



Power Assets Holdings Ltd.

電能實業有限公司

(Stock Code : 6)



Opening up a World of Opportunities Through Innovation

Annual Report 2025

A Strategic Global Investor in the Energy Sector

Power Assets Holdings Limited (“Power Assets” or “the Group”) is a global investor in energy and utility-related businesses, with interests in the transmission of electricity, gas and oil, the distribution of electricity and gas, and the generation of energy from thermal, waste and other renewable sources.

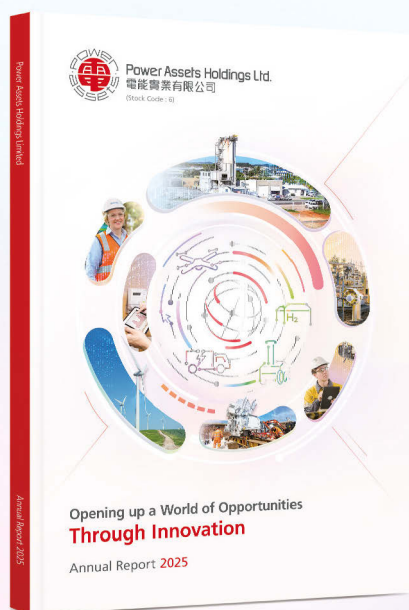
From our origins in Hong Kong over a century ago, the Group has expanded its presence to the United Kingdom, Australia, New Zealand, Chinese Mainland, Thailand, the Netherlands, Canada and the United States. Today, Power Assets supplies clean, reliable and affordable energy to about 20 million homes and businesses worldwide. The bulk of our business revenue is derived from our interests in around 509,000 km of power, gas and oil networks, supplemented by investments in around 9,500 MW of power generation facilities.

Our investments consist primarily of acquisitions, supplemented by greenfield development activities. We follow an active yet prudent strategy of long-term sustainable growth by focusing on appropriately-priced companies operating in well-regulated and mature markets that deliver stable and predictable income streams.

A global transition to green energy is underway to support the carbon neutrality ambitions of markets around the world. As a key player in the energy sector, we invest extensively in innovation and technology to catalyse this transition, with minimal compromise on reliability and affordability.

Listed on the Stock Exchange of Hong Kong as a constituent share of the Hang Seng Index, Power Assets has also been a constituent of the Hang Seng Corporate Sustainability Index since 2010.





Opening up a World of Opportunities Through Innovation

Innovation is the key to overcoming the challenges of climate change and the driving force behind our sustainability initiatives. To illustrate how innovation is creating new opportunities in green energy, our cover features a spinning globe overlaid with modern circuitry, symbolising Power Assets' leadership in smart technology and next-generation energy solutions. Surrounding the globe are images of our people and modern energy systems that bring to life our spirit of innovation and our collective vision for a sustainable future.

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Performance Highlights

20,073,000

Number of Customers



117,500 km

Gas / Oil Pipeline Length

391,500 km

Power Network Length

1,053 MW
Generation Capacity

- Renewable Energy
- Energy-From-Waste
- Biomass

5,630 MW
Generation Capacity

- Gas-Fired

2,858 MW
Generation Capacity

- Coal-Fired
- Oil-Fired
- Diesel Generators



Financials

	2025 HK\$	2024 HK\$
Profit attributable to shareholders (million)	6,236	6,119
Earnings per share	2.93	2.87
Dividends per share	2.82	2.82
Total equity (million)	90,725	87,076
Cash on hand (million)	2,531	2,733
Debts (million)	3,319	2,505
Net debt to net total capital ratio	1%	Net Cash
S&P credit rating	A / Stable	A / Stable



Our Business Portfolio

Europe

United Kingdom

UK Power Networks (UKPN)[#]

Network Length	192,100 km
Customers	8,500,000
Joined / Interest	2010 / 40%

UK Power Networks Services[#]

(a non-regulated business of UKPN)

Installed Capacity	69 MW
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Northern Gas Networks (NGN)

Gas Pipeline Length	37,000 km
Customers	2,900,000
Joined / Interest	2005 / 41.29%

Wales & West Utilities (WWU)

Gas Pipeline Length	32,900 km
Customers	2,500,000
Joined / Interest	2012 / 36%

Seabank Power (SPL)

Installed Capacity	1,149 MW
Joined / Interest	2010 / 25%

Energy Developments Pty Ltd (EDL)

Installed Capacity	54 MW
	12 MW in Greece
Joined / Interest	2017 / 20%

Phoenix Energy

Gas Pipeline Length	4,100 km
Customers	266,000
Joined / Interest	2024 / 20%

UK Renewables Energy

Installed Capacity	175 MW
Joined / Interest	2024 / 20%

Netherlands

Dutch Enviro Energy Holdings B.V.

(which owns AVR-Afvalverwerking B.V. (AVR))

Installed Capacity

Waste-to-Energy Units	111 MW*
Biomass-Fired Units	27 MW
Joined / Interest	2013 / 27%

* The new 88 MW turbines, scheduled to enter operation in 2026, are being installed to replace the older units.

Signed agreements to sell UKPN in February 2026.

Canada

Canadian Power Holdings (Canadian Power)

Meridian

Installed Capacity	220 MW
Joined / Interest	2007 / 50%

TransAlta

Installed Capacity	1,064 MW
Joined / Interest	2007 / 25%

Okanagan Wind Power

Installed Capacity	30 MW
Joined / Interest	2021 / 50%

Husky Midstream Limited Partnership (Husky Midstream)

Oil Pipeline Length	2,300 km
Oil Storage Capacity	5.9 million barrels
Pipeline Gathering System Capacity	409,000 barrels/day
Joined / Interest	2016 / 48.75%

Energy Developments Pty Ltd (EDL)

Installed Capacity	11 MW
Joined / Interest	2017 / 20%

United States of America

Energy Developments Pty Ltd (EDL)

Installed Capacity	142 MW
Joined / Interest	2017 / 20%

North America

Oceania

Australia

SA Power Networks (SAPN)

Network Length	91,100 km
Customers	936,000
Joined / Interest	2000 / 27.93%

Victoria Power Networks (VPN)
(which owns Powercor and CitiPower)

Powercor

Network Length	78,000 km
Customers	963,000
Joined / Interest	2000 / 27.93%

CitiPower

Network Length	4,600 km
Customers	350,000
Joined / Interest	2002 / 27.93%

Energy Developments Pty Ltd (EDL)

Installed Capacity	697 MW
Joined / Interest	2017 / 20%

Australian Energy Operations (AEO)

Network Length	92 km
Joined / Interest	2012 / 50%

Australian Gas Networks (AGN)
(a member of Australian Gas Infrastructure Group (AGIG))

Gas Pipeline Length	27,000 km
Customers	1,433,000
Joined / Interest	2014 / 27.51%

Dampier Bunbury Pipeline and AGI Development Group (collectively known as "DBP")

(a member of AGIG)

Gas Pipeline Length	4,100 km
Joined / Interest	2017 / 20%

Multinet Gas (MGN)
(a member of AGIG)

Gas Pipeline Length	10,100 km
Customers	723,000
Joined / Interest	2017 / 20%

United Energy (UE)

Network Length	13,600 km
Customers	726,000
Joined / Interest	2017 / 20%

New Zealand

Wellington Electricity (WELL)

Network Length	4,900 km
Customers	177,000
Joined / Interest	2008 / 50%

Chinese Mainland

Jinwan Power

Installed Capacity	1,200 MW
Joined / Interest	2009 / 45%

Dali Wind Power

Installed Capacity	48 MW
Joined / Interest	2007 / 45%

Laoting Wind Power

Installed Capacity	49.5 MW
Joined / Interest	2008 / 45%

Hong Kong

HK Electric

Installed Capacity	3,083 MW
Network Length	7,100 km
Customers	599,000
Established / Interest	1889 / 33.37%

Thailand

Ratchaburi Power Company (RPCL)

Installed Capacity	1,400 MW
Joined / Interest	2001 / 25%

Asia

LEGENDS



Generation



Oil Pipelines & Storage Facilities



Energy-from-waste



Gas Transmission & Distribution



Electricity Transmission & Distribution



Renewables

Chairman's Statement



Full Year Results

In the 2025 financial year, Power Assets Holdings Limited ("Power Assets" or "the Group") has delivered robust results across our portfolio of high-quality infrastructure businesses around the world. Funds from operations increased by 8%, reflecting steady revenue streams from a strong asset base.

The global macroeconomic landscape has remained volatile, with geopolitical tensions and inflationary pressures creating challenges. Against this backdrop, our diverse mix of infrastructure businesses has proven highly resilient. Our core focus on investing in regulated businesses has been successful, continuing to deliver secure shareholder returns.

For the year ended 31 December 2025, the Group reported a net profit of HK\$6,236 million (2024: HK\$6,119 million), achieving a 2% growth year-on-year.

Dividends

The Board of Directors has recommended a final dividend of HK\$2.04 per share. Together with the interim dividend of HK\$0.78 per share, the total dividend for 2025 will amount to HK\$2.82 per share (2024: HK\$2.82 per share). The proposed dividend will be paid on 9 June 2026 following approval at the 2026 Annual General Meeting to those shareholders whose names appear on the Register of Members of the Company at the close of business on 27 May 2026.

Solid Foundation to Support Continuing Growth

Power Assets has established a secure financial framework to underpin its strategic vision for continued growth. The Group holds a strong balance sheet and demonstrates good financial health, supported by our global investments. Our "A/Stable" credit rating was reaffirmed by Standard & Poor's. With low gearing and a net debt to net total capital ratio of 1% for Power Assets and 46% on a look-through basis (after sharing the net debt of our international investment portfolio), we are well-positioned to capitalise on new acquisition opportunities that will further strengthen our portfolio.

International Energy Investment Portfolio

United Kingdom Portfolio

The United Kingdom continues to represent Power Assets' largest market, providing a total contribution of HK\$3,210 million (2024: HK\$3,199 million). Our businesses demonstrated resilience and delivered stable results.

UK Power Networks (UKPN) reported softer earnings this year, primarily due to revenue recovery in 2024 to compensate for higher inflation in the prior regulatory periods. Despite this, its operational performance remained strong, with a reliability rating of 99.99% during the regulatory period of 2024/25.

In partnership with Open Climate Fix, UKPN has developed AI solutions to optimise the efficiency and cost-effectiveness of its networks.

Solid results and stable returns were achieved by Northern Gas Networks (NGN) and Wales & West Utilities (WWU) during the year. Both companies received their final determinations in December 2025, which reflected higher allowed returns for the forthcoming regulatory period.

NGN is a key player in the national HyDeploy Project team, which has developed the safety evidence required to support regulatory changes for the effective and safe blending of hydrogen into the gas distribution networks. The blending of hydrogen into the existing gas network will not only be free for the transport and storage of green energy, but also result in a meaningful reduction in carbon emissions.

WWU has made the improvement of cyber security a key priority, continuing to recruit resources into its information security team and successfully delivering a company-wide culture-change programme.

Seabank Power has conducted a comprehensive upgrade of the distributed control system, with a view to extending its operating period amid strong demand for stable and reliable electricity.

2025 marked the first full year of contribution from Phoenix Energy. Network capacity has been enhanced by the efficient delivery of strategic infrastructure investments, totalling 21 kilometres of pipeline in the Greater Belfast area.

UK Renewables Energy also provided its first full year of contribution to the Group. This business plays a vital role in Power Assets' commitment to delivering sustainable energy, generating 195 GWh of clean power in 2025.

The disposal of UK Rails was completed in January 2026.

Australian Portfolio

The Group's Australian portfolio recorded a stable performance and generated a profit contribution of HK\$1,461 million in 2025 (2024: HK\$1,403 million). This amounts to a growth of 4%, fuelled by solid operational performance across our quality investment portfolio.

The financial outlook for SA Power Networks remains promising, supported by higher allowed returns under the new regulatory period which started from 1 July 2025.

Victoria Power Networks (VPN) and United Energy submitted revised proposals in December 2025 for the next regulatory period, with the aim of balancing reliability, safety and affordability as energy needs grow in the state of Victoria.

VPN, which comprises CitiPower and Powercor, launched their AI Transformation Programme in August 2025, a three-stage initiative involving a two-year investment, exploring internal processes and business applications of AI and embedding AI into everyday operations across seven key initiatives being targeted to enhance decision-making, efficiency, and customer outcomes.

Australian Gas Networks (AGN) and Multinet Gas Networks benefited from higher revenue generated by the new connection fee introduced in Victoria.

Dampier Bunbury Pipeline received the final decision for the next Access Arrangement Period in December 2025, while AGN is expected to receive its final decision in March 2026. These determinations provide a framework for stable and secure returns.

Energy Developments Pty Limited reported weaker financial performance due to lower market prices and production. Positioned as a global producer of sustainable distributed energy, the company has acquired GWE Biogas and its Sandhill Biogas Plant in East Yorkshire, United Kingdom.

Canadian Portfolio

Husky Midstream delivered stable cashflow for the Group. The midstream pipeline and terminal assets were operated safely and reliably, helping to ensure stable production from all key customers and throughput volumes that are trending ahead of budget.

Canadian Power's Meridian plant has been operating smoothly under a new 25-year long term power purchase agreement that took effect in March 2025.

Other Portfolios

In the Chinese Mainland, the Jinwan Power Plant delivered satisfactory performance across all major operational and financial metrics. The two wind farms in Dali and Laoting contributed favourably to the reduction of carbon emissions in these provinces.

In the Netherlands, AVR-Afvalverwerking B.V. reported its first year after restarting full incineration capacity following the fire at its Rozenburg plant in 2023. The final phase of reinstatement, construction and civil works for two new steam turbines is progressing well.

Entering a new five-year regulatory period, Wellington Electricity in New Zealand maintained strong operational performance and continued to deliver consistent cash flow to the Group.

The Ratchaburi Power Company in Thailand performed satisfactorily and in line with expectations, benefiting from guaranteed returns from the national offtaker, the Electricity Generating Authority of Thailand.

Investment in HK Electric Investments

HK Electric Investments and its sole operating company, HK Electric delivered solid returns in 2025, with a profit contribution of HK\$1,051 million (2024: HK\$1,038 million), representing an increase of 1%.

HK Electric continues to advance Hong Kong's decarbonisation goals under its 2024-2028 Development Plan. A 380-MW gas-fired combined-cycle unit (L13) is set for commissioning in 2029, while three oil-fired open-cycle gas-turbine units will be launched in phases starting from 2027 to replace aged machines.

In 2025, the company practically completed its rollout of smart meters, enhancing grid efficiency and customer experience. In addition, ongoing investments in condition-based maintenance, real-time monitoring, and predictive diagnostics based on AI technology have sustained the company's supply reliability at above 99.9999%, even during the severe impact of Super Typhoon Ragasa on Hong Kong.

Sustainability

Power Assets recognises that evolving ESG disclosure standards are reshaping expectations across the energy sector, as stakeholders demand greater transparency and accountability regarding sustainability practices.

The Group is embracing risk and opportunity equally as we enhance our reporting on climate-related impacts and embed these key considerations into our decision-making and overall strategic direction.

In pursuit of the global shift towards decarbonisation, our operating companies focus on securing sustainable electricity and green gas supplies. Our gas distribution companies have continued to make significant inroads in their hydrogen and biomethane journeys. AGN has gained approval from the Office of the Technical Regulator to increase the blend of renewable hydrogen with natural gas at AGN's Hydrogen Park South Australia facility from 10% to 15% by volume. The electricity distribution networks have progressed in enhancing reliability and supporting growth of electricity demand, as well as the integration of substantial renewable energy into the grid.

Subsequent Event

In February 2026, Power Assets, CK Infrastructure Holdings Limited ("CKI"), and CK Asset Holdings Limited ("CKA") – holding 40%, 40% and 20% interests in UKPN, respectively, through their indirect wholly-owned

subsidiaries – entered into a share purchase agreement to divest 100% interest of UKPN to Engie S.A., a Euronext-listed player in energy whose single largest shareholder is the French State.

The full disposal of UKPN represents a flagship transaction for the CK Group and the UK utility sector. It demonstrates the value generated by the transformation delivered during CK Group's ownership, with the expected cash proceeds from the disposal together with the distributions that UKPN has delivered over the years, resulting in a strong return on our initial investment made in 2010.

Completion of the transaction is expected before the end of June 2026, subject to the fulfilment of certain conditions, including approval under the UK's National Security Investment Act for the buyer, and independent shareholders' approval from each of Power Assets, CKI, CKA and CK Hutchison Holdings Limited.

Outlook

Power Assets has built an assured business model that delivers ongoing and stable returns to shareholders. We hold a globally diversified portfolio of high-quality energy assets that provide secure and predictable revenue streams and remain relatively immune to the headwinds of market volatility as a result of their largely regulated nature. We will continue to drive organic growth across our portfolio, maximising the potential of existing businesses and taking full advantage of synergies across our businesses.

In addition, we will look to accelerate growth by pursuing new acquisition opportunities. Our focus is on investing in mature businesses in well-regulated energy markets that adhere to our strict investment criteria. Further, we will consider alignment with our sustainability criteria and are actively investigating new markets in renewables and sustainable energy, while embracing AI-driven solutions to optimise operations and accelerate innovation. We have worked very successfully with CKI and CKA on a number of projects and would be very open to new partnerships as promising new acquisition opportunities arise.

I would like to take this opportunity to thank our Board and employees for their valuable contributions, as well as our shareholders and stakeholders for their continued confidence and support.

Andrew John Hunter

Chairman
Hong Kong, 18 March 2026

Long-Term Development Strategy

With global investments in energy generation, transmission and distribution, Power Assets provides power and heating to millions of customers across four continents.

SERVE as a catalyst for the green energy transition

We actively participate in the worldwide effort to combat climate change. We aim to transition the industry into the net-zero carbon era by investing in a range of new technologies that support government efforts to decarbonise. These include renewable energy, smart metering and grid technology, as well as emissions reduction and energy efficient technologies.

In addition, we seek to decarbonise our power generation portfolio by phasing out our coal-fired generating facilities, replacing them with natural gas, and by using cleaner fuels and expanding renewable energy (RE), waste-to-energy, and our carbon capture and utilisation capacity. We are modernising and digitising our electricity networks to accommodate the projected influx of distributed renewable sources as well as the surge in charging requirements anticipated for electric vehicles. Our gas companies are blending hydrogen and biogas into existing gas networks with the ultimate aim of replacing natural gas with hydrogen and biogas to achieve the net zero targets of local governments. We remain committed to exploring sizeable RE investment opportunities and developing RE ventures through our operating companies.

GROW shareholder value through expertise and innovation

The Group aspires to deliver long-term earnings growth by investing in a portfolio of carefully selected companies. Supported by a loyal base of committed shareholders who share this ethos, Power Assets pursues its goals by addressing sectors where it has natural expertise, within stable, well-structured international markets, namely renewables, energy-from-waste, electricity, oil and gas infrastructure businesses. We actively invest in innovation to improve energy affordability and reliability and minimise emissions.

Four key principles underpin our growth and development

MAINTAIN a strong balance sheet as a foundation for agility

Power Assets believes that a strong balance sheet is the foundation of sustainable growth. Since 2018, we have maintained a long-term issuer credit rating of "A" from Standard and Poor's in recognition of our prudent financial management. This credit rating and our strong cash position give us sufficient financial power to be agile in the pursuit of appropriate expansion opportunities.

PURSUE global diversification while minimising risks

Power Assets takes an active but disciplined approach to expanding its portfolio. First, we identify and rigorously evaluate suitable opportunities that operate in stable, well-regulated energy markets around the world with minimal impact on investor risk.

We target enterprises that are appropriately priced and yield steady revenues under government regulation, or whose income is safeguarded by long-term power purchase agreements. Our due diligence process ensures that the technologies, sources of fuel and customer base of potential investments are proven and sustainable. We also undertake climate scenario analysis and double materiality assessments to identify and prioritise top risks and opportunities, enabling us to develop actionable plans that mitigate the potential risks while capitalising on identified opportunities.

The Group is active in Europe, North America, Asia and Oceania to minimise exposure to the economic cycles of any one single market.

Year at a Glance

2025 January - June

- 1 The remaining two of seven incineration lines affected by the fire at AVR's Rozenburg plant have now resumed operation, marking the first full year of operation since the fire's outbreak in September 2023.
- 2 SAPN opens a state-of-the-art depot at Seaford, South Australia. Replacing the previous 6,000-square-metre depot at Morphet Vale, the new 25,000-square-metre facility is a model of sustainable design. It will play a pivotal role in supporting the Company's transition towards net zero, while enhancing its ability to handle network outages and emergencies, as well as essential maintenance and upgrade works.
- 3 NGN hosts the Young Innovators Council (YIC) meet-up session at Thorpe Park, Leeds, where a group of youngsters spent an afternoon learning about innovation at NGN and how AI and robotics might shape the future of gas supply and engineering.
- 4 Canadian Power successfully concludes negotiations to extend its contract for the Meridian Cogen Plant by an additional 25 years, from March 2025 through to 2049. The plant is now operating seamlessly under the new contract, which came into full effect in March 2025.
- 5 UKPN begins exploring how heat pumps can both keep people warm and enhance the nation's energy grid. This is the vision behind HeatNet, a project harnessing the power of smart technology to optimise heat pump operation as the United Kingdom strives to reduce carbon emissions.
- 6 WELL's new Default Price-Quality Path (DPP4) regulatory price period for the five-year period to March 2030 commences on 1 April 2025. Under DPP4, there is a 20% increase in regulatory revenue for the 2025 regulatory year, with further price increases to be phased in over the remaining regulatory period. The price increase reflects higher inflation and interest rates during the previous regulatory price period, as well as expected increases in network investment due to growth in electricity demand.
- 7 Powercor uses a drone to fly a new powerline into place high above the treetops in a remote part of Victoria during an emergency powerline repair. The drone team also inspects power pole tops in high-risk bushfire areas to provide enhanced protection as part of its existing asset inspection and maintenance programme.
- 8 AGIG and Delorean Corporation have signed an agreement to inject up to 210 terajoules of biomethane generated from organic waste into South Australia's gas network, further advancing the adoption of renewable gas.
- 9 RPCL supports a community eye health project, benefiting about 1,500 people at 13 public health centres near its power plant in Thailand's Ratchaburi province.



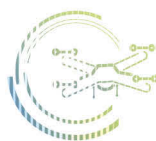
2025 July - December

- 10 HK Electric commissions Hong Kong's first Low-Voltage Direct Current (LVDC) System at Ocean Park's Giant Panda Adventure exhibit. This hybrid alternating current/direct current (AC/DC) microgrid enhances power reliability and resilience for critical facilities.
- 11 Phoenix Energy enters its fourth year of partnership with a leading local conservation charity, The Conservation Volunteers (TCV). Through this partnership, Phoenix Energy is supporting the planting of a further 8,000 additional native trees in community spaces and wooded areas. A total of 32,000 trees have now been planted with TCV.
- 12 WWU has won the RoSPA Gold Award for a 12th consecutive year. The award recognises WWU's achievements in health and safety, with a primary focus on public protection.
- 13 EDL acquires GWE Biogas and its Sandhill Biogas Plant in East Yorkshire, one of the United Kingdom's most advanced anaerobic digestion operators.
- 14 UKPN has brought home three trophies at the Utility Week Awards, including its fifth Utility of the Year award (2012, 2015, 2016, 2023 and 2025) – a unique track record in the industry.
- 15 SAPN has won the Premier's Award in Energy and Mining for Productivity Improvement (Energy) for its Market Active Solar (MAS) project. This groundbreaking initiative demonstrates how energy retailers can leverage SAPN's Flexible Exports technology to deliver greater flexibility to solar customers, helping to shape the future of renewable energy in South Australia.
- 16 AEO is delivering a synchronous condenser project at the Ararat Terminal Station for the Victorian Government and the Australian Energy Market Operator. Beon Energy Solutions, VPN's unregulated construction company, is responsible for building the project.

The syncon is expected to become fully operational in January 2026 following the successful completion of the testing and commissioning activities.
- 17 The synchronous condenser constructed by Beon Energy Solutions at the Ararat Terminal Station is a 250 MVA facility that will stabilise the power grid and provide up to 600 MW of additional renewable energy generation in Western Victoria. The project, Australia's largest, is part of the Victorian Government's A\$480 million investment to modernise the state's electricity grid in support of its transition to renewable energy.
- 18 At a local kindergarten in Zhuhai, Guangdong province, Jinwan's young volunteers conduct an outreach programme in which nearly 400 children participated in this educational activity.



CEO's Report



Tsai Chao Chung, Charles

Chief Executive Officer



Power Assets Holdings Limited (“Power Assets” or “the Group”) is involved in generating, transmitting and distributing electricity, investing in and operating gas infrastructure, and developing green energy. In 2025, our diverse global portfolio of companies achieved satisfactory growth. This performance was well within expectations and our desire to achieve stable returns in line with our strategy of operating in mature, well-regulated markets with low-risk profiles.

During the year, we continued to deliver on our commitment to achieving net zero by 2050 by developing and implementing green energy. Innovation, a key theme of our business today, is a major driver in helping us fulfil this commitment.

We have been pioneering innovative new technologies that improve efficiency while reducing carbon footprint. In Australia, our teams are getting ready to install 100 kerbside 22 kW EV chargers mounted on power poles, a first in the country. In the UK, we used AI and machine learning to analyse consumption and shift heat pump load to off peak, low carbon periods. And, in Hong Kong, we installed a first-of-its-kind low voltage microgrid to create a robust communications backbone for automation, smart monitoring, and the Internet of Things (IoT). These and other initiatives are all tangible examples of how innovation is shaping the future of our business.

We are positioning ourselves to meet new demand from the rise of electric vehicles and AI-driven data centres.

To prepare for a sustainable future, we are seeking appropriate investment opportunities in developed countries. In our existing businesses, we are positioning ourselves to meet new demand from the rise of electric vehicles and AI-driven data centres.

Meeting this demand, however, poses a significant challenge – grid resilience. As renewables are intermittent and highly dependent on ideal weather conditions, we will not be able to depend on a reliable source of energy if renewables are not backed by traditional fossil-based fuels. We are addressing

this challenge by continuing to invest in new technologies and more reliable sources of renewable energy.

One such solution is blending and storing hydrogen in our gas pipeline networks to support the electricity system. By producing hydrogen from surplus renewable electricity and blending it into our gas pipeline, we can transport and store this low-carbon energy and release it when needed, thereby strengthening overall grid resilience. This reliable, cost-effective approach is already underway in markets such as South Australia and Queensland.

Other challenges include today’s inflationary economic environment, which has had a notable impact on our asset base, leading to regulatory reviews in markets like the UK and Australia. We view this as part of the give-and-take nature of long-term regulatory frameworks. We are also closely monitoring ambitious new energy policies, such as those in the UK and Australia, to massively expand renewable generation, and are actively planning for the significant grid and backup capacity investments this will require.

As we continued to expand our asset base, we have also had to contend with an increasingly complex geopolitical and macroeconomic landscape. Foreign investment approval processes in our key markets, such as the UK and Australia, have become more stringent, presenting challenges for new acquisitions. Our appetite for growth, however, remains undiminished.

Looking ahead, we will remain financially disciplined and continue to focus on mature, well-regulated markets. Coupled with our innovations in electrification and AI, we are confident that Power Assets will continue to deliver steady, stable and predictable growth while making significant contributions to the net-zero pathways essential for a sustainable future.



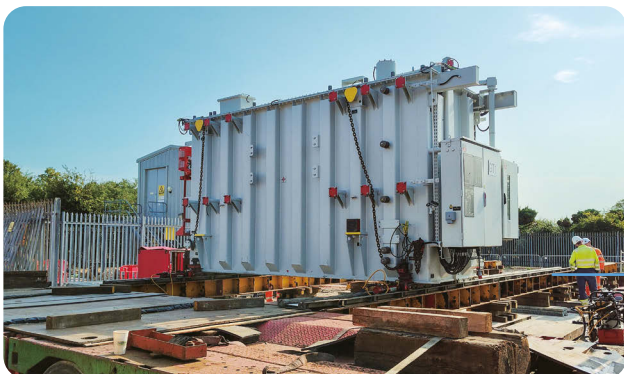
EUROPE UNITED KINGDOM

The UK is the Group's largest market, representing about 50% of our total net profit. Our companies in this market are involved in electricity generation and distribution, gas distribution and renewable energy. In 2025, we served over 14 million domestic, commercial and industrial customers across the UK, making the Group one of the country's largest and most critical energy providers.

In 2025, our UK operations again delivered strong performance, attributable mainly to the well-established regulatory environment and long-term contracts typical of this market.

This was achieved despite emerging challenges to grid resilience. To support the Government's 300 GW target of added renewables by 2030, the system must address intermittency, which will require substantial flexible thermal power generation backup and expanded transmission infrastructure. At the same time, rising EV adoption and the rapid growth of AI-driven data centres will add further pressure on the grid's reliability.

Regulatory expectations, including increased capital expenditure, will require continued adaptation and strategic investment. Nevertheless, we continued to explore appropriate investment opportunities.



UK Power Networks

UK Power Networks (UKPN) owns, operates and manages 3 of the 14 regulated Distribution Network Operators (DNOs) in the UK, making it one of the largest DNOs in the country. It delivers roughly 28% of the nation's electricity to over 8.5 million homes and businesses across London and the East and Southeast of England, an area of approximately 29,250 km². In addition to its public network, UKPN manages private distribution systems for major airports and railways, bringing its combined network length to 192,100 km.

UKPN achieved excellent overall performance across the business in 2025 to remain the number one performing DNO Group in the UK, according to the country's energy regulator for gas and electricity, Ofgem.

During the year, our networks achieved a reliability performance of 99.99%. Since the start of Electricity distribution price control (2023 to 2028 - RIIO-ED2) on 1 April 2023, over 18,000 customers have seen an improvement in network reliability of over 25%, well above our RIIO-ED2 target of 10,000 customers. The number of interruptions per customer (CIs) and the average minutes lost per customer (CMLs) were 0.344 and 25.6 respectively. This represents one of our best-ever performances in terms of network reliability.

A 97,000kg Kolektor 132/33kV grid transformer arrives at Burwell Grid in Cambridgeshire, England. It is the first of two new transformers delivered under a £5.9m scheme to enhance the capacity of this key electricity substation.

UKPN was also ranked the number one DNO Group for customer satisfaction by Ofgem. For the 2024/25 regulatory period, UKPN's three networks secured the first three spots among their 14 counterparts in the country. The overall customer satisfaction score of over 94% for UKPN was well above the Ofgem target of 89%.

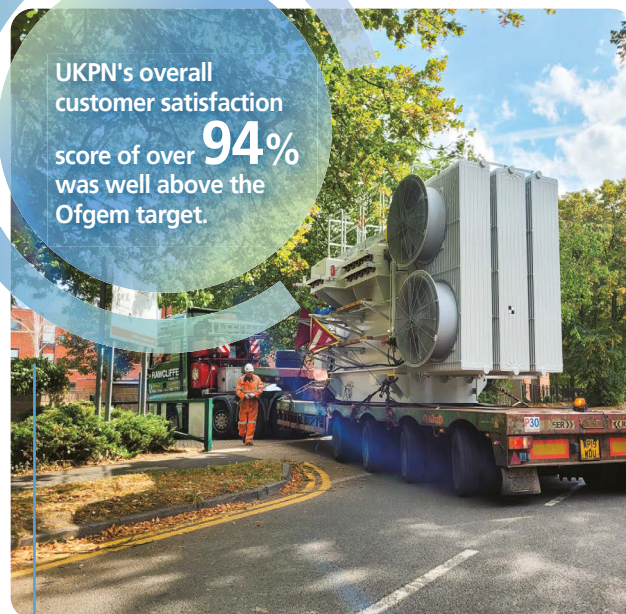
In addition to the regulated networks, UKPN operates a commercial arm, UK Power Networks Services. It manages private energy networks and delivers major national power infrastructure projects for customers such as Heathrow, Gatwick, Stansted and London City airports on a competitive, commercial basis. Since May 2024, this business has included Powerlink Renewable Assets, a portfolio of key renewable infrastructure assets in the UK with 70 solar, wind and hydro energy plants under long-term power purchase agreements.

UKPN has set ambitious environmental targets for the RIIO-ED2 price control period, which runs up to the end of March 2028. UKPN was the first DNO in the UK with an officially ratified Science Based Targets initiative (SBTi) for carbon reduction. It also signed on to the SBTi's Business Ambition for 1.5°C, which committed UKPN to upgrading its Science Based Targets early on and adopting the Net-Zero Standard in 2024. Ofgem is currently requesting a significant increase in ED3, the electricity distribution price control from 1 April 2028 to 31 March 2033, to increase our connection of renewables into the system.

Awards and accreditations earned by UKPN during the year include the following:

- Utility of the year award at the Utility Week Awards

UKPN's overall customer satisfaction score of over **94%** was well above the Ofgem target.



A 47-tonne max-capacity transformer is carefully guided into position at the Central Welwyn Primary site as part of UKPN's ongoing transformer replacement and upgrade programme.

- Best Companies Awards:
 - UKPN achieved 2nd place in the Best Big Companies to work for Survey
- First place in the Inclusive Top 50 UK Employers 2024/25
- Investors in people: Platinum accreditation
- UtilityWeek Flex Awards 2025:
 - Energy Network of the Year
 - Best use of Flexible Data
- Institute of Customer Service list of best customer service providers:
 - Best Employee Engagement Strategy Award 2025
- Chartered Institute of Procurement and Supply (CIPS) Corporate Certification:
 - Platinum Award level (World class)



How UKPN helps solar grid operators see the light



Until recently, owners of solar powered energy grids in the UK were essentially operating blind. This was because rooftop solar systems generated electricity for the home but not reporting their output to grid operators. UKPN solved this critical blind spot by working with Open Climate Fix to adopt AI and machine learning models as well as historical weather and satellite data alongside UKPN's substation measurements, allowing operators to estimate solar output in real time. Since they are now able to "see" thousands of homes' solar contributions, they are in a better position to make accurate forecast loads, manage congestion, and plan for a more flexible and reliable low-carbon grid.

UKPN's 2025 results affirm our reputation for reliability, customer-focused service and preparedness for the next phase of our transition to renewable energy. By adopting low-carbon technologies, investing in innovative strategies and continuing to provide outstanding customer services, we are well-positioned to meet our SBTi commitments and contribute towards the UK's energy transition to net-zero.

Northern Gas Networks

Northern Gas Networks (NGN) operates a gas distribution network in the North of England, where it delivers gas to 2.9 million customers through 37,000 km of pipelines. Highly regarded for customer satisfaction, NGN is one of the eight gas distribution networks in the UK.

In 2025, NGN achieved a throughput of 56,072 GWh (2024: 58,689 GWh) and a consistently high level of customer satisfaction. According to Ofgem survey scores, customer satisfaction remained strong, with an average score of 9.35 out of 10.0 across planned, repair and new connection works in the regulatory year ended 31 March 2026. All mandatory operational targets and licence standards of service for the year were met or exceeded.

During the year, NGN invested £213 million in capital projects, including network improvement and replacement works and



An NGN engineer explains to a customer the risks of carbon monoxide (CO) exposure and the importance of installing a CO alarm at home.

IT infrastructure. These included the replacement of over 550 km of old iron mains to improve the efficiency, reliability and safety of the network. Now in its last five to six years, the entire iron main replacement programme will run until March 2032.

For the latest business plan submitted to Ofgem, NGN will spend more than £1.8 billion in additional investments in its gas network over the 5-year period starting 1 April 2026. This investment will ensure that NGN can continue to deliver exceptional customer service and network safety, reliability and resilience. It will also stimulate growth in the region's economy through the creation of new jobs and skills.



The NGN NeRV Centre: A new testbed for low carbon technologies

In support of RIIO-GD3 – the next gas distribution price control period set by Ofgem – and NGN's innovation strategy, NGN set up the Net Zero Research Village (NeRV) Centre at Low Thornley, Gateshead, in North East England. The aim of the project is to give the UK a place to test how homes and local networks behave with low-carbon technologies and accelerate progress towards net-zero targets. In its village-scale environment, NGN is able to integrate gas, electricity and water systems to test real-world solutions such as hydrogen, heat pumps, smart controls and more. Ultimately, it will allow operators to plan upgrades, find solutions, and set net-zero pathways.



Wales & West Utilities

Wales & West Utilities (WWU) is the gas distribution network operator for Wales and South West England, serving 7.5 million people via 2.5 million connection points. WWU covers 17% (one sixth) of the UK, or 42,000 km², in an area characterised by its diverse urban and rural geography.

WWU is one of the eight regulated gas distribution networks in the UK, heating over 80% of homes in the areas we serve.



From its Cullompton depot in Devon, WWU crews carry out leak detection and repairs, pipework maintenance and replacement, and other routine upkeep to ensure the reliability of the regional gas network.



During the 2024/25 regulatory year, WWU connected 22 biomethane production sites to the network, providing low carbon gas to around 200,000 homes.

To help customers decarbonise, we continued investigating the use of hydrogen as a green fuel source. Several projects are currently being considered, including a proposed hydrogen pipeline, hydrogen infrastructure project and industrial decarbonisation plan for heavy energy users.

Gas engineers equipped with personal protective equipment at a WWU site.

Seabank Power

Seabank Power (SPL), the Group's UK gas generation business, operates two gas-fired combined-cycle units with an output of approximately 1,149 MW near Avonmouth, Bristol. Its output is governed by a multi-year Power Purchase Agreement under a long-term contract with a single customer.

In 2025, SPL operated slightly below its budgeted load factor due to a prolonged scheduled outage on the Module 1 unit.

The plant generates electricity to maintain grid stability and meet demand peaks arising from the increasing use of renewables. During the year, there were no reportable environmental incidents. Amidst the vast increase in intermittent renewables and the prevalent demand for flexible

thermal power generation in the UK, SPL is considering to extend its operation period to enhance grid stability.



The Seabank Power Station, located in Avonmouth/Sevenside near Bristol.

UK Renewables Energy

During its first full year of operation since being acquired by the Group, UK Renewables Energy operated a portfolio of 32 wind farms with a total installed capacity of 175 MW. The business continues to look into opportunities to enhance existing renewable assets as well as new opportunities in the neighbourhood.

UK Renewables Energy plays a vital role in our commitment to sustainable energy, generating 195 GWh of green energy in 2025, which is sufficient to power 89,000 households in the UK for a year. The business has 6 customers over its 32 wind sites. Income from the portfolio is generated from inflation-linked government subsidies and power revenue, including power purchase agreements and sales to the general market.



The Minnygap wind farm in Dumfries, Scotland, is one of 32 onshore wind farms operated by UK Renewables Energy.

Phoenix Energy

Power Assets holds a 20% stake in Phoenix Energy, the largest of Northern Ireland's three gas distribution networks, serving roughly 77% of all gas connections in the region. It is overseen by Northern Ireland's Utility Regulator under a price control regime similar to Ofgem's in Great Britain, allowing the company to enjoy strong and stable returns.



The introduction of new electric vehicles to Phoenix Energy's fleet reduces the carbon footprint of its engineering teams while supporting the company's 2035 sustainability targets.

In 2025 Phoenix Energy transported 4,216 GWh of natural gas through its gas distribution network to 266,000 gas

consumers on behalf of six active gas suppliers. Approximately 55% of the volume transported was for domestic consumers, primarily to heat their homes. The remaining 1,900 GWh was used by industrial and commercial customers.

To increase network capacity, the company completed strategic infrastructure improvements in the Greater Belfast area, totalling 21 km of pipeline. These vital network enhancements will ensure sufficient system pressure to meet projected increases in gas demand, strengthen security of supply, and significantly reduce the risk of gas supply emergencies.

Seven hybrid heating systems using biomethane have been installed in domestic properties.

Phoenix Energy is also supporting the progression with the Northern Ireland (NI) Energy Strategy by shaping and informing the development of regional biomethane (renewable gas) policy and supporting demand side solutions such as hybrid heating systems.

To date, seven hybrid heating systems using biomethane have been installed in domestic properties, with energy management monitoring systems to provide real-time data for trend analysis. In December 2025 the Utility Regulator approved an application to provide funding support for a further 115 hybrid systems to be installed in 2026, a project Phoenix Energy will lead on behalf of NI gas network operators.



EUROPE NETHERLANDS

Dutch Enviro Energy Holdings B.V.

Dutch Enviro Energy Holdings B.V., parent of AVR-Afvalverwerking B.V. (AVR), is a leading Dutch energy-from-waste company. AVR treats biomass, industrial wastewater, municipal solid waste, commercial waste and hazardous waste, handling close to a quarter of the nation's residual waste incineration. From these materials, AVR produces electricity, steam and heat for industrial and municipal customers.

During the year, AVR processed 1,751 kT of residual waste to produce 5,941 TJ of energy, including 208 GWh of electricity.

By January 2025, all seven incineration lines that had been out of operation after the 2023 Rozenburg plant fire were put back in service, although not yet at full capacity. This marked the first full year of restored operation at Rozenburg since the incident. Two new energy-

The Rozenburg waste treatment facility, operated by AVR, near Rotterdam, has returned to full operation.

All of the seven incineration lines that had been out of operation after the 2023 Rozenburg plant fire were put back in service.

efficient steam turbines are scheduled to commence operation in Q3 2026.

A number of key lessons have emerged since the fire was brought under control. Among these are the need for improved firefighting procedures and equipment, as well as a redesign of internal systems to eliminate any single points of failure.

In 2025, an environmental permit was officially granted for the Rozenburg plant, while a draft environmental permit is expected to be granted in Q1 2026 for the Duiven plant.





OCEANIA AUSTRALIA

Over the past 25 years, Australia has evolved into one of the Group's largest markets, supplying energy to around 5 million homes and businesses. Its portfolio spans electricity and gas transmission and distribution, renewables and hybrid systems, as well as energy from landfill gas and waste coal mine gas.

Australia has the most solar panels per person globally. In the second half of 2025, rooftop solar supplied about 14% of the country's electricity. Solar generation continued to thrive thereafter. Australia also leads in hybrid energy solutions and landfill-gas-to-energy, solidifying its leadership in renewables and decarbonisation.

SA Power Networks

SA Power Networks (SAPN) is the sole electricity distributor in South Australia. In 2025, SAPN served around 936,000 residential and business customers and managed a 91,100-km electricity distribution network. The company also builds, maintains and upgrades the poles, wires and substations that deliver electricity to customers.

In 2025, SAPN distributed 10,083 GWh of electricity and connected approximately 350 MW of renewable energy to the grid. SAPN met all reliability, customer satisfaction and other metrics set by the regulator, the Essential Services Commission of South Australia (ESCOSA).

SAPN is a natural monopoly with around 80% of its revenue based on regulated "use of system" charges or related distribution services. In the transition towards renewables,

In the transition towards renewables, SAPN has been playing a key role in driving the transformation of the network.

the company has been playing a key role in driving the transformation of the network and highlighting the importance of distribution networks in Australia's energy future.

The design, construction and maintenance of renewables infrastructure is handled by the company's commercial arm, Enerven, a provider of electrical and telecommunications infrastructure and a leader in Battery Energy Storage Systems (BESS).

In 2025, the main challenge facing SAPN was maintaining its committed level of reliability across its ageing network assets. This challenge is expected to drive higher maintenance costs, particularly for the company's emergency response capabilities, substation maintenance and vegetation management.



A flock of galahs (Australian cockatoos) gather over SAPN's Angaston depot in the Barossa Valley.



SAPN engineers review network plans for the company's upcoming capital works programme.

Despite these challenges, SAPN made good financial progress during the year, especially against budget expectations. This solid financial performance was driven by record growth in our unregulated business, Enerven.

The outlook for the next five years appears equally promising. After submitting the revised 2025-30 Regulatory Proposal to the Australian Energy Regulator (AER) at the end of 2024, the AER published its Final Decision on SA Power Networks 2025-30 Distribution Determination on 30 April 2025. The new Regulatory Period commenced on 1 July 2025.

In its Final Decision, the AER approved a capital expenditure allowance of A\$2.3 billion, which was 97% of our Revised Proposal capital expenditure. Compared with the current 2020-25 regulatory period, the AER's final decision provided 15% more (real) capital expenditure, 19% more (real) operating expenditure, and 33% more (nominal) revenue.

All these results underscore SAPN's resilience against operational and financial challenges. Demonstrating its ability to adapt, seize growth opportunities and deliver value for stakeholders, SAPN maintains a strong foundation for future growth.

Victoria Power Networks

Victoria Power Networks (VPN) delivers electricity across the Australian state of Victoria via CitiPower and Powercor Australia. VPN operates over 82,600 km of networks and supplies electricity to more than 1.3 million customers.

During the year under review, VPN distributed 17,788 GWh of electricity, exceeding expectation due to higher residential consumption and higher demand from large commercial customers of CitiPower and Powercor, as well as 21,565 new customer connections.

In September 2025, CitiPower and Powercor received the AER's draft decision on their 2026-31 Regulatory Proposals. Key pillars of the Regulatory Proposals were based on engagement with more than 17,760 customers over a four-year period. These plans call for an investment of A\$4.8 billion to support the energy transition and their evolution from traditional poles-and-wires businesses to distribution system operators, while meeting rising demand from rooftop solar, electrification, AI and data centres.

CitiPower and Powercor's 2026-31 Regulatory Proposals will allow the networks to meet the rising demand for rooftop solar, electrification, AI and data centres.



Through the Southbank Jumbo Feeder Project, VPN delivered three new 11kV underground feeders to Melbourne's CBD and Southbank, enhancing network reliability, supporting new customer connections, and enabling upgrade works at the Little Queen Zone Substation.

CEO's Report

The AER's draft decision supported key business investments including the upgrades of critical infrastructure in both the CitiPower and Powercor networks. CitiPower and Powercor refined their proposals for resubmission in December, with the aim of balancing reliability, safety and affordability as Victoria's energy needs grow.

The Low-Voltage Distributed Energy Resource Management System (LV DERMS) project continued to expand during the year. LV DERMS now connects nearly 18,000 solar households, making it the largest and fastest-growing centralised residential solar export management system in the world.



Beon Energy Solutions, VPN's engineering, procurement and construction services arm, constructed Australia's largest synchronous condenser at Ararat Terminal Station, helping stabilise the electricity grid and enable up to 600 MW of new renewable generation in Western Victoria.

Beon Energy Solutions, the engineering, procurement and construction and services arm of VPN, constructed Australia's largest synchronous condenser at the Ararat Terminal Station in 2024 for the Victorian Government and Australian Energy Market Operator (AEMO). The 250 MVA facility stabilises

the power grid and enables up to 600 MW of additional renewable energy generation in Western Victoria. The project forms part of the Victorian Government's A\$480 million investment in modernising the state's electricity grid to support the transition to renewable energy.



VPN electrifies Melbourne's EVs with first charger trial

One of the biggest challenges of owning an electric vehicle has always been knowing where to charge it, especially outside the home. VPN has launched Melbourne's first pole-mounted electric vehicle charging trial, installing 100 kerbside 22 kW chargers on existing power poles across the city. Approved by the AER in October 2025, the trial commenced in December 2025 to improve access to convenient, reliable charging, particularly for customers without off-street parking. The chargers will be operated by e-mobility service providers, giving customers choice and encouraging competitive pricing.



Australian Gas Networks

Australian Gas Networks (AGN) delivers natural gas to over 1.4 million customers across Victoria, South Australia, Queensland, New South Wales and the Northern Territory through a distribution network of around 27,000 km.



AGN's Hydrogen Park South Australia demonstration project produces renewable hydrogen via electrolysis and blends it into the local gas network.

Total gas deliveries for the year were 1% higher than the previous year (86.9 petajoules compared with 86 petajoules), largely due to higher volumes in the industrial sector. Lower-than-expected residential consumption was driven by

warmer weather from April to July in both Victoria and South Australia.

Major projects undertaken during the year included the Gawler Gate Station project in South Australia. This project aims to strengthen gas supply for the Gawler region of South Australia by constructing a gate station that will improve gas security, provide better data, and make pipelines ready for future regional development. The project is scheduled for completion by 30 June 2026, with actual progress depending on the interfacing arrangements.

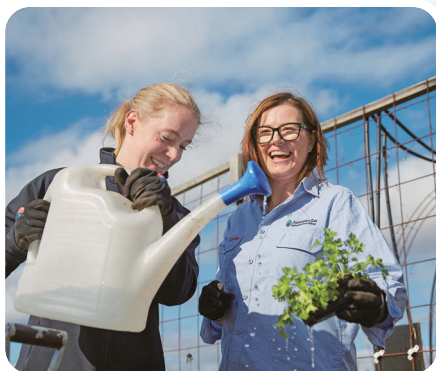
In Victoria, the Wollert North City Gate project is currently underway, with commissioning deferred to 2026 due to access constraints to the land owned by the developer. The facility is to be commissioned prior to winter in 2026.

Another project, the Mains Replacement Programme, will replace most of AGN's cast iron and unprotected steel pipelines with polyethylene pipes. By the end of 2025, a total of 116.9 kilometres of mains had been replaced. This programme, which is heavily focused on the replacement of all steel mains in South Australia, is scheduled for completion in 2026. Replacing the mains will result in a reduction in fugitive methane emissions and other gas leaks, as well as lower maintenance costs and fewer gas supply interruptions.

In November, AGN received approval to increase the blend of renewable hydrogen at its HyP SA facility from 10% to 15% in the sectionalised network within Adelaide, marking a significant expansion of the company's hydrogen footprint.



New data analytics platform takes ESG reporting into the future



Australian Gas Infrastructure Group (AGIG), the group brand of AGN, MGN and DBP, began reporting its sustainability performance in 2021. However, this exercise was manual, time-consuming and cumbersome. To address this challenge, the sustainability team decided to launch a cutting-edge Data Analytics & Visualisation (DAV) platform. Initial uptake was cautious, but once cross-business benefits were demonstrated, support followed.

Since its launch, the DAV platform has cut the ESG reporting process by five to six weeks, supported other analytical functions throughout the company, and demonstrated its capability of leveraging emerging technologies such as AI and machine learning.

CK William (Australia)

CK William (Australia) owns and operates four companies focused on electricity and gas distribution and sustainable distributed energy. Its portfolio comprises Dampier Bunbury Pipeline Group and AGI Development Group (together "DBP"), Multinet Gas (MGN), one of Victoria's three gas distribution networks, and United Energy (UE), an electricity distributor in Victoria. Another business in the portfolio, Energy Developments Pty Ltd (EDL), is a global producer of sustainable, distributed energy, utilising a range of different fuel sources including landfill gas, waste coal mine gas, solar, wind, diesel, anaerobic digestion and renewable natural gas.

In 2025, UE delivered 7,697 GWh of electricity, driven by higher residential consumption. The UE network continued to achieve customer growth with 8,548 new connections.

UE launched the AI Transformation Programme, to explore workforce and business interactions with AI and embed AI into the business.

During the year, UE made substantial progress on its A\$3.54 million Flexible Services project, supported by the Australian Renewable Energy Agency. The project is



EDL's Brent Run landfill gas power station harnesses methane extracted from the Brent Run landfill near Montrose, Michigan to generate renewable energy.



The Tubridgi Gas Storage facility in Western Australia supports the Dampier to Bunbury Natural Gas Pipeline system.

developing LV DERMS to better manage growing volumes of behind-the-meter solar generation.

In August, UE also launched the AI Transformation Programme, which will explore workforce and business interactions with AI and embed AI into the business.

DBP achieved an average gas throughput of 1,163 TJ/day in 2025. Compressor stations achieved 99.76% reliability against a target of 99%, with the 10-MW units within the stations recording 95.09% reliability.

In 2025, MGN continued its Mains Replacement Programme to replace most of the cast iron and unprotected steel pipelines with polyethylene pipes in its gas network. By the end of 2025, 175.6 kilometres of mains had been replaced.

EDL owns and operates 916 MW of distributed power and 20.2 TJ/day gas capacity globally across two key business areas: Clean Energy and Remote Energy. In 2025, EDL's global gas production of 6.055 million MMBtu was higher than 2024 (4.554 million MMBtu), mainly due to the conversion of certain gas power generation assets in the US to production facilities of Renewable Natural Gas (RNG).

On 31 October 2025, EDL completed the acquisition of GWE Biogas Newco 2 Ltd, a UK based owner and operator of an anaerobic digestion (AD) plant, supporting our growth story and investment in sustainable energy.

In November 2025, AGIG completed acquisition of entities providing operation and maintenance services across several gas distribution networks, insourcing more than 700 employees and resulting in a substantial strengthening of AGIG's workforce.



OCEANIA ||| NEW ZEALAND

Wellington Electricity

Wellington Electricity Lines Limited (WELL) supplies 177,000 domestic, commercial and industrial customers across the Wellington region of New Zealand through its 4,900-km network. Notable users include the New Zealand Parliament, Wellington Airport, Wellington rail network and Wellington Hospital. A new revenue limit set by the government in November 2024 went into effect in April 2025.

WELL scaled up its business operations to replace network assets reaching their end of life and to meet increased demand for electricity due to electrification.

Other developments included the commencement of a new five-year regulatory price period (DPP4) starting 1 April that brought in a 20% increase for the 2025 regulatory year and further price increases over the remaining regulatory period. The price increase reflects higher rates of inflation and interest, as well as expected increases in investment due to growth in electricity demand.

In 2025, WELL distributed around 2,234 GWh of electricity (2024: 2,294 GWh) to its customers.

The company scaled up its business operations to replace network assets reaching their end of life and to meet increased demand for electricity due to electrification. WELL's capital expenditure increased from NZ\$82.6 million in 2024 to NZ\$92.5 million capital expenditure in 2025.

Wellington Electricity held a staff workshop in September to reaffirm the Company's values.





ASIA HONG KONG

HK Electric

In 1890, HK Electric – the Group's flagship company – lit Hong Kong's first 50 streetlights in Central, marking the beginning of the city's electrification and rapid economic transformation. Over the following 135 years, Hong Kong's growth and rising prosperity were underpinned by a reliable electricity supply delivered through HK Electric's more than 7,100 kilometres of cables and generation facilities across Hong Kong Island and Lamma Island.

Against a challenging operating environment in 2025, electricity sales to our 599,000 customers declined by 2.3% to 9,916 GWh (2024: 10,150 GWh), reflecting challenging economic conditions, the absence of a leap day, and milder weather. Throughout the year, we remained focused on keeping tariffs affordable. In January 2025, the Net Tariff, comprising the Basic Tariff and Fuel Clause Charge (FCC), slightly increased by HK1.5 cents (0.9%) per unit to HK167.0 cents, compared with HK165.5 cents a year earlier.

During the year, we continued to invest in innovative solutions as we advanced our energy transition. Despite external headwinds, our overall performance remained resilient. Supply reliability exceeded 99.9999%, even with the disruption caused by Super Typhoon Ragasa in September 2025. Carbon emissions declined by 42% against the baseline year of 2005, supported by the continued shift in our generation mix, with gas-fired generation accounting for about 69% of total output.



HK Electric has more than **7,100 km** of cables and generation facilities across Hong Kong Island and Lamma Island.

At HK Electric's Lamma Power Station, engineers inspect the resilience facilities such as this automatic water pump against flooding.

Our operational priorities to reduce our carbon footprint remained aligned with the HKSAR Government's targets to halve carbon emissions by 2035 and achieve carbon neutrality before 2050. During the year, our efforts focused on modernising generation, strengthening the transmission and distribution network, and accelerating digitalisation.

At Lamma Power Station (LPS), major projects under the 2024-2028 Development Plan progressed from planning into active execution. Construction of the new gas-fired combined-cycle generating unit L13 progressed on schedule towards a targeted completion date in early 2029, when it will go into operation. Once commissioned, L13 is expected to increase gas-fired generation of LPS to about 80% of total output, further lowering our carbon intensity.



Aerial view of the L13 gas-fired generating unit at Lamma Power Station.

Digital transformation also reached an important milestone with the completion of the smart meter rollout. For customers, the new smart meters will allow them to manage their electricity use more effectively. For HK Electric, the rollout improves visibility, enabling more efficient system optimisation, faster fault detection and more proactive maintenance.

New digital service offerings in 2025 also included a new online enquiry form to streamline customer interactions and



Smart meters and the advanced metering infrastructure not only facilitate better energy management for customers, but also enhance HK Electric's ability for monitoring of the power grid.

enhanced electronic application forms that enabled residential customers to set up autopay during move-in. Customers can now settle electricity bills via the Faster Payment System, either by scanning the QR codes on the bills or through the Government's "iAM Smart" app.

Strengthening network resilience remained a core focus for meeting the needs of Hong Kong's energy future.

Strengthening network resilience remained a core focus for meeting the needs of Hong Kong's energy future. In 2025, targeted infrastructure upgrades progressed in the Southern and Eastern Districts of Hong Kong Island to support new developments. We also continued to advance our long-term initiatives to maintain network performance, including land acquisition for new substations and the phased replacement of ageing cables and equipment.

Service quality remained strong during the year, with all 18 pledged service standards met or surpassed. Customer satisfaction remained high, with an index score of 4.79 out of 5.



How HK Electric is reaping the benefits of IoT and automation



A few years ago, identifying unplanned outages or equipment failures was a time-consuming – and often costly – challenge for HK Electric. To resolve this, the company built a company wide low power LoRaWAN network, which has been live across Hong Kong Island and Lamma Island since December 2024. Applications include vibration sensing, hotspot detection, remote water meters, and tree and air-quality monitoring. With its automation, smart monitoring and IoT capabilities, the network is delivering 24/7 insights, lower costs, longer sensor life, and stronger reliability for enhanced customer service.



ASIA CHINESE MAINLAND

In Chinese Mainland, our portfolio comprises one coal-fired power plant in Jinwan (Guangdong Province) and two wind farms in Dali (Yunnan Province) and Laoting (Hebei Province) respectively.

Jinwan Power Plant

Two coal-fired heat and power generating units with a total capacity of 1,200 MW are operated by the Jinwan co-generation power plant in Guangdong Province.

In 2025, Jinwan recorded 6,402 million kWh of power sold, a 15% increase on the previous year. Although Jinwan faced a reduction in the electricity price during the year, it was entirely offset by the drop in coal prices. The power plant maintained profitability through robust electricity sales, stable steam production capacity and strict cost controls.

Heat sales for the year amounted to 5.0 million GJ, up from 4.4 million GJ in the previous year, attributed to the increased demand for steam as a heating source.



The Jinwan Power Plant in Guangdong Province is a classical example of a combined heat and power (CHP) facility, known as cogeneration plant. It generates electricity and steam for sale. This integration enhances the economic competitiveness of the industrial zone while providing a steady revenue stream for the utility beyond just electricity sales.



The Dali wind farm in Yunnan province, China, is a key installation in the region's push toward renewable energy. It showcases how wind energy can drive both economic productivity and environmental responsibility.

Dali & Laoting Wind Farms

PAH holds a 45% interest in both Dali and Laoting wind farms.

In 2025, Dali Wind Farm recorded a 15% drop in output due to lower wind speeds in the first and third quarters of the year. Dali Wind Farm surpassed the limit of 36,000 hours and was thus no longer entitled to the government subsidy. As a result, its power price is now set through competitive bidding in the local market. Meanwhile, Laoting Wind Farm maintained stable operations throughout 2025.



ASIA THAILAND

Ratchaburi Power Company

Ratchaburi Power Company (RPCL) operates a 1,400-MW power plant in Ratchaburi province, Thailand. Revenues are secured under a 25-year take-or-pay Power Purchase Agreement with Thailand's Electricity Generating Authority.

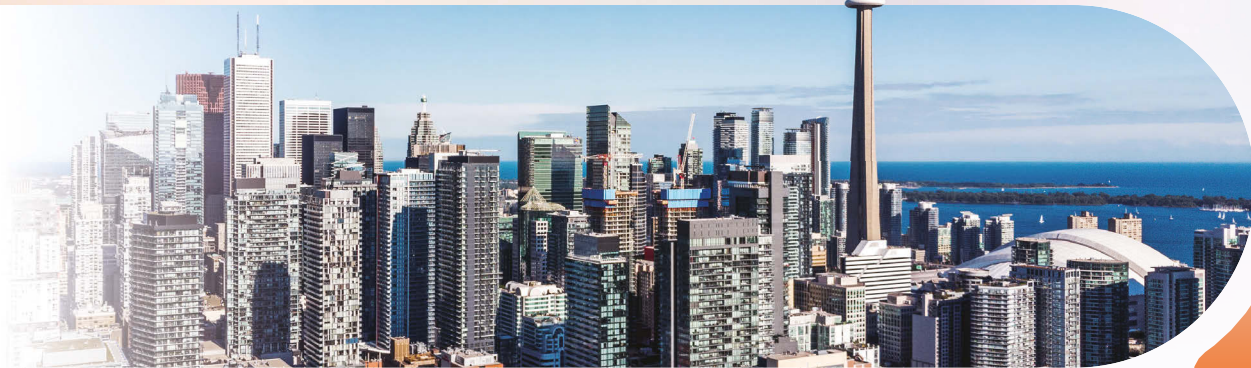
During the year, the total net electricity generated was 307 GWh and the total availability payment amounted to THB 2,165 million.

Actual Available Hours Achieved were 7,585 hours for Block 1 and 8,145 hours for Block 2, of the power plant. The availability performance of both blocks was slightly above the

2025 production plan. The Lost Time Accident rate remained at zero.



An RPCL mechanic conducts routine inspection and cleaning of the high-pressure boiler feedwater pump casing.



NORTH AMERICA CANADA

According to Canada's Net-Zero Emissions Accountability Act, the government is committed to reducing emissions and reporting progress towards its 2050 net-zero goals.

During this lead-up period, the Canadian energy industry is adding new renewables capacity while retiring major coal and nuclear facilities, with natural gas serving as a transitional energy source. Demand for natural gas is projected to drop significantly by 2050 due to the growth in renewables and energy efficiency improvements.

Against this backdrop, the North American crude oil market experienced increased volatility in 2025, with crude oil prices remaining at a level that supports stable activity.

Canadian Power Holdings

Canadian Power Holdings (Canadian Power) invests in a diversified portfolio of power plants and wind farms totalling 1,314 MW, supplying energy and thermal services to customers for electricity, heating and combined power and steam.

In 2025, the Sheerness, Fort Saskatchewan, Ottawa, Windsor, and Meridian plants collectively produced 2,199 GWh of electricity (2024: 2,729 GWh). The two wind farms operated by Okanagan Wind delivered 90 GWh of green electricity, avoiding 1,344 tonnes of carbon emissions.

Meridian Cogen, operator of the combined heat and power plant in Saskatchewan, concluded negotiations in late 2024 with SaskPower (the electricity off taker) and Cenovus (the thermal/steam off taker) to extend its contract for 25 years, from March 2025 through to 2049.

Across the portfolio, there were no reportable environmental incidents. Canadian Power advanced its focus on ESG by establishing an ESG committee in 2023. The company continues to operate in full compliance with Canadian carbon regulations.

Health and safety performance was strong, with no incidents recorded.

The Meridian combined heat and power plant operated by Canadian Power in Saskatchewan, Canada.

Canadian Power invests in a diversified portfolio of power plants and wind farms totalling **1,314 MW.**

Husky Midstream Limited Partnership

Husky Midstream Limited Partnership (Husky Midstream) operates approximately 2,300 km of crude oil-gathering systems and pipelines in the provinces of Alberta and Saskatchewan. Husky Midstream also operates storage terminals in Lloydminster and Hardisty for blending and distribution to third-party export pipelines. These terminals have a storage capacity of approximately 5.9 million barrels. Husky Midstream serves a total of 66 customers within its system.

In 2025, Husky Midstream continued to operate its midstream pipeline and terminal assets safely and reliably in east-central Alberta and west-central Saskatchewan, and its gas infrastructure assets in Alberta.

The pipeline system has a blended crude capacity of approximately 409,000 barrels per day. Additional systems support synthetic crude and condensate transportation. The Lloydminster and Hardisty terminals have a combined storage capacity of approximately 5.9 million barrels. System transport throughput in 2025 was over 253,900 barrels per day, well above budget.



Husky Midstream staff at the Hardisty Terminal in Alberta.

Twelve customers ship on the Husky Midstream pipeline system, and 54 customers are active within the Hardisty terminal.

While there was no significant growth capital spend planned for 2025, future development opportunities continued to be evaluated. The focus remains safe and reliable operations and optimising the entire system to accommodate increased activity levels.

Husky Midstream remained committed to minimising its impact on land, habitat, air and water during the year, while seeking ways to further reduce its environmental footprint.

Significant progress was also made in the implementation of industry best practices in the key areas of Asset Integrity and Control Room Management, which will contribute to the safe operation of the system.



Crude oil facilities at Husky Midstream's Hardisty Terminal.

Board of Directors and Management Team

Board of Directors

Executive Directors

Andrew John HUNTER

Chairman

Aged 67. Appointed to the Board in 1999 and became the Chairman in April 2024. Prior to his appointment to the Board of the Company, Mr. Hunter was Finance Director of the Hutchison Property Group. Mr. Hunter was Group Finance Director from January 1999 to January 2006, and is a Director of certain joint ventures of the Company. Mr. Hunter is an Executive Director of CK Hutchison Holdings Limited ("CK Hutchison"). He is the Co-Managing Director of CK Infrastructure Holdings Limited ("CKI") since January 2026 having served previously as the Deputy Managing Director. The companies mentioned above are listed companies. Mr. Hunter acts as a Director of certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), and a Director of certain companies controlled by certain substantial shareholders of the Company. Mr. Hunter 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 ("HKICPA"). He has over 43 years of experience in accounting and financial management.

Term of office: 17 May 2023 (re-elected) to 2026 Annual General Meeting

TSAI Chao Chung, Charles

Chief Executive Officer

Aged 68. Appointed to the Board and Chief Executive Officer in January 2014. He has been with the Group since June 1987. Mr. Tsai is the General Manager of Power Assets Investments Limited, a wholly-owned subsidiary of the Company. He is also a Director or Alternate Director of most of the subsidiaries and certain joint ventures of the Company. Mr. Tsai has been responsible for the Group's investments outside Hong Kong since 1997. He holds a Bachelor of Applied Science Degree in Mechanical Engineering, and is a Registered Professional Engineer and a Chartered Engineer.

Term of office: 17 May 2023 (re-elected) to 2026 Annual General Meeting

CHAN Loi Shun

Aged 63. Appointed to the Board in June 2012. Mr. Chan is a Director of most of the subsidiaries and certain joint ventures of the Company. He is also an Executive Director of HK Electric Investments Manager Limited ("HKEIML") which is the trustee-manager of HK Electric Investments ("HKEI"), and HK Electric Investments Limited ("HKEIL"), and a Director of The Hongkong Electric Company, Limited ("HK Electric") which is a wholly-owned subsidiary of HKEIL. Mr. Chan is an Executive Director, Chief Financial Officer and General Manager (appointed since January 2026) of CKI, a substantial shareholder of the Company within the meaning of Part XV of the SFO. Mr. Chan joined the CK Group in January 1992. All the companies mentioned above, except HKEIML and HK Electric, are listed companies, and HKEI is a listed investment trust. He also holds directorships in certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the SFO. Mr. Chan is a fellow of the HKICPA, a fellow of the Association of Chartered Certified Accountants and also a member of the Institute of Certified Management Accountants (Australia).

Term of office: 21 May 2025 (re-elected) to 2028 Annual General Meeting

CHENG Cho Ying, Francis

Aged 69. Appointed to the Board in July 2023. Mr. Cheng is a Director of most of the subsidiaries of the Company. He is also the Chief Executive Officer and an Executive Director of HKEIL, a company listed together with HKEI, an Executive Director of HKEIML which is the trustee-manager of HKEI and the Managing Director of HK Electric. He has worked for HK Electric since 1979, and has over 40 years of experience in the power business, in particular the electricity business. He holds a Bachelor's degree in Chemistry and is a Fellow of the Royal Society of Chemistry in the United Kingdom, and a Fellow of The Hong Kong Institution of Engineers ("HKIE").

Term of office: 22 May 2024 (re-elected) to 2027 Annual General Meeting

Non-executive Directors

LEUNG Hong Shun, Alexander

Aged 63. Appointed to the Board in May 2021. Mr. Leung is a practicing solicitor and notary public in Hong Kong and a China-Appointed Attesting Officer appointed by the Ministry of Justice of the People's Republic of China. He is presently a partner of Messrs. S.H. Leung & Co., Solicitors. Mr. Leung holds a Bachelor of Laws degree.

Term of office: 21 May 2025 (re-elected) to 2028 Annual General Meeting

LI Tzar Kuoi, Victor

Aged 61. Appointed to the Board in 1994 and re-designated from an Executive Director to a Non-executive Director in January 2014. He is also a Director of a joint venture of the Company. He is the Chairman and Executive Director of CK Hutchison, the Chairman and Managing Director, and the Chairman of the Executive Committee of CK Asset Holdings Limited ("CKA"), and the Chairman of CKI and CK Life Sciences Int'l., (Holdings) Inc. Mr. Li is also a Non-executive Director of HKEIML which is the trustee-manager of HKEI, a Non-executive Director and the Deputy Chairman of HKEIL and a Director of HK Electric. All the companies mentioned above, except HKEIML and HK Electric, are listed companies, and HKEI is a listed investment trust. Mr. Li is also the Deputy Chairman of Li Ka Shing Foundation Limited and Li Ka Shing (Global) Foundation, and the Member Deputy Chairman of Li Ka Shing (Canada) Foundation. Mr. Li serves as a member of the

14th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He is also Vice Chairman of the Hong Kong General Chamber of Commerce. Mr. Li is the Honorary Consul of Barbados in Hong Kong and is awarded the Grand Officer of the Order of the Star of Italy. He acts as a Director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a Director of certain companies controlled by certain substantial shareholders of the Company. Mr. Li 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.).

Term of office: 17 May 2023 (re-elected) to 2026 Annual General Meeting

Neil Douglas MCGEE

Aged 74. Appointed to the Board in 2005 as an Executive Director, re-designated as a Non-executive Director in August 2012 and as an Executive Director in January 2014, and further re-designated as a Non-executive Director in March 2025. He was Group Finance Director from February 2006 to August 2012. Mr. McGee has held various legal, corporate secretarial, finance and management positions with the Group and the CK Hutchison Group. He is also a Director or Alternate Director of certain subsidiaries and joint ventures of the Company. Mr. McGee holds a Bachelor of Arts degree and a Bachelor of Laws degree.

Term of office: 22 May 2024 (re-elected) to 2027 Annual General Meeting

Independent Non-executive Directors

Stephen Edward BRADLEY

Aged 67. Appointed to the Board in May 2022. Mr. Bradley is an Independent Non-executive Director of CKA and an Independent Director of Cenovus Energy Inc., both listed companies. He was previously a Director of CNEX (Shanghai CFETS-NEX International Money Broking Co., Ltd.) and Senior Advisor to CME Group. Mr. Bradley entered the British Diplomatic Service in 1981 and retired from the British Diplomatic Service in 2009, having served in various capacities including Director of Trade & Investment Promotion (Paris) from 1999 to 2002; Minister, Deputy Head of Mission & Consul-General (Beijing) from 2002 to 2003; and HM Consul-General (Hong Kong) from 2003 to 2008. He also worked in the private sector as Marketing Director, Guinness Peat Aviation (Asia) and Associate Director, Lloyd George Management (a part of BMO Global Asset Management). Mr. Bradley holds a Bachelor of Arts degree from Balliol College, University of Oxford, England and a post-graduate diploma from Fudan University, Shanghai.

Term of office: 17 May 2023 (re-elected) to 2026 Annual General Meeting

IP Yuk-keung, Albert

Aged 73. Appointed to the Board in January 2014. Mr. Ip is an international banking and real estate professional with over 30 years of banking experience in United States, Asia and Hong Kong. He was formerly Managing Director of Citigroup and Managing Director of Investments at Merrill Lynch (Asia Pacific). Mr. Ip is Adjunct Professor of and advisor

to a number of universities in Hong Kong and Macau. He is a member of the Court of City University of Hong Kong and a member of the Court and Senior Advisor to the President of The Hong Kong University of Science and Technology ("HKUST"). He is also the Co-Chairman of the College International Advisory Board, and the Chairman of Business Career Development Advisory Committee, of the College of Business of City University of Hong Kong, the Chairman of Career Development Advisory Council and a Special Advisor to the Dean of the School of Business and Management and an Honorary Advisor and the Chairman of Career Development Advisor Board of the School of Humanities and Social Science of HKUST, a member of the Advisory Board for the Faculty of Business Administration of the University of Macau, and the Chairman of the HKUST Foundation. Mr. Ip is an Honorary Fellow of Vocational Training Council, an Honorary Fellow of and a Beta Gamma Sigma Honoree at City University of Hong Kong, and an Honorary Fellow of and a Beta Gamma Sigma Honoree at HKUST. Mr. Ip is an Independent Non-executive Director of Eagle Asset Management (CP) Limited which is the manager of Champion Real Estate Investment Trust, New World Development Company Limited and Hutchison Telecommunications Hong Kong Holdings Limited. All the companies mentioned above except for Eagle Asset Management (CP) Limited are listed companies, and Champion Real Estate Investment Trust is a listed real estate investment trust. Mr. Ip holds a Bachelor of Science degree in Applied Mathematics and Computer Science, a Master of Science in Applied Mathematics and a Master of Science in Accounting and Finance.

Term of office: 21 May 2025 (re-elected) to 2028 Annual General Meeting

KOH Poh Wah

Aged 69. Appointed to the Board in May 2021. Ms. Koh has more than 30 years of working experience in the areas of operations management, technology, financial and business re-engineering. Ms. Koh is an Independent Non-executive Director of HKEIML which is the trustee-manager of HKEI, and HKEIL which is a company listed together with HKEI, and a Director of HK Electric. She is also an Independent Non-executive Director of CKI (a listed company and a substantial shareholder of the Company within the meaning of Part XV of the SFO), and ESR Asset Management (Fortune) Limited which is the manager of Fortune Real Estate Investment Trust, a listed real estate investment trust. Ms. Koh was previously the Regional Accountant (Alpha Asia Pacific) of Alpha International, a non-profit organisation, from 2012 to 2015 in charge of the finance functions for Alpha Asia Pacific region, Alpha Singapore and AAP Publishing Pte. Ltd. Prior to this role she was a Director with Future Positive Pte. Ltd. working extensively on information technology and business re-engineering consultancy areas. Ms. Koh also worked for American International Assurance Co. Ltd. for 15 years during the period from 1986 to 2000, with her last position as Vice President – Quality Support & Operations Management. Ms. Koh holds a Master of Science in Management Science

and Operational Research, a Bachelor of Arts Degree (Honours) in Accounting, and a Diploma from Institute for the Management of Information Systems (previously known as Institute of Data Processing Management, UK) and a Fellow of Life Management Institute (USA).

Term of office: 21 May 2025 (re-elected) to 2028 Annual General Meeting

KWAN Chi Kin, Anthony

Aged 70. Appointed to the Board in May 2022. Mr. Kwan has over 40 years of experience in engineering. He joined the CK Group in May 1990 and was a member of Executive Committee and General Manager, Building Cost & Contract Department of CKA, a listed company, before his retirement in 2018. Mr. Kwan holds a Higher Diploma in Building Technology and Management. He is a Registered Professional Surveyor (Quantity Surveying), a Registered Professional Engineer (Building), a member of The Hong Kong Institute of Surveyors, a member of HKIE and a member of Hong Kong Institute of Construction Managers.

Term of office: 17 May 2023 (re-elected) to 2026 Annual General Meeting

Management Team

CHAN Kee Ham, Ivan

Aged 63. Chief Financial Officer, has been with the Group since May 2012. He is also the Chief Planning and Investment Officer of CK Infrastructure Holdings Limited. He has over 35 years of experience in investment, banking and finance. He holds a Bachelor's degree in Science, a Bachelor's degree in Chinese Law and a Master's degree in Business Administration.

CHAN Yee Tak, Jacqueline

Aged 38. Senior Manager (Sustainability), has been with the Group since June 2025 and has over a decade of experience in various environmental and sustainability-related projects. She is currently responsible for managing the sustainable development of the Group's global investments. She holds a Bachelor's degree in Environmental Engineering and a Master's degree in Mechanical Engineering. She is a Chartered Environmental Engineer and a member of the Hong Kong Institution of Engineers.

FUNG Siu Tong, Thomas

Aged 57. General Manager, has been with the Group since September 1990. He is responsible for business development activities which include both acquisition and greenfield development globally. He holds a Bachelor of Science degree in Mechanical Engineering.

HO Chung Yin

Aged 52. Head of Asia Pacific and Americas Business, joined the Group in June 2019 and has over 25 years of experience in energy industry with international business exposure. He is responsible for asset management of the Group's investments globally, and assumes active role in new energy infrastructure projects development. Mr. Ho holds a Bachelor of Arts degree in Business Studies and a Master of Business Administration degree. He is a fellow of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Chartered Financial Analyst Institute.

LEUNG Ka Kay

Aged 52. Senior Manager (Business Development), has been with the Group since October 1997. He is responsible for business development activities of the Group's investments globally. He holds a Bachelor of Science degree and a Master of Practising Accounting degree. He is a Chartered Engineer in the United Kingdom, and a member of The Hong Kong Institution of Engineers and the Institution of Mechanical Engineers in the United Kingdom.

NG Wai Cheong, Alex

Aged 56. Group Legal Counsel and Company Secretary, has been with the Group since November 2008. Mr. Ng is also the Group Legal Counsel and Company Secretary of HK Electric Investments Manager Limited (the trustee-manager of HK Electric Investments) and HK Electric Investments Limited. He has over 25 years of experience in legal, regulatory and compliance fields. Mr. Ng holds a Bachelor's degree in Science and a Bachelor's degree in Laws. He was admitted as a solicitor in Hong Kong and in England and Wales.

YU Ka Man, Jenny

Aged 54. Head of European Business, joined the Group in September 2016 and has over 25 years of experience in energy industry with international business exposure. She is responsible for asset management of the Group's investments globally, and assumes active role in new energy development projects. Ms. Yu holds a Master of Business Administration degree. She is a fellow of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a member of The Hong Kong Institute of Directors. Ms. Yu is also a Certified Environmental, Social and Governance Analyst of The European Federation of Financial Analysts Societies.

Corporate Governance Report

Corporate Governance

The Board is committed to maintaining high standards of corporate governance, and recognises that sound and effective corporate governance practices are fundamental to the smooth, effective and transparent operation of the Company and its ability to attract investment, protect the rights of shareholders and other stakeholders, and enhance shareholder value. The Group's corporate governance practices are designed to achieve these objectives and are maintained through a framework of processes, policies and guidelines.

The Company has complied with the applicable code provisions in the Corporate Governance Code set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2025.

Vision, Missions and Core Values

The Company has the vision to excel in the energy business in key international markets, and is dedicated to the missions of enhancing shareholder value, nurturing a harmonious, efficient and committed workforce, and caring for the environment and placing health and safety at the forefront of all its activities. Guided by the four core values – pursuit of excellence, integrity, respect and trust, and caring – the Group is committed to operating its business lawfully, ethically and responsibly.

The Company is committed to ensuring the long-term sustainability of the Group's business and has formulated the Sustainability Policy, which is published on the Company's website, to set out the sustainability approach for its operations.

Under the leadership of the Board, the Company instils these vision, missions, core values and sustainability approach in our staff and stakeholders while integrating them into the Group's day-to-day operations. Information on the Company's performance and the basis on which the Company generates value over the longer term and the strategy for delivering the above vision and missions are set out in the Chairman's Statement on pages 6 to 8, the Long-Term Development Strategy on page 9 and the CEO's Report on pages 12 to 31 of the Annual Report.

Board of Directors

The Board, led by the Chairman, is collectively responsible for the management and operations of the Company. Its responsibilities include approval and monitoring of Group-wide strategies and policies, approval of annual budgets and business plans, evaluation of the performance of the Group, and oversight of the management. Management, led by the Chief Executive Officer, is responsible for the day-to-day operations of the Group. The senior management of the Company, comprising the Executive Directors, is accountable to the Board, and ultimately to the shareholders.

Directors at all times have full and timely access to information of the Group, including board papers and related materials. A financial summary outlining the Group's financial position and performance and containing the actual and budgeted results from different operations, with major variances explained, is sent to Directors each month for their review.

All Directors, including the Non-executive Directors and the Independent Non-executive Directors, have independent access to the management team for information on the Group and unrestricted access to the advice and services of the Company Secretary on governance matters and board procedures. There is a procedure for Directors to seek independent professional advice whenever deemed necessary by them at the expense of the Company.

The Company has arranged insurance coverage in respect of directors' liability for all Directors.

Board Composition

The Board currently comprises 11 Directors, including four Executive Directors and three Non-executive Directors and four Independent Non-executive Directors (following the resignation of Mr. Wu Ting Yuk, Anthony as an Independent Non-executive Director with effect from 21 January 2026).

Throughout 2025 and up to the date of this Annual Report, the number of Independent Non-executive Directors meets the one-third requirement under the Listing Rules, among which at least one of them have appropriate professional qualifications or accounting or related financial management expertise.

Biographical details of the Directors are set out in the Board of Directors and Management Team section on pages 32 to 36 of the Annual Report. An updated list of Directors containing their biographical information is maintained on the website of the Company. The names of all Directors and their role and function are posted on the website of Hong Kong Exchanges and Clearing Limited ("HKEX").

Board Committees

The Board is supported by four board committees, Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Committee. Details of these committees are set out later in this report, and their terms of reference are published on the Company's website and the HKEX's website.

Board Proceedings

The Board has four regular meetings each year at approximately quarterly intervals and additional meetings will be held when warranted. Regular meetings are scheduled during the last quarter of the preceding year providing Directors with adequate time to plan their schedules to attend. The Directors may attend meetings in person, by telephone or other electronic means in accordance with the Company's articles of association. Throughout the year, the Directors also consider and approve matters by way of written resolutions, which are circulated to Directors together with explanatory briefings from the Chief Executive Officer or the Company Secretary as required. Directors are required to declare their interests, if any, in the matters to be considered by them during board meetings and in the circular resolutions.

Directors receive at least fourteen days prior written notice of a regular meeting and may propose matters for discussion to be included in the agenda. An agenda with supporting board papers is sent to Directors no less than three days prior to a regular meeting. The Company Secretary assists the Chairman in seeing that Directors receive adequate information on each matter set out in the agenda for informed decisions and acts as co-ordinator for management in providing clarification sought by Directors.

The minutes of Board meetings are prepared by the Company Secretary with details of the decisions reached, any concerns raised and dissenting views expressed. The draft minutes are sent to all Directors for their comments. The final minutes are kept by the Company Secretary and available for inspection by Directors. Copies are sent to Directors for their records within a reasonable time after each meeting. This arrangement also applies to meetings of the board committees.

Directors' Attendance of Meetings

Directors attend to the affairs of the Group through their participation at the Board and board committee meetings and the annual general meeting. In addition, the Chairman held meetings with the Independent Non-executive Directors without the presence of other Directors, to listen to their independent views on matters relating to the Group and its operations. The attendance record of the meetings during 2025 are as follows:

Directors	Board Meetings	Audit Committee Meetings	Remuneration Committee Meeting	Nomination Committee Meeting	Sustainability Committee Meetings	Meetings between Chairman and Independent Non-executive Directors	Annual General Meeting held on 21 May 2025
Executive Directors							
Andrew John Hunter (Chairman)	4/4	–	1/1	–	–	2/2	✓
Tsai Chao Chung, Charles (Chief Executive Officer)	4/4	–	–	–	2/2	–	✓
Chan Loi Shun	4/4	–	–	–	2/2	–	✓
Cheng Cho Ying, Francis	4/4	–	–	–	–	–	✓
Non-executive Directors							
Leung Hong Shun, Alexander	4/4	–	–	–	–	–	✓
Victor T K Li	3/4	–	–	1/1	–	–	✓
Neil Douglas McGee (Re-designated as Non-executive Director on 1 March 2025)	4/4	–	–	–	–	–	✓
Independent Non-executive Directors							
Stephen Edward Bradley	4/4	–	–	1/1	–	2/2	✓
Ip Yuk-keung, Albert	4/4	4/4	–	1/1	2/2	2/2	✓
Koh Poh Wah	4/4	4/4	1/1	–	–	2/2	✓
Kwan Chi Kin, Anthony	4/4	–	1/1	–	–	2/2	✓
Wu Ting Yuk, Anthony (Resigned on 21 January 2026)	4/4	4/4	–	–	–	2/2	✓

Each Director has confirmed that he/she has made contributions to the Group that are commensurate with his/her role and board responsibilities, devoted sufficient time and attention to the affairs of the Group, and disclosed their offices held in other public companies or organisations and other significant external time commitments and updated the Company on any subsequent changes in a timely manner.

Board Performance Evaluation

The Board, supported by the Nomination Committee, conducts regular evaluation of its performance to ensure good corporate governance and board effectiveness. As part of the annual evaluation process, each Director completes a questionnaire covering a range of topics including: (a) board composition and expertise, board information, board process and effectiveness, continuous development and education, board accountability and leadership; (b) the constituent and expertise, and process and effectiveness of each of the board committees; and (c) his/her views on the performance of the Board and the board committees and any suggestions for improving the board process. The evaluation results were then analysed and presented to the Nomination Committee and the Board for review internally.

Subsequent to the financial year end, the Board conducted an evaluation of its performance for 2025 in the manner described above, and the results were reviewed at the Nomination Committee meeting and the Board meeting both held in March 2026. Positive feedbacks were received in recognition of the diversity of the Board with an appropriate balance of competencies, experience and skill, timely and effective communication among the Board, the management and the shareholders, and continuous

development trainings offered to Directors. Based on the review of the performance evaluation, the Directors considered the Board and the board committees continued to operate effectively.

Nomination, Appointment and Re-election

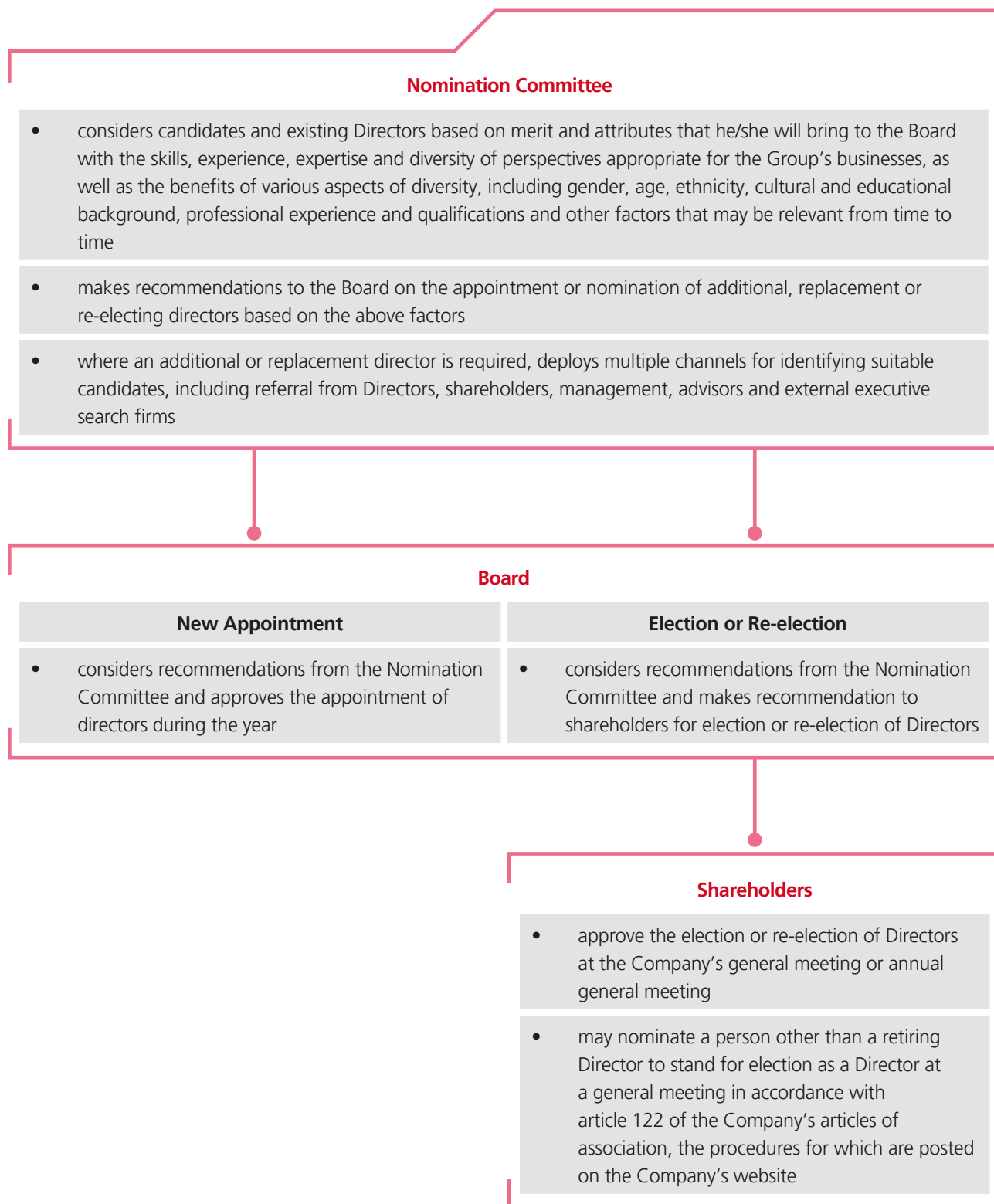
All Directors have been appointed on annual twelve-month basis (save for the initial period which is for a period up to 31 December in the year of appointment), subject to retirement from office by rotation and re-election by shareholders at the annual general meeting at least once every three years pursuant to the articles of association of the Company. Any Director appointed to fill the casual vacancy shall hold office until the next following general meeting and in the case of an addition, until the next annual general meeting, and shall be eligible for re-election at that meeting.

Directors retiring by rotation at the forthcoming annual general meeting are Mr. Andrew John Hunter, Mr. Stephen Edward Bradley, Mr. Kwan Chi Kin, Anthony, Mr. Victor T K Li and Mr. Tsai Chao Chung, Charles. All the abovementioned retiring Directors offer themselves for re-election. Information relating to these Directors required to be disclosed under the Listing Rules is contained in the circular to be despatched to shareholders together with this Annual Report.

None of the Directors has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Nomination Process

The following diagram outlines the nomination process, as set out in the Company's Director Nomination Policy, for new appointments and election or re-election of Directors:



Diversity

The Company recognises the importance of having qualified and competent Directors that possess a balance of skill set, experience, expertise and diversity of perspectives appropriate for its strategies, which can enhance decision-making capability and the overall effectiveness of the Board to achieve corporate strategy as well as promote shareholder value.

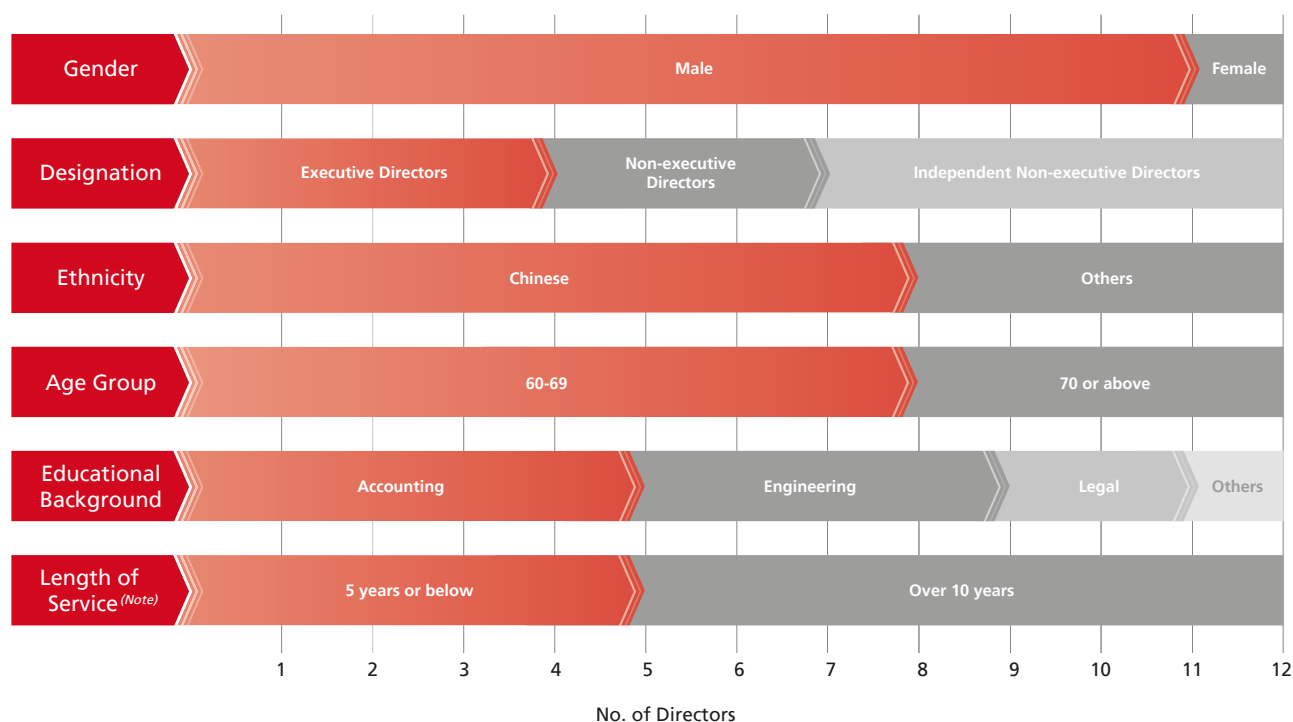
The full Board is ultimately responsible for reviewing the structure, size, diversity profile and skills matrix of the Board, appointment of new Directors and succession plan for Directors. They have delegated their responsibility to the Nomination Committee, and established the Director Nomination Policy and the Board Diversity Policy, which are published on the Company's website, to provide guidance on the approach and procedure for these processes based on the abovementioned diversity criteria and objectives. The Nomination Committee reviews annually the implementation of these policies and makes recommendation on any revisions as may be required to the Board for approval to ensure their continued effectiveness.

Currently the Board has one female Independent Non-executive Director. It will continue to embrace gender diversity when making future board appointments but no specific targets or timelines to further enhance gender diversity have been set as it is of the view that all aspects of diversity should be considered as a whole in the selection of suitable candidates for appointment to the Board.

The Company also recognises the importance of diversity throughout the Group. It has established the Workforce Diversity Policy, which is published on the Company's website, to provide guidance in creating a diverse, inclusive and supportive working environment for its employees where individual differences are respected and all employees are treated with dignity. Progress in fostering gender empowerment, gender equality and gender diversity across its workforce is continuously monitored, and training on diversity and inclusion-related topics are provided to employees from time to time to enhance employee awareness and foster inclusive practice at all levels of the Group.

The same approach to gender diversity at the board level also applies to the Group's workforce, including the senior management. As of 31 December 2025, the gender ratio of the Executive Directors of the Company is 100% male and that of the management team of the Company is 16.67% female and 83.33% male, whereas the gender ratio of the workforce of the Company (excluding the senior management) is 43.75% female and 56.25% male. The Group recognises the value of gender diversity to promote a diverse and inclusive working environment and welcomes increased female representation at all levels. However, the Group currently does not consider it appropriate to set any specific gender target or timeline for its workforce. The availability of female candidates for many of the engineering positions is currently somewhat limited, and being an equal opportunity employer, the Group also considers other relevant factors in making its decision on fitting the right person to the right position.

The diversity profile of the Board as at 31 December 2025 is as follows:



Note: There is no Director with length of service of 6 years to 10 years.

The table below shows the mix of skills the Board possesses which is reviewed annually by the Nomination Committee:

Skills and Expertise	Description	Importance to the Company	No. of Directors ^(Note)
Board governance / leadership	Ability to oversee corporate directions and uphold governance standards	Ensure long-term stewardship, accountability and transparency for effective leadership	11
Business management	Experience in running organisations and managing operations	Guide commercial decisions and operational discipline to deliver performance	9
Strategic planning / risk management	Skills in setting long-term strategy and identifying, assessing and mitigating risks	Plan strategically to manage risks and achieve corporate objectives	7
Merger and acquisition	Experience in evaluating, executing and integrating acquisitions and other transactions	Execute strategic investment strategy for long-term sustainable growth	7
Regulatory regime / public policy	Understanding of regulatory framework and policy trends in energy markets	Assess regulatory mechanism and trends and their impacts on energy investments and potential acquisition opportunities	7
Accounting / finance	Knowledge in financial management and reporting, and financial transactions	Oversee financial strategies and reporting to support decision making and safeguard shareholder value	6
Legal / regulatory	Experience in legal and regulatory compliance	Manage legal and regulatory risks to ensure compliance	2
Engineering	Understanding of technical and operational aspects of engineering businesses	Assess engineering matters in acquisition opportunities and drive improvements in investments	4
Related industry knowledge / experience	Experience in the energy, utility or infrastructure sectors	Provide industry insight, market context and operational perspectives to support investment decision and drive improvement	7
Sustainability	Understanding of ESG strategies, sustainability in operations and responsible investment practices	Drive long-term sustainability performance	5
Climate-related risk and opportunity	Knowledge of climate impacts, and transition and decarbonisation risks and opportunities	Align investment with global decarbonisation trends and build long-term resilience	4

Note: Multiple skills and/or expertise may apply to one Director.

The combination of the skills and expertise set out above enhances the decision-making capability and the overall effectiveness of the Board, and are in alignment with the core values and corporate strategies of the Company.

Board Independence

The Company is committed to promoting strong Board independence.

The Board must be satisfied that an Independent Non-executive Director does not have any material relationship with the Group. It is guided by the criteria of independence as set out in the Listing Rules in determining the independence of Independent Non-executive Directors.

Taking into consideration the confirmation of his/her independence with reference to the factors set out in Rule 3.13 of the Listing Rules (which also covers his/her immediate family members) provided by each Independent Non-executive Director to the Company for the financial year 2025, the Board continues to consider them to be independent.

The Board has put in place mechanisms to ensure independent views and inputs from Directors are available to the Board, and such mechanisms and their implementation during the financial year 2025 have been reviewed and considered effective by the Board. The Chairman holds meetings annually with Independent Non-executive Directors without the presence of other Directors with an open agenda enabling them to voice out their independent views and promoting an open and constructive dialogue. During the year, the Chairman had two such meetings with the Independent Non-executive Directors to discuss matters relating to the Group and its operations. In addition, all Directors, including Independent Non-executive Directors, provide valuable views and inputs to the Board through the board performance evaluation mentioned earlier in this report. Independent Non-executive Directors received fixed fees for their appointments as members of the Board and/or additional fees for sitting on each board committee, none of which are based on the performance of the Group. None of the Independent Non-executive Directors are financially dependent on the Group.

Directors' Interests in Competing Business

In 2025, the interests of Directors in businesses which may compete with the Group's business of energy and utility-related investment were as follows:

Name of Director	Name of Company	Nature of Interests
Andrew John Hunter	CK Hutchison Holdings Limited	Executive Director
	CK Infrastructure Holdings Limited	Deputy Managing Director ^(Note a)
Chan Loi Shun	CK Infrastructure Holdings Limited	Executive Director and Chief Financial Officer ^(Note b)
Victor T K Li	CK Asset Holdings Limited	Chairman and Managing Director
	CK Hutchison Holdings Limited	Chairman and Executive Director
	CK Infrastructure Holdings Limited	Chairman

Notes:

- (a) Mr. Andrew John Hunter was re-designated from Deputy Managing Director to Co-Managing Director of CK Infrastructure Holdings Limited since January 2026.
- (b) Mr. Chan Loi Shun was appointed as General Manager of CK Infrastructure Holdings Limited since January 2026.

The Board is of the view that the Group is capable of carrying on the business of energy and utility-related investment independent of, and at arm's length from the businesses of the above companies. When making decisions on the Group's business and in the performance of their duties as Directors of the Company, the above Directors have acted and will act in the best interest of the Group and its shareholders.

Directors' Professional Development and Induction

The Company arranges and provides continuous professional development (CPD) training to Directors to help them kept abreast of current trends and developments in the commercial, legal and regulatory environment in which the Group conducts its business and to refresh their knowledge and skills on the roles, functions and duties of a listed company director. Directors may undertake CPD training on their own by external training, internal training or self-study. The Company Secretary maintains records of CPD training undertaken by Directors, which are reviewed by the Audit Committee regularly.

During the year, all Directors have participated in CPD training and have complied with the relevant requirements under the Listing Rules. Details of their participation are summarised as follows:

Directors	Number of training hours			Total number of training hours
	External training ¹ Topics ⁴	Internal training ² Topics ⁴	Self-study ³ Topics ⁴	
Executive Directors				
Andrew John Hunter (<i>Chairman</i>)	—	—	18.4	18.4
	—	—	(i), (ii), (iii), (iv), (v)	
Tsai Chao Chung, Charles (<i>Chief Executive Officer</i>)	—	3.0	18.5	21.5
	—	(ii), (iii), (iv)	(i), (ii), (iii), (iv), (v)	
Chan Loi Shun	—	3.0	20.6	23.6
	—	(ii), (iii), (iv)	(i), (ii), (iii), (iv), (v)	
Cheng Cho Ying, Francis	—	3.0	18.5	21.5
	—	(ii), (iii), (iv)	(i), (ii), (iii), (iv), (v)	
Non-executive Directors				
Leung Hong Shun, Alexander	—	3.0	18.5	21.5
	—	(ii), (iii), (iv)	(i), (ii), (iii), (iv), (v)	
Victor T K Li	—	3.0	14.6	17.6
	—	(ii), (iii), (iv)	(i), (ii), (iii), (iv), (v)	
Neil Douglas McGee	—	3.0	18.5	21.5
	—	(ii), (iii), (iv)	(i), (ii), (iii), (iv), (v)	
Independent Non-executive Directors				
Stephen Edward Bradley	—	2.0	24.4	26.4
	—	(iii), (iv)	(i), (ii), (iii), (iv), (v)	
Ip Yuk-keung, Albert	3.0	3.5	18.9	25.4
	(iii)	(ii), (iii), (iv)	(i), (ii), (iii), (iv), (v)	
Koh Poh Wah	4.0	3.0	22.1	29.1
	(iv), (v)	(ii), (iii), (iv)	(i), (ii), (iii), (iv), (v)	
Kwan Chi Kin, Anthony	—	3.0	15.2	18.2
	—	(ii), (iii), (iv)	(i), (ii), (iii), (iv), (v)	

Notes:

- External training includes in-person training or online webinars provided by external providers. During 2025, providers of external training include professional accounting firm and university in Hong Kong, and accreditation and certification body for the financial sector in Singapore.
- Internal training includes training arranged by the Company.
- Self-study includes independent learning through reading articles or watching videos on specific topics.
- The CPD training includes the following topics:
 - roles, functions and responsibilities of the board, its committee and its directors, and board effectiveness;
 - listed issuer's obligations and directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rules updates) relevant to the discharge of such obligations and duties;
 - corporate governance and ESG matters (including developments on sustainability or climate-related risks and opportunities relevant to the listed issuer and its business);
 - risk management and internal controls; and
 - updates on industry-specific developments, business trends and strategies relevant to the Company.

Directors' Securities Transactions

The Company has established the Policy on Inside Information and Securities Dealing setting out the restrictions in securities dealing, and establishing preventive controls and reporting mechanism applicable to confidential or unpublished inside information in relation to the Company and its securities.

As stated in the policy, the Board has adopted the Model Code for Securities Transactions by Directors (the "Model Code") set out in Appendix C3 of the Listing Rules as the code of conduct regulating directors' securities transactions. In addition, senior managers, and other nominated managers and staff who, because of their respective positions in the Company, are likely to be in possession of inside information regarding the Company and its securities, are also required to comply with the Model Code. Reminders are sent during the year to these individuals on prohibitions against dealing in the securities of the Company during the "blackout period" specified in the Model Code.

All Directors have confirmed, following specific enquiry, that they have complied with the Model Code throughout the year ended 31 December 2025.

Directors' Responsibility for Financial Reporting and Disclosure

Annual and Interim Reports and Financial Statements

The Directors acknowledge their responsibility to prepare financial statements for each half and full financial year which give a true and fair view of the state of affairs of the Company and the Group. The interim and annual results of the Company are published in a timely manner within two months and three months respectively after the end of the relevant periods.

Accounting Policies

The Directors consider that in preparing financial statements, the Group ensures statutory requirements are met, applies appropriate accounting policies that are consistently adopted, and makes judgments and estimates that are reasonable and prudent in accordance with the applicable accounting standards.

Accounting Records

The Directors are responsible for ensuring the Group keeps proper accounting records which disclose at any time the financial position of the Group from which the financial statements of the Group could be prepared in accordance with statutory requirements and the appropriate accounting policies.

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.

Going Concern

The Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future and are not aware of material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Group's financial statements have accordingly been prepared on a going concern basis.

Disclosure

The Board is aware of the applicable requirements under the Listing Rules and statutory regulations with regard to the timely and proper disclosure of inside information, announcements and financial disclosures, and authorises their publication as and when required.

The Company Secretary, working with the head of finance and account and professional advisors, as applicable, advise the Board on inside information, notifiable transactions, connected transactions and obligations about timely disclosure under the Listing Rules and applicable laws, rules and regulations, to ensure the relevant disclosure obligations are complied with.

Chairman and Chief Executive Officer

The positions of the Chairman and the Chief Executive Officer are held by separate individuals, and are subject to retirement from their directorship by rotation and re-election at least once every three years at the annual general meeting. The Chairman is Mr. Andrew John Hunter and the Chief Executive Officer is Mr. Tsai Chao Chung, Charles.

The Chairman and the Chief Executive Officer have distinct and separate roles as set out below:

Chairman	Chief Executive Officer
provides leadership to, and oversees the functioning and effective running of, the Board to ensure that the Board acts in the best interests of the Group	manages the businesses of the Group and assumes full accountability to the Board for all Group operations
ensures that good corporate governance practices and procedures are established	attends to the formulation and successful implementation of Group policies
acts in an advisory capacity to the Chief Executive Officer in all matters covering the interests and management of the Group	attends to developing strategic operating plans and ensures the maintaining of the operational performance of the Group
approves board meeting agendas and ensures that meetings of the Board are planned and conducted effectively and that all Directors are properly briefed on issues arising at board meetings	ensures that the funding requirements of the businesses are met and closely monitors the operating and financial results of the businesses against plans and budgets, taking remedial action when necessary
maintains an ongoing dialogue with the Independent Non-executive Directors for their independent views	maintains an ongoing dialogue with the Chairman and all other Directors to keep them informed of all major business development and issues

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

As at 31 December 2025, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the 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 Stock Exchange pursuant to the Model Code were as follows:

Long Positions in Shares of the Company

Name of Director	Capacity	Nature of Interests	Number of Shares Held	Approximate % of Shareholding ^(Note)
Leung Hong Shun, Alexander	Beneficial owner	Personal	180,000	0.01%
Tsai Chao Chung, Charles	Beneficial owner	Personal	24,022	≈0%
Cheng Cho Ying, Francis	Beneficial owner	Personal	17,000	≈0%

Note: The approximate percentages of shareholding in this table were computed based on the number of issued shares of the Company as at 31 December 2025, being 2,131,105,154 shares.

Long Positions in Shares of Associated Corporation

HK Electric Investments and HK Electric Investments Limited

Name of Director	Capacity	Nature of Interests	Number of Share Stapled Units Held	Total	Approximate % of Issued Share Stapled Units
Li Tzar Kuoi, Victor	Interest of controlled corporation	Corporate	5,170,000) (Note 1))	7,870,000	0.08%
	Beneficiary of trusts	Other	2,700,000) (Note 2))		
Tsai Chao Chung, Charles	Beneficial owner	Personal	880	880	≈0%

Notes:

- (1) Such share stapled units of HK Electric Investments and HK Electric Investments Limited ("SSUs") are held by Li Ka Shing Foundation Limited ("LKSF"). By virtue of the terms of the constituent documents of LKSF, Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.
- (2) Such SSUs are held by Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-Shing Unity Trust ("UT1"). Each of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1", which is the trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1")) and Li Ka-Shing Unity Trustcorp Limited ("TDT2", which is the trustee of another discretionary trust ("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 SSUs by reason only of its obligation and power to hold interests in those SSUs in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the SSUs 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 SSUs held by TUT1 as trustee of UT1 under the SFO as a Director of the Company.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or 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 under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Audit Committee

The Audit Committee comprises three Independent Non-executive Directors. It is chaired by Mr. Ip Yuk-keung, Albert, and the other members are Mr. Stephen Edward Bradley (who was appointed as a member of the Audit Committee with effect from 21 January 2026 following Mr. Wu Ting Yuk, Anthony's resignation mentioned earlier in this report and his cessation as a member of the committee) and Ms. Koh Poh Wah. None of the committee members is a partner or former partner of the Group's external auditor.

Responsibilities

The Audit Committee reports directly to the Board, and acts as the key representative body for overseeing relations with the external auditor. Its principal responsibilities are to assist the Board in fulfilling its duties through the review and supervision of the Group's financial reporting, the review of financial information, the consideration of issues relating to external auditor and their appointment, the review and the development of corporate governance functions and risk management and internal controls. The Audit Committee also oversees the Company's whistleblowing procedure. Committee members may seek independent professional advice where necessary to discharge their duties.

The terms of reference of the Audit Committee amended on 21 May 2025 are published on the Company's website and HKEX's website.

Work Done

The Audit Committee held four meetings in 2025. Management are available at all of these meetings to assist with any information and resources as may be required to enable committee members to carry out their functions. During the year, members reviewed and considered matters including:

- the interim and annual results and reports, and the financial highlights;
- the risk management reports, the assessments and declarations in respect of the effectiveness of the risk management and internal control systems and the sustainability governance and management, the effectiveness of the Company's internal audit function, the internal audit plan and all reports of internal audit activities compiled during the year;
- compliance of the Deed of Non-competition with HK Electric Investments Limited;
- the corporate governance structure and compliance with the Corporate Governance Code and the ESG Reporting Code;
- the continuous professional development activities (including trainings related to ESG) undertaken by Directors and senior managers, as well as the adequacy of resources, staff qualifications and trainings of accounting and financial reporting, internal audit and ESG performance and reporting functions;

- the report on engagement activities for shareholders and investors for assessment of the implementation and effectiveness of the Shareholder Communication Policy;
- auditor related matters (including fees for audit services and non-audit services, engagement, independence, re-appointment, auditor's report and the review of the pre-approval policy and procedures for engaging auditor for non-assurance services);
- the Group's outstanding litigation and claims, and the statistics and registers on illegal or unethical behaviour of the Group (including whistleblowing cases); and
- the amendments to the terms of reference of the Audit Committee.

Representatives from KPMG, the external auditor, were invited to attend two of the meetings to discuss the 2024 audited financial statements, the 2025 audit plan and various accounting matters with the committee members. The Audit Committee also held private sessions with representatives from KPMG and the internal audit function respectively without the presence of management members during the year to ensure that there are no unresolved issues or concerns.

Subsequent to the financial year end, the Audit Committee held a meeting in March 2026, at which it reviewed the Group consolidated financial statements for the year ended 31 December 2025 and the Annual Report 2025; and resolved to recommend the approval of the Group consolidated financial statements and the re-appointment of KPMG as the Company's external auditor for 2026.

Nomination Committee

The Nomination Committee comprises four members, a majority of which are Independent Non-executive Directors. It is chaired by Mr. Ip Yuk-keung, Albert (an Independent Non-executive Director), and the other members are Mr. Stephen Edward Bradley (an Independent Non-executive Director), Ms. Koh Poh Wah (an Independent Non-executive Director and was appointed as a member of the committee with effect from 21 May 2025) and Mr. Victor T K Li (a Non-executive Director).

Responsibilities

The Nomination Committee reports directly to the Board. Its principal responsibilities are to review the structure, size and composition (including the skills, knowledge, experience and diversity profile) of the Board and assist the Board in maintaining a Board skills matrix, to facilitate the selection and nomination process, to assess the independence of Independent Non-executive Directors having regard to the criteria under the Listing Rules, to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors as guided by the process and criteria in Director Nomination Policy and Board Diversity Policy as mentioned earlier in this report, to review and assess regularly the time commitment and contribution to the Board by each Director as well as the Director's ability to discharge his/her responsibilities effectively, and to support the regular evaluation of the performance of the Board. Committee members may seek independent professional advice where necessary to discharge their duties.

The terms of reference of the Nomination Committee amended on 21 May 2025 are published on the Company's website and HKEX's website.

Work Done

The Nomination Committee held a meeting in March 2025. During the year, members performed matters including:

- reviewed and were satisfied with the results of the board performance evaluation conducted for the year ended 31 December 2024;
- reviewed and were satisfied with the implementation and effectiveness of the Board Diversity Policy and the Director Nomination Policy;
- reviewed the structure, size, diversity profile and skills matrix of the Board and the needs of the Board;
- assessed the independence of the Independent Non-executive Directors;
- resolved to recommend the nomination of all the retiring Directors standing for re-election at the annual general meeting of the Company held on 21 May 2025 (the "2025 Annual General Meeting"); and

- reviewed the amendments to the terms of reference of the Nomination Committee.

Subsequent to the financial year end, the Nomination Committee held a meeting in March 2026, at which it reviewed and assessed each Director's time commitment and contribution to the Board, as well as the Director's ability to discharge his/her responsibilities effectively, taking into account professional qualifications and work experience, existing listed company directorships and other significant external time commitments, and other factors or circumstances relevant to the director's character, integrity, independence and experience. The Nomination Committee was satisfied that each Director discharged his/her responsibilities at the Board and the board committees effectively.

Remuneration Committee

The Remuneration Committee comprises three members, a majority of which are Independent Non-executive Directors. It is chaired by Ms. Koh Poh Wah (an Independent Non-executive Director), and the other members are Mr. Andrew John Hunter (Chairman of the Board) and Mr. Kwan Chi Kin, Anthony (an Independent Non-executive Director).

Responsibilities

The Remuneration Committee reports directly to the Board. Its principal responsibilities include the review and consideration of the Company's policy for remuneration of Directors and management team, and the determination of their individual remuneration packages.

The Board has adopted a Policy on Remuneration of Full Time Directors and Management Team (which was reviewed and updated during the year) to provide guidance on the determination of remuneration of Executive Directors and management team, with reference to the Group's financial, operational and sustainability performance and profitability, industry remuneration benchmarks and prevailing market conditions. Remuneration should be performance-based and, coupled with an incentive system, competitive to attract and retain talented employees. In the discharge of its duties, the Remuneration Committee is assisted by relevant remuneration data and market conditions provided by the human resources function. Committee members may,

if considered necessary, seek independent professional advice to perform their duties. The Group does not have any equity-based remuneration during the year.

Non-executive Directors and Independent Non-executive Directors receive fixed fees for their appointments as members of the Board and/or additional fees for sitting on each board committee. None of such fees are based on the performance of the Group.

Work Done

The Remuneration Committee held a meeting in January 2025. During the year, members reviewed the updates to the policies and structure for remuneration of Directors and management team of the Company, considered and recommended the proposed increment to the Directors' fee and fees for serving on board committees of the Company commencing 2026 and, under delegated responsibility from the Board, considered the performance of full time Executive Directors and management team and approved their performance-based bonus in respect of the 2024 financial year and their remuneration for 2025, and considered and approved the 2025 wage and salary review proposal for the Group's employees.

Subsequent to the financial year, the Remuneration Committee held a meeting in January 2026, during which members considered the prevailing policies and structure for remuneration of Directors and management team of the Company and, under delegated responsibility from the Board, considered the performance of full time Executive Directors and management team and approved their performance-based bonus in respect of the 2025 financial year and their remuneration for 2026, and considered and approved the 2026 wage and salary review proposal for the Group's employees.

No Director and member of the management team participated in the determination of his/her own remuneration.

The emoluments paid to each Director for the 2025 financial year are shown in note 11 to the financial statements on pages 100 to 102 of the Annual Report. The remuneration paid to members of the management team for the 2025 financial year is disclosed by bands in the same note.

Sustainability Committee

The Sustainability Committee comprises three members. It is chaired by Mr. Tsai Chao Chung, Charles (Chief Executive Officer), and the other members are Mr. Chan Loi Shun (an Executive Director) and Mr. Ip Yuk-keung, Albert (an Independent Non-executive Director).

Responsibilities

The Sustainability Committee reports directly to the Board. Its principal responsibilities are to oversee management of, and advise the Board on, the development and implementation of the sustainability initiatives of the Group, review the related policies and practices, and assess and make recommendations on matters concerning the Group's sustainability development and risks.

The Group's Sustainability Management Committee, a management-level committee chaired by the Chief Executive Officer, supports the Sustainability Committee to discharge its duties and drives and coordinates the Group's sustainability efforts, and promotes understanding of sustainability within the Group. Committee members may, if considered necessary, seek any information required from management or have access to independent professional advice.

Work Done

The Sustainability Committee held two meetings in 2025. During the year, members performed matters including:

- reviewed and adopted the GenAI Use Policy of the Group;
- reviewed the Company's commitment to the United Nations Global Compact;
- reviewed the Company's selected United Nations Sustainability Development Goals and their progress status;
- reviewed the resources and training on ESG performance and reporting, the top risk register containing identified ESG risks and control measures and the ESG opportunity list, and the implementation of the ESG online data management platform;

- assessed the Group's stakeholder engagement, health and safety management, environmental management and other sustainability areas; and
- reviewed the Sustainability Report 2024 and the updated regulatory ESG reporting requirements.

Subsequent to the financial year, the Sustainability Committee at a meeting held in March 2026 reviewed and recommended the Sustainability Report 2025 for the Board's approval.

Company Secretary

The Company Secretary of the Company supports the Board by ensuring good information flow within the Board and that board policy and procedures are followed. He also updates Directors on the latest developments and changes to the Listing Rules and the applicable legal and regulatory requirements necessary in discharging their duties. He is responsible for advising the Board through the Chairman and/or the Chief Executive Officer on governance matters and also facilitates induction and professional development of Directors. The Company Secretary also acts as the secretary to all board committees.

The appointment and removal of the Company Secretary is subject to approval of the Board. Although the Company Secretary reports to the Chairman and the Chief Executive Officer, all Directors have access for his relevant advice and service. Mr. Alex Ng, the Company Secretary of the Company, has knowledge of the Group's daily affairs. He has received no less than 15 hours of relevant professional training during the year to refresh his skills and knowledge.

External Auditor

Independence

KPMG, the external auditor and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance, have confirmed that they have been, for the year ended 31 December 2025, independent of the Group in accordance with the independence requirements of the Hong Kong Institute of Certified Public Accountants.

Rotation of Engagement Partner

KPMG adopt a policy of rotating the engagement partner servicing their client companies every seven years. The last rotation in respect of the Group took place in the audit of the 2021 financial statements and the next rotation will take place in the audit of the 2028 financial statements.

Reporting Responsibility

The reporting responsibilities of KPMG are stated in the Independent Auditor's Report on pages 73 to 77 of the Annual Report.

Remuneration

An analysis of the fees of KPMG and other external auditors for audit services and non-audit services (which included among others tax related services) is shown in note 9 to the financial statements on page 98 of the Annual Report.

Re-appointment

A resolution for re-appointment of KPMG as auditor of the Company will be proposed at the forthcoming annual general meeting. There has been no change in auditor in the preceding three years.

Risk Management and Internal Control

Board Oversight

The Board has overall responsibility for evaluating and determining the nature and extent of the risks, including ESG risks, that the Group is willing to take in achieving corporate strategic objectives, and overseeing the risk management and internal control systems. The Audit Committee assists the Board in reviewing the effectiveness of the risk management and internal control systems of the Group half-yearly to ensure that appropriate and effective systems are in place for the purposes of dealing with identified risks, safeguarding assets, and preventing and detecting fraud, misconduct and loss.

The Audit Committee reviews all significant aspects of risk management and internal control, including financial, operational and compliance controls, and the adequacy of resources (internal and external) for designing,

implementing and monitoring the risk management and internal control systems, including qualifications and experience, training programmes and budgets of the staff of the Group's accounting, internal audit, financial reporting, and ESG performance and reporting functions; the process by which the Group evaluates its control environment and its risk assessment process, and the way in which current and emerging risks are managed. The Audit Committee also reviews the effectiveness of the internal audit function and its annual work plans, and considers the reports of the Chief Executive Officer and an Executive Director on the effectiveness of the systems of risk management and internal control, and makes its recommendation to the Board for approval of the annual consolidated financial statements.

The Board, through the Audit Committee, has conducted reviews on the effectiveness of the risk management and internal control systems of the Group for the half year ended 30 June 2025 and the year ended 31 December 2025, and taking into consideration the reports from the management, confirmed that such systems were appropriate and effective for the purposes set out in Principle D2 of the Corporate Governance Code. During the year, there were no significant changes in the Group's assessment of risks (including ESG risks) or in the risk management and internal control systems. No significant control failings or weaknesses were identified and the Board was not aware of any material unforeseen outcomes or contingencies that have had, or may in the future have, a material impact on the Group's financial performance or condition.

The Group's risk management and internal control functions outlined above are supported by the services including the relevant financial and accounting, treasury and internal audit services it shared with HK Electric Investments Limited, pursuant to an agreement dated 14 January 2014 with such company.

Risk Management

Effective risk management is fundamental to the achievement of the corporate strategic objectives, and an enterprise risk management policy is in place to outline the framework and processes adopted by the Group and provide top-down and bottom-up approaches to identify, assess, prioritise, mitigate and monitor key risks at corporate and business unit levels in a structured and consistent manner. These key risks include risks in topics such as climate change, reliability of energy supply, health

and safety, cyber security, mergers and acquisitions, sustainability disclosure and compliance with local, national and international laws and regulations which the Group considered to be key material ESG issues. More details are given in the Risk Management and Risk Factors on pages 62 to 67 of the Annual Report.

Internal Control Environment

The management encourages a risk aware and control conscious environment, setting objectives, performance targets or policies for the management of key risks including areas in strategic planning, business operations, acquisitions, investments, legal and regulatory compliance, expenditure control, treasury, environment, health and safety, customer service and cyber security.

There are inherent limitations in any systems of risk management and internal control and accordingly the Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Internal Control Structure

The Company has a well-established organisational structure with defined levels of responsibility and authority and reporting procedures.

Executive Directors and senior executives are appointed to the boards and board committees of all major operating subsidiaries, associates and joint ventures for overseeing the operations and performance of those companies.

The internal control procedures of the Group include a comprehensive system for reporting information by those companies to the Company's management.

Executive Directors review operational and financial reports and key operating statistics and hold regular meetings with responsible managers to review their reports.

Budgets are prepared annually by the management and are subject to review and approval firstly by the Chief Executive Officer and then by the Board. Re-forecasts of operating results for the current year are prepared on a quarterly basis, reviewed for differences to the budget and for approval by the Executive Directors.

The Group has established guidelines and procedures for the approval and control of expenditure. Operating expenditure is subject to overall budget control, with approval levels being set by reference to the level of authority of each executive and officer. Capital expenditure is also subject to overall control within the approved budget of individual projects with more specific control and approval being required for overspending, unbudgeted expenditure and material expenditure within the approved budget. Monthly reports of actual versus budgeted and approved expenditure are also reviewed.

The Group's treasury function, reporting to an Executive Director, oversees the investment and funding activities of the Group. It regularly reports on the Group's cash and liquid investments, borrowings, outstanding contingent liabilities and financial derivatives commitments. The Board has approved and adopted a treasury policy governing the management of the financial risks of the Group (including interest rate risk, foreign exchange risk and liquidity risk) and the operational risks associated with such risk management activities. The treasury policy is reviewed by the Audit Committee from time to time.

The legal and company secretarial function reports to the Chief Executive Officer, and oversees, among other things, the Group's compliance of the Listing Rules and other legal and regulatory requirements.

Established guidelines for the acquisition of new businesses, including those on detailed appraisal and review procedures and due diligence processes, are in place.

Internal Control Assessment

Regarding the Group's Internal Control System, the Chief Executive Officer and an Executive Director review the results of the self-assessment on internal controls. The assessment of the effectiveness of entity-level controls is the first tier of the internal control self-assessment. Management of each business unit conduct surveys on entity-level controls self-assessment with reference to five components of internal control, namely, Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. The second tier of internal control self-assessment at key business process level is also

conducted to assess the effectiveness of controls over the operations within their areas of accountability and compliance with applicable laws and regulations. These assessments form part of the basis on which the Chief Executive Officer and an Executive Director formulate their opinion on risk management and internal control systems and report their results to the Audit Committee and the Board.

The Chief Executive Officer and other Executive Directors have the responsibility of developing and implementing risk mitigation strategies including the deployment of insurance to transfer the financial impact of risk. The insurance function of HK Electric Investments Limited supports the Group to arrange appropriate insurance coverage.

Internal Audit

The internal audit function, reporting to the Audit Committee and an Executive Director, provides independent assurance as to the existence and effectiveness of the risk management activities and internal controls in the operations of the Group's business units. Staff members are from disciplines including accounting, engineering and information technology.

Internal audit prepares its annual audit plan by using risk assessment methodology, and taking into account the scope and nature of the Group's activities and changes in operating environment.

The audit plan is reviewed and approved by the Audit Committee. Depending on the business nature and risk exposure of the Group's business units, the scope of work on the Group's business units performed by internal audit includes financial, operations and information technology reviews, recurring and ad hoc audits, fraud investigations, productivity efficiency reviews and laws and regulations compliance reviews. Internal audit follows up audit recommendations on implementation by business units and the progress is reported to the Audit Committee regularly.

During the year, the review of the effectiveness of the Group's risk management and internal control systems was conducted internally. The internal audit function facilitates the bi-annual risk management and internal control self-assessment which enables the Chief Executive Officer and an Executive Director to review the profile

of the significant risks and how these risks have been identified, evaluated and managed, changes since the last assessment in the nature and extent of significant risks, and the Group's ability to respond to changes in its business and the external environment, the scope and quality of management's ongoing monitoring of the risk management and internal control systems. The results are presented to and reviewed by the Audit Committee.

Reports from the external auditor on material non-compliance with procedures and significant internal control weaknesses, if any, are also presented to the Audit Committee. These reports are considered and reviewed and appropriate action is to be taken if required.

Inside Information

There are procedures including pre-clearance on dealing in the Group's securities by designated Directors, notification of regular blackout period and securities dealing restrictions to Directors and relevant employees, and dissemination of information for specified purpose and on a need-to-know basis have been implemented to guard against possible mishandling of inside information within the Group.

Code of Conduct and Anti-corruption

The Group recognises the importance of maintaining a culture of corporate ethics and anti-corruption, and places great emphasis on ethical standards and integrity in all aspects of its operations.

The Group's Code of Conduct provides guidance on expected standards of ethical behaviour and sets out reporting mechanisms for unethical conduct, with the aim of fostering a culture of integrity, accountability and honesty. All employees of the Group, and other stakeholders in certain situations, are required to adhere to the standards set out in the Code of Conduct. Guidance on specific matters are supplemented by other policies and procedures of the Group, as appropriate.

The Group has established the Anti-Fraud and Anti-Bribery Policy which, together with the Code of Conduct, prohibit any form of fraud, bribery or corruption. The offering, giving, soliciting or accepting of any advantages in connection with the Group's business, whether from or to clients, suppliers or any person is strictly prohibited. An anti-fraud and anti-bribery control assessment is conducted biannually to evaluate the effectiveness of controls

for managing fraud and bribery risks. A monitoring mechanism has been established to review compliance with anti-corruption laws and the Code of Conduct.

It is the responsibility of each Director and employee to avoid situations that may lead to or involve a conflict of interest, and make full disclosure of any dealings in case of potential or actual conflict. All Directors and employees who have access to, or are in control of the Group's information are required to implement and maintain adequate safeguards to prevent any unauthorised use, abuse or misuse of such information, and not to use it to secure personal advantage.

The Group ensures procurement of supplies and services is conducted in a manner of high ethical standards to promote fair and open competition. Procurement and tendering procedures are in place to ensure impartial selection of suppliers and contractors, and the hire of services and purchase of goods are based solely upon price, quality, suitability and need. Business partners, and products and service providers are expected to adhere to a high level of ethical standards as set out in the Code of Practice for Suppliers, and no corruption will be tolerated.

Whistleblowing

To ensure high standards of openness, probity and accountability, the whistleblowing procedures, as set out in the Code of Conduct and Whistleblowing Procedure, allow employees as well as external parties such as customers, suppliers, contractors, debtors and creditors, to report any suspected violation of the Code of Conduct or improprieties, misconduct or malpractice within the Group, including fraud and illegal acts. Investigations are carried out on all reported cases. The results are reported to the Audit Committee and the Chief Executive Officer, and disciplinary and remedial actions are taken as appropriate. During 2025, the Group had one reported whistleblowing case, and no convicted cases of discrimination, harassment, breaches of personal data privacy, corruption, money laundering or insider trading.

Shareholders

Articles of Association

At the 2025 Annual General Meeting, the Company's articles of association were amended by passing a special resolution in order to allow the Company to adopt the implied consent mechanism for disseminating corporate communications by means of website following the amendments to the Companies Ordinance and the Listing Rules in relation to the expanded paperless listing regime and electronic dissemination of corporate communications by means of website.

The current version of the articles of association of the Company is available on the Company's and HKEX's websites.

Public Float

Throughout the year ended 31 December 2025, according to information that is available to the Company and within the knowledge of the Directors, the Company maintains the level of public float required under the Listing Rules. As at 31 December 2025, the Company's public float was approximately 63.97% of its total issued 2,131,105,154 shares.

The Company's shareholding structure as at 31 December 2025 is set out below:

Group of shareholders / Name	Number of Shares Held	Approximate % of Shareholding ^(Note a)
(a) Shareholder who are not members of "the public" (as defined under the Listing Rules)		
(i) Substantial shareholder of the Company and its close associates CK Infrastructure Holdings Limited and its close associates	767,499,612	36.01%
(ii) Directors of the Company and their close associates		
Leung Hong Shun, Alexander	180,000	0.01%
Tsai Chao Chung, Charles	24,022	≈0%
Cheng Cho Ying, Francis	17,000	≈0%
(iii) Any other persons excluded from the definition of "the public"	45,750	≈0%
(b) Shareholders who are members of "the public" (as defined under the Listing Rules)	1,363,338,770 ^(Note b)	63.97%
Total	2,131,105,154	100.00%

Notes:

- (a) Percentage may not add up to the total due to rounding.
- (b) This is the balancing figure between the total number of shares of the Company in issue and the sum of shares of the Company held by all specific shareholders or groups of shareholders as listed in the table above.

Details of the share capital of the Company are set out in note 24(c) to the financial statements on page 118 of the Annual Report. There was no movement during the year ended 31 December 2025.

Engagement of Shareholders

Shareholders' Rights

Dividend Policy

The Board has adopted a dividend policy which outlines the principles of payment on dividend. The Board is committed to maintaining an optimal capital structure and investment grade credit ratings. This is pursued to deliver returns to shareholders and ensure 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 improves over time in line with the Company's underlying earnings performance and its long-term growth prospects.

The Board at its meetings held in August 2025 and March 2026 reviewed and confirmed that all dividend decisions made by the Board were made in accordance with the dividend policy of the Company. The levels of dividends (both interim and final) declared during the year remain the same as those for the previous corresponding periods.

Rights relating to General Meeting

Pursuant to section 566 of the Companies Ordinance, shareholders representing at least 5% of the total voting rights of all the shareholders of the Company having a right to vote at general meetings may request for the convening of a general meeting. Pursuant to sections 580 and 615 of the Companies Ordinance, shareholders qualified under sub-section (3) and sub-section (2) of the respective sections may request for the Company's circulation of statements with respect to proposed resolutions to be considered at a general meeting and the Company's giving of notice of a resolution intended to be moved at an annual general meeting. In both of these cases, the request stating the general nature of the business to be dealt with at the meeting should be signed by the requisitionists and sent to the Company in hard copy form or in electronic form in accordance with the statutory provisions. Shareholders can refer to the detailed requirements and procedures set forth in the relevant sections of the articles of association of the Company when making any requisitions or proposals for transaction at general meetings.

Registration and Related Matters

The Company handles share registration and related matters for shareholders, such as transfer of shares, change of address, change of dividend payment instruction, issue and/or loss of share certificates and death of shareholders, through Computershare Hong Kong Investor Services Limited, the Company's share registrar, whose contact details are set out on page 143 of the Annual Report.

Financial Calendar and Other Information

A financial calendar of the announced key dates for 2025 and 2026 and other relevant share information are set out on page 144 of the Annual Report.

Shareholders Communications

The Company has established the Shareholder Communication Policy, which is published on the website of the Company, to lay down the framework and put in

place a range of communication channels between the Company and shareholders and investors to promote effective communication.

The Audit Committee at a meeting held in March 2026 reviewed the engagement activities for the shareholders or investors conducted in 2025, and was satisfied with the implementation and effectiveness of the Shareholder Communication Policy for the year ended 31 December 2025.

General Meetings

Annual general meeting and other general meetings are the primary forums for communications with shareholders and their participation to facilitate constructive engagement and for Directors to develop a balanced understanding of their views on matters affecting the Company, including governance and performance against the Company's corporate strategy.

2025 Annual General Meeting

The 2025 Annual General Meeting was held as a hybrid meeting on 21 May 2025. Shareholders had the option of attending, participating and voting at the meeting physically or through online access.

The notice of meeting, the annual report and the circular containing information on the proposed resolutions were sent to shareholders on 23 April 2025, more than 21 clear days (as required by the Company's articles of association) prior to the meeting.

The 2025 Annual General Meeting was attended by all Directors of the Company. The chairs and members of all board committees as well as representatives from KPMG, the external auditor, were available at the meeting to answer relevant questions from shareholders, which could either be raised at the meeting venue or online. Question and answer session at the Annual General Meeting fosters constructive dialogues between shareholders, members of the Board and the senior management, and any unattended matters at the Annual General Meeting are handled and followed up by relevant business units. A separate resolution was proposed in respect of each substantially separate issue and voted by way of a poll, and the poll voting procedure was explained fully to shareholders at the start of the meeting. Computershare Hong Kong Investor Services Limited, the Company's share registrar, acted as scrutineer for the poll.

All resolutions proposed at the meeting were ordinary resolutions which were passed by more than 50% of the votes, except one resolution proposed was a special resolution which was passed by more than 75% of the votes. The percentage of votes in favour of these resolutions were set out below:

Ordinary Resolutions

- Adoption of the audited Financial Statements, the Report of the Directors and the Independent Auditor's Report for the year ended 31 December 2024 (99.8304%);
- Declaration of a final dividend of HK\$2.04 per share (99.9844%);
- Election of Mr. Chan Loi Shun (96.1745%), Mr. Ip Yuk-keung, Albert (93.2621%), Ms. Koh Poh Wah (99.5861%) and Mr. Leung Hong Shun, Alexander (97.1116%) as Directors;
- Re-appointment of KPMG as auditor and authorisation of Directors to fix their remuneration (96.3538%); and
- Granting of general mandates to Directors to issue and dispose of additional shares of the Company not exceeding 10% of the total number of shares in issue (98.2047%) and to repurchase shares of the Company (99.9743%).

Special Resolution

- Amendments to the Company's articles of association (99.9832%).

The poll results, including the number of shares voted for and against each resolution, were announced to the meeting on its conclusion and subsequently posted on the Company's and HKEX's websites on the same day.

Financial and Other Reporting

The Company reports operating results for the first half of the financial year and the full financial year and produces interim and annual reports, and from time to time communicates other information with shareholders by way of announcement or circular, in accordance with the requirements of the Listing Rules and applicable laws.

It also publishes sustainability report for the full financial year to report on its approach, commitments and strategy to sustainability, key achievements with regard to its sustainability performance during the year and plans and targets for the future.

Corporate Website

The Company's corporate website at www.powerassets.com is an information platform to facilitate communication with shareholders, the investor community and other stakeholders. It contains a wide range of information including financial results, annual and interim reports, sustainability reports, notices, announcements and circulars, press releases and other corporate publications, and details of the arrangements for dissemination of corporate communications. An e-subscription service is available to enable subscribers to register and receive notifications when financial and sustainability reports and Listing Rules announcements are posted.

Shareholders may at any time notify the Company or the Company's share registrar if they wish to receive corporate communications in printed form or choose to change their choice as to the language of the printed form. Further details are set out in the section "Arrangements For Dissemination Of Corporate Communications" under the "Investor Information" of the Company's website.

Investor Relations

All shareholders may put enquiries to the Board at general meetings, whether they attend the meetings physically or through online access, and at other times by mail or email to the Company for the attention of an Executive Director, the Chief Financial Officer or the Company Secretary, whose contact channels are set out on page 143 of the Annual Report.

To facilitate communication with shareholders and the investment community and solicit their views, meetings, briefings and roadshows with investors and analysts are held from time to time, as appropriate. In 2025, around 210 meetings were conducted by Investor Relations with institutional investors and analysts by means of calls or video conferences to facilitate constructive dialogues with the investment community.

Views and feedback received from the engagement channels are referred to relevant business units to follow up as appropriate.

Interests and Short Positions of Shareholders

As at 31 December 2025, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange were as follows:

Substantial Shareholders

Long Positions in Shares of the Company

Name	Capacity	Number of Shares Held	Approximate % of Shareholding ^(Note 4)
Venniton Development Inc.	Beneficial owner	153,797,511 (Note 1)	7.22%
Interman Development Inc.	Beneficial owner	186,736,842 (Note 1)	8.76%
Univest Equity S.A.	Beneficial owner	279,011,102 (Note 1)	13.09%
Monitor Equities S.A.	Beneficial owner & interest of controlled corporation	287,211,674 (Note 1)	13.48%
Hyford Limited	Interest of controlled corporations	767,499,612 (Note 2)	36.01%
CK Infrastructure Holdings Limited	Interest of controlled corporations	767,499,612 (Note 2)	36.01%
Hutchison Infrastructure Holdings Limited	Interest of controlled corporations	767,499,612 (Note 3)	36.01%
CK Hutchison Global Investments Limited	Interest of controlled corporations	767,499,612 (Note 3)	36.01%
CK Hutchison Holdings Limited	Interest of controlled corporations	767,499,612 (Note 3)	36.01%

Notes:

- (1) These are direct or indirect wholly-owned subsidiaries of Hyford Limited ("Hyford") and their interests are duplicated in the same 767,499,612 shares of the Company held by Hyford described in Note (2) below.
- (2) CK Infrastructure Holdings Limited ("CKI") is deemed to be interested in the 767,499,612 shares of the Company as referred to in Note (1) above as it holds more than one-third of the issued share capital of Hyford indirectly. Its interests are duplicated in the interest of CK Hutchison Holdings Limited ("CK Hutchison") in the Company described in Note (3) below.
- (3) CK Hutchison is deemed to be interested in the 767,499,612 shares of the Company as referred to in Note (2) above as it holds more than one-third of the issued share capital of CK Hutchison Global Investments Limited ("CKHGI"). Certain subsidiaries of CKHGI hold more than one-third of the issued voting shares of Hutchison Infrastructure Holdings Limited which in turn holds more than one-third of the issued share capital of CKI.
- (4) The approximate percentages of shareholding in this table were computed based on the number of issued shares of the Company as at 31 December 2025, being 2,131,105,154 shares.

Save as disclosed above, as at 31 December 2025, there was no other person (other than Directors or chief executives of the Company) who had interests or short positions 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 Stock Exchange.

Continuing Connected Transactions

Operating and Management Service Agreements in respect of gas distribution networks and pipelines in Australia

Pursuant to the operating and management service agreements (the “O&M Service Agreements”) entered into between APT AM Holdings Pty Limited (“APT AM Holdings”) and/or its wholly-owned subsidiaries APT AM (Stratus) Pty Limited and APT O&M Services Pty Ltd (together, the “Service Providers”) and Australian Gas Networks Limited (“AGN”) and/or its wholly-owned subsidiaries dated 2 July 2007 and 8 April 2011 respectively, the Service Providers have been providing operating and management services for the relevant members of the AGN group in relation to its gas distribution networks and pipelines in Australia. The term of such agreements shall expire on 30 June 2027.

As announced by the Company on 1 December 2025, following the completion of the acquisition of the entire share capital of APT AM Holdings by an indirect wholly-owned subsidiary of CK William UK Holdings Limited (“CK William”) on 30 November 2025 (the “Completion”), the Service Providers became indirect wholly-owned subsidiaries of CK William.

CK William and AGN are major joint ventures of the Company and are considered non-wholly owned subsidiaries of the Company for the purpose of Chapter 14A of the Listing Rules. As (i) CKI is a substantial shareholder of the Company; and (ii) CKI holds 30% or more interest in each of CK William and AGN, the Service Providers and the relevant members of the AGN group are each an associate of CKI and a connected person of the Company under Chapter 14A of the Listing Rules. The transactions under the O&M Service Agreements therefore became continuing connected transactions of the Company under the Listing Rules following the Completion and are subject to annual review requirements under the Listing Rules.

Pursuant to the O&M Service Agreements, the service fees payable by the AGN group to the Service Providers comprise a management fee and an incentive bonus if certain performance targets are met. The service fees (other than the incentive bonus) payable by the AGN group to the Service Providers are paid in cash in arrears on a monthly basis, while the incentive bonus (if any) are paid in cash in arrears on an annual basis. For the period from 1 December 2025 to 31 December 2025, the actual amount of service fees subject to annual review requirements under the Listing Rules was approximately AUD1.6 million, and does not exceed the cap of AUD3.3 million in respect of such period.

All the Independent Non-executive Directors have reviewed the above continuing connected transactions in the 2025 financial year and confirmed that those transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the auditor of the Company have been engaged to report on the above continuing connected transactions 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. The auditor issued an unmodified letter to the Board containing their findings and conclusions in respect of the above continuing connected transactions, in which they have confirmed that nothing has come to their attention that caused them to believe that the continuing connected transactions in the 2025 financial year (i) had not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (iii) had exceeded the annual cap amount for the relevant period.

Connected Transaction and Major Transaction

The following transaction constituted a connected transaction and a major transaction of the Company under the Listing Rules subsequent to the reporting period ended 31 December 2025, which is subject to approval by independent shareholders at the general meeting of the Company scheduled to be held on 27 April 2026:

After trading hours on 25 February 2026 and before trading hours on 26 February 2026 in Hong Kong, London and Paris, Devin International Limited (“PAH Sub”, an indirect wholly-owned subsidiary of the Company), CKI Number 1 Limited (“CKI Sub”, an indirect wholly-owned subsidiary of CKI), 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 Purchaser’s guarantor) entered into a 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 PAH Sub as to 40%, CKI 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 in 2051 issued by the Target and (ii) the GBP85,000,000 8.125% loan notes due in 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 consideration payable by the Purchaser for PAH Sub’s Sale Shares and PAH Sub’s Shareholder Debt Instruments is GBP4,219,200,000 (equivalent to approximately HK\$44,301,600,000) (subject to customary adjustments).

Under 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 the Company, CKI and CKA has entered into separate guarantee letters on 25 February 2026 (London time) addressed to the Purchaser, under which the Company, CKI and CKA guarantee the performance of PAH Sub’s, CKI Sub’s and CKA Sub’s obligations under the SPA, respectively. The rights and obligations of each of PAH Sub, CKI Sub and CKA Sub under the SPA are on a several basis, and each of PAH Sub, CKI 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.

As one or more of the applicable percentage ratios of the Company in respect of PAH Sub’s Disposal exceed 25% but all of the applicable percentage ratios are less than 75%, PAH Sub’s Disposal constituted a major transaction of the Company and is subject to the announcement, notification, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

As a substantial shareholder of the Company, CKI is a connected person of the Company under the Listing Rules. PAH Sub’s Disposal constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. On this basis, as one or more of the applicable percentage ratios of the Company in respect of PAH Sub’s Disposal exceed 5%, PAH Sub’s Disposal is 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 despatched by the Company in relation to PAH Sub’s Disposal for further information on PAH Sub’s Disposal.

Other Transactions

In connection with the spin-off and separate listing of the Group’s electricity business in Hong Kong in January 2014 the Company entered into the following transactions:

Non-competition Deed with HK Electric Investments Limited

The Company entered into a deed of non-competition dated 14 January 2014 (the “Non-competition Deed”) with HK Electric Investments Limited, pursuant to which the Company has undertaken that save for certain exceptions the Group will not on its own account or with each other or in conjunction with or on behalf of any person, firm or company, carry on, or be engaged in or interested in, directly or indirectly, whether as a shareholder, partner, agent or otherwise (other than through its holding of share stapled units of HK Electric Investments and HK Electric Investments Limited), the business of generation, transmission, distribution and supply of electricity in Hong Kong.

The Company has complied with the Non-competition Deed during 2025 and has, in accordance with the Non-competition Deed, provided HK Electric Investments Limited with its annual written confirmation.

Deed relating to investment opportunity in power projects with CK Infrastructure Holdings Limited

The Company entered into a deed relating to investment opportunity in power projects dated 10 January 2014 (the “Investment Opportunity Deed”) with CKI to further enhance the delineation between the business focus of the Company and CKI in power projects and projects other than power projects respectively. Pursuant to the Investment Opportunity Deed, CKI has undertaken that if it is offered an opportunity to invest in any power projects it will inform the Company and offer the opportunity to the Company, and CKI may only invest in any power project if (i) the Company (with the endorsement of its Independent Non-executive Directors or a committee thereof) invites CKI to participate as a co-investor and (ii) the investment opportunity is in respect of a power project of an enterprise value exceeding HK\$4 billion. Any co-investment by the Company and CKI will be subject to compliance with the applicable requirements of the Listing Rules, including independent shareholders’ approval if required.

The Investment Opportunity Deed requires each of CKI and the Company to review the deed’s implementation as part of its internal audit plan and each company’s audit committee to review the deed’s compliance. A committee comprising all its Independent Non-executive Directors has reviewed the compliance by CKI with the terms of the deed and any decision by the Group regarding any exercise of the rights under the deed. Having considered the Company’s internal control framework for ensuring the deed’s compliance, internal audit’s compliance review report, CKI’s annual compliance confirmation to the Company and other relevant documents, the committee has confirmed its view that during 2025, CKI complied with the terms of the Investment Opportunity Deed and the Group’s decisions regarding any exercise of the rights under the deed were made in accordance with the requirements thereof.

Risk Management

Effective risk management and internal control systems are fundamental to the achievement of our strategic objectives.

Risk Management Framework

The Group has in place an Enterprise Risk Management (ERM) framework that provides a structured and consistent approach to identifying, assessing, prioritising, mitigating and monitoring key business, financial, operational and compliance risks across the organisation. This framework also integrates Environmental, Social and Governance (ESG) risks, including those related to climate change. To strengthen this integration, the Group applies an ESG Risk and Opportunity Management Framework, which ensures that ESG and climate-related risks and opportunities are effectively identified, assessed, and managed. As part of this process, climate scenario analysis is conducted to evaluate potential climate-related risks and opportunities. Their impacts are assessed from two distinct perspectives: business model and value chain. Further details are provided in the Group's Sustainability Report 2025 and the standalone Climate-related Disclosures Report. The ERM framework, together with the ESG Risk and Opportunity Management Framework,

provides a proactive and integrated approach to risk management across the organisation, reinforced by on-going monitoring and review. Beyond mitigating risks, this approach enables the Group to leverage ESG and climate-related opportunities to foster sustainable growth and create long-term value.

Governance & Oversight

The Group is committed to fostering a risk aware and control conscious environment. Responsibility for risk management resides at all levels within the organisation. The Board, through the Audit Committee, oversees the overall management of risks. The Risk Management Committee, supported by Internal Audit, assists the Board and Audit Committee to review and monitor key risks faced by the Group. Management is responsible for identifying and assessing risks of a strategic nature. Business units are responsible for the identification and management of risks in their activities. The top-down and bottom-up approaches complement each other and enable us to identify and manage the Group's key risks in an effective manner, including material emerging risks at corporate and business unit levels.

Independent Assurance from Internal and External Auditors

Risk Management Framework Governance

Oversight by the Board / Audit Committee

Assisted by Risk Management Committee and Management

Identify & Manage Risks at Corporate Level

"Top-down"

The Board
(through Audit Committee)

The Board / Audit Committee Oversight

- Has overall responsibility for the Group's risk management and internal control systems.
- Determine and evaluate the nature and extent of the risks including ESG risks, that the Group is willing to accept in pursuit of the Group's strategic and business objectives.
- Discuss the risk management and internal control systems with management to ensure management has performed its duty to have effective systems.

Risk Management Committee
(Chaired by the Chief Executive Officer)

Risk Review, Communication & Confirmation to the Board / Audit Committee

- Oversee the Group's risk profile and assess if key risks are appropriately mitigated.
- Ensure that an on-going review of the effectiveness of the risk management and internal control systems have been conducted and provide such confirmation to the Board, via the Audit Committee.

Management

Risk & Control Monitoring

- Responsible for designing, implementing and monitoring the risk management and internal control systems.
- Identify and monitor key corporate risks.
- Provide confirmation to the Risk Management Committee on the effectiveness of the systems.

"Bottom-up"

Business Units
Identify, Manage & Report Risks at Business Unit Level

Business Units

Front-Line Risk & Control Ownership

- Design, implement and monitor controls at business unit level, escalate promptly on relevant risk issues.
- Provide assurance to the Risk Management Committee on the effectiveness of risk management and internal control activities at business unit level.
- Seek continuous process improvement and re-assessment.

Risk Management Process

The risk management process is integrated into our day-to-day activities and is an ongoing process involving all parts of the Group from the Board down to individual employees.

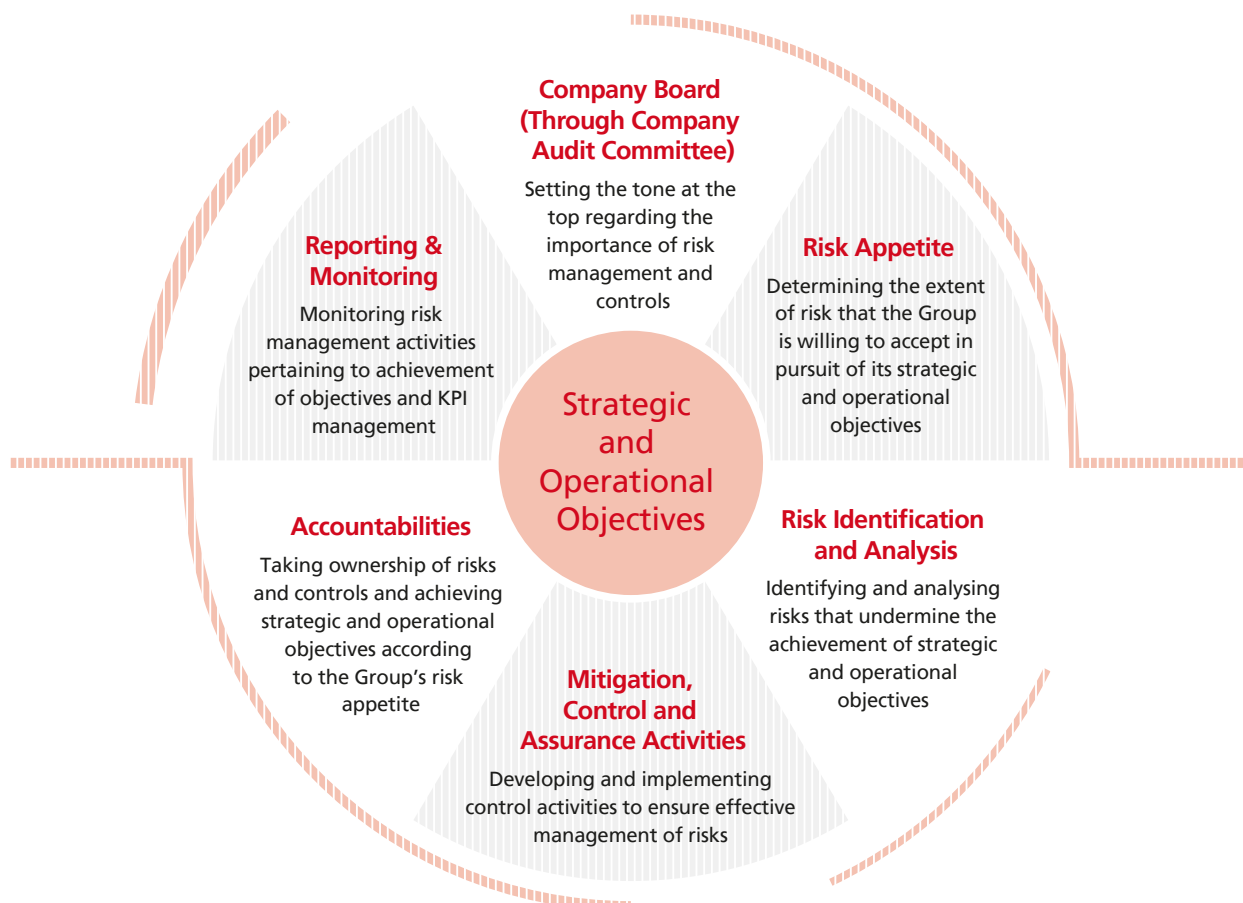
The risk identification process takes into account internal and external factors. These include economic, political, social, technological, environmental, laws and regulations, Group strategy, as well as our stakeholders' expectations in these aspects. Risks are grouped into different categories to facilitate analysis. Each risk identified is analysed on the basis of likelihood and impact in accordance with the risk appetite set by the Board.

During the risk assessment process, the impact of a risk is evaluated across various aspects including financial, health and safety, environmental, reputational, regulatory, customer service, reliability, organisational, and employee engagement, with severity levels ranging from insignificant to very substantial. The likelihood of a risk occurring is assessed on a scale from rare to almost certain. Together, these two dimensions determine the

overall risk rating, which guides the prioritisation and management of risks. Action plans are then developed to mitigate potential impacts and reduce the likelihood of occurrence. The risk assessment process also includes a review of the control mechanisms for each risk and a rating of the effectiveness of each control.

The Group compiles a risk register, which is updated and monitored on an ongoing basis, taking into account emerging risks that may have a material impact on the Group. A risk management report that highlights key corporate and business level risks and action plans is reviewed by the Risk Management Committee half-yearly. A register of top corporate risks is presented to the Audit Committee for reporting to the Board. Significant changes in key risks on a day-to-day basis are handled as they arise and reported to management.

Fundamental to achieving our business goals is how we can effectively manage existing and emerging risks in different economic, social and political environments. A description of these risk factors is shown on pages 64 to 67 of this Annual Report. The Group works to continually improve its risk management framework in order to keep pace with the changing business environment.



Risk Factors

Risks and uncertainties can affect the Group's businesses, financial conditions, operating results, or growth prospects leading to a divergence from expected or historical results. Key risk factors affecting the Group are outlined below. In dealing with these, the Group remains in touch with its stakeholders with the aim of understanding and addressing their concerns.

These factors are not exhaustive or comprehensive, and there may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could become material in the future.

Global Economy and Macro-Economic Conditions

The global economy continues to face a fragile recovery, with a mild growth. While inflationary pressures have eased compared to recent years, volatile energy and commodity prices, tightening financial conditions, supply chain disruptions, trade protectionism, and geopolitical tensions may pose downside risks to the world economy and global financial market.

The Group is a global investor in power and utility-related businesses, with interests in Hong Kong, the United Kingdom, Australia, New Zealand, Chinese Mainland, Thailand, the Netherlands, Canada and the United States. The industries in which the Group invests are affected by the economic conditions, population growth, currency environment and interest rate cycles in these countries. Any combination of these factors or continuing adverse economic conditions in these countries may negatively affect the Group's financial position, potential income, asset value and liabilities.

To address macro-economic volatility, the Group's strategy is to pursue steady earnings growth via carefully selected investments in stable and well-regulated international markets. On this basis, the Group has built up a robust and diverse portfolio of assets that deliver predictable income streams.

Climate Change

The Group is exposed to risks related to extreme weather events, failure of the ecosystem to adapt to climate change, and natural catastrophes that can cause physical threats in specific regions and countries, as well as policy-driven transition risks that are creating material impact on the operations of our business and the value of our assets. The countries and regions in which the Group has operations may be vulnerable to prolonged periods of drought, heat waves leading to wildfires, or physical effects of global warming such as severe tropical cyclones and flooding.

To address the potential impact of climate-related risks and opportunities to our business, necessary steps recommended by the Task Force on Climate-related Financial Disclosures (TCFD) have been taken. The potential materiality of these risks and opportunities have been identified and assessed to enable us to devise strategic plans for managing risks and capturing opportunities. In 2023, we completed the TCFD scenario analysis and identified and assessed both physical and transition risks and opportunities. The findings and the management framework are given in the Group's standalone Climate-related Disclosures Report. The Group will periodically review the analysis findings to ensure they remain aligned with the latest business operations and adjusted to remain effective in the changing risk landscape.

To mitigate the physical risks, the Group is continuing to build climate resilience into its energy infrastructure. The Group also has a long-term plan in place to address climate change risks by decarbonising our generation portfolio to reduce greenhouse gas emissions, help slow global warming, and minimise risks related to the low-carbon transition. We continue to modernise and digitise our electricity networks to accommodate the projected influx of distributed renewable energy sources, as well as the anticipated surge in charging networks for a uptake of electric vehicles and potential AI-driven technologies. The Group is embracing the hydrogen economy, with business plans already in place in some of its operations for zero-carbon readiness in 2035, to achieve a carbon-free vision by 2050.

The Group's Sustainability Report 2025 provides more detailed discussions on the Group's approach to sustainability, including how it manages climate-related risks and opportunities across our value chain, with respect to relevant local and international disclosure guidelines.

Currency Markets and Interest Rates

The Group's currency exposure mainly arises from its investments outside Hong Kong.

The results of the Group are recorded in Hong Kong dollars, but its subsidiaries, associates and joint ventures may receive revenue and incur expenses in other currencies. Any currency fluctuations that occur during the process of translation of the results of these subsidiaries, associates and joint ventures, or during the repatriation of earnings, equity investments, or loans, may have an impact on the Group's results.

The Group is also exposed to interest rate risk on its interest-bearing assets and liabilities. Volatility in interest rate markets may adversely affect the Group's financial conditions and results of operations.

The Group's treasury policy guides the measures it undertakes to manage the above exposure. Details of the Group's current practices to manage currency and interest rate risks are in the Financial Review on pages 68 to 69.

Cyber Security

The Group's critical utility and information assets are exposed to attack, damage, or unauthorised access in the cyber world, where cyber attacks have become increasingly sophisticated, highly coordinated and targeted. Additionally, the risk of being hacked is increasing due to the growing adoption of Generative AI technologies in the workplace. Failure to protect the Group's critical assets from cyber attacks could result in reputational damage, financial loss and disruptions in operations.

Each of the Group's investments has taken a risk-based and integrated approach to combat cyber security risks. They have established their own cyber security management policy, framework or processes with the deployment of multiple layers of security controls across the IT infrastructure to proactively identify, prevent, detect, respond to and recover from cyber attacks. Resources and development efforts are focused on people, processes and various cyber security technologies to ensure the confidentiality, integrity and availability of corporate information assets and critical infrastructure.

Health and Safety

The Group's investments and the nature of its operations expose it to a range of significant health and safety risks. Employees' health, safety, and their overall wellness are front and centre to management. The Group continues to uphold a monitoring framework and implement preventive measures to manage the risks of emerging public health contingencies in relation to its operations and also endeavours to provide essential and emergency services to customers in need.

Major health and safety incidents arising from operations, severe weather events, or infectious diseases, resulting in fatalities or injuries to members of the public or employees, could have significant consequences. These may include widespread distress and harm or significant disruption to operations and could result in regulatory action, legal liability, material costs and damage to the Group's reputation.

Each of the Group's investments has a health and safety management system in place to manage its exposure and protect its employees, customers, contractors and the public by conducting its business in a safe and socially responsible manner. Operational activities also undergo risk assessment to mitigate or eliminate potential health and safety hazards, including those arising from climate change. Continuous improvements and the adoption of new technologies are implemented to strengthen the Group's culture, awareness, measures and commitment to health and safety.

Mergers and Acquisitions

The Group has undertaken merger and acquisition activities in the past and may continue to look for appropriate acquisition opportunities in the market.

The Group is exposed to various hidden problems, potential liabilities and unresolved disputes that the target company may have. Valuations and analyses of the target company conducted by the Group and external professionals are based on numerous assumptions, which may become inappropriate over time due to new facts and circumstances that emerge. The inability to successfully integrate a target business into the Group may prevent synergies from the acquisition being achieved, leading to increases in cost, time and resources used.

In undertaking merger and acquisition activities, the Group may also be exposed to different and changing political, social, legal and regulatory requirements at the local, national and international level, as well as cultural issues. Some of these merger and acquisition activities are subject to complex regulatory approval processes in their respective countries.

To manage these risks, the Group undertakes a rigorous due diligence and analysis process covering operational, financial, legal, sustainability and risk parameters before undertaking any merger or acquisition activity. The Group seeks growth in its areas of expertise within stable, well-structured international markets that either yield stable revenues under government regulation or are safeguarded by long-term power purchase agreements. The Group joins the management of new associate/joint venture companies to guide and oversee performance and shares best practice to ensure synergies and maximum efficiencies.

Infrastructure Market

The infrastructure investments of the Group globally are subject to local government policy, regulatory pricing and the need to adhere strictly to the licence requirements or provisions of relevant legislation. This also applies to the codes and guidelines established by the relevant regulatory authorities. Failure to comply with the aforesaid requirements or rules and regulations may lead to penalties, or, in extreme circumstances, the amendment, suspension or cancellation of the relevant licences by the authorities. The Group closely monitors changes in regulations, government policies and markets, and conducts scenario and sensitivity studies to assess the impact of such changes.

Compliance with Local, National & International Laws and Regulations

Local business risks specific to individual countries and cities where the Group's investments operate could have a material impact on its financial conditions, operating results and growth prospects. In addition, the Group's investments in different parts of the world are subject to local legal and regulatory requirements, and their activities are regulated through applicable operating licences.

With interests around the world, the Group is, and may increasingly become, exposed to different and changing political, social, legal, tax, regulatory, listing and environmental requirements at the local, national and international level. New policies or measures by governments, whether fiscal, tax, regulatory, environmental, or competition-related, may lead to additional or unplanned increases in operating expenses and capital expenditures, pose a risk to the returns delivered by the Group's investments and may delay or prevent the commercial operation of an individual business, with a resulting loss in revenue and profit.

The Group follows a proactive approach to monitoring changes in government policies and legislation. Each investment maintains high awareness of the need to comply with applicable laws, regulations and licence requirements. It does so through a variety of means including engaging external advisors, performing regular audits and complying with both internal and external regulatory reporting obligations. Adequate risk mitigation measures are in place and are constantly reviewed for enhancement.

Reliability of Energy Supply

The Group's power and utilities-related investments can be exposed to supply interruptions. A severe earthquake, storm, lightning strike, flood, landslide, fire, incident of sabotage, terrorist attack, cyberattack, failure of the critical information and control systems that operate and protect the electricity and gas networks, or any other unplanned event could lead to a prolonged and extensive supply outage.

The loss of cash flow resulting from supply interruption, and the cost of recovery from network damage could be considerable. Such an incident could damage customer goodwill and lead to claims and litigation. Substantial increases in the number or duration of supply interruptions could result in increases in the costs associated with the operation of the supply networks. This could have an adverse effect on the business, financial condition and efficiency of operations as well as the reputation of the Group.

The Group's investments conduct regular maintenance and upgrades of the power and gas supply equipment, provide comprehensive training to operational staff, undertake reliability reviews, and operate sophisticated information technology control and asset management systems. They also have fully tested contingency plans to ensure supply reliability standards are maintained.

Sustainability Disclosure

Disclosure risk is increasingly becoming a significant business concern due to rising requirements for comprehensive reporting on sustainable practices. Stakeholders, including investors and customers, now expect greater transparency. Inadequate or inaccurate disclosures can result in a loss of trust and credibility, and may even lead to greenwashing, which could incur legal and regulatory penalties.

The Group acknowledges the potential for non-compliance related to unsubstantiated business claims concerning environmental, social responsibility, or sustainability issues if relevant ESG standards are not met. To ensure compliance and effective ESG reporting, the Group actively monitors regulatory changes, seeks professional assistance, and independently verifies Sustainability Reports to guarantee data accuracy. Additionally, training programmes are implemented to keep employees informed about the evolving ESG landscape.

Financial Review

Financial Position, Liquidity and Financial Resources

The Group's financial position remained strong. The Group's capital expenditure and investments were primarily funded by cash from operations, dividends and other repatriation from investments. Interest in joint ventures and associates at the year end were HK\$93,229 million (2024: HK\$87,413 million). Total unsecured bank loans outstanding at the year end were HK\$3,319 million (2024: HK\$2,505 million). In addition, the Group had bank deposits and cash of HK\$2,531 million (2024: HK\$2,733 million) and undrawn committed bank facility of HK\$1,500 million at the year end (2024: HK\$1,000 million).

Treasury Policy, Financing Activities and Debt Structure

The Group manages its financial risks in accordance with guidelines laid down in its treasury policy, which is approved by the Board. The treasury policy is designed to manage the Group's currency, interest rate and counterparty risks. Surplus funds, which arise mainly from dividends and other repatriation from investments, are generally placed in short-term deposits denominated primarily in Australian dollars, Canadian dollars, Hong Kong dollars, pounds sterling and United States dollars. The Group aims to ensure that adequate financial resources are available for refinancing and business growth, whilst maintaining a prudent capital structure.

The Group's financial profile remained strong during the year. On 19 February 2025, Standard & Poor's reaffirmed the "A" long-term issuer credit rating and the "Stable" outlook of the Company, unchanged since September 2018.

As at 31 December 2025, the net debt position of the Group was HK\$788 million (2024: net cash position of HK\$228 million) with a net debt to net total capital ratio of 1% (2024: Nil), which was based on HK\$91,513 million of net total capital. The net debt to net total capital ratio was 46% by sharing net debt of the international investment portfolio on a look-through basis, which was based on HK\$76,682 million of net debt and HK\$167,407 million of net total capital. This ratio was marginally higher than that of 44% at the year end of 2024.

The profile of the Group's external borrowings as at 31 December 2025, after taking into account interest rate swaps, was as follows:

- (1) 70% were in Australian dollars and 30% were in Hong Kong dollars;
- (2) 100% were bank loans;
- (3) 42% were repayable within 1 year and 58% were repayable between 2 and 5 years; and
- (4) 100% were in floating rate.

Currency and interest rate risks are actively managed in accordance with the Group's treasury policy. Derivative financial instruments are used primarily for managing interest rate and foreign currency risks and not for speculative purposes. Treasury transactions are only executed with counterparties with acceptable credit ratings to control counterparty risk exposure.

The Group's principal foreign currency exposures arise from its investments outside Hong Kong. Foreign currency exposure also arises from settlement to vendors which is not material and is managed mainly through purchases in the spot market or utilisation of foreign currency receipts of the Group. Currency exposures arising from investments outside Hong Kong are, where considered appropriate, mitigated by financing those investments in local currency borrowings, or by entering into forward foreign exchange contracts or cross currency swaps. The fair value of such borrowings at 31 December 2025 was HK\$2,319 million (2024: HK\$2,505 million). The fair value of forward foreign exchange contracts and cross currency swaps at 31 December 2025 was an asset of HK\$998 million (2024: an asset of HK\$2,736 million). Foreign currency fluctuations will affect the translated value of the net assets of investments outside Hong Kong and the resultant translation difference is included in the Group's reserve account. Income received from the Group's investments outside Hong Kong which is not denominated in Hong Kong dollars is, unless otherwise placed as foreign currency deposits, converted into United States dollars on receipt.

The contractual notional amounts of derivative financial instruments outstanding at 31 December 2025 amounted to HK\$29,463 million (2024: HK\$32,377 million).

Contingent Liabilities

As at 31 December 2025, the Group had no guarantees and indemnities (2024: Nil).

Employees

The Group continues its policy of pay-for-performance and the pay levels are monitored to ensure competitiveness is maintained. The Group's total remuneration costs for the year ended 31 December 2025, excluding directors' emoluments, amounted to HK\$31 million (2024: HK\$28 million). As at 31 December 2025, the Group employed 16 (2024: 14) employees. No share option scheme is in operation.

Report of the Directors

(Expressed in Hong Kong dollars)

The Directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2025.

Principal Activities and Business Review

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are investment in energy and utility-related businesses. Particulars of the Company's principal subsidiaries as at 31 December 2025 are set out in Appendix 2 on page 138 of the financial statements. Further discussion and analysis of the Group's activities as required by Schedule 5 to the Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Chairman's Statement on pages 6 to 8, the CEO's Report on pages 12 to 31, Risk Management and Risk Factors on pages 62 to 67 and Financial Review on pages 68 to 69 of this Annual Report, and also in the Sustainability Report to be published at the same time as this Annual Report in April 2026.

A discussion on the Group's relationships with its key stakeholders, and environmental (including climate-related) policies and performance is contained in the Chairman's Statement on pages 6 to 8 and the CEO's Report on pages 12 to 31 of this Annual Report, and the Sustainability Report mentioned above, whilst its compliance with the relevant laws and regulations that have a significant impact on the Group are included in the Corporate Governance Report on pages 37 to 61 and Risk Factors on pages 64 to 67 of this Annual Report. These discussions form part of this directors' report.

Results

The results of the Group for the year ended 31 December 2025 and the financial positions of the Group as at that date are set out in the financial statements on pages 78 to 141.

Dividends

An interim dividend of \$0.78 (2024: \$0.78) per ordinary share was paid to shareholders on 23 September 2025. The Directors recommend a final dividend of \$2.04 (2024: \$2.04) per ordinary share payable on 9 June 2026 to shareholders who are registered on the register of members on 27 May 2026.

Share Capital

Details of the share capital of the Company are set out in note 24(c) to the financial statements. There was no movement during the year.

Donations

Charitable and other donations made by the Group during the year amounted to \$1 million (2024: \$1 million).

Summary of Five-Year Financial Results

The summary of five-year financial results of the Group is set out on page 142.

Major Customers and Suppliers

Sales to the largest customer is 33.8% (2024: 32.5%) of the Group's total revenue, and sales to five largest customers combined is 83.1% (2024: 84.9%) of the Group's total revenue for the year ended 31 December 2025. The five largest customers for the year are the joint ventures or associates of the Company which are jointly owned with CK Infrastructure Holdings Limited, CK Asset Holdings Limited and/or CK Hutchison Holdings Limited as the case may be.

Purchases from the largest supplier is 14.7% (2024: 11.3%) of the Group's total purchases of revenue items, and purchases from the five largest suppliers combined is 37.2% (2024: 24.8%) of the Group's total purchases of revenue items for the year ended 31 December 2025. Certain of these five largest suppliers for the year are CK Infrastructure Holdings Limited, CK Asset Holdings Limited, CK Hutchison Holdings Limited and/or their respective subsidiaries as the case may be.

Save as disclosed above, none of the Directors and their close associates, nor any shareholders of the Company (which to the knowledge of the Directors owns more than 5% of the number of issued shares (excluding treasury shares, if any) of the Company) has any interest in the Group's five largest customers or suppliers.

Directors

The Directors in office during the year and up to the date of this report (unless otherwise stated) were Mr. Andrew John Hunter, Mr. Tsai Chao Chung, Charles, Mr. Stephen Edward Bradley, Mr. Chan Loi Shun, Mr. Cheng Cho Ying, Francis, Mr. Ip Yuk-keung, Albert, Ms. Koh Poh Wah, Mr. Kwan Chi Kin, Anthony, Mr. Leung Hong Shun, Alexander, Mr. Li Tzar Kuoi, Victor, Mr. Neil Douglas McGee and Mr. Wu Ting Yuk, Anthony (resigned on 21 January 2026).

Mr. Wu Ting Yuk, Anthony resigned as an Independent Non-executive Director with effect from 21 January 2026 to devote more time to his other business and personal engagements. He has no disagreement with the Board and is not aware of any matters relating to his resignation that need to be brought to the attention of the shareholders of the Company.

The list of directors and alternate directors who have served on the boards of the subsidiaries of the Company during the year and up to the date of this report is available under "Our Leadership" in "About Us" section on the Company's website at www.powerassets.com.

Permitted Indemnity

Pursuant to Article 182(A) of the Company's articles of association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto.

A Directors Liability Insurance is currently in place, and was in place during the year, to protect the Directors of the Company and its subsidiaries against potential costs and liabilities arising from claims brought against them.

Directors' Material Interests in Significant Transactions, Arrangements or Contracts

Save as otherwise disclosed under the section headed "Continuing Connected Transactions" in the Corporate Governance Report, there were no other 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 subsidiaries was a party and in which a Director of the Company or his connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Report of the Directors

(Expressed in Hong Kong dollars)

Management Contracts

During the year the Group shared general office administration and other support services (such as legal, company secretarial, financial, accounting, treasury, internal audit, human resources, public affairs services, information technology and administrative services) provided by HK Electric Investments Limited, an associate of the Company, pursuant to a support services agreement which was entered into on 14 January 2014 and came into effect on 29 January 2014, for an initial term of three years and thereafter automatic renewal for successive periods of three years, subject to compliance with the relevant requirements under the Listing Rules and termination at any time with six months' prior notice.

Save as disclosed above, there are no contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the year. As at 31 December 2025, the Company and its subsidiaries did not hold any treasury shares.

Arrangement to Purchase Shares or Debentures

At no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Equity-linked Agreements

No equity-linked agreements were entered into by the Group during the year or subsisted at the end of the year.

Disclosure under Rule 13.22 of Chapter 13 of the Listing Rules

In relation to the provision of financial assistance by the Group to certain affiliated companies, a combined statement of financial position of the affiliated companies as at 31 December 2025 required to be disclosed under Rule 13.22 of Chapter 13 of the Listing Rules is set out below:

Combined statement of financial position of the affiliated companies as at 31 December 2025

\$ million

Non-current assets	439,759
Current assets	21,602
Current liabilities	(58,270)
Non-current liabilities	(257,295)
Net assets	145,796
Share capital	46,564
Reserves	99,232
Capital and reserves	145,796

As at 31 December 2025, the consolidated attributable interest of the Group in these affiliated companies amounted to \$56,959 million.

On behalf of the Board

Andrew John Hunter

Chairman

Hong Kong, 18 March 2026



Independent Auditor's Report

To the members of Power Assets Holdings Limited
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Power Assets Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 78 to 141, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. 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 are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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.

Independent Auditor's Report

To the members of Power Assets Holdings Limited
(Incorporated in Hong Kong with limited liability)

Accounting for interests in associates and joint ventures

Refer to notes 14 and 15 to the consolidated financial statements and the accounting policy 2(e).

The Key Audit Matter	How the matter was addressed in our audit
The Group's associates and joint ventures operate in Hong Kong, the United Kingdom, Australia, Thailand, Chinese Mainland, Canada, the Netherlands, New Zealand and the United States. The Group's share of results of associates and joint ventures for the year ended 31 December 2025 and the Group's interests in associates and joint ventures at that date are significant in the context of the Group's consolidated financial statements. The financial information of associates and joint ventures with operations outside of Hong Kong is prepared in accordance with the prevailing accounting standards in each relevant jurisdiction which may differ in certain respects from HKFRS Accounting Standards. Converting the financial information of these entities into HKFRS Accounting Standards for the purpose of equity accounting involves management making a number of manual adjustments some of which are complex in nature. We identified the accounting for interests in associates and joint ventures as a key audit matter because of the material impact that these entities have on the consolidated financial statements and also because of the complex nature of certain adjustments made by management which we consider increases the inherent risk of error.	Our audit procedures to assess the accuracy of the accounting for interests in associates and joint ventures included the following: • performing an audit of the consolidated financial statements of the Hong Kong based associate, HK Electric Investments Limited, in accordance with the requirements of HKSA's; • evaluating the independence and competence of the auditors of associates and joint ventures outside Hong Kong where further procedures were to be performed ("component auditors"); • participating in the risk assessment process undertaken by the component auditors in respect of their audits of significant associates and joint ventures outside Hong Kong; • understanding and evaluating the appropriateness of the design of the procedures planned to be performed by the component auditors of significant associates and joint ventures outside Hong Kong to address the significant risks identified; • obtaining reporting from the component auditors of significant associates and joint ventures outside Hong Kong and discussing with these component auditors matters of significance in their audits which could impact the Group's consolidated financial statements, reviewing selected component auditors' audit documentation and assessing the sufficiency and appropriateness of the audit evidence obtained for the purpose of the audit of the Group's consolidated financial statements; • evaluating significant manual adjustments made in respect of associates and joint ventures outside Hong Kong to convert their financial information into HKFRS Accounting Standards by comparing the adjustments to underlying documentation or by re-performing the calculations on which the adjustments were based; • assessing whether the financial information of associates and joint ventures outside Hong Kong after the adjustments made by management was prepared in accordance with the Group's accounting policies.

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all 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 as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that forms part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

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 the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and 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.

The directors are assisted by the Audit Committee in discharging their responsibilities 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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 HKSAs 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.

Independent Auditor's Report

To the members of Power Assets Holdings Limited
(Incorporated in Hong Kong with limited liability)

As part of an audit in accordance with HKSA's, 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.
- 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 the Audit Committee 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 the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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 the Audit Committee, 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 Lee Wai Shun, Wilson (practising certificate number: P04961).

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

18 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

		2025	2024
	Note	\$ million	\$ million
Revenue	4	771	919
Other net income	5	121	207
Other operating costs	7	(352)	(460)
Finance costs	8	(228)	(169)
Share of results of joint ventures		4,056	4,014
Share of results of associates		2,086	1,841
Profit before taxation	9	6,454	6,352
Taxation	10	(218)	(233)
Profit for the year attributable to equity shareholders of the Company		6,236	6,119
Earnings per share			
Basic and diluted	12	\$2.93	\$2.87

The notes on pages 83 to 141 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 24(b).

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	2025 \$ million	2024 \$ million
Profit for the year attributable to equity shareholders of the Company	6,236	6,119
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan obligations	6	18
Share of other comprehensive income of joint ventures and associates	337	(770)
Income tax relating to items that will not be reclassified to profit or loss	(81)	198
	262	(554)
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translating operations outside Hong Kong, including joint ventures and associates	4,337	(2,724)
Net investment hedges	(1,190)	1,516
Cost of hedging	(12)	22
Cash flow hedges:		
Net movement in hedging reserve	(4)	(37)
Share of other comprehensive income of joint ventures and associates	68	(39)
Income tax relating to items that may be reclassified subsequently to profit or loss	(38)	31
	3,161	(1,231)
	3,423	(1,785)
Total comprehensive income for the year attributable to equity shareholders of the Company	9,659	4,334

The notes on pages 83 to 141 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2025
(Expressed in Hong Kong dollars)

	Note	2025 \$ million	2024 \$ million
Non-current assets			
Property, plant and equipment and leasehold land	13	16	19
Interest in joint ventures	14	66,004	60,963
Interest in associates	15	27,225	26,450
Other non-current financial assets	16	1,100	1,100
Derivative financial instruments	21	953	2,050
Employee retirement benefit assets	22(a)	8	7
		95,306	90,589
Current assets			
Other receivables	17	488	755
Bank deposits and cash	18(a)	2,531	2,733
		3,019	3,488
Current liabilities			
Current portion of bank loans	20	(1,399)	–
Other payables	19	(3,551)	(3,970)
Current tax payable	23(a)	(99)	(107)
		(5,049)	(4,077)
Net current liabilities		(2,030)	(589)
Total assets less current liabilities		93,276	90,000
Non-current liabilities			
Bank loans	20	(1,920)	(2,505)
Derivative financial instruments	21	(199)	(31)
Deferred tax liabilities	23(b)	(344)	(298)
Employee retirement benefit liabilities	22(a)	(88)	(89)
Lease liabilities		–	(1)
		(2,551)	(2,924)
Net assets		90,725	87,076
Capital and reserves			
Share capital	24(c)	6,610	6,610
Reserves		84,115	80,466
Total equity attributable to equity shareholders of the Company		90,725	87,076

Approved and authorised for issue by the Board of Directors on 18 March 2026.

Tsai Chao Chung, Charles
Director

Chan Loi Shun
Director

The notes on pages 83 to 141 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company					Total
	Share capital (note 24(c))	Exchange reserve (note 24(d)(i))	Hedging reserve (note 24(d)(ii))	Revenue reserve (note 24(d)(iii))	Proposed/ declared dividend (note 24(b))	
\$ million						
Balance at 1 January 2024	6,610	(5,542)	1,252	82,084	4,348	88,752
Changes in equity for 2024:						
Profit for the year	–	–	–	6,119	–	6,119
Other comprehensive income	–	(1,186)	(45)	(554)	–	(1,785)
Total comprehensive income	–	(1,186)	(45)	5,565	–	4,334
Final dividend in respect of the previous year approved and paid (see note 24(b)(ii))	–	–	–	–	(4,348)	(4,348)
Interim dividend paid (see note 24(b)(i))	–	–	–	(1,662)	–	(1,662)
Proposed final dividend (see note 24(b)(i))	–	–	–	(4,348)	4,348	–
Balance at 31 December 2024 and 1 January 2025	6,610	(6,728)	1,207	81,639	4,348	87,076
Changes in equity for 2025:						
Profit for the year	–	–	–	6,236	–	6,236
Other comprehensive income	–	3,135	26	262	–	3,423
Total comprehensive income	–	3,135	26	6,498	–	9,659
Final dividend in respect of the previous year approved and paid (see note 24(b)(ii))	–	–	–	–	(4,348)	(4,348)
Interim dividend paid (see note 24(b)(i))	–	–	–	(1,662)	–	(1,662)
Proposed final dividend (see note 24(b)(i))	–	–	–	(4,348)	4,348	–
Balance at 31 December 2025	6,610	(3,593)	1,233	82,127	4,348	90,725

The notes on pages 83 to 141 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

		2025	2024
	Note	\$ million	\$ million
Operating activities			
Cash generated from operations	18(b)	547	382
Interest paid		(239)	(196)
Interest received		770	1,073
Tax paid for operations outside Hong Kong		(196)	(319)
Tax refunded for operations outside Hong Kong		2	1
Net cash generated from operating activities		884	941
Investing activities			
Payment for the purchase of property, plant and equipment		(1)	–
(Increase)/decrease in bank deposits with more than 3 months to maturity when placed		(390)	1,745
Investment in joint ventures		(16)	(782)
New loan to a joint venture		–	(156)
Advance to a joint venture		(41)	–
Net cash (paid)/received on hedging instruments		(107)	919
Dividends received from joint ventures		2,958	2,588
Dividends received from associates		1,423	1,316
Dividends received from equity securities		49	56
Net cash generated from investing activities		3,875	5,686
Financing activities			
Proceeds from bank loans	18(d)	3,281	1,126
Repayment of bank loans	18(d)	(2,627)	(1,461)
Capital element of lease rentals paid	18(d)	(3)	(3)
Dividends paid to equity shareholders of the Company		(6,010)	(6,010)
Net cash used in financing activities		(5,359)	(6,348)
Net (decrease)/increase in cash and cash equivalents		(600)	279
Cash and cash equivalents at 1 January		2,733	2,456
Effect of foreign exchange rate changes		8	(2)
Cash and cash equivalents at 31 December	18(a)	2,141	2,733

The notes on pages 83 to 141 form part of these financial statements.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1. General information

Power Assets Holdings Limited (“the Company”) is a limited company incorporated and domiciled in Hong Kong. The address of its registered office is Unit 2005, 20th Floor, Cheung Kong Center, 2 Queen’s Road Central, Hong Kong.

2. Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interests in joint ventures and associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 30.

The Directors are of the opinion that, taking into account of the available banking facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements within one year from the end of the reporting period. Hence, the consolidated financial statements have been prepared on a going concern basis.

2. Material accounting policies (Continued)

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to 31 December each year, together with the Group's share of the results for the year and the net assets at the end of the reporting period of its joint ventures and associates.

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests ("NCI") and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(l)(ii)).

(e) Joint ventures and associates

A joint venture is an arrangement in which the Group has joint control, whereby the Group has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

An interest in a joint venture or an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the joint venture or the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the joint venture or the associate, after applying the expected credit loss ("ECL") model to such other long-term interests where applicable (see note 2(l)(i)).

(f) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see note 2(l)(ii)).

(g) Investments in equity securities and other financial assets

The Group's policies for investments in equity securities and other financial assets, apart from investments in subsidiaries, joint ventures and associates, are set out below.

Investments in equity securities and other financial assets are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 25(f). These investments are subsequently accounted for as follows, depending on their classification.

Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- fair value through other comprehensive income ("FVOCI") – (with subsequent reclassification to profit or loss), if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in OCI, except for the recognition in profit or loss of ECLs, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in OCI is reclassified from equity to profit or loss.
- FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (with subsequent reclassification to profit or loss). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Equity investments

An investment in equity securities is classified as at FVPL, unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (without subsequent reclassification to profit or loss) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in OCI remains in the fair value reserve (without subsequent reclassification to profit or loss) until the investment is disposed of. At the time of disposal, the amount accumulated in the investment revaluation reserve (without subsequent reclassification to profit or loss) is transferred to revenue reserve. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI (without subsequent reclassification to profit or loss), are recognised in profit or loss as revenue.

2. Material accounting policies (Continued)

(h) Derivative financial instruments

The Group holds derivative financial instruments to manage its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation (see note 2(ii)).

(i) Hedging

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with variable rate borrowings (cash flow hedges), or as hedging instruments to hedge the foreign exchange risk of a net investment in a foreign operation (net investment hedges).

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss, along with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

(ii) Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve within equity. The effective portion that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion is recognised immediately in profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve is removed from the reserve and is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified through OCI to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss. If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, 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 future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve is immediately reclassified through OCI to profit or loss.

(iii) Hedge of net investments in foreign operations

The effective portion of any foreign exchange gains or losses on the borrowings is recognised in OCI and presented in the exchange reserve within equity. Any ineffective portion is recognised immediately in profit or loss. The amount accumulated in the exchange reserve is fully or partially reclassified through OCI to profit or loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

Forward element of forward foreign currency contracts and foreign currency basis spread of financial instruments may be separated and excluded from the designated hedging instruments. If the Group excludes the forward element of a forward foreign exchange contract or the foreign currency basis spread of a financial instrument (the "excluded elements") from the designation of a hedging instrument, then the excluded elements may be separately accounted for as a cost of hedging. The fair value changes of the excluded elements are recognised in a separate component of equity, i.e. cost of hedging reserve, to the extent that it relates to the hedged items.

(j) Property, plant and equipment and leasehold land, depreciation and amortisation

- (i) Property, plant and equipment are stated in the consolidated statement of financial position at cost less accumulated depreciation (see note 2(j)(vi)), amortisation (see note 2(j)(v)) and impairment losses (see note 2(l)(ii)).
- (ii) Where parts of a property, plant and equipment have different useful lives, the cost of the property, plant and equipment is allocated on a reasonable basis between the parts and each part is depreciated separately. Subsequent expenditure to replace a component of a property, plant and equipment that is accounted for separately, or to improve its operational performance is included in the asset's carrying amount or recognised as a separate asset as appropriate when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group and the cost of the item can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.
- (iii) Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.
- (iv) Interest in leasehold land held for own use where the Group is the registered owner of the property interest are stated in the consolidated statement of financial position at cost less accumulated amortisation (see note 2(j)(v)) and impairment losses (see note 2(l)(ii)).
- (v) The cost of acquiring leasehold land is amortised on a straight-line basis over the period of the unexpired lease term.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2. Material accounting policies (Continued)

(j) Property, plant and equipment and leasehold land, depreciation and amortisation (Continued)

- (vi) Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

	Years
Interests in buildings situated on leasehold land	60
Furniture and fixtures, sundry plant and equipment	10
Computers	5 to 10
Motor vehicles	5 to 6
Workshop tools and office equipment	5
Properties leased for own use	Shorter of the unexpired term of lease and the properties' estimated useful life

Immovable assets are amortised on a straight-line basis over the unexpired lease terms of the land on which the immovable assets are situated if the unexpired lease terms of the land are shorter than the estimated useful lives of the immovable assets.

Both the useful life of an asset and its residual value, if any, are reviewed annually.

(k) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation (see note 2(j)(vi)), amortisation (see note 2(j)(v)) and impairment losses (see note 2(l)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the Group's consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within 12 months after reporting period.

(I) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for ECLs on the financial assets measured at amortised cost.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

2. Material accounting policies (Continued)

(I) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Measurement of ECLs (Continued)

The Group measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for other receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (with subsequent reclassification to profit or loss), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (with subsequent reclassification to profit or loss) that does not reduce the carrying amount of the financial asset in the statement of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

2. Material accounting policies (Continued)

(l) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets (Continued)

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(l)(i) and 2(l)(ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(m) Other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method and including allowance for credit losses (see note 2(l)(i)).

(n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, with the exception of fixed interest borrowings that are designated as hedged items in fair value hedges (see note 2(i)(i)), interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

For interest-bearing borrowings that are designated as hedged items in fair value hedges, subsequent to initial recognition, the interest-bearing borrowings are stated at fair value with the fair value changes that are attributable to the hedged risk recognised in profit or loss (see note 2(i)(i)).

(o) Other payables

Other payables are initially recognised at fair value. Subsequent to initial recognition, other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(q) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Defined benefit scheme obligations

The Group has the following two categories of defined benefit plans:

- defined benefit retirement plans registered under the Hong Kong Occupational Retirement Schemes Ordinance (the "ORSO plans"); and
- Long Service Payment ("LSP") under the Hong Kong Employment Ordinance.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. For ORSO plans, the net obligation is after deducting the fair value of plan assets. For LSP obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's Mandatory Provident Fund ("MPF") contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

The calculation of defined benefit obligation is performed by a qualified actuary using the "Projected Unit Credit Method". For ORSO plans, when the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements arising from defined benefit plans, which comprise actuarial gains and losses, the return on plan assets in ORSO plans (excluding interest) and the effect of any asset ceiling (excluding interest), are recognised immediately in OCI. Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

2. Material accounting policies (Continued)

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Revenue recognition

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(u) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Hong Kong dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Hong Kong dollars at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2. Material accounting policies (Continued)

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(w) Related parties

- (i) A person or a close member of that person's family is related to the Group if that person:
 - (a) has control or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of the key management personnel of the Group.
- (ii) An entity is related to the Group if any of the following conditions apply:
 - (a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) One entity is a joint venture or an associate of the other entity (or a joint venture or an associate of a member of a group of which the other entity is a member).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (f) The entity is controlled or jointly controlled by a person identified in note 2(w)(i).
 - (g) A person identified in note 2(w)(i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker of the Group for the purposes of resource allocation and performance assessment. Accordingly, the Group's aggregated operating segments are based on their principal activities and geographical regions to present the reportable segments.

3. Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. Revenue

The principal activity of the Group is investment in energy and utility-related businesses. Group revenue represents interest income from loans granted to joint ventures and associates and dividends from other financial assets.

	2025 \$ million	2024 \$ million
Interest income	722	863
Dividend income	49	56
	771	919
Share of revenue of joint ventures	20,934	19,191

5. Other net income

	2025 \$ million	2024 \$ million
Bank deposits interest income	105	123
Net exchange loss	(39)	(7)
Sundry income	55	91
	121	207

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

6. Segment information

The Group has aggregated operating segments with similar characteristics to present the following reportable segments.

- Investment in HKEI: this segment invests in generation and supply of electricity business in Hong Kong.
- Investments: this segment invests in energy and utility-related businesses and is segregated further into three reportable segments (United Kingdom, Australia and Others) on a geographical basis.
- All other activities: this segment represents other activities carried out by the Group.

The basis of accounting for the Group's segment information is the same as that for the Group's financial statements. The financial information about the Group's segments is set out in Appendix 1 on pages 136 to 137.

7. Other operating costs

	2025 \$ million	2024 \$ million
Staff costs	36	33
Depreciation	4	3
Cost of services and investment related expenses	312	424
	352	460

8. Finance costs

	2025 \$ million	2024 \$ million
Interest on borrowings and other finance costs	228	169

9. Profit before taxation

	2025 \$ million	2024 \$ million
Profit before taxation is arrived at after charging:		
Auditors' remuneration		
– audit and audit related work		
– KPMG	3	4
– other auditors	1	1
– non-audit work		
– KPMG	–	2
– other auditors	1	1

10. Taxation in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

	2025 \$ million	2024 \$ million
Current tax – operations outside Hong Kong		
Provision for the year	185	196
Deferred tax (see note 23(b))		
Origination and reversal of temporary differences	33	37
	218	233

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group did not have any assessable profits during the current and preceding years in Hong Kong.

Taxation for operations outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant countries.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025 \$ million	2024 \$ million
Profit before taxation	6,454	6,352
Less: Share of results of joint ventures	(4,056)	(4,014)
Share of results of associates	(2,086)	(1,841)
	312	497
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	64	99
Tax effect of non-deductible expenses	74	78
Tax effect of non-taxable income	(137)	(161)
Tax effect of unused tax losses not recognised	16	13
Others	201	204
Actual tax expense	218	233

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

11. Directors' emoluments and five highest paid individuals

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 of each of the Directors of the Company are as follows:

Name of Directors	Fees \$ million	Salaries, allowances and other benefits ⁽¹⁸⁾ \$ million	Retirement scheme contributions \$ million	Bonuses \$ million	2025 Total emoluments \$ million	2024 Total emoluments \$ million
Executive Directors						
Andrew John Hunter ^{(3) (10) (12)} <i>Chairman</i>	0.12	0.23	–	–	0.35	0.30
Fok Kin Ning, Canning ⁽¹¹⁾ <i>Chairman</i>	–	–	–	–	–	0.03
Tsai Chao Chung, Charles ^{(5) (13)} <i>Chief Executive Officer</i>	0.09	3.98	–	1.14	5.21	5.10
Chan Loi Shun ^{(5) (14) (17)}	0.09	6.33	–	–	6.42	6.17
Cheng Cho Ying, Francis ⁽¹⁵⁾	0.07	–	–	–	0.07	0.07
Non-executive Directors						
Leung Hong Shun, Alexander	0.07	–	–	–	0.07	0.07
Victor T K Li ^{(4) (16)}	0.09	–	–	–	0.09	0.09
Neil Douglas McGee ⁽⁶⁾	0.07	–	–	–	0.07	0.07
Stephen Edward Bradley ^{(1) (4) (9)}	0.09	–	–	–	0.09	0.09
Ip Yuk-keung, Albert ^{(1) (2) (4) (5)}	0.18	–	–	–	0.18	0.18
Koh Poh Wah ^{(1) (2) (3) (4) (7)}	0.17	–	–	–	0.17	0.16
Kwan Chi Kin, Anthony ^{(1) (3)}	0.09	–	–	–	0.09	0.09
Wu Ting Yuk, Anthony ^{(1) (2) (8)}	0.14	–	–	–	0.14	0.14
Total for the year 2025	1.27	10.54	–	1.14	12.95	
Total for the year 2024	1.28	10.17	–	1.11		12.56

Notes:

- (1) Independent Non-executive Director
- (2) Member of the Audit Committee
- (3) Member of the Remuneration Committee

- (4) Member of the Nomination Committee
- (5) Member of the Sustainability Committee
- (6) Re-designated from an Executive Director to a Non-executive Director with effect from 1 March 2025.
- (7) Appointed as a member of the Nomination Committee with effect from 21 May 2025.
- (8) Resigned as an Independent Non-executive Director and ceased to be a member of the Audit Committee with effect from 21 January 2026.
- (9) Appointed as a member of the Audit Committee with effect from 21 January 2026.
- (10) Appointed as the Chairman of the Company and a member of the Remuneration Committee with effect from 1 April 2024.
- (11) Retired as the Chairman of the Company and Executive Director and ceased to be a member of the Remuneration Committee with effect from 1 April 2024.
- (12) During the year, Mr. Andrew John Hunter received director's emoluments of THB237,711 from Ratchaburi Power Company Limited, which is an associate of the Group. The director's emoluments received were paid back to the Company.
- (13) During the year, Mr. Tsai Chao Chung, Charles received director's emoluments of THB475,422 from Ratchaburi Power Company Limited, which is an associate of the Group. The director's emoluments received were paid back to the Company.
- (14) During the year, Mr. Chan Loi Shun received director's emoluments of THB237,711 from Ratchaburi Power Company Limited and \$3,873,200 from HK Electric Investments Limited, which are associates of the Group. The director's emoluments received were paid back to the Company.
- (15) During the year, Mr. Cheng Cho Ying, Francis received director's emoluments of \$90,000 from HK Electric Investments Limited, which is an associate of the Group. The director's emoluments received were paid back to the Company.
- (16) During the year, Mr. Victor T K Li received director's emoluments of \$90,000 from HK Electric Investments Limited, which is an associate of the Group. The director's emoluments received were paid back to the Company.
- (17) During the year, Mr. Chan Loi Shun received director's emoluments of \$6,415,600 from the Company.
- (18) For Directors who are employees of the Group, other benefits also include insurance and medical benefits entitled by the employees of the Group.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

11. Directors' emoluments and five highest paid individuals (Continued)

The five highest paid individuals of the Group included two directors (2024: two) whose total emoluments are shown above. The remuneration of the other three individuals (2024: three) who comprise the five highest paid individuals of the Group is set out below:

	2025 \$ million	2024 \$ million
Salary and other benefits	11.1	10.6
Retirement scheme contributions	0.5	0.5
	11.6	11.1

The total remuneration of these three individuals is within the following bands:

	2025 Number	2024 Number
\$2,500,001 - \$3,000,000	1	1
\$4,000,001 - \$4,500,000	1	1
\$4,500,001 - \$5,000,000	1	1

12. Earnings per share

The calculation of earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$6,236 million (2024: \$6,119 million) and 2,131,105,154 ordinary shares (2024: 2,131,105,154 ordinary shares) in issue throughout the year.

There were no dilutive potential ordinary shares in existence during the years ended 31 December 2025 and 2024.

13. Property, plant and equipment and leasehold land

\$ million	Ownership interests in buildings held for own use	Plant, machinery and equipment	Sub-total	Ownership interests in leasehold land held for own use	Other properties leased for own use	Total
Cost:						
At 1 January 2024	1	9	10	13	9	32
Additions	–	–	–	–	3	3
Disposal	–	–	–	–	(6)	(6)
At 31 December 2024 and 1 January 2025	1	9	10	13	6	29
Additions	–	1	1	–	–	1
At 31 December 2025	1	10	11	13	6	30
Accumulated amortisation and depreciation:						
At 1 January 2024	–	6	6	1	6	13
Written back on disposals	–	–	–	–	(6)	(6)
Charge for the year	–	1	1	–	2	3
At 31 December 2024 and 1 January 2025	–	7	7	1	2	10
Charge for the year	–	1	1	–	3	4
At 31 December 2025	–	8	8	1	5	14
Net book value:						
At 31 December 2025	1	2	3	12	1	16
At 31 December 2024	1	2	3	12	4	19

14. Interest in joint ventures

	2025 \$ million	2024 \$ million
Share of net assets of unlisted joint ventures	57,959	53,247
Loans to unlisted joint ventures (see note below)	7,722	7,435
Amounts due from unlisted joint ventures (see note below)	323	281
	66,004	60,963
Share of total assets of unlisted joint ventures	160,648	146,158

The loans to unlisted joint ventures are unsecured, interest bearing at rates ranging from 4.4% per annum to 10.0% per annum (2024: 4.4% per annum to 10.0% per annum) and have no fixed repayment terms.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

14. Interest in joint ventures (Continued)

Included in the loans to unlisted joint ventures are subordinated loans totalling \$7,554 million (2024: \$7,278 million). The rights in respect of these loans are subordinated to the rights of any other lenders to the joint ventures.

The amounts due from unlisted joint ventures are unsecured, interest free and have no fixed repayment terms.

All the Group's joint ventures are unlisted corporate entities for which a quoted market price is not available.

Details of the Group's material joint ventures at the end of the reporting period are set out in Appendix 3 on pages 139 to 140.

(a) Summarised financial information of material joint ventures

Summarised financial information in respect of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint ventures' financial statements prepared in accordance with HKFRS Accounting Standards adjusted by the Group for equity accounting purposes and before adjustments for the Group's effective share.

	UK Power Networks		CK William		Australian Gas Networks		Husky Midstream L.P.		Northern Gas Networks		Wales & West Gas Networks	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Current assets	5,497	6,173	6,119	5,449	1,793	1,398	883	910	2,156	2,532	3,483	4,512
Non-current assets	186,497	164,665	102,268	95,913	35,671	32,724	15,702	15,356	38,232	34,748	47,799	43,307
Current liabilities	(15,325)	(14,780)	(17,306)	(9,483)	(3,570)	(3,230)	(203)	(146)	(2,607)	(1,913)	(4,415)	(3,651)
Non-current liabilities	(106,487)	(92,069)	(55,885)	(59,262)	(18,945)	(17,177)	(6,045)	(5,689)	(26,950)	(25,447)	(29,724)	(29,300)

The above amounts of assets and liabilities include the following:

	UK Power Networks		CK William		Australian Gas Networks		Husky Midstream L.P.		Northern Gas Networks		Wales & West Gas Networks	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Cash and cash equivalents	964	1,207	2,332	1,780	337	318	209	209	115	560	2,502	3,843
Current financial liabilities (excluding trade and other payables and provisions)	(4,668)	(3,516)	(6,379)	(5,401)	(2,131)	(2,348)	-	-	(686)	(43)	(2,727)	(2,071)
Non-current financial liabilities (excluding trade and other payables and provisions)	(69,435)	(61,361)	(35,422)	(47,120)	(14,348)	(13,209)	(5,619)	(5,284)	(21,428)	(20,120)	(25,092)	(25,125)

	UK Power Networks		CK William		Australian Gas Networks		Husky Midstream L.P.		Northern Gas Networks		Wales & West Gas Networks	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Revenue	21,458	18,958	12,819	12,479	3,728	3,634	2,658	2,675	6,023	5,514	6,140	5,500
Profit from continuing operations	4,268	4,791	764	613	983	888	1,707	1,718	1,241	970	1,074	1,027
Other comprehensive income/(losses) for the year	501	(1,052)	(64)	(525)	1	(142)	(6)	(37)	(82)	235	567	(16)
Total comprehensive income for the year	4,769	3,739	700	88	984	746	1,701	1,681	1,159	1,205	1,641	1,011
Dividends received from the joint ventures during the year	1,208	992	67	44	68	–	1,061	1,014	375	335	126	118

The above profit or loss for the year includes the following:

	UK Power Networks		CK William		Australian Gas Networks		Husky Midstream L.P.		Northern Gas Networks		Wales & West Gas Networks	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Depreciation and amortisation	(4,775)	(3,485)	(4,066)	(3,318)	(849)	(851)	(582)	(589)	(1,137)	(1,279)	(1,042)	(925)
Interest income	338	305	60	48	4	6	9	12	24	27	103	212
Interest expense	(3,262)	(2,894)	(2,799)	(2,841)	(659)	(684)	(276)	(345)	(951)	(758)	(1,287)	(1,140)
Income tax (expense)/credit	(1,618)	(1,716)	(507)	(654)	(495)	(450)	–	1	(421)	(412)	(304)	(326)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint ventures recognised in the consolidated financial statements:

	UK Power Networks		CK William		Australian Gas Networks		Husky Midstream L.P.		Northern Gas Networks		Wales & West Gas Networks	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Net assets of the joint ventures	70,182	63,989	35,196	32,617	14,949	13,715	10,337	10,431	10,831	9,920	17,143	14,868
Group's effective interest	40.0%	40.0%	20.0%	20.0%	27.51%	27.51%	48.75%	48.75%	41.29%	41.29%	36.0%	36.0%
Group's share of net assets of the joint ventures	28,073	25,596	7,039	6,523	4,113	3,774	5,039	5,085	4,472	4,096	6,172	5,353
Consolidation adjustments	67	64	21	67	–	–	336	273	–	–	(143)	(131)
Carrying amount of the Group's interest in the joint ventures	28,140	25,660	7,060	6,590	4,113	3,774	5,375	5,358	4,472	4,096	6,029	5,222

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

14. Interest in joint ventures (Continued)

(b) Aggregate information of joint ventures that are not individually material

	2025 \$ million	2024 \$ million
The Group's share of net assets	2,770	2,547
The Group's share of profit from continuing operations	194	123
The Group's share of other comprehensive losses	(29)	(50)
The Group's share of total comprehensive income	165	73

15. Interest in associates

	2025 \$ million	2024 \$ million
Share of net assets		
– Listed associate	16,684	16,676
– Unlisted associates	9,890	8,807
	26,574	25,483
Loans to unlisted associates (see note below)	643	956
Amounts due from associates (see note below)	8	11
	27,225	26,450

The market value (level 1 fair value measurement (see note 25(f))) of above listed associate, HKEI, at 31 December 2025 is \$18,578 million (2024: \$15,630 million). All the Group's other associates are unlisted corporate entities for which a quoted market price is not available.

The loans to unlisted associates are unsecured, interest bearing at rates ranging from 10.9% per annum to 11.2% per annum (2024: 10.9% per annum to 11.2% per annum) and have no fixed repayment terms.

The loans to unlisted associates are subordinated loans. The rights in respect of these loans are subordinated to the rights of any other lenders to the associates.

The amounts due from associates are unsecured, interest free and have no fixed repayment terms.

Details of each of the Group's material associates at the end of the reporting period are set out in Appendix 4 on page 141.

(a) Summarised financial information of material associates

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in each associate's financial statements prepared in accordance with HKFRS Accounting Standards adjusted by the Group for equity accounting purposes and before adjustments for Group's effective share.

	HKEI		SA Power Networks		Victoria Power Networks	
	2025	2024	2025	2024	2025	2024
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Current assets	2,310	2,370	2,618	2,152	3,768	3,005
Non-current assets	116,141	116,129	43,548	40,253	61,263	55,202
Current liabilities	(25,962)	(3,998)	(9,482)	(7,301)	(11,676)	(7,346)
Non-current liabilities	(43,174)	(65,211)	(25,277)	(24,572)	(38,122)	(38,599)

	HKEI		SA Power Networks		Victoria Power Networks	
	2025	2024	2025	2024	2025	2024
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Revenue	12,125	12,057	7,051	6,854	9,758	9,038
Profit from continuing operations	3,149	3,111	834	820	1,995	1,619
Other comprehensive (losses)/ income for the year	(294)	30	54	(143)	100	(129)
Total comprehensive income for the year	2,855	3,141	888	677	2,095	1,490
Dividends received from the associates during the year	945	945	187	155	–	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associates recognised in the consolidated financial statements:

	HKEI		SA Power Networks		Victoria Power Networks	
	2025	2024	2025	2024	2025	2024
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Net assets of the associates	49,315	49,290	11,407	10,532	15,233	12,262
Group's effective interest	33.37%	33.37%	27.93%	27.93%	27.93%	27.93%
Group's share of net assets of the associates	16,458	16,450	3,186	2,941	4,254	3,424
Consolidation adjustments	226	226	–	–	–	–
Carrying amount of the Group's interest in the associates	16,684	16,676	3,186	2,941	4,254	3,424

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

15. Interest in associates (Continued)

(b) Aggregate information of associates that are not individually material

	2025 \$ million	2024 \$ million
The Group's share of net assets	2,450	2,442
The Group's share of profit from continuing operations	245	122
The Group's share of other comprehensive income	10	17
The Group's share of total comprehensive income	255	139

16. Other non-current financial assets

	2025 \$ million	2024 \$ million
Financial assets measured at FVPL		
– unlisted equity securities	303	303
– other investments	797	797
	1,100	1,100

17. Other receivables

	2025 \$ million	2024 \$ million
Interest and other receivables	143	30
Derivative financial instruments (see note 21)	333	722
Deposits and prepayments	12	3
	488	755

Receivables are carried out on credit and invoices are normally due within one month after issued. Further details on the Group's credit policy is set out in note 25(a).

18. Bank deposits and cash and other cash flow information

(a) Bank deposits and cash comprise:

	2025 \$ million	2024 \$ million
Deposits with banks and other financial institutions with 3 months or less to maturity when placed	1,977	2,712
Cash at bank and on hand	164	21
Cash and cash equivalents in the consolidated cash flow statement	2,141	2,733
Deposits with banks and other financial institutions with more than 3 months to maturity when placed	390	—
Bank deposits and cash in the consolidated statement of financial position	2,531	2,733

(b) Reconciliation of profit before taxation to cash generated from operations:

	Note	2025 \$ million	2024 \$ million
Profit before taxation		6,454	6,352
Adjustments for:			
Share of results of joint ventures		(4,056)	(4,014)
Share of results of associates		(2,086)	(1,841)
Interest income	4,5	(827)	(986)
Dividend income from unlisted equity securities	4	(49)	(56)
Finance costs	8	228	169
Depreciation	7	4	3
Exchange loss/(gain)		145	(66)
Changes in working capital:			
Returns received from joint ventures		289	221
Returns received from an associate		369	338
(Increase)/decrease in other receivables		(117)	80
Increase in other payables		189	179
Increase in net employee retirement benefit liabilities		4	3
Cash generated from operations		547	382

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

18. Bank deposits and cash and other cash flow information (Continued)

(c) Funds from operations

Funds from operations represent net cash from operating activities, and dividends received from joint ventures, associates and equity securities.

	2025 \$ million	2024 \$ million
Net cash generated from operating activities	884	941
Dividends received from joint ventures	2,958	2,588
Dividends received from associates	1,423	1,316
Dividends received from equity securities	49	56
	5,314	4,901

(d) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

\$ million	Bank loans	Lease liabilities	Total
At 1 January 2024	3,097	4	3,101
Changes from financing cash flows:			
Repayment of bank loans	(1,461)	–	(1,461)
Proceeds from bank loans	1,126	–	1,126
Capital element of lease rentals paid	–	(3)	(3)
Exchange adjustments	(265)	–	(265)
Other changes:			
Increase in lease liabilities	–	3	3
Others	8	–	8
At 31 December 2024 and 1 January 2025	2,505	4	2,509
Changes from financing cash flows:			
Repayment of bank loans	(2,627)	–	(2,627)
Proceeds from bank loans	3,281	–	3,281
Capital element of lease rentals paid	–	(3)	(3)
Other borrowing costs paid	(3)	–	(3)
Exchange adjustments	163	–	163
At 31 December 2025	3,319	1	3,320

19. Other payables

	2025 \$ million	2024 \$ million
Payables	3,461	3,967
Lease liabilities	1	3
Derivative financial instruments (see note 21)	89	–
	3,551	3,970

All of the other payables are expected to be settled within one year.

20. Bank loans

	2025 \$ million	2024 \$ million
Bank loans	3,319	2,505
Current portion	(1,399)	–
Non-current portion	1,920	2,505

Some banking facilities of the Group are subject to the fulfilment of covenants relating to certain of the Group's statement of financial position ratios, as are commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants, the drawn down facilities would become payable on demand and any undrawn amount will be cancelled. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 25(b). As at 31 December 2025 and 2024, none of the covenants relating to drawn down facilities had been breached.

None of the non-current interest-bearing borrowings is expected to be settled within one year. All the above borrowings are unsecured.

The non-current borrowings are repayable as follows:

	2025 \$ million	2024 \$ million
Within 2 years to 5 years	1,920	2,505

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

21. Derivative financial instruments

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
	\$ million	\$ million	\$ million	\$ million
Derivative financial instruments used for hedging:				
Cash flow hedges				
Interest rate swaps	–	–	5	–
Net investment hedges				
Cross currency swaps	765	–	1,148	–
Forward foreign exchange contracts	521	(288)	1,619	(31)
	1,286	(288)	2,772	(31)
Analysed as:				
Current (see notes 17 & 19)	333	(89)	722	–
Non-current	953	(199)	2,050	(31)
	1,286	(288)	2,772	(31)

22. Employee retirement benefits

The Group offers three retirement schemes which together cover all permanent staff.

One of the schemes (“the Pension Scheme”) provides pension benefits based on the employee’s final basic salary and length of service. This scheme is accounted for as a defined benefit retirement scheme.

Another scheme is defined contribution in nature and offers its members choices to invest in various investment funds. One of the investment funds provides a guaranteed return; the scheme is accounted for as a defined benefit retirement scheme in respect of this investment fund (“the Guaranteed Return Scheme”). In respect of other investment funds which do not offer a guaranteed return, the scheme is accounted for as a defined contribution retirement scheme (see note 22(b)).

Both these schemes are established under trust and are registered under the Hong Kong Occupational Retirement Schemes Ordinance. The assets of the schemes are held independently of the Group’s assets in separate trustee administered funds.

The Group also participates in a master trust Mandatory Provident Fund Scheme (“MPF Scheme”) operated by an independent service provider under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The MPF Scheme is a defined contribution retirement scheme with the employer and its employees each contributing to the scheme in accordance with the relevant scheme rules. The MPF Scheme rules provide for voluntary contributions to be made by the employer calculated as a percentage of the employees’ basic salaries.

(a) Defined benefit retirement schemes (“the Schemes”)

The funding policy in respect of the Pension Scheme is based on valuations prepared periodically by independent professionally qualified actuaries at Willis Towers Watson Hong Kong Limited. The policy for employer’s contributions is to fund the scheme in accordance with the actuary’s recommendations on an on-going basis. The principal actuarial assumptions used include discount rate and future pension increase rate which are disclosed in note 22(a)(viii) together with appropriate provisions for mortality rates. The most recent actuarial valuation of the Pension Scheme was carried out by the appointed actuary, represented by Ms. Wing Lui, FSA, as at 1 January 2024. The valuation revealed that the assets of the Pension Scheme were sufficient to cover the aggregate vested liabilities as at the valuation date.

Both defined retirement schemes expose the Group to salary risk, investment risk and interest rate risk while the Pension Scheme also exposes the Group to risks of longevity and inflation.

The retirement scheme expense/income recognised in profit or loss for the year ended 31 December 2025 was determined in accordance with HKAS 19 (2011), *Employee benefits*.

- (i) The amounts recognised in the statements of financial position are as follows:

	2025 \$ million	2024 \$ million
Present value of defined benefit obligations	(224)	(219)
Fair value of assets of the Schemes	144	137
	(80)	(82)
Represented by:		
Employee retirement benefit assets	8	7
Employee retirement benefit liabilities	(88)	(89)
	(80)	(82)

The assets of the Schemes did not include ordinary shares issued by the Company for the years ended 31 December 2025 and 2024.

A portion of the above asset/liability is expected to be realised/settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next 12 months, as future contributions will also relate to future changes in actuarial assumptions and market conditions.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

22. Employee retirement benefits (Continued)

(a) Defined benefit retirement schemes ("the Schemes") (Continued)

(ii) Movements in the present value of defined benefit obligations of the Schemes are as follows:

	2025 \$ million	2024 \$ million
At 1 January	219	243
Interest cost	11	8
Actuarial loss/(gain) due to:		
– liability experience	4	3
– changes in financial assumptions	10	(8)
– changes in demographic assumptions	(1)	(3)
Benefits paid	(19)	(24)
At 31 December	224	219

(iii) Movements in fair value of plan assets of the Schemes are as follows:

	2025 \$ million	2024 \$ million
At 1 January	137	146
Interest income on the Schemes' assets	7	5
Return on the Schemes' assets, excluding interest income	19	10
Benefits paid	(19)	(24)
At 31 December	144	137

The Group expects to contribute below \$5 million to the Schemes in 2026.

(iv) The expenses recognised in the consolidated statement of profit or loss are as follows:

	2025 \$ million	2024 \$ million
Net interest expenses on net defined benefit asset/liability	4	3

(v) The expenses are recognised in the following line items in the consolidated statement of profit or loss:

	2025 \$ million	2024 \$ million
Other operating costs	4	3

- (vi) The cumulative amount of actuarial losses recognised in the consolidated statement of comprehensive income is as follows:

	2025 \$ million	2024 \$ million
At 1 January	98	116
Remeasurement of net defined benefit asset/liability recognised in the consolidated statement of comprehensive income during the year	(6)	(18)
At 31 December	92	98

- (vii) The major categories of assets of the Schemes are as follows:

	2025 \$ million	2024 \$ million
Hong Kong equities	29	28
European equities	9	7
North American equities	39	37
Asia Pacific and other equities	12	10
Global bonds	55	55
	144	137

Strategic investment decisions are taken with respect to the risk and return profiles. There has been no change in the process used by the Group to manage its risks from prior periods.

- (viii) The principal actuarial assumptions used as at 31 December (expressed as a weighted average) are as follows:

	2025	2024
Discount rate		
– The Pension Scheme	3.3%	3.9%
– The Guaranteed Return Scheme	2.7%	3.5%
Future pension increase rate	2.5%	2.5%

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

22. Employee retirement benefits (Continued)

(a) Defined benefit retirement schemes ("the Schemes") (Continued)

(ix) Sensitivity analysis

(a) The Pension Scheme

	Increase/(decrease) in defined benefit obligations	
	2025 \$ million	2024 \$ million
Actuarial assumptions		
Discount rate		
– increase by 0.25%	(4)	(4)
– decrease by 0.25%	4	4
Pension increase rate		
– increase by 0.25%	4	4
– decrease by 0.25%	(4)	(4)
Mortality rate applied to specific age		
– set forward 1 year	(10)	(9)
– set backward 1 year	10	9

(b) The Guaranteed Return Scheme

	Increase/(decrease) in defined benefit obligations	
	2025 \$ million	2024 \$ million
Actuarial assumptions		
Discount rate		
– increase by 0.25%	–	–
– decrease by 0.25%	–	–
Interest to be credited		
– increase by 0.25%	–	–

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions the same method (present value of the defined benefit obligations calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised within the consolidated statement of financial position.

- (x) The following table sets out the weighted average durations of the defined benefit obligations of the Schemes:

	2025 No. of years	2024 No. of years
The Pension Scheme	7.9	8.2
The Guaranteed Return Scheme	4.6	5.0

(b) Defined contribution retirement scheme

	2025 \$ million	2024 \$ million
Expenses recognised in profit or loss	2	1

No forfeited contributions have been received during the year (2024: \$Nil).

23. Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position

	2025 \$ million	2024 \$ million
Tax provision for the year	185	196
Tax paid	(196)	(319)
Tax refund	2	1
Tax provision relating to prior years	108	229
Current tax payable	99	107

(b) Deferred tax liabilities

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

\$ million	Cash flow hedges	Tax losses/ undistributed profits of joint venture	Total
At 1 January 2024	(13)	(288)	(301)
Charged to profit or loss	–	(37)	(37)
Credited to other comprehensive income	11	29	40
At 31 December 2024 and 1 January 2025	(2)	(296)	(298)
Charged to profit or loss	–	(33)	(33)
Credited/(charged) to other comprehensive income	2	(15)	(13)
At 31 December 2025	–	(344)	(344)

The Group had no material unrecognised deferred tax assets or liabilities as at 31 December 2025 and 2024.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

24. Capital, reserves and dividends

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

(b) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year:

	2025 \$ million	2024 \$ million
Interim dividend declared and paid of \$0.78 per ordinary share (2024: \$0.78 per ordinary share)	1,662	1,662
Final dividend proposed after the end of the reporting period of \$2.04 per ordinary share (2024: \$2.04 per ordinary share)	4,348	4,348
	6,010	6,010

The final dividend proposed after the end of the reporting period is based on 2,131,105,154 ordinary shares (2024: 2,131,105,154 ordinary shares), being the total number of issued shares at the year end. The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year paid during the year:

	2025 \$ million	2024 \$ million
Final dividend in respect of the previous financial year, approved and paid during the year, of \$2.04 per ordinary share (2024: \$2.04 per ordinary share)	4,348	4,348

(c) Share capital

	Number of shares	2025 \$ million	2024 \$ million
Issued and fully paid:			
Voting ordinary shares	2,131,105,154	6,610	6,610

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(d) Nature and purpose of reserves

(i) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong, the effective portion of any foreign exchange differences arising from hedges of the net investment in these operations outside Hong Kong and the cost of hedging reserve. Under HKFRS 9, if the Group excludes the forward element of forward contracts and the foreign currency basis spread of financial instruments (the “excluded elements”) from the designation of the hedging instruments, then the excluded elements may be separately accounted for as cost of hedging. The fair value changes of the excluded elements are recognised in a separate component of equity as cost of hedging reserve to the extent that it relates to the hedged items. The reserve is dealt with in accordance with the accounting policies set out in notes 2(i)(iii) and 2(u).

The following table provides a reconciliation of the exchange reserve in respect of cost of hedging, net investment hedges and translation on investment outside Hong Kong:

\$ million	Cost of hedging	Net investment hedges	Translation on investment outside Hong Kong	Total
Balance at 1 January 2024	14	4,197	(9,753)	(5,542)
Exchange differences on translating operations outside Hong Kong, including joint ventures and associates	–	–	(2,724)	(2,724)
Effective portion of changes in fair value of hedging instruments recognised in other comprehensive income (see note 25(d)(i))	–	1,516	–	1,516
Cost of hedging – changes in fair value recognised in other comprehensive income	22	–	–	22
	22	1,516	(2,724)	(1,186)
Balance at 31 December 2024 and 1 January 2025	36	5,713	(12,477)	(6,728)
Exchange differences on translating operations outside Hong Kong, including joint ventures and associates	–	–	4,337	4,337
Effective portion of changes in fair value of hedging instruments recognised in other comprehensive income (see note 25(d)(i))	–	(1,190)	–	(1,190)
Cost of hedging – changes in fair value recognised in other comprehensive income	(12)	–	–	(12)
	(12)	(1,190)	4,337	3,135
Balance at 31 December 2025	24	4,523	(8,140)	(3,593)

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

24. Capital, reserves and dividends (Continued)

(d) Nature and purpose of reserves (Continued)

(ii) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges (net of any deferred tax effect) pending subsequent recognition of the hedged cash flow in accordance with the accounting policy adopted for cash flow hedges in note 2(i)(ii).

	2025 \$ million	2024 \$ million
Balance at 1 January	1,207	1,252
Effective portion of the cash flow hedge recognised in other comprehensive income	69	(33)
Amounts reclassified to profit or loss (see note below)	(5)	(43)
Related tax	(38)	31
Balance at 31 December (see note below)	1,233	1,207

Amount reclassified to profit or loss are recognised in the "Finance costs" line item in the consolidated statement of profit or loss (see note 8). The entire balance at 31 December 2025 and 2024 in the hedging reserve relates to continuing hedges.

(iii) Revenue reserve

The revenue reserve comprises the accumulated profits retained by the Company and its subsidiaries and includes the Group's share of the retained profits of its joint ventures and associates.

(e) Capital management

The Group's primary objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to provide returns to shareholders by securing access to finance at a reasonable cost;
- to support the Group's stability and future growth; and
- to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure, taking into consideration the future capital requirements of the Group and capital efficiency, forecast profitability, forecast operating cash flows, forecast capital expenditure and projected investment opportunities.

The Group monitors its capital structure on the basis of a net debt-to-net total capital ratio. For this purpose, the Group defines net debt as interest-bearing borrowings (excluding lease liabilities) less bank deposits and cash. Net total capital includes net debt and equity which comprises all components of equity (as shown in the consolidated statement of financial position).

During 2025, the Group's strategy, which was unchanged from 2024, was to control its level of debt in order to secure access to finance at a reasonable cost. In order to maintain or adjust the level of debt, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

As at 31 December 2025, the net debt position of the Group amounted to \$788 million (2024: net cash position of \$228 million).

During the current year, the Company acted as the guarantor in respect of certain loan facilities granted to its subsidiaries, and fully complied with the capital requirements under the loan facility agreements.

25. Financial risk management

The Group is exposed to credit, liquidity, interest rate and currency risks in the normal course of its businesses. The Group is also exposed to equity price risk arising from its equity investments in other entities. In accordance with the Group's treasury policy, derivative financial instruments are only used to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. The Group does not hold or issue derivative financial instruments for trading or speculative purposes.

(a) Credit risk

The Group's credit risk is primarily attributable to other receivables relating to bank deposits and over-the-counter derivative financial instruments entered into for hedging purposes. The Group has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group has defined minimum credit rating requirements and transaction limits for counterparties when dealing in financial derivatives or placing deposits to minimise credit exposure. The Group does not expect any counterparty to fail to meet its obligations.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the statement of financial position. Except for the financial guarantees given by the Group as set out in note 27, the Group has not provided any other guarantee which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in note 27.

The Group has no significant concentration of credit risk arising from other receivables, with exposure spread over a number of counterparties.

The Group measures loss allowances for other receivables at an amount equal to lifetime ECLs (see note 2(l)(i)). No loss allowances are recognised as at 31 December 2025 (2024: \$Nil) based on historical actual loss experience.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from other receivables are set out in note 17.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

25. Financial risk management (Continued)

(a) Credit risk (Continued)

Offsetting financial assets and financial liabilities

The Group's derivative transactions are executed with financial institutions and governed by either International Swaps and Derivatives Association Master Agreements or the general terms and conditions of these financial institutions, with a conditional right of set off under certain circumstances that would result in all outstanding transactions being terminated and net settled.

As these financial institutions currently have no legal enforceable right to set off the recognised amounts and the Group does not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously, all such financial instruments are recorded on gross basis at the end of the reporting period.

The following table presents the recognised financial instruments that are subject to enforceable netting arrangements but not offset as at the end of the reporting period:

\$ million	Note	2025			2024		
		Gross amounts of financial instruments in the consolidated statement of financial position	Related financial instruments that are not offset	Net amount	Gross amounts of financial instruments in the consolidated statement of financial position	Related financial instruments that are not offset	Net amount
Financial assets	21						
Cross currency swaps		765	-	765	1,148	-	1,148
Interest rate swaps		-	-	-	5	-	5
Forward foreign exchange contracts		521	(20)	501	1,619	(31)	1,588
Total		1,286	(20)	1,266	2,772	(31)	2,741
Financial liabilities	21						
Forward foreign exchange contracts		288	(20)	268	31	(31)	-

(b) Liquidity risk

The Group operates a central cash management system for all its subsidiaries in order to achieve a better control of risk and minimise the costs of funds. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with loan covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding to meet its liquidity requirements in the short and longer term. The Group had undrawn committed bank facilities of \$1,500 million at 31 December 2025 (2024: \$1,000 million).

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial instruments, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

2025					
Contractual undiscounted cash outflow/(inflow)					
\$ million	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
Non-derivative financial liabilities					
Bank loans and interest accruals	1,486	157	1,903	–	3,546
Other payables	3,542	–	–	–	3,542
Derivative financial instruments					
Gross settled					
Forward foreign exchange contracts:					
– outflow	8,356	–	3,274	8,835	20,465
– inflow	(8,620)	–	(3,335)	(8,919)	(20,874)
Cross currency swaps and related interest accruals:					
– outflow	244	7,934	–	–	8,178
– inflow	(198)	(8,620)	–	–	(8,818)
	4,810	(529)	1,842	(84)	6,039
2024					
Contractual undiscounted cash outflow/(inflow)					
\$ million	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
Non-derivative financial liabilities					
Bank loans and interest accruals	131	2,534	–	–	2,665
Other payables	3,965	–	–	–	3,965
Derivative financial instruments					
Net settled					
Interest rate swaps	(5)	–	–	–	(5)
Gross settled					
Forward foreign exchange contracts:					
– outflow	5,152	2,952	3,052	8,329	19,485
– inflow	(5,578)	(3,482)	(3,335)	(8,919)	(21,314)
Cross currency swaps and related interest accruals:					
– outflow	244	244	7,935	–	8,423
– inflow	(199)	(199)	(8,619)	–	(9,017)
	3,710	2,049	(967)	(590)	4,202

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

25. Financial risk management (Continued)

(c) Interest rate risk

The Group is exposed to cash flow interest rate risk on its interest-bearing assets and liabilities. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(i) Hedging

The Group's policy is to maintain at least a significant portion of its debt at fixed interest rate. The Group also uses interest rate swaps to manage the exposure in accordance with its treasury policy. The Group seeks to hedge the benchmark interest rate component only. The existence of an economic relationship between the interest rate swaps and the variable rate borrowings is determined by matching their critical contract terms, including the reference interest rates, tenors, interest repricing dates, maturity dates, interest payment and/or receipt dates, the notional amounts of the swaps and the outstanding principal amounts of the loans. The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the swaps which is not reflected in the fair value of the hedged cash flows attributable to the change in interest rates.

The following table provides information on the interest rate swaps which have been designated as cash flow hedges of the interest rate risk inherent in the Group's variable rate bank borrowings at the end of the reporting period:

	2025	2024
Notional amount (\$ million)	–	2,544
Maturity date	–	2025
Weighted average fixed swap rates	–	2.70%

At 31 December 2025, the Group had no outstanding interest rate swaps (2024: an asset of \$5 million).

(ii) Interest rate profile

The following table details the interest rate profile of the Group's net interest-bearing assets and liabilities at the end of the reporting period, after taking into account the effect of interest rate swaps designated as cash flow hedging instruments (see (i) above):

	2025		2024	
	Weighted average interest rate %	\$ million	Weighted average interest rate %	\$ million
Net fixed rate assets/(liabilities)				
Loans to unlisted joint ventures/associates	8.6	5,747	8.7	5,806
Deposits with banks and other financial institutions	4.1	2,367	4.3	2,712
Cross currency swaps	N/A	765	N/A	1,148
Bank loans	–	–	3.7	(2,503)
Lease liabilities	4.5	(1)	4.5	(4)
		8,878		7,159
Net variable rate assets/(liabilities)				
Loans to unlisted joint ventures	6.9	2,618	7.4	2,585
Cash at bank and on hand	–	164	–	21
Other receivables	3.6	101	–	–
Bank loans	4.0	(3,319)	5.4	(2)
Other payables	3.6	(845)	4.3	(1,311)
		(1,281)		1,293

(iii) Sensitivity analysis

At 31 December 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit for the year and revenue reserve by approximately \$4 million (2024: increased/decreased by approximately \$10 million). There is no impact on other components of consolidated equity (2024: decreased/increased by approximately \$2 million) in response to the general increase/decrease in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The analysis has been performed on the same basis as for 2024.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

25. Financial risk management (Continued)

(d) Currency risk

The Group is exposed to currency risk primarily arising from investments outside Hong Kong. The Group is also exposed to foreign currency risk arising from foreign currency transactions which give rise to receivables, payable and cash balances that are denominated in a currency other than the functional currency of the operations to which the transactions relate. The Group manages this risk as follows:

(i) Investments outside Hong Kong

Currency exposure arising from investments outside Hong Kong is mitigated in part either by funding a portion of the investment through external borrowings in the same currency as the underlying investment or by hedging with forward foreign exchange contracts and cross currency swaps. The Group designates the spot element of forward foreign exchange contracts and cross currency swaps to hedge the Group's currency risk. The forward elements of forward foreign exchange contracts and the foreign currency basis spread are excluded from the designation of the hedging instrument and are separately accounted for as a cost of hedging, which is recognised in equity in a cost of hedging reserve.

The following table provides information on the forward foreign exchange contracts and cross currency swaps which have been designated as hedges of the currency risk inherent in the Group's investments outside Hong Kong at the end of the reporting period:

	2025	2024
Forward foreign exchange contracts:		
Notional amount (\$ million)	21,102	21,315
Maturity date	Ranging from 2026 to 2034	Ranging from 2025 to 2034
Weighted average contract rate:		
GBP:USD	1.3743	1.4169
AUD:USD	0.6533	0.6694
USD:CAD	1.3124	1.3124
EUR:USD	1.1316	1.1316
Cross currency swaps:		
Notional amount (\$ million)	8,361	8,518
Maturity date	2027	2027
Weighted average contract rate:		
AUD:USD	0.7373	0.7367

The carrying amount of forward foreign exchange contracts at 31 December 2025 includes an asset of \$521 million and a liability of \$288 million (2024: an asset of \$1,619 million and a liability of \$31 million). The carrying amount of cross currency swaps at 31 December 2025 includes an asset of \$765 million and no liability (2024: an asset of \$1,148 million and no liability). The change in fair value of the forward foreign exchange contracts and cross currency swaps during 2025 was a loss of \$1,190 million (2024: a gain of \$1,516 million) which were the effective portion of the hedge on investments outside Hong Kong recognised in OCI (see note 24(d)(i)).

(ii) Recognised assets and liabilities

The Group uses forward foreign exchange contracts and cross currency swaps to manage its foreign currency risk arising from foreign currency transactions. The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate:

'million	2025 Exposure to foreign currencies		
	USD	GBP	AUD
Receivables	18	–	5
Bank deposits and cash	231	22	21
Other payables	(108)	–	(6)
Gross exposure arising from recognised assets and liabilities	141	22	20
Notional amounts of forward exchange contracts used as economic hedges	29	(22)	–
Overall exposure	170	–	20

'million	2024 Exposure to foreign currencies		
	USD	GBP	AUD
Receivables	4	–	5
Bank deposits and cash	222	31	30
Other payables	(168)	–	(6)
Overall exposure arising from recognised assets and liabilities	58	31	29

Receivables include amounts due from joint ventures and associates, and interest and other receivables.

(iii) Sensitivity analysis

The following table indicates that a 10% strengthening in the following currencies against Hong Kong dollars at the end of the reporting period would have increased/(decreased) the Group's profit for the year and revenue reserve:

\$ million	2025 Effect on profit for the year and revenue reserve increase/(decrease)	2024 Effect on profit for the year and revenue reserve increase/(decrease)
Pounds Sterling	–	31
Australian dollars	10	14
Euro	10	6

25. Financial risk management (Continued)

(d) Currency risk (Continued)

(iii) Sensitivity analysis (Continued)

A 10% weakening in the above currencies against Hong Kong dollars at the end of the reporting period would have had an equal but opposite effect on the Group's profit for the year and revenue reserve.

This sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to currency risk at the end of the reporting period, and that all other variables, in particular interest rates, remain constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities' profit for the year and other components of equity measured in their respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis has been performed on the same basis as for 2024.

(e) Equity price risk

The Group is exposed to equity price changes arising from unlisted equity securities which are held for strategic purposes (see note 16).

All of the Group's unlisted investments are held for long-term strategic purposes. Their performance is reviewed regularly based on information available to the Group.

These unlisted investments do not have a quoted market price in an active market and are recognised as FVPL.

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

(a) Fair value hierarchy

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 13, *Fair value measurement*, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments;
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data;
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

Recurring fair value measurements

\$ million	Fair value measurement at 31 December 2025 categorised into		
	Level 2	Level 3	Total
Financial assets			
Other non-current financial assets	–	1,100	1,100
Derivative financial instruments:			
– Cross currency swaps	765	–	765
– Forward foreign exchange contracts	521	–	521
	1,286	1,100	2,386
Financial liabilities			
Derivative financial instruments:			
– Forward foreign exchange contracts	(288)	–	(288)

\$ million	Fair value measurement at 31 December 2024 categorised into		
	Level 2	Level 3	Total
Financial assets			
Other non-current financial assets	–	1,100	1,100
Derivative financial instruments:			
– Interest rate swaps	5	–	5
– Cross currency swaps	1,148	–	1,148
– Forward foreign exchange contracts	1,619	–	1,619
	2,772	1,100	3,872
Financial liabilities			
Derivative financial instruments:			
– Forward foreign exchange contracts	(31)	–	(31)

(b) *Valuation techniques and inputs in fair value measurements*

- Level 2: The fair value of forward foreign exchange contracts is measured using forward exchange market rates at the end of the reporting period. The fair values of interest rate swaps and cross currency swaps are measured by discounting the future cash flows of the contracts at the current market interest rates.
- Level 3: Other non-current financial assets consist of investments in unlisted equity securities and other investments.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

25. Financial risk management (Continued)

(f) Fair value measurement (Continued)

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

(b) Valuation techniques and inputs in fair value measurements (Continued)

The unlisted equity securities are not traded in an active market. Their fair values have been determined using dividend discounted model. The significant unobservable inputs include cost of equity of 13.65% and growth rate of 2.5%. It is estimated that a 0.5% increase/decrease in cost of equity, with other variable held constant, would have decreased/increased the Group's profit for the year and revenue reserve by approximately \$13 million/\$14 million (2024: decreased/increased by approximately \$13 million/\$14 million). A 0.5% increase/decrease in growth rate, with other variable held constant, would have increased/decreased the Group's profit for the year and revenue reserve by approximately \$14 million/\$13 million (2024: increased/decreased by approximately \$14 million/\$13 million).

Other investments were measured at fair value based on value inputs that are not observable market data but change of these inputs to reasonable alternative assumptions would not have material effect on the Group's results and financial position.

(ii) Fair values of financial assets and liabilities carried at other than fair value

Amounts due from joint ventures and associates, other receivables, other payables and external borrowings are carried at cost or amortised cost which are not materially different from their fair values as at 31 December 2025 and 2024.

26. Capital commitments

The Group's capital commitments outstanding at 31 December and not provided for in the financial statements were as follows:

	2025 \$ million	2024 \$ million
Contracted for:		
Capital expenditure for property, plant and equipment	–	1
Authorised but not contracted for:		
Capital expenditure for property, plant and equipment	1	1

27. Contingent liabilities

At 31 December 2025, the Group had no guarantee or indemnity to external parties (2024: \$Nil).

28. Material related party transactions

The Group had the following material transactions with related parties during the year:

(a) Joint ventures

Interest income received/receivable from joint ventures in respect of the loans to joint ventures amounted to \$631 million (2024: \$730 million) for the year. The outstanding balances with joint ventures are disclosed in note 14.

(b) Associates

- (i) Interest income received/receivable from associates in respect of the loans to associates amounted to \$91 million (2024: \$133 million) for the year. The outstanding balances with associates are disclosed in note 15.
- (ii) Other operating costs included support service charge recovered by an associate amounted to \$46 million (2024: \$46 million) for the total costs incurred in the provision or procurement of the general office administration and other support services and office facilities. The outstanding balance at 31 December 2025 with the associate was \$5 million (2024: \$5 million).

(c) Key management personnel remuneration

The emoluments of key management are disclosed in note 11.

(d) Applicability of the Listing Rules relating to connected transactions

The transactions in respect of operating and management services between the Group's two joint ventures constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of Listing Rules are provided in sections "Continuing Connected Transactions" of the Corporate Governance Report.

29. Substantial shareholder of the Company

The Company is a Hong Kong listed company and its shares are widely held by the public. CK Infrastructure Holdings Limited ("CKI") holds approximately 36.01% of the issued share capital of the Company as at 31 December 2025 and is a substantial shareholder of the Company.

30. Critical accounting judgements and estimates

The methods, estimates and judgements the Directors used in applying the Group's accounting policies have a significant impact on the Group's financial position and operating results. Some of the accounting policies require the Group to apply estimates and judgements on matters that are inherently uncertain. Certain critical accounting judgements in applying the Group's accounting policies are described below.

Associates

- (a) CKI Spark Holdings No. One Limited holds a 51% attributable interest in Victoria Power Networks Pty Limited. Victoria Power Networks Pty Limited is the holding company of Powercor and CitiPower. Powercor operates and manages an electricity distribution business in western Victoria, Australia. CitiPower distributes electricity to the Melbourne central business district. The Group holds 54.76% of CKI Spark Holdings No. One Limited but the Group does not have control or joint control over it and, therefore, it has been accounted for as an associate.
- (b) CKI Spark Holdings No. Two Limited holds a 51% attributable interest in SA Power Networks Partnership. SA Power Networks Partnership is an electricity distributor in South Australia. The Group holds 54.76% of CKI Spark Holdings No. Two Limited but the Group does not have control or joint control over it and, therefore, it has been accounted for as an associate.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

31. Company-level Statement of Financial Position

	Note	2025 \$ million	2024 \$ million
Non-current assets			
Property, plant and equipment		4	6
Investments in subsidiaries	31(a)	31,226	31,710
		31,230	31,716
Current assets			
Amounts due from subsidiaries	31(b)	21,757	22,153
Other receivables		20	4
Bank deposits and cash		2,139	2,187
		23,916	24,344
Current liabilities			
Amounts due to subsidiaries	31(b)	(2,156)	(2,378)
Other payables		(317)	(328)
Bank loans		(1,000)	–
		(3,473)	(2,706)
Net current assets		20,443	21,638
Total assets less current liabilities		51,673	53,354
Non-current liabilities			
Lease liabilities		–	(1)
Employee retirement benefit liabilities		(88)	(89)
		(88)	(90)
Net assets		51,585	53,264
Capital and reserves			
Share capital	24(c)	6,610	6,610
Reserves		44,975	46,654
Total equity attributable to equity shareholders of the Company	31(c)	51,585	53,264

Approved and authorised for issue by the Board of Directors on 18 March 2026.

Tsai Chao Chung, Charles
Director

Chan Loi Shun
Director

(a) Investments in subsidiaries

Particulars of the principal subsidiaries at the end of the reporting period are set out in Appendix 2 on page 138.

(b) Amounts due from/to subsidiaries

Amounts due from/to subsidiaries are unsecured, interest free and recoverable/repayable on demand.

(c) Total equity attributable to equity shareholders of the Company

Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

\$ million	Share capital (note 24(c))	Revenue reserve (note 24(d)(iii))	Proposed/ declared dividend (note 24(b))	Total
Balance at 1 January 2024	6,610	36,925	4,348	47,883
Changes in equity for 2024:				
Profit for the year	–	11,374	–	11,374
Other comprehensive income	–	17	–	17
Total comprehensive income	–	11,391	–	11,391
Final dividend in respect of the previous year approved and paid (see note 24(b)(ii))	–	–	(4,348)	(4,348)
Interim dividend paid (see note 24(b)(i))	–	(1,662)	–	(1,662)
Proposed final dividend (see note 24(b)(i))	–	(4,348)	4,348	–
Balance at 31 December 2024 and 1 January 2025	6,610	42,306	4,348	53,264
Changes in equity for 2025:				
Profit for the year	–	4,326	–	4,326
Other comprehensive income	–	5	–	5
Total comprehensive income	–	4,331	–	4,331
Final dividend in respect of the previous year approved and paid (see note 24(b)(ii))	–	–	(4,348)	(4,348)
Interim dividend paid (see note 24(b)(i))	–	(1,662)	–	(1,662)
Proposed final dividend (see note 24(b)(i))	–	(4,348)	4,348	–
Balance at 31 December 2025	6,610	40,627	4,348	51,585

The net profit for the year of the Company is \$4,326 million (2024: \$11,374 million) and is included in determining the consolidated profit attributable to equity shareholders of the Company in the financial statements.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

31. Company-level Statement of Financial Position (Continued)

(c) Total equity attributable to equity shareholders of the Company (Continued)

All of the Company's revenue reserve is available for distribution to equity shareholders. After the end of the reporting period, the Directors proposed a final dividend of \$2.04 per ordinary share, amounting to \$4,348 million. (2024: a final dividend of \$2.04 per ordinary share, amounting to \$4,348 million).

32. Events after the reporting period

Other than those disclosed elsewhere in the consolidated financial statements, the following significant events took place subsequent to the end of the reporting period.

In January 2026, Eversholt UK Rails Group Limited, co-owned by the Company, CKI, CK Asset Holdings Limited ("CKA"), and CK Hutchison Holdings Limited ("CKHH"), completed the divestment of UK Rails at a consideration of GBP1,103 million.

In February 2026, the Company, CKI, and CKA – holding 40%, 40% and 20% interests in UK Power Networks Holdings Limited ("UKPN"), respectively, through their indirect wholly-owned subsidiaries – entered into a share purchase agreement to divest 100% interest of UKPN to Engie S.A., a Euronext-listed player in energy whose single largest shareholder is the French State at a consideration for the Group of approximately GBP4,219.2 million.

Completion of the transaction is expected before the end of June 2026, subject to the fulfilment of certain conditions, including approval under the UK's National Security Investment Act for the buyer, and independent shareholders' approval from each of the Company, CKI, CKA and CKHH.

33. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
• Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
• Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
• HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
• HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

Appendix 1

Segment information

	2025						
		Investments					
\$ million	Investment in HKEI	United Kingdom	Australia	Others	Sub-total	All other activities	Total
For the year ended 31 December							
Reportable segment revenue	–	369	275	127	771	–	771
Result							
Segment earnings	–	369	277	120	766	(327)	439
Depreciation and amortisation	–	–	–	–	–	(4)	(4)
Bank deposits interest income	–	–	–	–	–	105	105
Operating profit/(loss)	–	369	277	120	766	(226)	540
Finance costs	–	–	–	–	–	(228)	(228)
Share of results of joint ventures and associates	1,051	2,841	1,195	1,052	5,088	3	6,142
Profit/(loss) before taxation	1,051	3,210	1,472	1,172	5,854	(451)	6,454
Taxation	–	–	(11)	(207)	(218)	–	(218)
Reportable segment profit/(loss)	1,051	3,210	1,461	965	5,636	(451)	6,236
At 31 December							
Assets							
Property, plant and equipment and leasehold land	–	–	–	–	–	16	16
Other assets	–	503	813	404	1,720	829	2,549
Interest in joint ventures and associates	16,684	45,992	21,574	8,972	76,538	7	93,229
Bank deposits and cash	–	–	–	–	–	2,531	2,531
Reportable segment assets	16,684	46,495	22,387	9,376	78,258	3,383	98,325
Liabilities							
Segment liabilities	–	(301)	(953)	(127)	(1,381)	(2,457)	(3,838)
Current and deferred taxation	–	–	–	(443)	(443)	–	(443)
Bank loans	–	–	–	–	–	(3,319)	(3,319)
Reportable segment liabilities	–	(301)	(953)	(570)	(1,824)	(5,776)	(7,600)

	2024						
		Investments					
\$ million	Investment in HKEI	United Kingdom	Australia	Others	Sub-total	All other activities	Total
For the year ended 31 December							
Reportable segment revenue	–	407	373	139	919	–	919
Result							
Segment earnings	–	407	374	137	918	(372)	546
Depreciation and amortisation	–	–	–	–	–	(3)	(3)
Bank deposits interest income	–	–	–	–	–	123	123
Operating profit/(loss)	–	407	374	137	918	(252)	666
Finance costs	–	–	–	–	–	(169)	(169)
Share of results of joint ventures and associates	1,038	2,792	1,052	970	4,814	3	5,855
Profit/(loss) before taxation	1,038	3,199	1,426	1,107	5,732	(418)	6,352
Taxation	–	–	(23)	(210)	(233)	–	(233)
Reportable segment profit/(loss)	1,038	3,199	1,403	897	5,499	(418)	6,119
At 31 December							
Assets							
Property, plant and equipment and leasehold land	–	–	–	–	–	19	19
Other assets	–	1,287	1,401	415	3,103	809	3,912
Interest in joint ventures and associates	16,676	42,068	19,894	8,767	70,729	8	87,413
Bank deposits and cash	–	–	–	–	–	2,733	2,733
Reportable segment assets	16,676	43,355	21,295	9,182	73,832	3,569	94,077
Liabilities							
Segment liabilities	–	(457)	(1,188)	(23)	(1,668)	(2,423)	(4,091)
Current and deferred taxation	–	–	(6)	(399)	(405)	–	(405)
Bank loans	–	–	–	–	–	(2,505)	(2,505)
Reportable segment liabilities	–	(457)	(1,194)	(422)	(2,073)	(4,928)	(7,001)

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

Appendix 2

Principal subsidiaries

The following list contains only the particulars of subsidiaries as at 31 December 2025 which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Issued share capital	Percentage of equity held by the Company	Place of incorporation/ operation	Principal activity
HK Electric Investments Manager Limited	HK\$1	100*	Hong Kong	Trust administration
Hong Kong Electric International Finance (Australia) Pty Ltd	A\$1,704,982	100*	Australia	Investing
PAH Gas Infrastructure Limited	GBP330,991,737	100*	United Kingdom	Investment holding
PAI Investment Holdings Limited	HK\$2	100*	Hong Kong	Provision of management services
Quickview Limited	US\$2	100	British Virgin Islands/ Hong Kong	Investment holding

* Indirectly held

Appendix 3

Principal joint ventures

The following list contains only the particulars of joint ventures as at 31 December 2025 which principally affected the results or assets of the Group:

Name of joint venture	Issued or registered share capital	Percentage of the Group's effective interest	Place of incorporation/operation	Principal activity	Measurement method
Australian Gas Networks Limited (note (a))	A\$879,082,753	27.51	Australia	Gas distribution	Equity
AVR-Afvalverwerking B.V. (note (b))	EUR1	27	The Netherlands	Producing energy from waste	Equity
Canadian Power Holdings Inc. (note (c))	C\$137,000,002 Ordinary shares	50	Canada	Electricity generation	Equity
CK William UK Holdings Limited (notes (d) & (e))	GBP3,073,005,121	20	United Kingdom	Investment holding	Equity
Electricity First Limited (note (f))	GBP1,005	50	United Kingdom	Electricity generation	Equity
Husky Midstream Limited Partnership (note (g))	C\$1,153,845,000 Class A units C\$621,301,154 Class B units C\$1,776,923 General Partnership Interest	48.75	Canada	Oil pipelines, storage facilities and ancillary assets operation	Equity
Northern Gas Networks Holdings Limited (note (h))	GBP71,670,980	41.29	United Kingdom	Gas distribution	Equity
UK Power Networks Holdings Limited (note (i))	GBP610,000,000 Ordinary shares	40	United Kingdom	Electricity distribution	Equity
Wales & West Gas Networks (Holdings) Limited (note (j))	GBP29,027	36	United Kingdom	Gas distribution	Equity
Wellington Electricity Distribution Network Limited (note (k))	NZ\$406,500,000	50	New Zealand	Electricity distribution	Equity

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

Appendix 3 (Continued)

Principal joint ventures (Continued)

Notes:

- (a) Australian Gas Networks Limited owns strategic gas distribution networks and transmission pipelines that operate in South Australia, Victoria, Queensland, New South Wales and the Northern Territory.
- (b) AVR-Afvalverwerking B.V. is owned by Dutch Enviro Energy Holdings B.V., which is principally engaged in the business of waste processing and production and supply of renewable energy from the incineration of waste.
- (c) Canadian Power Holdings Inc. holds 49.99% partnership interest in TransAlta Cogeneration L.P. which owns interest in four power plants in Alberta and Ontario, Canada. Canadian Power Holdings Inc. also holds 100% interest in the Meridian gas-fired combined cycle cogeneration plant in Saskatchewan, Canada and 100% interest in Okanagan Wind projects in British Columbia, Canada.
- (d) CK William UK Holdings Limited owns 100% interest in the following companies:

Energy Developments Pty Limited
Multinet Group Holdings Pty Limited
DBNGP Holdings Pty Limited
AGI Development Group Pty Limited
Phoenix Energy Group Holdings Limited
UK Renewables Energy Group Limited

Energy Developments Pty Limited owns and operates an energy generation business mainly in Australia. Multinet Group Holdings Pty Limited and DBNGP Holdings Pty Limited operate natural gas distribution and transmission businesses in Australia respectively. AGI Development Group Pty Limited owns and operates gas pipelines and storage facility in Australia. Phoenix Energy Group Holdings Limited operates natural gas distribution and transmission businesses in Northern Ireland. UK Renewables Energy Group Limited owns and operates energy generation businesses in the United Kingdom.

- (e) CK William UK Holdings Limited owns 66% interest in United Energy Distribution Holdings Pty Limited, which operates an energy distribution business in Australia.
- (f) Electricity First Limited holds 50% stake in Seabank Power Limited, an electricity-generating company located near Bristol in the United Kingdom.
- (g) Husky Midstream Limited Partnership has ownership of midstream pipeline and terminal assets in the Lloydminster region of Alberta and Saskatchewan, Canada. Its asset portfolio includes oil pipeline, storage facilities and other ancillary assets.
- (h) Northern Gas Networks Holdings Limited operates a gas distribution network in the North and North East of England.
- (i) UK Power Networks Holdings Limited owns and operates three regulated electricity distribution networks in the United Kingdom that cover London, South East England and East England. It also includes a non-regulated business that manages private networks and delivers major power infrastructure projects for customers on a competitive, commercial basis.
- (j) Wales & West Gas Networks (Holdings) Limited is engaged in gas distribution in Wales and the South West of England.
- (k) Wellington Electricity Distribution Network Limited supplies electricity to Wellington, Porirua and Hutt Valley regions of New Zealand.

Appendix 4

Principal associates

The following list contains only the particulars of associates as at 31 December 2025 which principally affected the results or assets of the Group:

Name of associate	Issued share capital	Percentage of the Group's effective interest	Place of incorporation/operation	Principal activity	Measurement method
HK Electric Investments and HK Electric Investments Limited (note (a))	8,836,200,000 share stapled units being the combination of 8,836,200,000 units, HK\$4,418,100 Ordinary shares and HK\$4,418,100 Preference shares	33.37	Cayman Islands/Hong Kong	Investment holding	Equity
SA Power Networks Partnership (note (b))	N/A	27.93	Australia	Electricity distribution	Equity
Victoria Power Networks Pty Limited (note (c))	A\$315,498,640	27.93	Australia	Electricity distribution	Equity

Notes:

- (a) HK Electric Investments and HK Electric Investments Limited collectively ("HKEI") holds 100% of The Hongkong Electric Company, Limited ("HK Electric"). HK Electric is responsible for the generation, transmission, distribution and supply of electricity to Hong Kong and Lamma Islands.
- (b) SA Power Networks Partnership operates and manages an electricity distribution business in the state of South Australia in Australia.
- (c) Victoria Power Networks Pty Limited is the holding company of Powercor Australia Limited ("Powercor") and The CitiPower Trust ("CitiPower"). Powercor operates and manages an electricity distribution business in western Victoria, Australia. CitiPower distributes electricity to the Melbourne central business district in Australia.

Five-Year Group Profit Summary and Group Statement of Financial Position

Five-Year Group Profit Summary

HK\$ million	2025	2024	2023	2022	2021
Revenue	771	919	1,292	1,265	1,276
Operating profit	540	666	1,131	1,164	1,501
Finance costs	(228)	(169)	(143)	(104)	(125)
Share of results of joint ventures and associates	6,142	5,855	5,264	4,778	4,896
Profit before taxation	6,454	6,352	6,252	5,838	6,272
Taxation	(218)	(233)	(249)	(189)	(132)
Profit attributable to equity shareholders of the Company	6,236	6,119	6,003	5,649	6,140

Five-Year Group Statement of Financial Position

HK\$ million	2025	2024	2023	2022	2021
Property, plant and equipment and leasehold land	16	19	19	18	20
Interest in joint ventures and associates	93,229	87,413	88,697	84,636	87,135
Other non-current financial assets	1,100	1,100	1,100	1,100	1,100
Other non-current assets	961	2,057	1,527	1,893	1,086
Net current (liabilities)/assets	(2,030)	(589)	1,110	2,842	1,409
Total assets less current liabilities	93,276	90,000	92,453	90,489	90,750
Non-current liabilities	(2,551)	(2,924)	(3,701)	(3,632)	(3,983)
Net assets	90,725	87,076	88,752	86,857	86,767
Share capital	6,610	6,610	6,610	6,610	6,610
Reserves	84,115	80,466	82,142	80,247	80,157
Capital and reserves	90,725	87,076	88,752	86,857	86,767

Corporate Information

Board of Directors

Executive Directors

Andrew John HUNTER (*Chairman*)
TSAI Chao Chung, Charles (*Chief Executive Officer*)
CHAN Loi Shun
CHENG Cho Ying, Francis

Non-executive Directors

LEUNG Hong Shun, Alexander
LI Tzar Kuoi, Victor
Neil Douglas MCGEE

Independent Non-executive Directors

Stephen Edward BRADLEY
IP Yuk-keung, Albert
KOH Poh Wah
KWAN Chi Kin, Anthony
WU Ting Yuk, Anthony
(*Resigned on 21 January 2026*)

Audit Committee

IP Yuk-keung, Albert (*Chairman*)
Stephen Edward BRADLEY
(*Appointed on 21 January 2026*)
KOH Poh Wah
WU Ting Yuk, Anthony
(*Ceased on 21 January 2026*)

Remuneration Committee

KOH Poh Wah (*Chairman*)
Andrew John HUNTER
KWAN Chi Kin, Anthony

Nomination Committee

IP Yuk-keung, Albert (*Chairman*)
Stephen Edward BRADLEY
KOH Poh Wah
LI Tzar Kuoi, Victor

Sustainability Committee

TSAI Chao Chung, Charles (*Chairman*)
CHAN Loi Shun
IP Yuk-keung, Albert

Company Secretary

Alex NG

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
Mizuho Bank, Ltd.
MUFG Bank, Ltd.

Auditor

KPMG

Website

www.powerassets.com

Registered Office

Unit 2005, 20th Floor, Cheung Kong Center,
2 Queen's Road Central, Hong Kong
Telephone: (852) 2122 9122
Facsimile: (852) 2180 9708
Email: mail@powerassets.com

Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716,
17th Floor, Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong
Website: www.computershare.com/hk/contact

ADR (Level 1 Programme) Depository

Citibank, N.A.
Shareholder Services
P.O. Box 43077, Providence,
Rhode Island 02940-3077, U.S.A.
Website: www.citi.com/dr
Email: citibank@shareholders-online.com

Investor Relations

For institutional investors, please contact:
CHAN Loi Shun (*Executive Director*) or
Ivan CHAN (*Chief Financial Officer*)

For other investors, please contact:
Alex NG (*Company Secretary*)

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Telephone: (852) 2122 9122
Facsimile: (852) 2180 9708
Postal Address: G.P.O. Box 338, Hong Kong
Address: Unit 2005, 20th Floor, Cheung Kong Center,
2 Queen's Road Central, Hong Kong

Financial Calendar and Share Information

Financial Calendar

Interim Results Announcement	13 August 2025
Annual Results Announcement	18 March 2026
Closure of Register of Members and Record Date (for determination of shareholders who are entitled to attend and vote at Annual General Meeting)	15 May 2026 to 20 May 2026 (both days inclusive, Record Date on 20 May 2026)
Annual General Meeting	20 May 2026
Ex-dividend Date	26 May 2026
Record Date (for determination of shareholders who qualify for the Final Dividend)	27 May 2026
Dividend per Share	
Interim: HK\$0.78	23 September 2025
Final: HK\$2.04	9 June 2026

Share Information

Board Lot	500 shares
Market Capitalisation as at 31 December 2025	HK\$117,530 million
Ordinary Share to ADR ratio	1:1

Stock Codes

The Stock Exchange of Hong Kong Limited	6
Bloomberg	6 HK
Refinitiv	0006.HK
ADR Ticker Symbol	HGKGY
CUSIP Number	739197200

This Annual Report has been published in both the English and Chinese languages on the Company's website at www.powerassets.com and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.

If a shareholder wishes to receive corporate communications (including but not limited to this Annual Report) in printed form, or choose to change their choice as to the language of the printed form, please follow the relevant instructions set out in the "Arrangements For Dissemination Of Corporate Communications" under the "Investor Information" section of the Company's website, complete the relevant Reply Form and return the completed Reply Form to the Company at mail@powerassets.com or by post to the share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Any such request from a shareholder shall be valid for one year starting from the date of receipt, or until the original request has been revoked in writing or superseded by a subsequent written request, whichever is earlier. A shareholder wishing to continue to receive corporate communications in printed form after expiry of the original request must submit a fresh Reply Form.

If a shareholder wishes to receive actionable corporate communications by email, please follow the relevant instructions set out in the "Arrangements For Dissemination Of Corporate Communications" under the "Investor Information" section of the Company's website, complete the relevant Reply Form and return the completed Reply Form to the Company at mail@powerassets.com or by post to the share registrar, Computershare Hong Kong Investor Services Limited, at the address above-mentioned.



Power Assets Holdings Ltd.
電能實業有限公司

