

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.

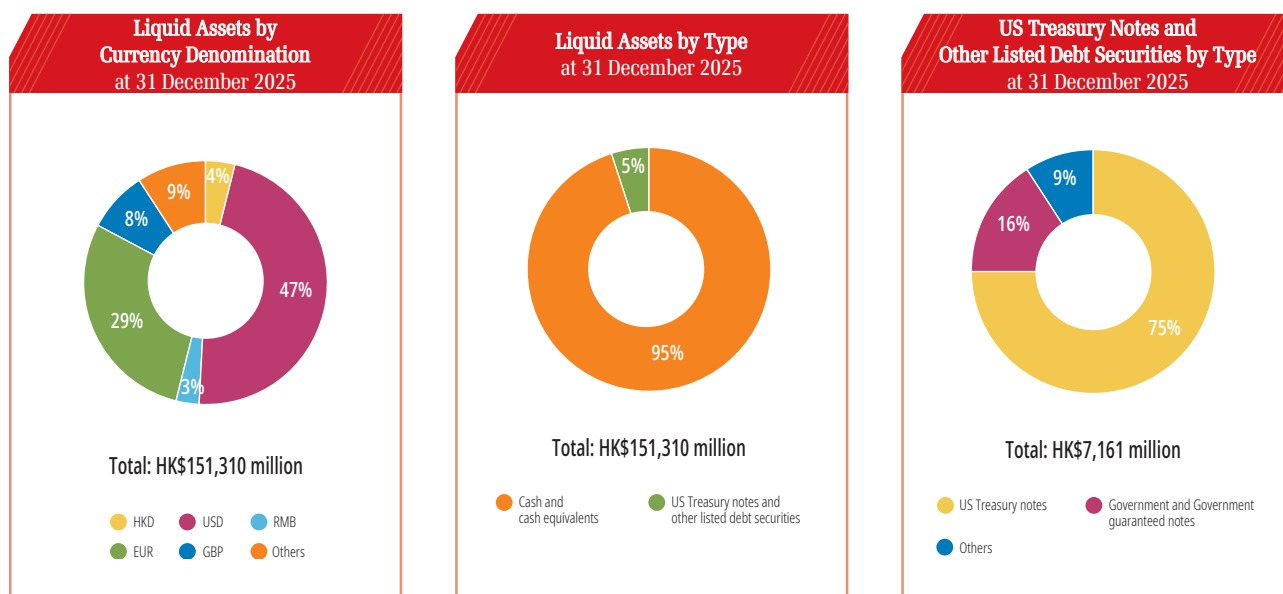
Note 1: Under Post-IFRS 16 basis, EBITDA for 2025 was HK\$129,105 million (31 December 2024 – HK\$125,108 million).

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).

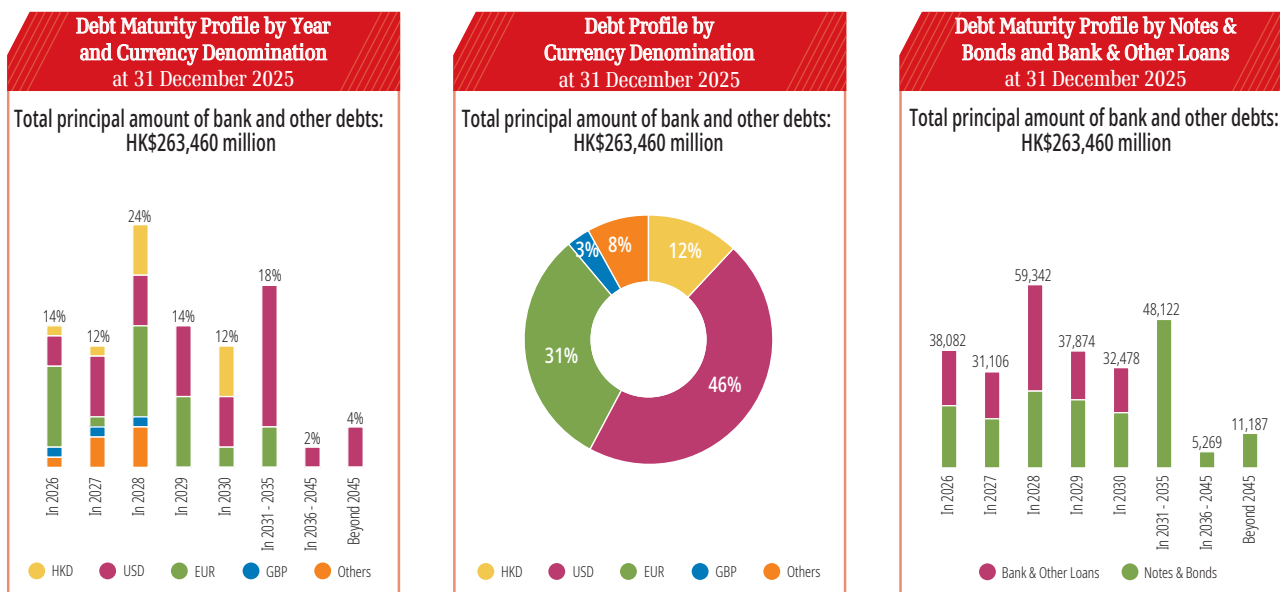
The maturity profile of the Group's total principal amount of bank and other debts at 31 December 2025 is set out below:

	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).