

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".

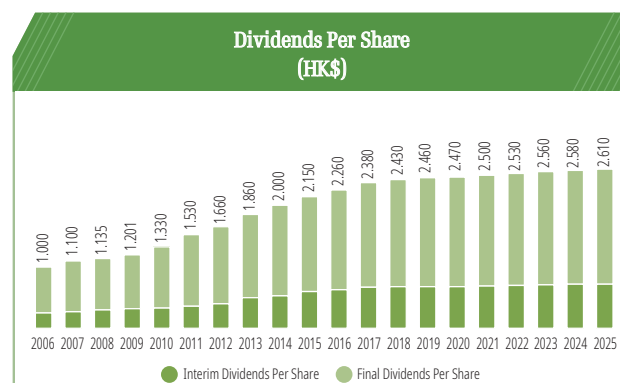
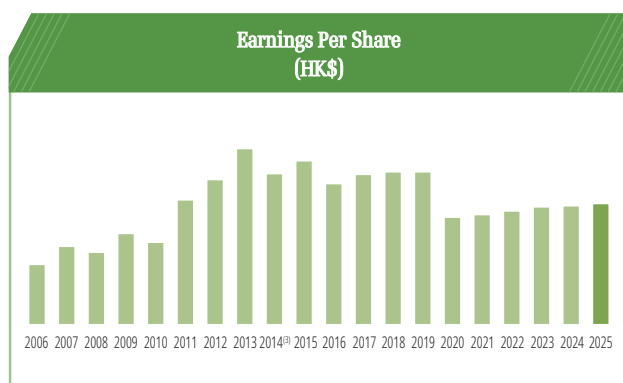
Note 2: Represents share of net profit (before shareholder's loan interest expense to CKI) and excludes CKI corporate items under Post-IFRS 16 basis.

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.