair value hedges

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

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

45 Financial risk management (continued)

(i) Hedge accounting (continued)

(i) Fair value hedges (continued)

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

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

1 January 2023				
Hedging instruments	Number of hedged shares in million	Carrying amount of the hedging instrument HK\$ million	Change in value used for calculating hedge ineffectiveness HK\$ million	Line item in the statement of financial position in which the hedging instrument is included
Collar agreements	32.4	216	216	Liquid funds and other listed investments

1 January 2023				
Hedged items		Carrying amount of the hedged item HK\$ million	Change in value used for calculating hedge ineffectiveness HK\$ million	Line item in the statement of financial position in which the hedged item is included
Listed equity securities, outside Hong Kong		8,317	(1,409)	Liquid funds and other listed investments

Notes to the Financial Statements

45 Financial risk management (continued)

(i) Hedge accounting (continued)

(ii) Cash flow hedges

31 December 2025								
Hedging instruments	Receive average contracted interest rate Percentage	Pay average contracted interest rate Percentage	Notional amount in local currency million	Notional Amount HK\$ million	Carrying amount of derivatives included in			
					Other current assets HK\$ million	Other non-current assets HK\$ million	Other current liabilities HK\$ million	Other non-current liabilities HK\$ million
Interest rate swaps								
– receive floating and pay fixed maturing in								
2028	3.62%	3.99%	NZD 175	791	–	–	–	(9)
2029	2.63%	2.78%	EUR 600	5,496	–	22	–	–
				6,287	–	22	–	(9)

31 December 2025							
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK\$ million	Carrying amount of derivatives included in			
				Other current assets HK\$ million	Other non-current assets HK\$ million	Other current liabilities HK\$ million	Other non-current liabilities HK\$ million
Forward foreign exchange contracts maturing in							
2026	1.17	US\$ 178	1,391	–	–	–	–
			1,391	–	–	–	–

31 December 2025			
Hedged items	Change in value used for calculating hedge ineffectiveness HK\$ million	Surplus (deficit) in reserve for continuing hedges HK\$ million	Surplus (deficit) in hedging reserve arising from hedging relationships for which hedge accounting is no longer applied HK\$ million
Interest rate risk	(6)	(13)	–
Foreign exchange risk	85	(2)	–

45 Financial risk management (continued)

(i) Hedge accounting (continued)

(ii) Cash flow hedges (continued)

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

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

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

Notes to the Financial Statements

45 Financial risk management (continued)

(i) Hedge accounting (continued)

(ii) Cash flow hedges (continued)

31 December 2023								
Hedging instruments	Receive average contracted interest rate Percentage	Pay average contracted interest rate Percentage	Notional amount in local currency million	Notional Amount HK\$ million	Carrying amount of derivatives included in			
					Other current assets HK\$ million	Other non-current assets HK\$ million	Other current liabilities HK\$ million	Other non-current liabilities HK\$ million
Interest rate swaps								
– receive floating and pay fixed maturing in								
2025	5.14%	3.58%	AUD 509	2,718	–	40	–	–
2025	6.45%	5.69%	NZD 150	743	–	12	–	–
				3,461	–	52	–	–
Cross currency interest rate swaps								
– receive fixed and pay fixed maturing in								
2027	2.00%	0.05%	GBP 500	4,970	–	150	–	–
				4,970	–	150	–	–
31 December 2023								
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK\$ million	Carrying amount of derivatives included in				
				Other current assets HK\$ million	Other non-current assets HK\$ million	Other current liabilities HK\$ million	Other non-current liabilities HK\$ million	
Forward foreign exchange contracts maturing in								
2024	1.08	US\$ 13	98	–	–	(2)	–	
			98	–	–	(2)	–	
31 December 2023								
Hedged items	Change in value used for calculating hedge ineffectiveness HK\$ million	Surplus (deficit) in reserve for continuing hedges HK\$ million	Surplus (deficit) in hedging reserve arising from hedging relationships for which hedge accounting is no longer applied HK\$ million					
			Surplus (deficit) in reserve for continuing hedges HK\$ million	Surplus (deficit) in hedging reserve arising from hedging relationships for which hedge accounting is no longer applied HK\$ million				
Interest rate risk		185	(41)	–				
Foreign exchange risk		558	(328)	–				

45 Financial risk management (continued)

(i) Hedge accounting (continued)

(ii) Cash flow hedges (continued)

1 January 2023								
Hedging instruments	Receive average contracted interest rate Percentage	Pay average contracted interest rate Percentage	Notional amount in local currency million	Notional Amount HK\$ million	Carrying amount of derivatives included in			
					Other current assets HK\$ million	Other non-current assets HK\$ million	Other current liabilities HK\$ million	Other non-current liabilities HK\$ million
Interest rate swaps								
– receive floating and pay fixed maturing in								
2023	2.95%	0.94%	US\$ 1,000	7,800	153	–	–	–
2025	3.81%	3.58%	AUD 509	2,682	–	64	–	–
2025	5.43%	5.13%	NZD 150	738	–	20	–	–
				11,220	153	84	–	–
Cross currency interest rate swaps								
– receive floating and pay fixed maturing in								
2023	2.37%	0.05%	US\$ 1,300	10,140	277	–	–	–
– receive fixed and pay fixed maturing in								
2023	2.75%	0.03%	US\$ 750	5,850	345	–	–	–
2027	2.00%	0.05%	GBP 500	4,730	–	132	–	–
				20,720	622	132	–	–
1 January 2023								
Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK\$ million	Carrying amount of derivatives included in				
				Other current assets HK\$ million	Other non-current assets HK\$ million	Other current liabilities HK\$ million	Other non-current liabilities HK\$ million	
Forward foreign exchange contracts maturing in								
2023	0.94	EUR 85	709	1	–	–	–	
2023	1.01	US\$ 4	35	–	–	(2)	–	
			744	1	–	(2)	–	
1 January 2023								
Hedged items	Change in value used for calculating hedge ineffectiveness HK\$ million		Surplus (deficit) in reserve for continuing hedges HK\$ million		Surplus (deficit) in hedging reserve arising from hedging relationships for which hedge accounting is no longer applied HK\$ million			
Interest rate risk	(362)		(226)		–			
Foreign exchange risk	(1,107)		(886)		–			

Notes to the Financial Statements

45 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges

31 December 2025

Hedging instruments	Average exchange rate	Notional amount in local currency million	Notional Amount HK\$ million	Carrying amount of derivatives included in			
				Other current assets HK\$ million	Other non-current assets HK\$ million	Other current liabilities HK\$ million	Other non-current liabilities HK\$ million
Forward foreign exchange contracts maturing in							
2026	5.68	CAD 417	2,358	18	–	(34)	–
2026	5.19	AUD 159	827	–	–	(3)	–
2026	4.66	NZD 280	1,266	41	–	–	–
2026	10.31	GBP 2,414	25,326	31	–	(448)	–
2026	9.16	EUR 82	754	–	–	(6)	–
			30,531	90	–	(491)	–
Cross currency swaps maturing in							
2026 – 2031	5.48	CAD 708	4,004	–	–	–	(87)
2026 – 2031	8.85	EUR 965	8,839	–	–	–	(281)
2027	5.86	AUD 1,415	7,343	–	874	–	–
			20,186	–	874	–	(368)

31 December 2025

Hedged items	Change in value used for calculating hedge ineffectiveness HK\$ million	Surplus (deficit) in hedging reserve / exchange reserve for continuing hedges HK\$ million	Surplus (deficit) in hedging reserve / exchange reserve arising from hedging relationships for which hedge accounting is no longer applied HK\$ million
Foreign investments	2,947	(5,481)	(716)

45 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges (continued)

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

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

Notes to the Financial Statements

45 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges (continued)

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

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

45 Financial risk management (continued)

(i) Hedge accounting (continued)

(iii) Net investment hedges (continued)

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

1 January 2023			
Hedged items	Change in value used for calculating hedge ineffectiveness HK\$ million	Surplus (deficit) in hedging reserve / exchange reserve for continuing hedges HK\$ million	Surplus (deficit) in hedging reserve / exchange reserve arising from hedging relationships for which hedge accounting is no longer applied HK\$ million
Foreign investments	(4,333)	(8,703)	(716)

Notes to the Financial Statements

45 Financial risk management (continued)

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

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

			31 December 2025	
	Note	Classification under IFRS 9	Carrying amounts HK\$ million	Fair values HK\$ million
Financial assets				
Liquid funds and other listed investments				
Cash and cash equivalents (included in Managed funds)	21	Amortised cost	60	60
Listed equity securities, Hong Kong	21	FVOCI	330	330
Listed equity securities, outside Hong Kong	21	FVOCI	11	11
Listed debt securities (included in Managed funds)	21	FVOCI	7,161	7,161
Unlisted investments				
Unlisted equity securities	22	FVOCI	6,360	6,360
Unlisted equity securities	22	FVPL	54	54
Unlisted debt securities	22	FVPL	326	326
Derivative financial instruments				
Cash flow hedges				
Interest rate swaps	22	Fair value – hedges	22	22
Other contracts	25	Fair value – hedges	2	2
Net investment hedges				
Forward foreign exchange contracts	25	Fair value – hedges	90	90
Cross currency swaps	22	Fair value – hedges	874	874
Lease receivables	22	Amortised cost	832	832
Cash and cash equivalents	24	Amortised cost	143,748	143,748
Trade receivables	25	Amortised cost	14,952	14,952
Other receivables	25	Amortised cost	11,711	11,711
Amounts due from associated companies	18	Amortised cost	3,017	3,017
Amounts due from joint ventures	19	Amortised cost	16,996	16,996
			206,546	206,546

45 Financial risk management (continued)

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

			31 December 2025	
	Note	Classification under IFRS 9	Carrying amounts HK\$ million	Fair values HK\$ million
Financial liabilities				
Bank and other debts ⁽ⁱ⁾	26	Amortised cost	263,593	257,112
Trade payables	27	Amortised cost	22,632	22,632
Derivative financial instruments				
Cash flow hedges				
Interest rate swaps	31	Fair value – hedges	9	9
Other contracts	27	Fair value – hedges	2	2
Net investment hedges				
Forward foreign exchange contracts	27	Fair value – hedges	491	491
Cross currency swaps	31	Fair value – hedges	368	368
Other derivative financial instruments	31	FVPL	148	148
Interest free loans from non-controlling shareholders	27	Amortised cost	329	329
Expenses and other accruals	27	Amortised cost	33,117	33,117
Other payables	27	Amortised cost	16,379	16,379
Lease liabilities	14	Amortised cost	66,496	66,496
Interest-bearing loans from non-controlling shareholders	29	Amortised cost	4,193	4,193
Obligations for telecommunications licences and other rights	27 & 31	Amortised cost	3,409	3,409
Liabilities relating to the economic benefits agreements	31	Amortised cost	2,166	2,166
Amounts due to associated companies	18	Amortised cost	2,905	2,905
Amounts due to joint ventures	19	Amortised cost	220	220
			416,457	409,976

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

			31 December 2025	
			Carrying amounts HK\$ million	Fair values HK\$ million
Representing:				
Financial assets measured at				
Amortised cost			191,316	191,316
FVOCI			13,862	13,862
FVPL			380	380
Fair value – hedges			988	988
			206,546	206,546
Financial liabilities measured at				
Amortised cost			415,439	408,958
FVPL			148	148
Fair value – hedges			870	870
			416,457	409,976

Notes to the Financial Statements

45 Financial risk management (continued)

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

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

			31 December 2024	
	Note	Classification under IFRS 9	Carrying amounts HK\$ million	Fair values HK\$ million
Financial assets				
Liquid funds and other listed investments				
Cash and cash equivalents (included in Managed funds)	21	Amortised cost	34	34
Listed equity securities, Hong Kong	21	FVOCI	536	536
Listed equity securities, outside Hong Kong	21	FVOCI	747	747
Listed debt securities (included in Managed funds)	21	FVOCI	6,825	6,825
Unlisted investments				
Unlisted equity securities	22	FVOCI	1,933	1,933
Unlisted equity securities	22	FVPL	366	366
Unlisted debt securities	22	FVPL	414	414
Derivative financial instruments				
Fair value hedges – collar agreements	25	Fair value – hedges	14	14
Cash flow hedges				
Interest rate swaps	25	Fair value – hedges	7	7
Cross currency interest rate swaps	22	Fair value – hedges	227	227
Forward foreign exchange contracts	25	Fair value – hedges	5	5
Other contracts	25	Fair value – hedges	1	1
Net investment hedges				
Forward foreign exchange contracts	25	Fair value – hedges	436	436
Cross currency swaps	22 & 25	Fair value – hedges	1,360	1,360
Lease receivables	22	Amortised cost	875	875
Cash and cash equivalents	24	Amortised cost	121,303	121,303
Trade receivables	25	Amortised cost	15,327	15,327
Other receivables	25	Amortised cost	12,169	12,169
Amounts due from associated companies	18	Amortised cost	1,671	1,671
Amounts due from joint ventures	19	Amortised cost	16,953	16,953
			181,203	181,203

45 Financial risk management (continued)

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

	Note	Classification under IFRS 9	31 December 2024	
			Carrying amounts HK\$ million	Fair values HK\$ million
Financial liabilities				
Bank and other debts ⁽ⁱ⁾	26	Amortised cost	256,392	239,786
Trade payables	27	Amortised cost	21,861	21,861
Derivative financial instruments				
Cash flow hedges				
Other contracts	27	Fair value – hedges	5	5
Net investment hedges				
Forward foreign exchange contracts	27	Fair value – hedges	155	155
Cross currency swaps	27 & 31	Fair value – hedges	240	240
Other derivative financial instruments	31	FVPL	91	91
Interest free loans from non-controlling shareholders	27	Amortised cost	349	349
Expenses and other accruals	27	Amortised cost	33,411	33,411
Other payables	27	Amortised cost	19,104	19,104
Lease liabilities	14	Amortised cost	64,519	64,519
Interest-bearing loans from non-controlling shareholders	29	Amortised cost	3,471	3,471
Obligations for telecommunications licences and other rights	27 & 31	Amortised cost	3,983	3,983
Liabilities relating to the economic benefits agreements	31	Amortised cost	2,166	2,166
Amounts due to associated companies	18	Amortised cost	535	535
Amounts due to joint ventures	19	Amortised cost	270	270
			406,552	389,946

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

	31 December 2024	
	Carrying amounts HK\$ million	Fair values HK\$ million
Representing:		
Financial assets measured at		
Amortised cost	168,332	168,332
FVOCI	10,041	10,041
FVPL	780	780
Fair value – hedges	2,050	2,050
	181,203	181,203
Financial liabilities measured at		
Amortised cost	406,061	389,455
FVPL	91	91
Fair value – hedges	400	400
	406,552	389,946

Notes to the Financial Statements

45 Financial risk management (continued)

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

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

	Note	Classification under IFRS 9	31 December 2023	
			Carrying amounts HK\$ million	Fair values HK\$ million
Financial assets				
Liquid funds and other listed investments				
Cash and cash equivalents (included in Managed funds)	21	Amortised cost	50	50
Listed equity securities, Hong Kong	21	FVOCI	608	608
Listed equity securities, outside Hong Kong	21	FVOCI	8,589	8,589
Listed equity securities (included in Managed funds)	21	FVOCI	6,539	6,539
Unlisted investments				
Unlisted equity securities	22	FVOCI	2,189	2,189
Unlisted equity securities	22	FVPL	369	369
Unlisted debt securities	22	FVPL	604	604
Derivative financial instruments				
Cash flow hedges				
Interest rate swaps	22	Fair value – hedges	52	52
Cross currency interest rate swaps	22	Fair value – hedges	150	150
Other contracts	25	Fair value – hedges	26	26
Net investment hedges				
Forward foreign exchange contracts	25	Fair value – hedges	201	201
Cross currency swaps	22 & 25	Fair value – hedges	908	908
Lease receivables	22	Amortised cost	507	507
Cash and cash equivalents	24	Amortised cost	127,323	127,323
Trade receivables	25	Amortised cost	16,297	16,297
Other receivables	25	Amortised cost	13,491	13,491
Amounts due from associated companies	18	Amortised cost	3,435	3,435
Amounts due from joint ventures	19	Amortised cost	22,377	22,377
			203,715	203,715

45 Financial risk management (continued)

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

	Note	Classification under IFRS 9	31 December 2023	
			Carrying amounts HK\$ million	Fair values HK\$ million
Financial liabilities				
Bank and other debts ⁽ⁱ⁾	26	Amortised cost	271,922	258,853
Trade payables	27	Amortised cost	23,017	23,017
Derivative financial instruments				
Fair value hedges – collar agreements	27 & 31	Fair value – hedges	356	356
Cash flow hedges				
Forward foreign exchange contracts	27	Fair value – hedges	2	2
Other contracts	27 & 31	Fair value – hedges	114	114
Net investment hedges				
Forward foreign exchange contracts	27	Fair value – hedges	1,072	1,072
Cross currency swaps	31	Fair value – hedges	465	465
Interest free loans from non-controlling shareholders	27	Amortised cost	438	438
Expenses and other accruals	27	Amortised cost	36,471	36,471
Other payables	27	Amortised cost	16,888	16,888
Lease liabilities	14	Amortised cost	67,923	67,923
Interest-bearing loans from non-controlling shareholders	29	Amortised cost	3,245	3,245
Obligations for telecommunications licences and other rights	27 & 31	Amortised cost	4,615	4,615
Liabilities relating to the economic benefits agreements	31	Amortised cost	2,166	2,166
Amounts due to associated companies	18	Amortised cost	543	543
Amounts due to joint ventures	19	Amortised cost	310	310
			429,547	416,478

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

	31 December 2023	
	Carrying amounts HK\$ million	Fair values HK\$ million
Representing:		
Financial assets measured at		
Amortised cost	183,480	183,480
FVOCI	17,925	17,925
FVPL	973	973
Fair value – hedges	1,337	1,337
	203,715	203,715
Financial liabilities measured at		
Amortised cost	427,538	414,469
Fair value – hedges	2,009	2,009
	429,547	416,478

Notes to the Financial Statements

45 Financial risk management (continued)

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

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

	Note	Classification under IFRS 9	1 January 2023	
			Carrying amounts HK\$ million	Fair values HK\$ million
Financial assets				
Liquid funds and other listed investments				
Cash and cash equivalents (included in Managed funds)	21	Amortised cost	40	40
Listed equity securities, Hong Kong	21	FVOCI	608	608
Listed equity securities, outside Hong Kong	21	FVOCI	8,880	8,880
Fair value hedges – collar agreements	21	Fair value – hedges	216	216
Listed equity securities (included in Managed funds)	21	FVOCI	6,359	6,359
Unlisted investments				
Unlisted equity securities	22	FVOCI	2,451	2,451
Unlisted equity securities	22	FVPL	417	417
Unlisted debt securities	22	FVPL	555	555
Derivative financial instruments				
Cash flow hedges				
Interest rate swaps	22 & 25	Fair value – hedges	237	237
Cross currency interest rate swaps	22 & 25	Fair value – hedges	754	754
Forward foreign exchange contracts	25	Fair value – hedges	1	1
Other contracts	22 & 25	Fair value – hedges	3,248	3,248
Net investment hedges				
Cross currency interest rate swaps	25	Fair value – hedges	112	112
Forward foreign exchange contracts	25	Fair value – hedges	44	44
Cross currency swaps	22 & 25	Fair value – hedges	1,173	1,173
Lease receivables	22	Amortised cost	542	542
Cash and cash equivalents	24	Amortised cost	138,085	138,085
Trade receivables	25	Amortised cost	14,945	14,945
Other receivables	25	Amortised cost	13,433	13,433
Amounts due from associated companies	18	Amortised cost	3,542	3,542
Amounts due from joint ventures	19	Amortised cost	29,792	29,792
			225,434	225,434

45 Financial risk management (continued)

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

			1 January 2023	
	Note	Classification under IFRS 9	Carrying amounts HK\$ million	Fair values HK\$ million
Financial liabilities				
Bank and other debts ⁽ⁱ⁾	26	Amortised cost	284,326	265,418
Trade payables	27	Amortised cost	21,356	21,356
Derivative financial instruments				
Cash flow hedges				
Forward foreign exchange contracts	27	Fair value – hedges	2	2
Other contracts	27	Fair value – hedges	151	151
Net investment hedges				
Forward foreign exchange contracts	27	Fair value – hedges	891	891
Cross currency swaps	31	Fair value – hedges	314	314
Other derivative financial instruments	27	FVPL	795	795
Interest free loans from non-controlling shareholders	27	Amortised cost	472	472
Expenses and other accruals	27	Amortised cost	35,995	35,995
Other payables	27	Amortised cost	21,419	21,419
Lease liabilities	14	Amortised cost	66,059	66,059
Interest-bearing loans from non-controlling shareholders	29	Amortised cost	2,567	2,567
Obligations for telecommunications licences and other rights	27 & 31	Amortised cost	3,989	3,989
Liabilities relating to the economic benefits agreements	31	Amortised cost	2,166	2,166
Amounts due to associated companies	18	Amortised cost	569	569
Amounts due to joint ventures	19	Amortised cost	319	319
			441,390	422,482

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

			1 January 2023	
			Carrying amounts HK\$ million	Fair values HK\$ million
Representing:				
Financial assets measured at				
Amortised cost			200,379	200,379
FVOCI			18,298	18,298
FVPL			972	972
Fair value – hedges			5,785	5,785
			225,434	225,434
Financial liabilities measured at				
Amortised cost			439,237	420,329
FVPL			795	795
Fair value – hedges			1,358	1,358
			441,390	422,482

Notes to the Financial Statements

45 Financial risk management (continued)

(k) Fair value measurements

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

Fair value hierarchy

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

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

		31 December 2025			
		Level 1	Level 2	Level 3	Total
		Note	HK\$ million	HK\$ million	HK\$ million
Financial assets					
Liquid funds and other listed investments					
		21	330	–	330
		21	11	–	11
		21	7,161	–	7,161
Unlisted investments					
		22	–	6,360	6,360
		22	–	46	54
		22	–	326	326
Derivative financial instruments					
Cash flow hedges					
		22	–	22	22
		25	–	2	2
Net investment hedges					
		25	–	90	90
		22	–	874	874
			7,502	1,034	6,694
					15,230
Financial liabilities					
Derivative financial instruments					
Cash flow hedges					
		31	–	9	9
		27	–	2	2
Net investment hedges					
		27	–	491	491
		31	–	368	368
		31	–	148	148
			–	1,018	–
					1,018

45 Financial risk management *(continued)*

(k) Fair value measurements *(continued)*

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

Fair value hierarchy (continued)

		31 December 2024			
	Note	Level 1 HK\$ million	Level 2 HK\$ million	Level 3 HK\$ million	Total HK\$ million
Financial assets					
Liquid funds and other listed investments					
Listed equity securities, Hong Kong	21	536	–	–	536
Listed equity securities, outside Hong Kong	21	747	–	–	747
Listed debt securities (included in Managed funds)	21	6,825	–	–	6,825
Unlisted investments					
Unlisted equity securities – FVOCI	22	–	–	1,933	1,933
Unlisted equity securities – FVPL	22	–	46	320	366
Unlisted debt securities	22	–	–	414	414
Derivative financial instruments					
Fair value hedges – collar agreements	25	–	–	14	14
Cash flow hedges					
Interest rate swaps	25	–	7	–	7
Cross currency interest rate swaps	22	–	227	–	227
Forward foreign exchange contracts	25	–	5	–	5
Other contracts	25	–	1	–	1
Net investment hedges					
Forward foreign exchange contracts	25	–	436	–	436
Cross currency swaps	22 & 25	–	1,360	–	1,360
		8,108	2,082	2,681	12,871
Financial liabilities					
Derivative financial instruments					
Cash flow hedges					
Other contracts	27	–	5	–	5
Net investment hedges					
Forward foreign exchange contracts	27	–	155	–	155
Cross currency swaps	27 & 31	–	240	–	240
Other derivative financial instruments	31	–	91	–	91
		–	491	–	491

Notes to the Financial Statements

45 Financial risk management (continued)

(k) Fair value measurements (continued)

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

Fair value hierarchy (continued)

		31 December 2023			
		Level 1	Level 2	Level 3	Total
		HK\$ million	HK\$ million	HK\$ million	HK\$ million
Note					
Financial assets					
Liquid funds and other listed investments					
	Listed equity securities, Hong Kong	21	608	–	–
	Listed equity securities, outside Hong Kong	21	8,589	–	–
	Listed debt securities (included in Managed funds)	21	6,539	–	–
Unlisted investments					
	Unlisted equity securities – FVOCI	22	–	–	2,189
	Unlisted equity securities – FVPL	22	–	46	323
	Unlisted debt securities	22	–	–	604
Derivative financial instruments					
Cash flow hedges					
	Interest rate swaps	22	–	52	–
	Cross currency interest rate swaps	22	–	150	–
	Other contracts	25	–	26	–
Net investment hedges					
	Forward foreign exchange contracts	25	–	201	–
	Cross currency swaps	22 & 25	–	908	–
		15,736	1,383	3,116	20,235
Financial liabilities					
Derivative financial instruments					
	Fair value hedges – collar agreement	27 & 31	–	–	356
Cash flow hedges					
	Forward foreign exchange contracts	27	–	2	–
	Other contracts	27 & 31	–	114	–
Net investment hedges					
	Forward foreign exchange contracts	27	–	1,072	–
	Cross currency swaps	31	–	465	–
		–	1,653	356	2,009

45 Financial risk management *(continued)*

(k) Fair value measurements *(continued)*

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

Fair value hierarchy (continued)

		1 January 2023			
	Note	Level 1 HK\$ million	Level 2 HK\$ million	Level 3 HK\$ million	Total HK\$ million
Financial assets					
Liquid funds and other listed investments					
Listed equity securities, Hong Kong	21	608	–	–	608
Listed equity securities, outside Hong Kong	21	8,880	–	–	8,880
Fair value hedges – collar agreement	21	–	–	216	216
Listed debt securities (included in Managed funds)	21	6,359	–	–	6,359
Unlisted investments					
Unlisted equity securities – FVOCI	22	–	–	2,451	2,451
Unlisted equity securities – FVPL	22	–	46	371	417
Unlisted debt securities	22	–	–	555	555
Derivative financial instruments					
Cash flow hedges					
Interest rate swaps	22 & 25	–	237	–	237
Cross currency interest rate swaps	22 & 25	–	754	–	754
Forward foreign exchange contracts	25	–	1	–	1
Other contracts	22 & 25	–	3,248	–	3,248
Net investment hedges					
Cross currency interest rate swaps	25	–	112	–	112
Forward foreign exchange contracts	25	–	44	–	44
Cross currency swaps	22 & 25	–	1,173	–	1,173
		15,847	5,615	3,593	25,055
Financial liabilities					
Derivative financial instruments					
Cash flow hedges					
Forward foreign exchange contracts	27	–	2	–	2
Other contracts	27	–	151	–	151
Net investment hedges					
Forward foreign exchange contracts	27	–	891	–	891
Cross currency swaps	31	–	314	–	314
Other derivative financial instruments	27	–	795	–	795
		–	2,153	–	2,153

Notes to the Financial Statements

45 Financial risk management (continued)

(k) Fair value measurements (continued)

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

Fair value hierarchy (continued)

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

During the year ended 31 December 2025, 31 December 2024 and 31 December 2023, there were no transfer between the Level 1 and Level 2 fair value measurements, and no transfer into or out of Level 3 from or to Level 1 or Level 2 fair value measurements.

Level 3 fair values

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

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million
At 1 January	2,681	2,760	3,593
Total gains (losses) recognised in			
Income statement	(103)	(15)	(90)
Other comprehensive income	(12)	79	(796)
Additions	4,594	43	75
Disposals	(502)	(187)	(74)
Exchange translation differences	36	1	52
At 31 December	6,694	2,681	2,760
Total losses recognised in income statement relating to those financial assets and financial liabilities held at the end of the reporting period	(103)	(15)	(90)

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

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

45 Financial risk management *(continued)*

(k) Fair value measurements *(continued)*

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

Except for bank and other debts as detailed in the table 45(j) above, the carrying amounts of the financial assets and financial liabilities recognised in the consolidated statement of financial position approximate their fair values.

Fair value hierarchy

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

	Level 1 HK\$ million	Level 2 HK\$ million	Level 3 HK\$ million	Total HK\$ million
At 31 December 2025				
Bank and other debts	158,283	98,829	–	257,112
At 31 December 2024				
Bank and other debts	155,857	83,929	–	239,786
At 31 December 2023				
Bank and other debts	165,755	93,098	–	258,853
At 1 January 2023				
Bank and other debts	167,251	98,167	–	265,418

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

Notes to the Financial Statements

45 Financial risk management (continued)

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

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

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

	Gross amounts of recognised financial assets (liabilities)	Gross amounts offset in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position		Net amounts
				Financial assets (liabilities)	Cash collateral pledged (received)	
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
At 31 December 2025						
Financial assets						
Trade receivables	38	(38)	–	–	–	–
Derivative financial instruments						
Net investment hedges						
Forward foreign exchange contracts	90	–	90	(90)	–	–
Other receivables and prepayments	214	(190)	24	–	–	24
	342	(228)	114	(90)	–	24
Financial liabilities						
Trade payables	(3,096)	38	(3,058)	–	–	(3,058)
Derivative financial instruments						
Net investment hedges						
Forward foreign exchange contracts	(412)	–	(412)	90	–	(322)
Other payables and accruals	(190)	190	–	–	–	–
	(3,698)	228	(3,470)	90	–	(3,380)
At 31 December 2024						
Financial assets						
Trade receivables	47	(47)	–	–	–	–
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	130	–	130	(130)	–	–
Other receivables and prepayments	269	(160)	109	–	–	109
	446	(207)	239	(130)	–	109
Financial liabilities						
Trade payables	(3,062)	47	(3,015)	–	–	(3,015)
Derivative financial instruments						
Net investment hedges						
Cross currency swaps	(240)	–	(240)	130	–	(110)
Other payables and accruals	(160)	160	–	–	–	–
	(3,462)	207	(3,255)	130	–	(3,125)

45 Financial risk management (continued)

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

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

Notes to the Financial Statements

46 Significant judgements, estimates and assumptions

In applying the Group's accounting policies which are disclosed on note 47, the directors are required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements and assumptions are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstance. Although our current estimates contemplate current and, as applicable, expected future conditions, it is reasonably possible that actual achievements, results, performance or other future events or conditions could differ from those on which the estimates are based. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

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

(i) Basis of consolidation and classification of investee entities

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

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

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

(iii) Determination of lease term

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

46 Significant judgements, estimates and assumptions *(continued)*

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

(iii) Determination of lease term *(continued)*

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

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

(iv) Business combinations

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

(b) Key sources of estimation uncertainty

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

(i) Impairment of goodwill and long-lived assets

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

Notes to the Financial Statements

46 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

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

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

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

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

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

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

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

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

46 Significant judgements, estimates and assumptions *(continued)*

(b) Key sources of estimation uncertainty *(continued)*

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

46 Significant judgements, estimates and assumptions *(continued)*

(b) Key sources of estimation uncertainty *(continued)*

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

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

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

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

- (vi) Estimation of useful life: Fixed assets

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

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

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

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

46 Significant judgements, estimates and assumptions (continued)

(b) Key sources of estimation uncertainty (continued)

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

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

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

(ix) Estimation of fair value of the Group's 49% interest in VodafoneThree at the time of its constitution

On 31 May 2025, the Group completed the merger of its UK telecommunications operations, **3 UK**, with Vodafone Group's corresponding UK operations to form the combined entity, VodafoneThree. As a result of the transaction, **3 UK** and its subsidiaries ceased to be subsidiaries of the Group and were deconsolidated from the Group's financial statements. The Group now holds a 49% interest in VodafoneThree, which is accounted for as an associated company under the equity method, while Vodafone holds a 51% ownership stake.

This transaction has been accounted for as a disposal of the Group's entire interest in **3 UK**, coupled with the concurrent acquisition of a 49% stake in VodafoneThree. The fair value of the Group's 49% interest in VodafoneThree was determined to be HK\$40,766 million, derived from the average of five independent midpoint valuation analyses. The fair value assessment incorporated a comparable company analysis (using EBITDAaL and adjusted free cash flow) and DCF analysis, based on the combined business's forward-looking financial plan, including projections for revenue, operating costs, capital expenditures, and terminal value. The five valuations yielded the following estimated fair values for the Group's 49% interest: HK\$35.8 billion, HK\$38.5 billion, HK\$39.4 billion, HK\$44.1 billion, and HK\$46.1 billion, with the final fair value reflecting the average of these outcomes.

The valuation process required significant judgement, particularly in selecting appropriate peer companies for benchmarking, considering factors such as market position, growth profile, and geographic focus, and determining key assumptions in the DCF model, including discount rates, long-term growth rates, and cash flow projections. Given the inherent uncertainties in these estimates, alternative judgements or assumptions could result in a materially different fair value, which would impact the gain or loss recognised on the disposal of **3 UK**.

In accordance with the requirements for business combinations, a notional purchase price allocation ("PPA") for this investment has been substantially completed. This process involves attributing the fair value of the investment to the identifiable assets and liabilities of VodafoneThree at the acquisition date. While this work is expected to be finalised within the permitted one-year measurement period from the date of acquisition, the accounting for the investment is currently determined on a provisional basis. Although some reclassifications between asset and liability line items are anticipated as the PPA is finalised, the overall net asset value of the investment at the acquisition date is expected to remain unchanged at HK\$40,766 million.

(c) Climate-related matters

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

Notes to the Financial Statements

47 Summary of material accounting policies

(a) Summary of material accounting policies

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

(i) Subsidiary companies

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

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

(ii) Associated companies and joint arrangements

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

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

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

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

47 Summary of material accounting policies *(continued)*

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

(iii) Changes in ownership interests

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

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

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

(iv) Business combinations

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

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

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

Notes to the Financial Statements

47 Summary of material accounting policies (continued)

(a) Summary of material accounting policies (continued)

(iv) Business combinations (continued)

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

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

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

(v) Goodwill

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

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

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

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

(vi) Fixed assets

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

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

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

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

47 Summary of material accounting policies *(continued)*

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

(vii) Leases

(I) Group as a lessee

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

47 Summary of material accounting policies (continued)

(a) Summary of material accounting policies (continued)

(vii) Leases (continued)

(II) Group as a lessor

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

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

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

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

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

(ix) Customer acquisition and retention costs

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

47 Summary of material accounting policies *(continued)*

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

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

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

(I) Measurement

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

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

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

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

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

(II) Impairment

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

Notes to the Financial Statements

47 Summary of material accounting policies *(continued)*

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

(xi) Cash and cash equivalents

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

(xii) Trade and other receivables, and contract assets

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

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

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

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

(xiii) Borrowings and borrowing costs

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

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

(xiv) Trade and other payables, and contract liabilities

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

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

47 Summary of material accounting policies *(continued)*

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

(xv) Asset impairment

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

(xvi) Foreign exchange

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

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

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

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

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

In line with IFRS 1 exemption guidance, the cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition to IFRS.

(xvii) Revenue recognition

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

Notes to the Financial Statements

47 Summary of material accounting policies (continued)

(a) Summary of material accounting policies (continued)

(xvii) Revenue recognition (continued)

Ports and Related Services

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

Retail

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

Infrastructure

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

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

Telecommunications services

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

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

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

Finance and investments

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

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

47 Summary of material accounting policies *(continued)*

(b) Summary of other potentially material accounting policies

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

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

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

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

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

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

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

(ii) Investment properties

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

(iii) Leasehold land

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

(iv) Contractual customer relationships

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

(v) Deferred tax

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

Notes to the Financial Statements

47 Summary of material accounting policies *(continued)*

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

(vi) Derivative financial instruments and hedging activities

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

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

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

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

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

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

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

Fair value hedges

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

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

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

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

47 Summary of material accounting policies *(continued)*

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

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

Cash flow hedges

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

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

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

Hedge of net investments in foreign operations

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

(vii) Inventories

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

(viii) Customer loyalty credits

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

(ix) Share capital

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

(x) Provisions

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

Notes to the Financial Statements

47 Summary of material accounting policies *(continued)*

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

(xi) Pension plans

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

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

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

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

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

(xii) Share-based payments

The Company and its subsidiary companies do not have share option scheme as at 31 December 2025, 31 December 2024, 31 December 2023 and 1 January 2023 but certain of the Company's associated companies have issued equity-settled and cash-settled share-based compensation plans. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the respective group companies' estimate of their shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

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

47 Summary of material accounting policies *(continued)*

(c) New standards and interpretations not yet adopted

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

(i) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

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

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

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

(ii) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments clarify the application of the own-use exception requirements for in-scope contracts, amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts and add new disclosure requirements on the effect of these contracts on a company's financial performance and cash flows. As a result of the amendments, entities will be able to apply the own-use exception to certain contracts referencing nature-dependent electricity ("CRNE") which are contracts to purchase electricity from nature-dependent sources such as wind energy or solar energy; and designate a variable nominal volume of electricity as a hedged item, facilitating application of hedge accounting to CRNEs.

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

(iii) Annual Improvements to IFRS Accounting Standards – Volume 11

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

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

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

Notes to the Financial Statements

47 Summary of material accounting policies *(continued)*

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

(iv) Presentation and Disclosure in Financial Statements – IFRS 18

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

The key new concepts introduced in IFRS 18 relate to:

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

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

(v) Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21

The IASB issue amendments to IAS 21 to specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:

- its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or
- it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2027. The Group does not expect these amendments to have a material impact on its operations or financial statements.

48 Reconciliations between IFRS and Previous GAAP (see note 4)

Reconciliations between amounts reported under IFRS and Previous GAAP as presented below.

(a) Total Equity

	31 December 2024	31 December 2023	1 January 2023
	HK\$ million	HK\$ million	HK\$ million
Total equity under Previous GAAP	652,592	670,549	647,309
Transition to IFRS:			
Effect on exchange reserve at date of transition	+ 40,203	+ 40,203	+ 40,203
Effect on exchange reserve – 2023	- 339	- 339	-
	+ 39,864	+ 39,864	+ 40,203
Effect on retained profit at date of transition	- 40,203	- 40,203	- 40,203
Effect on retained profit – 2023	+ 339	+ 339	-
	- 39,864	- 39,864	- 40,203
Total equity under IFRS	652,592	670,549	647,309

Notes to the Financial Statements

48 Reconciliations between IFRS and Previous GAAP (continued)

(b) Consolidated Statement of Financial Position at 1 January 2023

	Under Previous GAAP HK\$ million	Remeasurements and reclassifications HK\$ million	Under IFRS HK\$ million
Non-current assets			
Fixed assets	112,650	–	112,650
Right-of-use assets	59,337	–	59,337
Telecommunications licences	60,689	–	60,689
Brand names and other rights	83,694	–	83,694
Goodwill	268,008	–	268,008
Associated companies	140,711	–	140,711
Interests in joint ventures	148,561	–	148,561
Deferred tax assets	18,509	–	18,509
Liquid funds and other listed investments	16,103	–	16,103
Other non-current assets	15,900	–	15,900
	924,162	–	924,162
Current assets			
Cash and cash equivalents	138,085	–	138,085
Inventories	23,283	–	23,283
Trade receivables and other current assets	56,811	–	56,811
	218,179	–	218,179
Assets classified as held for sale	6,096	–	6,096
	224,275	–	224,275
Current liabilities			
Bank and other debts	70,130	–	70,130
Current tax liabilities	4,001	–	4,001
Lease liabilities	12,128	–	12,128
Trade payables and other current liabilities	89,129	–	89,129
	175,388	–	175,388
Liabilities directly associated with assets classified as held for sale	1,127	–	1,127
	176,515	–	176,515
Net current assets	47,760	–	47,760
Total assets less current liabilities	971,922	–	971,922
Non-current liabilities			
Bank and other debts	214,196	–	214,196
Interest-bearing loans from non-controlling shareholders	2,567	–	2,567
Lease liabilities	53,931	–	53,931
Deferred tax liabilities	19,290	–	19,290
Pension obligations	2,730	–	2,730
Other non-current liabilities	31,899	–	31,899
	324,613	–	324,613
Net assets	647,309	–	647,309
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	276,711	–	276,711
Total ordinary shareholders' funds	523,513	–	523,513
Perpetual capital securities	4,561	–	4,561
Non-controlling interests	119,235	–	119,235
Total equity	647,309	–	647,309

48 Reconciliations between IFRS and Previous GAAP (continued)

(c) Consolidated Income Statement for the year ended 31 December 2024

	Under Previous GAAP HK\$ million	Remeasurements and reclassifications HK\$ million	Under IFRS HK\$ million
Revenue	281,351	–	281,351
Cost of inventories sold	(106,194)	–	(106,194)
Staff costs	(41,591)	–	(41,591)
Expensed customer acquisition and retention costs	(15,433)	–	(15,433)
Depreciation and amortisation	(40,460)	–	(40,460)
Other expenses and losses	(52,895)	–	(52,895)
Other income and gains	524	–	524
Share of profits less losses of:			
Associated companies	6,903	–	6,903
Joint ventures	9,757	–	9,757
	41,962	–	41,962
Interest expenses and other finance costs	(13,392)	–	(13,392)
Profit before tax	28,570	–	28,570
Current tax charge	(4,189)	–	(4,189)
Deferred tax charge	(528)	–	(528)
Profit after tax	23,853	–	23,853
Profit attributable to non-controlling interests and holders of perpetual capital securities	(6,765)	–	(6,765)
Profit attributable to ordinary shareholders	17,088	–	17,088

Notes to the Financial Statements

48 Reconciliations between IFRS and Previous GAAP (continued)

(d) Consolidated Statement of Comprehensive Income for the year ended 31 December 2024

	Under Previous GAAP HK\$ million	Remeasurements and reclassifications HK\$ million	Under IFRS HK\$ million
Profit after tax	23,853	–	23,853
Other comprehensive income (losses)			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments at fair value through other comprehensive income	(528)	–	(528)
Remeasurement of defined benefit obligations	810	–	810
Share of other comprehensive income (losses) of associated companies	(83)	–	(83)
Share of other comprehensive income (losses) of joint ventures	(945)	–	(945)
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	(90)	–	(90)
	(836)	–	(836)
Items that may be reclassified to profit or loss			
Changes in fair value of debt instruments at fair value through other comprehensive income	126	–	126
Exchange losses on translation of foreign operations	(9,543)	–	(9,543)
Losses on cash flow hedges	(132)	–	(132)
Gains on net investment hedges	1,484	–	1,484
Share of other comprehensive income (losses) of associated companies	(5,670)	–	(5,670)
Share of other comprehensive income (losses) of joint ventures	(5,311)	–	(5,311)
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	5	–	5
	(19,041)	–	(19,041)
Other comprehensive income (losses), net of tax	(19,877)	–	(19,877)
Total comprehensive income	3,976	–	3,976
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	(4,155)	–	(4,155)
Total comprehensive income (losses) attributable to ordinary shareholders	(179)	–	(179)

48 Reconciliations between IFRS and Previous GAAP (continued)

(e) Consolidated Statement of Financial Position at 31 December 2024

	Under Previous GAAP HK\$ million	Remeasurements and reclassifications HK\$ million	Under IFRS HK\$ million
Non-current assets			
Fixed assets	111,777	–	111,777
Right-of-use assets	57,589	–	57,589
Telecommunications licences	63,869	–	63,869
Brand names and other rights	79,241	–	79,241
Goodwill	267,325	–	267,325
Associated companies	139,855	–	139,855
Interests in joint ventures	154,208	–	154,208
Deferred tax assets	18,140	–	18,140
Liquid funds and other listed investments	8,142	–	8,142
Other non-current assets	20,203	–	20,203
	920,349	–	920,349
Current assets			
Cash and cash equivalents	121,303	–	121,303
Inventories	24,923	–	24,923
Trade receivables and other current assets	45,967	–	45,967
	192,193	–	192,193
Current liabilities			
Bank and other debts	30,956	–	30,956
Interest bearing loan from a non-controlling shareholder	1,874	–	1,874
Current tax liabilities	3,368	–	3,368
Lease liabilities	12,142	–	12,142
Trade payables and other current liabilities	82,645	–	82,645
	130,985	–	130,985
Net current assets	61,208	–	61,208
Total assets less current liabilities	981,557	–	981,557
Non-current liabilities			
Bank and other debts	225,436	–	225,436
Interest bearing loans from non-controlling shareholders	1,597	–	1,597
Lease liabilities	52,377	–	52,377
Deferred tax liabilities	17,974	–	17,974
Pension obligations	3,197	–	3,197
Other non-current liabilities	28,384	–	28,384
	328,965	–	328,965
Net assets	652,592	–	652,592
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	287,913	–	287,913
Total ordinary shareholders' funds	534,715	–	534,715
Non-controlling interests	117,877	–	117,877
Total equity	652,592	–	652,592

Notes to the Financial Statements

48 Reconciliations between IFRS and Previous GAAP (continued)

(f) Consolidated Statement of Changes in Equity for the year ended 31 December 2024

	Attributable to					
	Ordinary shareholders			Holders of perpetual capital securities	Non-controlling interests	Total equity
	Share capital and share premium	Reserves	Total ordinary shareholders' funds			
HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
At 1 January 2024 under Previous GAAP	246,802	297,233	544,035	4,566	121,948	670,549
Effect on adoption of IFRS	-	-	-	-	-	-
At 1 January 2024 under IFRS	246,802	297,233	544,035	4,566	121,948	670,549
Profit for the year under Previous GAAP	-	17,088	17,088	71	6,694	23,853
Effect on adoption of IFRS	-	-	-	-	-	-
Profit for the year under IFRS	-	17,088	17,088	71	6,694	23,853
Other comprehensive income (losses) under Previous GAAP						
Changes in fair value of equity instruments at fair value through other comprehensive income	-	(528)	(528)	-	-	(528)
Changes in fair value of debt instruments at fair value through other comprehensive income	-	126	126	-	-	126
Remeasurement of defined benefit obligations	-	646	646	-	164	810
Exchange losses on translation of foreign operations	-	(8,156)	(8,156)	-	(1,387)	(9,543)
Losses on cash flow hedges	-	(122)	(122)	-	(10)	(132)
Gains on net investment hedges	-	1,123	1,123	-	361	1,484
Share of other comprehensive income (losses) of associated companies	-	(5,320)	(5,320)	-	(433)	(5,753)
Share of other comprehensive income (losses) of joint ventures	-	(4,969)	(4,969)	-	(1,287)	(6,256)
Tax relating to components of other comprehensive income (losses)	-	(67)	(67)	-	(18)	(85)
Other comprehensive income (losses), net of tax, under Previous GAAP	-	(17,267)	(17,267)	-	(2,610)	(19,877)
Effect on adoption of IFRS	-	-	-	-	-	-
Other comprehensive income (losses), net of tax, under IFRS	-	(17,267)	(17,267)	-	(2,610)	(19,877)
Total comprehensive income (losses) under IFRS	-	(179)	(179)	71	4,084	3,976
Transactions with owners in their capacity as owners under Previous GAAP / IFRS:						
Dividends paid relating to 2023	-	(6,798)	(6,798)	-	-	(6,798)
Dividends paid relating to 2024	-	(2,635)	(2,635)	-	-	(2,635)
Dividends paid to non-controlling interests	-	-	-	-	(7,932)	(7,932)
Distributions paid on perpetual capital securities	-	-	-	(162)	-	(162)
Redemption of perpetual capital securities	-	-	-	(4,475)	-	(4,475)
Equity contribution from non-controlling interests	-	-	-	-	624	624
Unclaimed dividends written back	-	9	9	-	-	9
Acquisition of non-controlling interests	-	(37)	(37)	-	16	(21)
Partial disposal / disposal of subsidiary companies	-	320	320	-	(863)	(543)
	-	(9,141)	(9,141)	(4,637)	(8,155)	(21,933)
At 31 December 2024 under IFRS	246,802	287,913	534,715	-	117,877	652,592

48 Reconciliations between IFRS and Previous GAAP (continued)

(g) Consolidated Statement of Cash Flows for the year ended 31 December 2024

	Under Previous GAAP HK\$ million	Remeasurements and reclassifications HK\$ million	Under IFRS HK\$ million
Operating activities			
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	75,130	–	75,130
Interest expenses and other finance costs paid (net of capitalisation)	(13,267)	–	(13,267)
Tax paid	(4,652)	–	(4,652)
Funds from operations (before principal elements of lease payments)	57,211	–	57,211
Changes in working capital	(2,983)	–	(2,983)
Net cash from operating activities	54,228	–	54,228
Investing activities			
Purchase of fixed assets	(20,365)	–	(20,365)
Additions to telecommunications licences	(72)	–	(72)
Additions to brand names and other rights	(1,913)	–	(1,913)
Purchase of subsidiary companies, net of cash acquired	(4,114)	–	(4,114)
Additions to unlisted investments	(44)	–	(44)
Repayments of loans from associated companies and joint ventures	1,242	–	1,242
Purchase of and advances to associated companies and joint ventures	(2,470)	–	(2,470)
Proceeds from disposal of fixed assets	146	–	146
Proceeds from disposal of subsidiary companies, net of cash disposed	333	–	333
Proceeds from partial disposal / disposal of associated companies and joint ventures	179	–	179
Proceeds from disposal of other unlisted investments	266	–	266
Cash flows used in investing activities before disposal of / additions to liquid funds and other listed investments	(26,812)	–	(26,812)
Disposal of liquid funds and other listed investments	7,172	–	7,172
Additions to liquid funds and other listed investments	(262)	–	(262)
Cash flows used in investing activities	(19,902)	–	(19,902)
Net cash inflow before financing activities	34,326	–	34,326
Financing activities			
New borrowings	54,594	–	54,594
Repayment of borrowings	(60,201)	–	(60,201)
Principal elements of lease payments	(14,103)	–	(14,103)
Net loans from non-controlling shareholders	466	–	466
Issue of equity securities by subsidiary companies to non-controlling shareholders	624	–	624
Redemption of perpetual capital securities	(4,180)	–	(4,180)
Dividends paid to ordinary shareholders	(9,433)	–	(9,433)
Dividends paid to non-controlling interests	(7,951)	–	(7,951)
Distributions paid on perpetual capital securities	(162)	–	(162)
Cash flows used in financing activities	(40,346)	–	(40,346)
Decrease in cash and cash equivalents	(6,020)	–	(6,020)
Cash and cash equivalents at 1 January 2024	127,323	–	127,323
Cash and cash equivalents at 31 December 2024	121,303	–	121,303

Notes to the Financial Statements

48 Reconciliations between IFRS and Previous GAAP (continued)

(h) Consolidated Income Statement for the year ended 31 December 2023

	Under Previous GAAP HK\$ million	Remeasurements and reclassifications HK\$ million	Under IFRS HK\$ million
Revenue	275,575	–	275,575
Cost of inventories sold	(105,739)	–	(105,739)
Staff costs	(39,226)	–	(39,226)
Expensed customer acquisition and retention costs	(15,188)	–	(15,188)
Depreciation and amortisation	(40,083)	–	(40,083)
Other expenses and losses	(48,095)	250	(47,845)
Other income and gains	2,067	92	2,159
Share of profits less losses of:			
Associated companies	8,138	–	8,138
Joint ventures	7,990	–	7,990
	45,439	342	45,781
Interest expenses and other finance costs	(12,227)	–	(12,227)
Profit before tax	33,212	342	33,554
Current tax charge	(4,119)	–	(4,119)
Deferred tax credit	1,116	–	1,116
Profit after tax	30,209	342	30,551
Profit attributable to non-controlling interests and holders of perpetual capital securities	(6,709)	(3)	(6,712)
Profit attributable to ordinary shareholders	23,500	339	23,839

48 Reconciliations between IFRS and Previous GAAP (continued)

(i) Consolidated Statement of Comprehensive Income for the year ended 31 December 2023

	Under Previous GAAP HK\$ million	Remeasurements and reclassifications HK\$ million	Under IFRS HK\$ million
Profit after tax	30,209	342	30,551
Other comprehensive income (losses)			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments at fair value through other comprehensive income	718	–	718
Remeasurement of defined benefit obligations	(1,470)	–	(1,470)
Share of other comprehensive income (losses) of associated companies	(560)	–	(560)
Share of other comprehensive income of joint ventures	269	–	269
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	376	–	376
	(667)	–	(667)
Items that may be reclassified to profit or loss			
Changes in fair value of debt instruments at fair value through other comprehensive income	120	–	120
Exchange gains on translation of foreign operations	7,771	–	7,771
Exchange losses reclassified to profit or loss	342	(342)	–
Losses on cash flow hedges	(1,059)	–	(1,059)
Losses on net investment hedges	(1,641)	–	(1,641)
Reclassification adjustments for hedging gains included in profit or loss	(1,735)	–	(1,735)
Share of other comprehensive income of associated companies	1,889	–	1,889
Share of other comprehensive income of joint ventures	3,728	–	3,728
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	4	–	4
	9,419	(342)	9,077
Other comprehensive income, net of tax	8,752	(342)	8,410
Total comprehensive income	38,961	–	38,961
Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities	(7,476)	–	(7,476)
Total comprehensive income attributable to ordinary shareholders	31,485	–	31,485

Notes to the Financial Statements

48 Reconciliations between IFRS and Previous GAAP (continued)

(j) Consolidated Statement of Financial Position at 31 December 2023

	Under Previous GAAP HK\$ million	Remeasurements and reclassifications HK\$ million	Under IFRS HK\$ million
Non-current assets			
Fixed assets	119,826	–	119,826
Right-of-use assets	61,198	–	61,198
Telecommunications licences	64,264	–	64,264
Brand names and other rights	83,396	–	83,396
Goodwill	271,136	–	271,136
Associated companies	143,638	–	143,638
Interests in joint ventures	156,337	–	156,337
Deferred tax assets	21,074	–	21,074
Liquid funds and other listed investments	15,786	–	15,786
Other non-current assets	19,862	–	19,862
	956,517	–	956,517
Current assets			
Cash and cash equivalents	127,323	–	127,323
Inventories	24,473	–	24,473
Trade receivables and other current assets	50,590	–	50,590
	202,386	–	202,386
Current liabilities			
Bank and other debts	58,324	–	58,324
Current tax liabilities	4,166	–	4,166
Lease liabilities	13,616	–	13,616
Trade payables and other current liabilities	86,419	–	86,419
	162,525	–	162,525
Net current assets	39,861	–	39,861
Total assets less current liabilities	996,378	–	996,378
Non-current liabilities			
Bank and other debts	213,598	–	213,598
Interest bearing loans from non-controlling shareholders	3,245	–	3,245
Lease liabilities	54,307	–	54,307
Deferred tax liabilities	19,572	–	19,572
Pension obligations	3,536	–	3,536
Other non-current liabilities	31,571	–	31,571
	325,829	–	325,829
Net assets	670,549	–	670,549
Capital and reserves			
Share capital	3,830	–	3,830
Share premium	242,972	–	242,972
Reserves	297,233	–	297,233
Total ordinary shareholders' funds	544,035	–	544,035
Perpetual capital securities	4,566	–	4,566
Non-controlling interests	121,948	–	121,948
Total equity	670,549	–	670,549

48 Reconciliations between IFRS and Previous GAAP (continued)

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

	Attributable to					
	Ordinary shareholders			Holders of perpetual capital securities	Non-controlling interests	Total equity
	Share capital and share premium	Reserves	Total ordinary shareholders' funds			
HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
At 1 January 2023 under Previous GAAP	246,802	276,711	523,513	4,561	119,235	647,309
Effect on adoption of IFRS	-	-	-	-	-	-
At 1 January 2023 under IFRS	246,802	276,711	523,513	4,561	119,235	647,309
Profit for the year under Previous GAAP	-	23,500	23,500	172	6,537	30,209
Effect on adoption of IFRS	-	339	339	-	3	342
Profit for the year under IFRS	-	23,839	23,839	172	6,540	30,551
Other comprehensive income (losses) under Previous GAAP						
Changes in fair value of equity instruments at fair value through other comprehensive income	-	718	718	-	-	718
Changes in fair value of debt instruments at fair value through other comprehensive income	-	120	120	-	-	120
Remeasurement of defined benefit obligations	-	(1,108)	(1,108)	-	(362)	(1,470)
Exchange gains on translation of foreign operations	-	7,457	7,457	-	314	7,771
Exchange losses reclassified to profit or loss	-	339	339	-	3	342
Losses on cash flow hedges	-	(1,033)	(1,033)	-	(26)	(1,059)
Losses on net investment hedges	-	(1,308)	(1,308)	-	(333)	(1,641)
Reclassification adjustments for hedging gains included in profit or loss	-	(1,735)	(1,735)	-	-	(1,735)
Share of other comprehensive income of associated companies	-	1,183	1,183	-	146	1,329
Share of other comprehensive income of joint ventures	-	3,065	3,065	-	932	3,997
Tax relating to components of other comprehensive income (losses)	-	287	287	-	93	380
Other comprehensive income, net of tax, under Previous GAAP	-	7,985	7,985	-	767	8,752
Effect on adoption of IFRS:						
Exchange losses reclassified to profit or loss	-	(339)	(339)	-	(3)	(342)
Other comprehensive income, net of tax, under IFRS	-	7,646	7,646	-	764	8,410
Total comprehensive income under IFRS	-	31,485	31,485	172	7,304	38,961
Impact of hyperinflation under Previous GAAP / IFRS	-	82	82	-	21	103
Transactions with owners in their capacity as owners under Previous GAAP / IFRS:						
Dividends paid relating to 2022	-	(7,989)	(7,989)	-	-	(7,989)
Dividends paid relating to 2023	-	(2,896)	(2,896)	-	-	(2,896)
Dividends paid to non-controlling interests	-	-	-	-	(4,744)	(4,744)
Distributions paid on perpetual capital securities	-	-	-	(167)	-	(167)
Recognition of put option liabilities over non-controlling interests	-	(148)	(148)	-	-	(148)
Unclaimed dividends written back	-	15	15	-	-	15
Acquisition of a subsidiary	-	-	-	-	8	8
Acquisition of non-controlling interests	-	(34)	(34)	-	70	36
Partial disposal of subsidiaries	-	7	7	-	54	61
	-	(10,963)	(10,963)	(167)	(4,591)	(15,721)
At 31 December 2023 under IFRS	246,802	297,233	544,035	4,566	121,948	670,549

Notes to the Financial Statements

48 Reconciliations between IFRS and Previous GAAP (continued)

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

	Under Previous GAAP HK\$ million	Remeasurements and reclassifications HK\$ million	Under IFRS HK\$ million
Operating activities			
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	75,416	–	75,416
Interest expenses and other finance costs paid (net of capitalisation)	(12,083)	–	(12,083)
Tax paid	(3,931)	–	(3,931)
Funds from operations (before principal elements of lease payments)	59,402	–	59,402
Changes in working capital	(7,965)	–	(7,965)
Net cash from operating activities	51,437	–	51,437
Investing activities			
Purchase of fixed assets	(21,670)	–	(21,670)
Additions to telecommunications licences	(1,956)	–	(1,956)
Additions to brand names and other rights	(1,675)	–	(1,675)
Purchase of subsidiary companies, net of cash acquired	(55)	–	(55)
Additions to unlisted investments	(74)	–	(74)
Repayments of loans from associated companies and joint ventures	2,829	–	2,829
Purchase of and advances to associated companies and joint ventures	(819)	–	(819)
Proceeds from disposal of fixed assets	168	–	168
Proceeds from disposal of subsidiary companies, net of cash disposed	2,563	–	2,563
Proceeds from disposal of financial instruments	2,451	–	2,451
Proceeds from partial disposal / disposal of associated companies and joint ventures	734	–	734
Proceeds from disposal of other unlisted investments	74	–	74
Cash flows used in investing activities before disposal of / additions to liquid funds and other listed investments	(17,430)	–	(17,430)
Disposal of liquid funds and other listed investments	2,088	–	2,088
Additions to liquid funds and other listed investments	(73)	–	(73)
Cash flows used in investing activities	(15,415)	–	(15,415)
Net cash inflow before financing activities	36,022	–	36,022
Financing activities			
New borrowings	58,211	–	58,211
Repayment of borrowings	(75,361)	–	(75,361)
Principal elements of lease payments	(14,476)	–	(14,476)
Net loans from non-controlling shareholders	527	–	527
Proceeds from partial disposal of subsidiary companies (without loss of control)	61	–	61
Dividends paid to ordinary shareholders	(10,885)	–	(10,885)
Dividends paid to non-controlling interests	(4,694)	–	(4,694)
Distributions paid on perpetual capital securities	(167)	–	(167)
Cash flows used in financing activities	(46,784)	–	(46,784)
Decrease in cash and cash equivalents	(10,762)	–	(10,762)
Cash and cash equivalents at 1 January 2023	138,085	–	138,085
Cash and cash equivalents at 31 December 2023	127,323	–	127,323

48 Reconciliations between IFRS and Previous GAAP (continued)

(m) Consolidated reserves at 31 December 2024

	Attributable to ordinary shareholders				
	Retained profit HK\$ million	Exchange reserve HK\$ million	Hedging reserve HK\$ million	Others HK\$ million	Total HK\$ million
At 1 January 2024 under Previous GAAP	669,173	(29,260)	2,618	(345,298)	297,233
Effect on adoption of IFRS	(39,864)	39,864	–	–	–
At 1 January 2024 under IFRS	629,309	10,604	2,618	(345,298)	297,233
Profit for the year under Previous GAAP	17,088	–	–	–	17,088
Effect on adoption of IFRS	–	–	–	–	–
Profit for the year under IFRS	17,088	–	–	–	17,088
Other comprehensive income (losses) under Previous GAAP					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	(528)	(528)
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	126	126
Remeasurement of defined benefit obligations	646	–	–	–	646
Exchange losses on translation of foreign operations	–	(8,156)	–	–	(8,156)
Losses on cash flow hedges	–	–	(122)	–	(122)
Gains on net investment hedges	–	1,123	–	–	1,123
Losses in other reserves related to subsidiaries disposed during the year transferred directly to retained profit	(24)	–	–	24	–
Share of other comprehensive income (losses) of associated companies	(68)	(5,101)	(130)	(21)	(5,320)
Share of other comprehensive income (losses) of joint ventures	(721)	(4,489)	241	–	(4,969)
Tax relating to components of other comprehensive income (losses)	(71)	–	4	–	(67)
Other comprehensive income (losses), net of tax, under Previous GAAP	(238)	(16,623)	(7)	(399)	(17,267)
Effect on adoption of IFRS	–	–	–	–	–
Other comprehensive income (losses), net of tax, under IFRS	(238)	(16,623)	(7)	(399)	(17,267)
Transfer of losses on disposal of equity securities at FVOCI to retained profit under Previous GAAP / IFRS	(682)	–	–	682	–
Transactions with owners in their capacity as owners under Previous GAAP / IFRS:					
Dividends paid relating to 2023	(6,798)	–	–	–	(6,798)
Dividends paid relating to 2024	(2,635)	–	–	–	(2,635)
Unclaimed dividends written back	9	–	–	–	9
Acquisition of non-controlling interests	–	–	–	(37)	(37)
Partial disposal of subsidiaries	–	–	–	320	320
At 31 December 2024 under IFRS	636,053	(6,019)	2,611	(344,732)	287,913

Notes to the Financial Statements

48 Reconciliations between IFRS and Previous GAAP (continued)

(n) Consolidated reserves at 31 December 2023

	Attributable to ordinary shareholders				
	Retained profit HK\$ million	Exchange reserve HK\$ million	Hedging reserve HK\$ million	Others HK\$ million	Total HK\$ million
At 1 January 2023 under Previous GAAP	657,443	(40,203)	5,332	(345,861)	276,711
Effect on adoption of IFRS	(40,203)	40,203	–	–	–
At 1 January 2023 under IFRS	617,240	–	5,332	(345,861)	276,711
Profit for the year under Previous GAAP	23,500	–	–	–	23,500
Effect on adoption of IFRS	339	–	–	–	339
Profit for the year under IFRS	23,839	–	–	–	23,839
Other comprehensive income (losses) under Previous GAAP					
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	718	718
Changes in fair value of debt instruments at fair value through other comprehensive income	–	–	–	120	120
Remeasurement of defined benefit obligations	(1,108)	–	–	–	(1,108)
Exchange gains on translation of foreign operations	–	7,457	–	–	7,457
Exchange losses reclassified to profit or loss	–	339	–	–	339
Losses on cash flow hedges	–	–	(1,033)	–	(1,033)
Losses on net investment hedges	–	(1,308)	–	–	(1,308)
Reclassification adjustments for hedging gains included in profit or loss	–	–	(1,735)	–	(1,735)
Share of other comprehensive income (losses) of associated companies	(578)	1,785	(132)	108	1,183
Share of other comprehensive income of joint ventures	194	2,670	183	18	3,065
Tax relating to components of other comprehensive income (losses)	284	–	3	–	287
Other comprehensive income (losses), net of tax, under Previous GAAP	(1,208)	10,943	(2,714)	964	7,985
Effect on adoption of IFRS:					
Exchange losses reclassified to profit or loss	–	(339)	–	–	(339)
Other comprehensive income (losses), net of tax, under IFRS	(1,208)	10,604	(2,714)	964	7,646
Impact of hyperinflation under Previous GAAP / IFRS	82	–	–	–	82
Transfer of gains on disposal of equity securities at FVOCI to retained profit under Previous GAAP / IFRS	226	–	–	(226)	–
Transactions with owners in their capacity as owners under Previous GAAP / IFRS:					
Dividends paid relating to 2022	(7,989)	–	–	–	(7,989)
Dividends paid relating to 2023	(2,896)	–	–	–	(2,896)
Recognition of put option liabilities over non- controlling interests	–	–	–	(148)	(148)
Unclaimed dividends written back	15	–	–	–	15
Acquisition of non-controlling interests	–	–	–	(34)	(34)
Partial disposal of subsidiaries	–	–	–	7	7
At 31 December 2023 under IFRS	629,309	10,604	2,618	(345,298)	297,233

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2025

Subsidiary and associated companies and joint ventures	Place of incorporation/ principal place of operations	Nominal value of issued ordinary share capital **/ registered capital	Percentage of equity attributable to the Group	Principal activities
Ports and related services				
✧ Abu Qir Container Terminal Company S.A.E.	Egypt	USD 157,000,000	38	Container terminal operating
Alexandria International Container Terminals Company S.A.E.	Egypt	USD 30,000,000	59	Container terminal operating
Amsterdam Container Terminals B.V.	Netherlands	EUR 18,400	80	Container terminal operating
Brisbane Container Terminals Pty Limited	Australia	AUD 34,100,000	80	Container terminal operating
ECT Delta Terminal B.V.	Netherlands	EUR 18,000	71	Container terminal operating
Ensenada Cruiseport Village, S.A. de C.V.	Mexico	MXP 145,695,000	80	Cruise terminal operating
Ensenada International Terminal, S.A. de C.V.	Mexico	MXP 160,195,000	80	Container terminal operating
Europe Container Terminals B.V.	Netherlands	EUR 45,000,000	75	Holding company
Euromax Terminal Rotterdam B.V.	Netherlands	EUR 125,000	39	Container terminal operating
Freeport Container Port Limited	Bahamas	BSD 2,000	41	Container terminal operating
Gdynia Container Terminal Sp. z o.o.	Poland	PLN 11,379,300	80	Container terminal operating and rental of port real estate
Harwich International Port Limited	United Kingdom	GBP 16,812,002	80	Container terminal operating
Hongkong United Dockyards Limited	Hong Kong	HKD 76,000,000	100	Ship repairing and general engineering
✧ + 惠州港業股份有限公司	China	RMB 300,000,000	27	Container terminal operating
Hutchison Ajman International Terminals Limited – F.Z.E.	United Arab Emirates	AED 60,000,000	80	Container terminal operating
Hutchison Korea Terminals Limited	South Korea	WON 4,107,500,000	80	Container terminal operating
Hutchison Laemchabang Terminal Limited	Thailand	THB 1,000,000,000	56	Container terminal operating
Hutchison Port Holdings Limited	British Virgin Islands/ Hong Kong	USD 26,000,000	80	Operation, management and development of ports and container terminals, and investment holding
✧ * # Hutchison Port Holdings Trust	Singapore/China	USD 8,797,780,935	30	Container port business trust
Hutchison Port Investments Limited	Cayman Islands/Hong Kong	USD 74,870,807	80	Holding company
Hutchison Port Jazan Limited	Saudi Arabia	SAR 18,750,000	48	Container terminal operating
Hutchison Ports Investments S.à r.l.	Luxembourg	USD 14,090	80	Operation, management and development of ports and container terminals, and investment holding
Hutchison Ports RAK Limited	British Virgin Islands/ United Arab Emirates	USD 10,000	48	Container terminal operating
Hutchison Ports Sweden AB	Sweden	SEK 100,000	80	Container terminal operating
Hutchison Ports UAQ Limited	British Virgin Islands/ United Arab Emirates	USD 36,320	48	Container terminal operating
Internacional de Contenedores Asociados de Veracruz, S.A. de C.V.	Mexico	MXP 138,623,200	80	Container terminal operating
✧ ☞ Jiangmen International Container Terminals Limited	China	USD 14,461,665	40	Container terminal operating
Karachi International Container Terminal Limited	Pakistan	PKR 1,109,384,220	80	Container terminal operating
Korea International Terminals Limited	South Korea	WON 45,005,000,000	71	Container terminal operating
L.C. Terminal Portuaria de Contenedores, S.A. de C.V.	Mexico	MXP 995,760,628	80	Container terminal operating
Maritime Transport Services Limited	United Kingdom	GBP 13,921,323	64	Container terminal operating
✧ ☞ Nanhai International Container Terminals Limited	China	USD 42,800,000	40	Container terminal operating
✧ ☞ 寧波北侖國際集裝箱碼頭有限公司	China	RMB 700,000,000	39	Container terminal operating

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2025

Subsidiary and associated companies and joint ventures	Place of incorporation/ principal place of operations	Nominal value of issued ordinary share capital **/ registered capital	Percentage of equity attributable to the Group	Principal activities
Ports and related services (continued)				
Oman International Container Terminal L.L.C.	Oman	OMR 4,000,000	52	Container terminal operating
Panama Ports Company, S.A.	Panama	USD 10,000,000	72	Container terminal operating
Port of Felixstowe Limited	United Kingdom	GBP 100,002	80	Container terminal operating
✧ + PT Jakarta International Container Terminal	Indonesia	IDR 221,450,406,000	39	Container terminal operating
✧ River Trade Terminal Co. Ltd.	British Virgin Islands/ Hong Kong	USD 1	40	River trade terminal operation
Saigon International Terminals Vietnam Limited	Vietnam	USD 80,084,000	56	Container terminal operating
✧ # 上海明東集裝箱碼頭有限公司	China	RMB 4,000,000,000	24	Container terminal operating
South Asia Pakistan Terminals Limited	Pakistan	PKR 5,763,773,300	72	Container terminal operating
Star Classic Investments Limited	British Virgin Islands/ Hong Kong	USD 22,797	80	Operation, management and development of ports and container terminals, and investment holding
Sydney International Container Terminals Pty Ltd	Australia	AUD 49,000,001	80	Container terminal operating
Talleres Navales del Golfo, S.A. de C.V.	Mexico	MXP 143,700,000	80	Marine construction and ship repair yard
Terminal Catalunya, S.A.	Spain	EUR 2,342,800	80	Container terminal operating
Thai Laemchabang Terminal Co., Ltd.	Thailand	THB 680,000,000	70	Container terminal operating
Thamesport (London) Limited	United Kingdom	GBP 2	64	Container terminal operating
* # + Westports Holdings Berhad	Malaysia	MYR 1,099,789,085	19	Holding company
# # + Xiamen Haicang International Container Terminals Limited	China	RMB 555,515,000	39	Container terminal operating
# # + Xiamen International Container Terminals Limited	China	RMB 1,148,700,000	39	Container terminal operating
Retail				
AS Watson Holdings Limited	Cayman Islands/Hong Kong	HKD 1,000,000	75	Holding company
AS Watson (Health & Beauty Continental Europe) B.V.	Netherlands	EUR 450,200	75	Holding company and retailing
AS Watson Retail (HK) Limited	Hong Kong	HKD 100,000,000	75	Retailing
Central Watson Company Limited	Thailand	THB 181,692,100	68	Retailing
✧ + Dirk Rossmann GmbH	Germany	EUR 12,000,000	30	Retailing
PARKnSHOP (HK) Limited	Hong Kong	HKD 100,000,000	75	Supermarket operating
* PT Duta Intidaya Tbk	Indonesia	IDR 242,054,702,500	55	Retailing
✧ Rossmann Supermarkety Drogerijne Polska sp. z o.o.	Poland	PLN 26,442,892	53	Retailing
Savers Health and Beauty Limited	United Kingdom	GBP 1,400,000	75	Retailing
Superdrug Stores plc	United Kingdom	GBP 22,000,000	75	Retailing
Watsons Personal Care Stores (Philippines), Inc.	Philippines	PHP 665,000,000	45	Retailing
Watson's Personal Care Stores Sdn. Bhd.	Malaysia	MYR 6,000,000	75	Retailing
Infrastructure				
✧ Australian Gas Networks Limited	Australia	AUD 879,082,753	62	Gas distribution
✧ + AVR-Afvalverwerking B.V.	Netherlands	EUR 1	38	Producing energy from waste
* + CK Infrastructure Holdings Limited	Bermuda/Hong Kong	HKD 2,519,610,945	76	Holding company
✧ + CK William UK Holdings Limited	United Kingdom	GBP 3,073,005,121	30	Investment holding in electricity distribution and generation, and gas transmissions and distribution
✧ + CKP (Canada) Holdings Limited	Canada	CAD 2,112,886,342	19	Water heater and HVAC (heating, ventilation and air conditioning) rentals, sales and services

Subsidiary and associated companies and joint ventures	Place of incorporation/ principal place of operations	Nominal value of issued ordinary share capital **/ registered capital	Percentage of equity attributable to the Group	Principal activities
Infrastructure (continued)				
+ Enviro NZ Services Limited	New Zealand	NZD 84,768,736	76	Waste management services
✧ + Eversholt UK Rails Group Limited	United Kingdom	GBP 1,100	54	Leasing of rolling stock
✧ + Northern Gas Networks Holdings Limited	United Kingdom	GBP 71,670,980	36	Gas distribution
✧ + Northumbrian Water Group Limited	United Kingdom	GBP 40	33	Water supply, sewage and waste water businesses
❖ * # + Power Assets Holdings Limited	Hong Kong	HKD 6,610,008,417	27	Investment in energy and utility-related businesses
✧ Trionista SE	Germany	EUR 125,000	26	Sub-metering and related services
✧ + UK Power Networks Holdings Limited	United Kingdom	GBP 610,000,000	30	Electricity distribution
✧ Wales & West Gas Networks (Holdings) Limited	United Kingdom	GBP 29,027	33	Gas distribution
Telecommunications				
CK Hutchison Group Telecom Holdings Limited	Cayman Islands/Hong Kong	EUR 64	100	Holding company
Hi3G Access AB	Sweden	SEK 10,000,000	60	Mobile telecommunications services
Hi3G Denmark ApS	Denmark	DKK 64,375,000	60	Mobile telecommunications services
Hutchison Drei Austria GmbH	Austria	EUR 34,882,960	100	Mobile telecommunications services
* Hutchison Telecommunications Hong Kong Holdings Limited	Cayman Islands/Hong Kong	HKD 1,204,774,052	66	Holding company of mobile telecommunications services
Hutchison Telephone Company Limited	Hong Kong	HKD 2,730,684,340	66	Mobile telecommunications services
Three Ireland (Hutchison) Limited	Ireland	EUR 2	100	Mobile telecommunications services
# VodafoneThree Holdings Limited	United Kingdom	GBP 610,000,000	49	Mobile telecommunications services
Wind Tre S.p.A.	Italy	EUR 474,303,795	100	Mobile telecommunications services
✧ Zefiro Net S.r.l.	Italy	EUR 20,000	50	Telecommunication network services
Finance & investments and others				
Cheung Kong (Holdings) Limited	Hong Kong	HKD 10,488,733,666	100	Holding company
CK Hutchison Global Investments Limited	British Virgin Islands/ Hong Kong	USD 3	100	Holding company
* # Cenovus Energy Inc.	Canada	CAD 18,599,000,000	16	Oil and gas business
* # + CK Life Sciences Intl., (Holdings) Inc.	Cayman Islands/Hong Kong	HKD 961,107,240	45	Holding company of nutraceuticals, pharmaceuticals and agriculture-related businesses
Hutchison International Limited	Hong Kong	HKD 727,966,526	100	Holding company & corporate head office
Hutchison Telecommunications (Australia) Pty Limited (formerly known as Hutchison Telecommunications (Australia) Limited)	Australia	AUD 4,204,487,847	100	Holding company
Hutchison Whampoa (China) Limited	Hong Kong	HKD 15,100,000	100	Investment holding & China businesses
Hutchison Whampoa Limited	Hong Kong	HKD 29,424,795,590	100	Holding company
* # HUTCHMED (China) Limited	Cayman Islands/Hong Kong	USD 87,232,762	38	Holding company of biopharmaceutical business
Marionnaud Parfumeries S.A.S.	France	EUR 947,782,990	100	Investment holding in perfume retailing businesses
# Metro Broadcast Corporation Limited	Hong Kong	HKD 1,000,452	24	Radio broadcasting
✧ Ooredoo Hutchison Asia Pte. Ltd.	Singapore	SGD 435,492	50	Mobile telecommunications services
* # TOM Group Limited	Cayman Islands/Hong Kong	HKD 395,851,056	36	Technology and media
* # TPG Telecom Limited	Australia	AUD 15,938,604,286	24	Telecommunications services

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2025

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

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

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

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

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

Associated companies

☆ Joint ventures

⌘ Foreign investment limited liability company registered under PRC law

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

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

+ The accounts of these subsidiary and associated companies and joint ventures have been audited by firms other than PricewaterhouseCoopers. The aggregate revenue (excluding share of associated companies and joint ventures) attributable to shareholders and net assets (excluding share of net assets of associated companies and joint ventures) of these companies not audited by PricewaterhouseCoopers amounted to approximately 4% and 29% of the Group's respective items.

Ten Year Summary

	2016 ⁽³⁾	2017 ⁽³⁾	2018 ⁽³⁾	2019 ⁽³⁾	2020 ⁽³⁾	2021 ⁽³⁾	2022 ⁽³⁾	2023	2024	2025
CONSOLIDATED INCOME STATEMENT										
HK\$ million										
Revenue	259,842	248,515	277,129	299,021	266,396	280,847	262,497	275,575	281,351	280,036
Profit attributable to ordinary shareholders of the Company	33,008	35,100	39,000	39,830	29,143	33,484	36,680	23,839	17,088	11,841
Dividends	10,340	10,994	12,226	12,225	2,368	10,204	11,210	9,694	8,434	8,855
CONSOLIDATED STATEMENT OF FINANCIAL POSITION										
HK\$ million										
Non-current assets										
Fixed assets	145,598	158,789	110,605	119,131	132,101	131,099	112,650	119,826	111,777	100,080
Right-of-use assets	–	–	–	83,708	83,805	76,852	59,337	61,198	57,589	59,160
Leasehold land	8,155	8,305	7,702	–	–	–	–	–	–	–
Telecommunications licences	23,936	27,271	64,221	63,387	66,944	69,985	60,689	64,264	63,869	48,732
Brand names and other rights	73,625	75,985	88,761	88,275	91,453	89,019	83,694	83,396	79,241	77,120
Goodwill	254,748	255,334	323,160	308,986	319,718	289,340	268,008	271,136	267,325	274,553
Associated companies	150,406	145,343	136,287	144,751	136,076	137,781	140,711	143,638	139,855	180,518
Interests in joint ventures	106,253	162,134	121,397	143,555	141,465	141,344	148,561	156,337	154,208	171,108
Deferred tax assets	15,856	20,195	20,260	20,353	19,926	21,188	18,509	21,074	18,140	7,102
Liquid funds and other listed investments	5,954	7,813	9,292	7,722	10,588	8,227	16,103	15,786	8,142	7,562
Other non-current assets ⁽¹⁾	5,440	5,540	10,717	14,276	14,944	14,202	15,900	19,862	20,203	16,995
	789,971	866,709	892,402	994,144	1,017,020	979,037	924,162	956,517	920,349	942,930
Current assets	223,494	233,546	339,842	216,832	237,576	234,489	224,275	202,386	192,193	212,743
Total assets	1,013,465	1,100,255	1,232,244	1,210,976	1,254,596	1,213,526	1,148,437	1,158,903	1,112,542	1,155,673
Current liabilities	157,312	114,888	221,929	159,301	173,446	181,413	176,515	162,525	130,985	135,399
Non-current liabilities										
Bank and other debts	231,260	310,276	325,570	304,565	301,050	259,438	214,196	213,598	225,436	225,506
Interest bearing loans from non-controlling shareholders	4,283	3,143	752	728	798	759	2,567	3,245	1,597	4,193
Lease liabilities	–	–	–	75,609	75,644	68,994	53,931	54,307	52,377	52,469
Deferred tax liabilities	23,692	25,583	19,261	16,819	17,672	17,383	19,290	19,572	17,974	17,275
Pension obligations	5,369	3,770	2,443	3,123	3,804	3,466	2,730	3,536	3,197	3,490
Other non-current liabilities	47,359	51,048	71,466	53,868	52,119	37,818	31,899	31,571	28,384	28,949
	311,963	393,820	419,492	454,712	451,087	387,858	324,613	325,829	328,965	331,882
Net assets	544,190	591,547	590,823	596,963	630,063	644,255	647,309	670,549	652,592	688,392
Capital and reserves										
Share capital	3,858	3,858	3,856	3,856	3,856	3,834	3,830	3,830	3,830	3,830
Share premium	244,505	244,505	244,377	244,377	244,377	243,169	242,972	242,972	242,972	242,972
Reserves	145,806	181,693	197,918	216,052	246,063	266,149	276,711	297,233	287,913	315,970
Total ordinary shareholders' funds	394,169	430,056	446,151	464,285	494,296	513,152	523,513	544,035	534,715	562,772
Perpetual capital securities	30,510	29,481	12,326	12,410	12,415	12,414	4,561	4,566	–	–
Non-controlling interests	119,511	132,010	132,346	120,268	123,352	118,689	119,235	121,948	117,877	125,620
Total equity	544,190	591,547	590,823	596,963	630,063	644,255	647,309	670,549	652,592	688,392

Ten Year Summary

	2016 ⁽³⁾	2017 ⁽³⁾	2018 ⁽³⁾	2019 ⁽³⁾	2020 ⁽³⁾	2021 ⁽³⁾	2022 ⁽³⁾	2023	2024	2025
PERFORMANCE DATA										
Earnings per share for profit attributable to ordinary shareholders of the Company – (HK\$)	8.55	9.10	10.11	10.33	7.56	8.70	9.57	6.22	4.46	3.09
Dividends per share – (HK\$)	2.68	2.85	3.17	3.17	2.314	2.66	2.926	2.531	2.202	2.312
Dividend cover	3.2	3.2	3.2	3.3	3.3	3.3	3.3	2.5	2.0	1.3
Return on average ordinary shareholders' funds (%)	8.4%	8.5%	8.9%	8.7%	6.1%	6.6%	7.1%	4.4%	3.2%	2.2%
Current ratio	1.4	2.0	1.5	1.4	1.4	1.3	1.3	1.2	1.5	1.6
Net debt – (HK\$ million) ⁽²⁾	141,806	164,872	207,965	202,648	185,103	166,893	132,042	130,585	128,558	113,692
Net debt / Net total capital (%) ⁽²⁾	20.5%	21.7%	26.0%	25.3%	22.7%	20.5%	16.9%	16.2%	16.4%	14.1%
Net assets attributable to ordinary shareholders of the Company per share – book value (HK\$)	102.2	111.5	115.7	120.4	128.2	133.8	136.7	142.0	139.6	146.9
Number of shares outstanding (million)	3,857.7	3,857.7	3,856.2	3,856.2	3,856.2	3,834.6	3,830.0	3,830.0	3,830.0	3,830.0

Certain line item descriptions have been updated and certain comparative amounts have been reclassified to conform to the current year presentation.

- (1) With effect from 1 January 2018, "Investment properties" are included in "Other non-current assets" and "Total ordinary shareholders' funds" are shown as a separate item within the "Capital and reserves" section of the consolidated statement of financial position. This change in presentation has no impact on the total equity. The comparative information has been reclassified accordingly.
- (2) See note 32(c)(i) to the financial statements.
- (3) Amounts are represented in accordance with HKFRS Accounting Standards.

Information for Shareholders

Listing	The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited
Stock Codes	The Stock Exchange of Hong Kong Limited: 1 Bloomberg: 1 HK Reuters: 0001.HK
Public Float Capitalisation	Approximately HK\$140,233 million (approximately 69% of the issued share capital of the Company) as at 31 December 2025
Financial Calendar	Payment of 2025 Interim Dividend: 25 September 2025 2025 Final Results Announcement: 19 March 2026 Record Date for 2025 Final Dividend: 28 May 2026 Payment of 2025 Final Dividend: 11 June 2026
Registered Office	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands
Principal Place of Business	48th Floor, Cheung Kong Center 2 Queen's Road Central, Hong Kong Telephone: +852 2128 1188 Facsimile: +852 2128 1705
Principal Share Registrar and Transfer Office	Maples Fund Services (Cayman) Limited PO Box 1093, Boundary Hall, Cricket Square Grand Cayman, KY1-1102, Cayman Islands
Hong Kong Share Registrar and Transfer Office	Computershare Hong Kong Investor Services Limited Rooms 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East Wanchai, Hong Kong Telephone: +852 2862 8628 Facsimile: +852 2865 0990
Investor Information	Corporate press releases, financial reports and other investor information on the Group are available on the website of the Company
Investor Relations Contact	Please direct enquiries to: Group Investor Relations 47th Floor, Cheung Kong Center 2 Queen's Road Central, Hong Kong Telephone: +852 2128 1188 Facsimile: +852 2128 1705 Email: ir@ckh.com.hk
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