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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1113)

THE CHAIRMAN'S STATEMENT FOR 2025

HIGHLIGHTS

Year ended 31 December	2025 HK\$ million	2024 HK\$ million	2025 HK\$ per share	2024 HK\$ per share	Change
Profit before investment property revaluation	11,960	11,688	3.42	3.33	+ 2.7%
Investment property revaluation (net of tax and non-controlling interests)	(1,113)	1,969	(0.32)	0.56	
Profit attributable to shareholders	10,847	13,657	3.10	3.89	- 20.3%
Final dividend			1.39	1.35	+ 3.0%
Full year dividend			1.78	1.74	+ 2.3%

PROFIT FOR THE YEAR

The Group's profit before investment property revaluation for the year ended 31 December 2025 amounted to HK\$11,960 million (2024 – HK\$11,688 million), representing earnings per share of HK\$3.42 (2024 - HK\$3.33), an increase of 2.7% when compared with last year. The Group's profit attributable to shareholders for the year ended 31 December 2025 amounted to HK\$10,847 million (2024 - HK\$13,657 million), representing earnings per share of HK\$3.10 (2024 - HK\$3.89), a decrease of 20.3% when compared with last year.

DIVIDEND

The Directors recommend the payment of a final dividend of HK\$1.39 per share in respect of 2025 to shareholders whose names appear on the Register of Members of the Company at the close of business on Thursday, 28 May 2026. Together with the interim dividend of HK\$0.39 per share paid on 25 September 2025, this gives a total of HK\$1.78 per share for the year (2024 – HK\$1.74 per share). The proposed final dividend will be paid on Thursday, 11 June 2026 following approval at the 2026 Annual General Meeting. As at the date hereof, the Company does not hold any treasury shares whether in the Central Clearing and Settlement System, or otherwise. All the shares bought back by the Company pending cancellation will not receive the final dividend for 2025.

PROSPECTS

Strong Resilience in Challenging Times

Business Review

The Group's overall business performance in 2025 remained stable amid a global business environment shaped by geopolitical tensions, policy uncertainties and market volatility. During the year, it continued to strengthen the diversification and resilience of its investments and recurring income base. The Group further acquired a series of elderly care and assisted living homes in Germany and supported living housing in Sweden to expand its investments in social infrastructure. It also completed an acquisition of agricultural land in Australia designated for carbon sequestration.

The Group completed the disposal of its interest in UK Rails in January 2026 and announced in February 2026 the proposed disposal of its interest in UK Power Networks. These transactions will enable the Group to unlock the underlying value of its assets and provide it with an opportunity to reallocate capital into other investments.

Property Sales

In Hong Kong, residential property transaction volumes experienced a gradual recovery during the year. Stamp duty reductions, lower mortgage interest rates and competitive pricing provided some support to the market. The sales of Blue Coast and Blue Coast II in Wong Chuk Hang remained stable, reflecting steady market demand. Victoria Blossom in Kai Tak, 21 Borrett Road Phase 2 in Mid-Levels, and a residential project at Kam Tai Road in Yuen Long will be launched at opportune times.

As part of its macroeconomic policies aimed at further strengthening domestic consumption, the Mainland Government relaxed home purchase restrictions, reduced the minimum down payment ratio and lowered housing loan interest rates to reinforce the real estate market and stimulate housing demand. The Group's property projects on the Mainland, including Emerald Cove in Huizhou, Laguna Verona in Dongguan, Noble Hills in Guangzhou, and The Greenwich in Beijing, have attracted growing interest among prospective buyers.

In 2025, the Group recorded an overall increase in property sales revenue and contribution when compared with 2024. Profit contributions from the sales of residential units at The Coast Line I and II in Yau Tong, Regency Garden in Shanghai, The Greenwich in Beijing, and Perfect Ten in Singapore, and Chelsea Waterfront in the UK were recognised. The Group remains steadfast in its prudent strategy on land bank replenishment and on assessing prime sites for future development.

Property Rental

The leasing markets in Hong Kong and the Mainland continued to be challenging. In 2025, the Group recorded a modest decrease in revenue and contribution from property rental when compared with 2024. It has maintained a well-diversified investment property portfolio comprising retail, office, industrial and social infrastructure properties spanning across Hong Kong, the Mainland and the UK. The Group's targeted leasing strategies for Cheung Kong Center II, which is located in Hong Kong's Central Business District with an unparalleled view of the Victoria Harbour, have gained traction. The Group remains confident in the demand for Super Grade A office buildings as prospective tenants continue their flight-to-quality towards premium buildings in prime areas.

Hotel and Serviced Suite Operation

The Hong Kong Government and industry leaders continued to organise mega events in business, sports and culture in 2025 to raise the global appeal of the city and bring in more visitors for the benefit of the hospitality industry. During the year, both Hong Kong visitor arrivals and overnight stays increased. The Group recorded a slight increase in revenue and a comparable contribution from hotel and serviced suite operation in 2025 when compared with 2024. The Group will adjust its hotel and serviced suite portfolio based on market demand to maximise the revenue from both hotel and long-stay operations.

Pub Operation

The UK pub sector continued to face an uncertain outlook and significant pressures in 2025, with rising food and labour costs exacerbated by the UK Government's autumn budget. During the year, Greene King introduced various initiatives to boost sales and mitigate persistent cost challenges. It recorded an increase in revenue during the year when compared with 2024, but contribution was lower due to asset impairment. Greene King remains focused on driving business performance and increasing market share through digital investments and efficiencies. It will continue to optimise capital spending to improve margins and strengthen the business.

Infrastructure and Utility Asset Operation

The infrastructure and utility assets operation recorded a steady increase in revenue and contribution during the year when compared with 2024. The Group's portfolio is anchored by businesses in the regulated utilities segment and the contracted infrastructure segment, which consistently provide stable and recurring income. The revenues and asset bases of these businesses are resilient to changes in macroeconomic conditions including inflation and are protected against high interest rates given prudent gearing. For businesses in the regulated utilities segment, the allowed cost of debt is also adjusted to reflect the prevailing interest rates within the regulatory period, which mitigates interest rate risk.

During the year, a joint venture between the wholly owned subsidiaries of the Company, CK Infrastructure Holdings Limited, Power Assets Holdings Limited and CK Hutchison Holdings Limited, agreed to dispose of its interests in UK Rails. This transaction in which the Company had an indirect interest of 20% in the joint venture was completed in January 2026.

In February 2026, the indirect wholly owned subsidiaries of the Company, CK Infrastructure Holdings Limited and Power Assets Holdings Limited agreed to dispose of their interests in UK Power Networks. The expected cash proceeds from this divestment in which the Company has an indirect interest of 20%, together with the distributions over the years, will result in a strong return on the Company's investment made in 2021. Completion of the transaction is subject to the fulfilment of certain conditions precedent as announced.

Sustainability Initiatives

During the year, the Group made meaningful progress in stepping up the sustainability and climate resilience of its business and investments. The Group recognises its responsibility to reduce emissions across its operations and value chain. It has formalised a climate transition plan and decarbonisation roadmap to guide its net zero pathway. In 2025, the Group began reporting progress against its science-based targets, which were validated by the Science Based Targets initiative (SBTi) in the prior year. The Group has expanded its Scope 3 disclosures to include upstream and downstream sources, and adopted the new climate-related disclosure requirements of the Hong Kong Stock Exchange ahead of the mandatory timeline. It has also enhanced its climate-related financial disclosures to include the capital deployed towards mitigation and adaptation initiatives, and the quantification of potential financial impacts arising from climate related risks.

The Group recognises that good sustainability governance is conducive to long-term business resilience. It has established a new Stakeholder Engagement Policy, strengthened existing policies, and updated its risk inventory to emphasise sustainability-related drivers, such as climate change and artificial intelligence, for potential risks and opportunities to be identified. The Group's efforts to embrace sustainable development and environmental stewardship was met with market recognition. It received the award for Best Apartment/Condominium Development for Perfect Ten at the 2025-2026 Asia Pacific Property Awards in Singapore, and final platinum rating for BEAM Plus NB V2.0 and platinum rating for LEED V4.1 for Operations and Maintenance for Cheung Kong Center II.

As part of its commitment to support communities through its investments, the Group expanded its Civitas social infrastructure portfolio during the year. The Civitas portfolio continues to deliver significant and quantifiable social impact benefits by providing community-based healthcare housing and specialist education facilities. The Group also remains committed to driving the global net-zero transition through its investments in low-carbon solutions and renewables. During the year, the Group, in partnership with CK Life Sciences Int'l, (Holdings) Inc., acquired pastoral leases and rights to over 350,000 hectares of agricultural land in Australia designated for carbon sequestration. Through regenerating native forests, this nature-based initiative generates tradeable carbon credits that the local public and private sectors could use to offset their carbon emissions. This investment reflects the Group's creative strategy to address climate challenges through innovative and sustainable practices that are economically viable.

Outlook

The world is experiencing an unprecedented level of geopolitical uncertainty as the established international order undergoes transformation and regional conflicts add further complexity. At the same time, rapid technological advancement and persistent climate challenges are expected to disrupt the global business landscape, particularly in the allocation of talent and capital resources.

The Mainland recorded a positive real GDP year-on-year growth of 5% in 2025. China remains one of the world's largest economies and continues to be an important contributor to global economic growth. The Central Government has announced new measures to boost domestic consumption, support businesses and the real estate market, and prioritise advanced manufacturing, technological innovation and the green transition.

Hong Kong's economy expanded at a solid pace in 2025, with real GDP growing by 3.5% year-on-year. Hong Kong benefits from its strategic role as a super connector for Mainland enterprises and international markets, and has the strong support of the Central Government to maintain its position as an international financial and business centre. The Hong Kong Government has introduced various measures to enhance the city's competitive advantage as an innovative technology hub and a green finance leader to attract global capital and talent and strengthen the local economy. Housing and land policies and interest rate movements will continue to be determining factors for the property market.

The Group is well-positioned to meet the challenges of an increasingly volatile operating environment with its well-diversified and resilient portfolio of high-quality investments and assets that span across various geographies and sectors. Its strong balance sheet and liquidity position is testament to its disciplined financial management. The Group will continue to adhere to the principle of “Advancing without Foregoing Stability” and maintain its strategic focus to deliver long-term shareholder value and sustainable growth. It has the financial strength and ability to deploy capital into investments that can generate stable returns and recurrent income as and when suitable opportunities arise. Hong Kong and the Mainland remain important markets for the Group.

As at 31 December 2025, the Group had a net debt to net total capital ratio of approximately 2.3%. The Group has maintained “A/Stable” and “A2 Stable” credit ratings from Standard & Poor’s and Moody’s respectively, demonstrating its stable financial profile.

Acknowledgement

My colleagues on the Board join me in thanking our team of diligent employees around the world for their hard work and contributions during the year. I also take this opportunity to express my sincere gratitude to our board members for their unwavering dedication and to our stakeholders for their continued support.

Victor T K Li
Chairman

Hong Kong, 19 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Major Business Activities

1. Developments Completed during 2025:

Name	Location	Gross Floor Area (sq.ft.)	Group's Interest
The Coast Line II	The Remaining Portion of Yau Tong Inland Lot No. 45	304,884	100%
Blue Coast and Blue Coast II	Aberdeen Inland Lot No. 467, Site C	999,976	Joint Venture
Perfect Ten	Singapore	219,518	100%
Regency Hills Land No. 4B	Yangjiashan, Nanan District, Chongqing	1,056,689	95%
Laguna Verona Phase G2b Zone 2 (Townhouse)	Henggang Reservoir, Dongguan	383,647	99.8%
The South Bay Phase 5A	Jinzhou New Area, Dalian	969,537	100%
Noble Hills Phase 4A	Zengcheng, Guangzhou	197,884	100%
Emerald Cove Phase 2	Daya Bay, Huizhou	1,216,977	100%
Regency Garden Phase 5B-2a	Pudong New District, Shanghai	261,480	85%
Regency Cove Phase 3A	Caidian District, Wuhan	281,926	100%
Chelsea Waterfront Powerhouse (Cores H & K), Block KC4 and Block KC2A	Chelsea / Fulham, London	61,214	95%

2. Developments in Progress and Scheduled for Completion in 2026:

Name	Location	Gross Floor Area (sq.ft.)	Group's Interest
Lau Yip Street Project	Lot No. 1677 in D.D. 115, Yuen Long	78,574	100%
Upper West Shanghai Phase 3 Tender 2 (T1) Phase 4 Tender 2 (T14)	Putuo District, Shanghai	1,581,195	60%
Regency Hills Land No. 4B	Yangjiashan, Nanan District, Chongqing	21,073	95%
Laguna Verona Phase G2b Zone 2 (House on House)	Henggang Reservoir, Dongguan	911,466	99.8%
Regency Garden Phase 5B-2b	Pudong New District, Shanghai	383,814	85%
Chelsea Waterfront Powerhouse (remaining cores), The Rotunda and East Tower	Chelsea / Fulham, London	370,287	95%

3. New Acquisitions and Joint Developments and Other Major Events:

- (1) June 2025: A wholly owned subsidiary of the Group updated the existing US\$5,000,000,000 Euro Medium Term Note Programme (the “Programme”) guaranteed by the Company for the purpose of issuing notes which may be denominated in any currency as agreed with the dealer(s) from time to time. The Programme was listed on 23 June 2025 on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and notes issued under the Programme may be listed on the Stock Exchange or such other stock exchange(s) as may be agreed with the relevant dealer(s).

- (2) February 2026: On 25 February 2026 (London time), the indirect wholly owned subsidiaries of the Company, CK Infrastructure Holdings Limited and Power Assets Holdings Limited entered into an agreement to dispose of their interests in UK Power Networks Holdings Limited. The cash proceeds from the divestment of the Company’s 20% shareholding and interests in certain shareholder debt instruments amount to GBP2,109,600,000 or approximately HK\$22,150,800,000 (subject to adjustment). Completion of the transaction is subject to the fulfilment of certain conditions precedent as announced on 26 February 2026.

Property Sales

Revenue of property sales (including share of joint ventures) recognised for the year was HK\$20,449 million (2024 – HK\$9,962 million), comprising mainly sales of residential projects (i) in Hong Kong – The Coast Line I and The Coast Line II in Yau Tong; (ii) on the Mainland – Regency Garden Phase 5B-2a in Shanghai and The Greenwich Phase 2 in Beijing; and (iii) overseas – Perfect Ten in Singapore and Chelsea Waterfront in London, the United Kingdom. Revenue of property sales is summarised by location as follows:

Location	2025 HK\$ Million	2024 HK\$ Million
Hong Kong	8,957	5,718
The Mainland	6,306	3,235
Overseas	5,186	1,009
	20,449	9,962

Contribution for the year was HK\$2,733 million (2024 – HK\$2,209 million) and is summarised by location as follows:

Location	2025 HK\$ Million	2024 HK\$ Million
Hong Kong	375	1,609
The Mainland	1,756	354
Overseas	602	246
	2,733	2,209

Overall, revenue of property sales and contribution for the year increased when compared with last year. However, contribution from property sales in Hong Kong decreased and contribution margin was low, mainly due to discounts given for sales promotion in weak market conditions and provision made for the sales of Blue Coast and Blue Coast II.

Revenue of property sales of Blue Coast and Blue Coast II will be recognised in 2026 when completed properties are handed over to purchasers, and loss on properties sold would be covered by the provision made in 2025.

In Hong Kong, the consents for presale of residential units of Victoria Blossom Phases 1 and 2 in Kai Tak and another residential project in Yuen Long have been obtained. Presales of units of these projects are scheduled for 2026.

On the Mainland, the sales of residential units of The Greenwich Phase 2 in Beijing are ongoing and the presale of residential units of Regency Garden Phase 5B-2b in Shanghai will be launched upon obtaining presale consent.

Property sales contracted but not yet recognised at 31 December 2025 are as follows:

Location	Schedule for Sales Recognition		
	2026 HK\$ Million	After 2026 HK\$ Million	Total HK\$ Million
Hong Kong	18,835	971	19,806
The Mainland	758	40	798
Overseas	98	-	98
	19,691	1,011	20,702

At the year end date, the Group had a development land bank (including developers' interests in joint development projects but excluding agricultural land and completed properties) of approximately 65 million sq.ft., of which 6 million sq.ft., 56 million sq.ft. and 3 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

Property Rental

Revenue of property rental (including share of joint ventures) for the year was HK\$6,020 million (2024 – HK\$6,135 million) and comprised rental income derived from leasing of properties as follows:

Use of Property	2025 HK\$ Million	2024 HK\$ Million
Retail	1,695	1,867
Office	1,750	1,780
Industrial	755	771
Social infrastructure	1,390	1,275
Others	430	442
	6,020	6,135

Contribution for the year was HK\$4,614 million (2024 – HK\$4,720 million), and is summarised by location as follows:

Location	2025 HK\$ Million	2024 HK\$ Million
Hong Kong	3,376	3,487
The Mainland	160	241
Overseas	1,078	992
	4,614	4,720

Revenue of property rental and contribution for the year decreased, when compared with last year, as Shanghai Westgate Mall and Tower on the Mainland ceased to provide rental income after expiry of the joint venture and leasing of retail and office properties in Hong Kong remained stagnant during the year. The decrease in contribution in Hong Kong and on the Mainland was partly compensated by the increase in rental of social infrastructure properties in the United Kingdom.

The Group's investment properties in Hong Kong comprise mainly retail, office and industrial properties including Cheung Kong Center, Cheung Kong Center II and China Building in Central, 1881 Heritage in Tsimshatsui, The Whampoa in Hunghom, OP Mall in Tsuen Wan and Hutchison Logistics Centre in Kwai Chung.

At the year end date, the Group had an investment property portfolio of approximately 22.4 million sq.ft. (including share of joint ventures but excluding car parking spaces) as follows:

Location	Retail Million sq.ft.	Office Million sq.ft.	Industrial Million sq.ft.	Social Infrastructure Million sq.ft.	Total Million sq.ft.
Hong Kong	3.3	3.9	5.9	-	13.1
The Mainland	3.0	1.5	-	-	4.5
Overseas	0.1	0.2	-	4.5	4.8
	6.4	5.6	5.9	4.5	22.4

A decrease of HK\$1,099 million (2024 – increase of HK\$1,349 million) in fair value of investment properties was recorded at 31 December 2025 based on a professional valuation using capitalisation rates ranging from approximately 4% to 8%.

Hotel and Serviced Suite Operation

The Group's hotel and serviced suite properties are mostly located in Hong Kong including Harbour Grand Hotels, Harbour Plaza Hotels & Resorts, Horizon Hotels & Suites, Sheraton Hong Kong Hotel & Towers, Hotel Alexandra and a few others.

During the year, the numbers of visitor arrivals in Hong Kong and overnight stays continued to increase, but the proportion of overnight visitors declined when compared with last year. The Group's hotel and serviced suite operation in Hong Kong remained stable with a slight increase in revenue, whereas the hotel and serviced suite operation on the Mainland reported a narrower loss.

Revenue of hotel and serviced suite operation (including share of joint ventures) for the year was HK\$4,654 million (2024 – HK\$4,390 million), and both the hotels and the serviced suites recorded average occupancy rates of about 90%.

Contribution for the year was HK\$1,658 million (2024 – HK\$1,651 million) and is summarised by location as follows:

Location	2025 HK\$ Million	2024 HK\$ Million
Hong Kong	1,692	1,700
The Mainland	(34)	(49)
	1,658	1,651

Property and Project Management

Revenue of property and project management (including share of joint ventures) for the year was HK\$910 million (2024 – HK\$912 million) and mainly comprised management fees received for provision of property management and related services.

Contribution for the year (including share of joint ventures) was HK\$367 million (2024 – HK\$361 million) and is summarised by location as follows:

Location	2025 HK\$ Million	2024 HK\$ Million
Hong Kong	264	257
The Mainland	48	62
Overseas	55	42
	367	361

At the year end date, property management and related services were provided to approximately 248 million sq.ft. of properties located mainly in Hong Kong and on the Mainland. The Group is committed to providing high quality management services to the properties.

Pub Operation

The Group's pub businesses comprise 2 breweries and over 2,500 pubs, restaurants and hotels operated by Greene King across England, Wales and Scotland. Pub businesses in the United Kingdom continue to face operational and cost challenges stemming from low consumer sentiment, inflationary pressure and high labour costs.

Revenue of pub operation for the year was HK\$26,227 million (2024 – HK\$24,425 million), an increase of HK\$1,802 million mainly due to price adjustments and local currency appreciation during the year, and a profit for the year of HK\$1,933 million (2024 – HK\$1,772 million) was reported by the pub operation.

Under the worsening pub business environment in the United Kingdom, an impairment provision of HK\$1,620 million (2024 – HK\$1,233 million) was made for the Group's pub assets, and contribution for the year after asset impairment provision amounted to HK\$313 million (2024 – HK\$539 million). The results by division of pub operation are as follows:

Division	2025		2024	
	Revenue HK\$ Million	Contribution HK\$ Million	Revenue HK\$ Million	Contribution HK\$ Million
Pub Company - operates food-led and drink-led destination pubs and restaurants and community-focused local pubs	21,742	(142)	20,122	(68)
Pub Partners - owns a portfolio of mainly drink-led pubs which are run as franchised or leased pubs	2,148	390	1,933	479
Brewing & Brands - sells and distributes a wide range of beers including ale brands brewed in own breweries	2,337	65	2,370	128
	26,227	313	24,425	539

Infrastructure and Utility Asset Operation

At the year end date, the Group's infrastructure and utility asset businesses were operated through joint ventures as follows:

	Principal Activity	Interest in Joint Venture
CK William JV	Owner and operator of energy utility assets in Australia, the United Kingdom, the United States and Canada	40%
CKP (Canada) JV	A building equipment and service provider under the consumer brand identity of "Reliance Home Comfort" in Canada	75%
ista JV	A fully integrated energy management service provider operated by ista Group in Europe	65%
UK Power Networks JV	A power distributor that serves London, the South East and East of England	20%
Northumbrian Water JV	A regulated water and sewerage company in England and Wales	27%
Dutch Enviro Energy JV	An operator of energy-from-waste business in the Netherlands	24%
Wales & West Utilities JV	A gas distributor that serves Wales and the South West of England	22%
UK Rails JV	A rolling stock leasing company in the United Kingdom	20%

The Group also held interests in the economic benefits of other infrastructure and utility asset businesses as follows:

	Principal Activity	Interest in Economic Benefit
Park'N Fly	An off-airport car park provider in Canada	20%
Australian Gas Networks	A distributor of natural gas in Australia	11%

Revenue of the joint venture operations was shared by the Group for the year as follows:

	2025	2024
	HK\$ Million	HK\$ Million
CK William JV	5,087	4,974
CKP (Canada) JV	4,910	4,661
ista JV	7,369	6,680
UK Power Networks JV	4,090	3,961
Northumbrian Water JV	3,281	2,811
Dutch Enviro Energy JV	797	803
Wales & West Utilities JV	1,364	1,224
UK Rails JV	690	647
	27,588	25,761

Profit contribution for the year amounted to HK\$8,662 million (2024 – HK\$8,363 million), and is summarised by locations as follows:

	Australia	Europe	North America	2025	2024
	HK\$ Million	HK\$ Million	HK\$ Million	Total	Total
				HK\$ Million	HK\$ Million
CK William JV	1,131	310	30	1,471	1,523
CKP (Canada) JV	-	-	1,501	1,501	1,463
ista JV	-	1,555	-	1,555	1,432
UK Power Networks JV	-	1,994	-	1,994	2,143
Northumbrian Water JV	-	1,053	-	1,053	815
Dutch Enviro Energy JV	-	119	-	119	74
Wales & West Utilities JV	-	569	-	569	582
UK Rails JV	-	363	-	363	331
Others	19	-	18	37	-
	1,150	5,963	1,549	8,662	8,363

In January 2026, UK Rails JV completed the disposal of its entire interest in Eversholt UK Rails, a rolling stock leasing company in the United Kingdom, for a consideration of approximately GBP1.1 billion (equivalent to approximately HK\$11.6 billion). A profit on disposal of approximately HK\$617 million would be shared by the Group and accounted for in 2026.

In February 2026, the Group and the JV parties agreed to dispose of their interests in the UK Power Networks JV. Subject to fulfilment of certain conditions precedent and upon completion of the transaction, the Group will receive a consideration of approximately GBP2.1 billion (equivalent to approximately HK\$22.2 billion), and a profit on disposal of approximately HK\$8.4 billion will be recognised.

Interests in Real Estate Investment Trusts

The Group's interests in listed real estate investment trusts at the year end date were as follows:

	Principal Activity	Interest
Hui Xian REIT	Investment in hotels and serviced suites, office and retail properties on the Mainland	35.4%
Fortune REIT	Investment in retail properties in Hong Kong and Singapore	25.6%
Prosperity REIT	Investment in office, retail and industrial properties in Hong Kong	17.4%

Hui Xian REIT is an associate. The Group shared a net rental profit of HK\$126 million (2024 – HK\$48 million) for the year and received distributions of HK\$7 million (2024 – HK\$10 million) during the year.

Distributions received from Fortune REIT and Prosperity REIT during the year amounted to HK\$220 million (2024 – HK\$226 million) and were recognised as investment income. An increase of HK\$525 million (2024 – a decrease of HK\$551 million) in fair value of the Group's investments in Fortune REIT and Prosperity REIT was recorded based on the market closing price at 31 December 2025.

FINANCIAL REVIEW

Liquidity and Financing

The Group monitors its liquidity requirements on a short to medium term basis and arranges its financing accordingly. During the year, the Group issued notes under the Euro Medium Term Note Programme including (i) fixed rate notes for a 3-year term and for a 5-year term amounting to HK\$380 million and HK\$1,285 million respectively; and (ii) floating rate notes for a 3-year term and for a 5-year term amounting to HK\$400 million and HK\$1,250 million respectively.

At the year end date, the Group's bank and other loans amounted to HK\$51.4 billion, a decrease of HK\$1.3 billion when compared with bank and other loans at 31 December 2024. The maturity profile was spread over a period of 11 years, with HK\$11.6 billion repayable within 1 year, HK\$34.6 billion within 2 to 5 years and HK\$5.2 billion beyond 5 years.

Taking into account the bank balances and deposits of HK\$41.7 billion at 31 December 2025, the Group carried a net debt of HK\$9.7 billion at the year end date. The net debt to net total capital ratio was approximately 2.3%.

With plenty of cash on hand as well as available banking facilities, the Group's liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

Treasury Policies

The Group adopts a conservative approach on foreign exchange risk management and maintains an appropriate mix of floating and fixed rate borrowings to mitigate interest rate risk. The Group's exposure to foreign exchange fluctuations and interest rate changes are reviewed regularly. Hedging instruments including swaps and forwards are used in the management of foreign exchange and interest rate risks.

At the year end date, the Group's borrowings were 33% in HK\$/US\$ and 67% in foreign currencies (including AUD, GBP and RMB); and about 50% were on a floating interest rate basis and 50% were on a fixed interest rate basis, after taking into account of the effective swaps in place. Foreign currencies borrowings have been arranged for investments and operations in Australia, the United Kingdom and on the Mainland.

The Group derives its revenue from property businesses mainly in HK\$ and RMB, and maintains bank balances and deposits substantially in HK\$, RMB and US\$. Income in foreign currencies is generated by overseas investments and operations, and cash in foreign currencies is maintained for business requirements.

Charges on Assets

At the year end date, (i) properties amounting to HK\$2,184 million (2024 – HK\$6,414 million) were charged to secure bank loans arranged for property development and investment; and (ii) properties amounting to HK\$26,204 million (2024 – HK\$24,760 million) were charged to secure other loans arranged for pub operation.

Contingent Liabilities

At the year end date, the Group provided guarantees for (i) revenue shared by land owner of a hotel project amounting to HK\$427 million (2024 – HK\$443 million); and (ii) mortgage loans provided by banks to purchasers of properties developed by the Group on the Mainland amounting to HK\$977 million (2024 – HK\$439 million).

Employees

At the year end date, the Group employed approximately 54,000 employees. The related employees' costs for the year (excluding directors' emoluments) amounted to approximately HK\$14,240 million. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group does not have any share option scheme for employees.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares). As at 31 December 2025, the Company and its subsidiaries did not hold any treasury shares whether in the Central Clearing and Settlement System, or otherwise.

CORPORATE GOVERNANCE CODE

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

The Company has applied the principles and complied with all code provisions (except code provision C.2.1 as further elucidated below) and, where applicable, the recommended best practices of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) throughout the year ended 31 December 2025.

In respect of code provision C.2.1 of the CG Code, the positions of the Chairman of the Board (the “Chairman”) and Managing Director are held by the same individual, namely, Mr. Victor T K Li. Although the positions of Chairman and Managing Director are not separately held, the Board is of the view that this is the most appropriate arrangement in the interest of the shareholders as a whole at present. All major decisions are made, in accordance with current practice, in consultation with members of the Board and relevant Board Committees and key personnel of the Group after thorough discussions. The Board has a majority of Independent Non-executive Directors. These nine Independent Non-executive Directors have a balance of expertise, skills, experience and diversity of perspectives appropriate to the requirements of the Group’s business. The Company’s Independent Non-executive Directors will continue to provide views and comments to Mr. Victor T K Li as Chairman and Managing Director as they have done so over the years.

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

AUDIT COMMITTEE

The Audit Committee comprises seven members, all of whom are Independent Non-executive Directors, with more than one of the members possessing appropriate professional qualifications, or accounting or related financial management expertise. The Audit Committee is chaired by Mr. Cheong Ying Chew, Henry with Ms. Hung Siu-lin, Katherine, Mr. Donald Jeffrey Roberts, Mr. Stephen Edward Bradley, Mr. Lam Siu Hong, Donny, Ms. Lee Wai Mun, Rose and Dr. Wong Yick-ming, Rosanna as members.

The Group’s annual results for the year ended 31 December 2025 have been reviewed by the Audit Committee and audited by the independent auditor of the Company, Deloitte Touche Tohmatsu.

REMUNERATION COMMITTEE

A majority of the members of the Company's Remuneration Committee are Independent Non-executive Directors. The Remuneration Committee is chaired by Ms. Hung Siu-lin, Katherine, an Independent Non-executive Director, with another Independent Non-executive Director, Mr. Cheong Ying Chew, Henry and the Chairman and Managing Director, Mr. Victor T K Li, as members.

NOMINATION COMMITTEE

A majority of the members of the Company's Nomination Committee are Independent Non-executive Directors, with at least one member of a different gender. The Nomination Committee is chaired by Mr. Stephen Edward Bradley, an Independent Non-executive Director, with two other Independent Non-executive Directors, Mr. Donald Jeffrey Roberts and Dr. Wong Yick-ming, Rosanna, and the Chairman and Managing Director, Mr. Victor T K Li, as members.

SUSTAINABILITY COMMITTEE

The Sustainability Committee comprises three Directors, a majority of whom are Independent Non-executive Directors, and the Company Secretary. The Sustainability Committee is chaired (with effect from 1 November 2025) by Mr. Stephen Edward Bradley, an Independent Non-executive Director. Other members include Mr. Ip Tak Chuen, Edmond, the Company's Deputy Chairman, Mr. Cheong Ying Chew, Henry, an Independent Non-executive Director, and Ms. Eirene Yeung, the Company Secretary.

ANNUAL GENERAL MEETING

The 2026 Annual General Meeting ("2026 AGM") of the shareholders of the Company will be held on Thursday, 21 May 2026. Details of the arrangements will be provided in the Company's circular in relation to the 2026 AGM which will be published and disseminated to the shareholders in accordance with the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATES

The record date for determining the eligibility of shareholders (except holders of treasury shares, if any) to attend and vote at the 2026 AGM is Thursday, 21 May 2026. The Register of Members of the Company will be closed from Monday, 18 May 2026 to Thursday, 21 May 2026, both days inclusive, during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the 2026 AGM, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 15 May 2026.

The final dividend is payable to shareholders whose names appear on the Register of Members of the Company at the close of business on Thursday, 28 May 2026, being the record date for determination of entitlement to the final dividend. In order to qualify for the proposed final dividend, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 28 May 2026.

The Directors of the Company as at the date of this document are Mr. LI Tzar Kuoi, Victor (*Chairman and Managing Director*), Mr. KAM Hing Lam (*Deputy Managing Director*), Mr. IP Tak Chuen, Edmond (*Deputy Chairman*), Mr. CHUNG Sun Keung, Davy, Dr. CHIU Kwok Hung, Justin, Mr. CHOW Wai Kam, Raymond and Ms. PAU Yee Wan, Ezra as Executive Directors; and Mr. CHEONG Ying Chew, Henry, Ms. HUNG Siu-lin, Katherine, Mr. Donald Jeffrey ROBERTS, Mr. Stephen Edward BRADLEY, Mrs. KWOK Eva Lee, Mrs. SNG Sow-mei alias Poon Sow Mei, Mr. LAM Siu Hong, Donny, Ms. LEE Wai Mun, Rose and Dr. WONG Yick-ming, Rosanna as Independent Non-executive Directors.

Consolidated Income Statement

For the year ended 31 December 2025

	2025 HK\$ Million	2024 HK\$ Million
Group revenue	57,935	45,529
Share of revenue of joint ventures	27,913	26,056
	<u>85,848</u>	<u>71,585</u>
Group revenue	57,935	45,529
Interest from joint ventures	936	1,415
Investment and others	1,905	1,586
Operating costs		
Property and related costs	(18,985)	(8,761)
Pub operation and related costs	(13,392)	(12,862)
Salaries and related expenses	(12,126)	(11,327)
Interest and other finance costs	(1,947)	(2,029)
Depreciation	(2,199)	(1,926)
Other expenses	(575)	(574)
	(49,224)	(37,479)
Gain on financial instruments	1,802	476
Increase (decrease) in fair value of investment properties	(1,099)	1,349
Impairment loss on fixed assets	(1,620)	(1,233)
Share of profit of joint ventures	3,794	3,143
Share of profit of associates	126	48
Profit before taxation	14,555	14,834
Taxation	(3,447)	(1,100)
Profit for the year	<u>11,108</u>	<u>13,734</u>
Non-controlling interests	25	208
Perpetual capital securities	(286)	(285)
Profit attributable to shareholders	<u>10,847</u>	<u>13,657</u>
Earnings per share	HK\$3.10	HK\$3.89

	2025 HK\$ Million	2024 HK\$ Million
Dividends		
Interim dividend paid	1,365	1,365
Final dividend proposed	4,865	4,725
	<u>6,230</u>	<u>6,090</u>
Dividends per share		
Interim dividend	HK\$0.39	HK\$0.39
Final dividend	HK\$1.39	HK\$1.35

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 HK\$ Million	2024 HK\$ Million
Profit for the year	11,108	13,734
Other comprehensive income to be reclassified to income statement		
Exchange gain (loss) on translation of financial statements of operations outside Hong Kong	12,984	(7,358)
Exchange gain (loss) on translation of bank loans for hedging	(728)	814
Gain (loss) on derivative financial instruments		
Net investment hedges	(7,742)	3,498
Cash flow hedges	(289)	206
Share of other comprehensive income of joint ventures	(201)	10
Other comprehensive income not to be reclassified to income statement		
Gain (loss) on remeasurement of defined benefit obligations	87	(55)
Share of other comprehensive income of joint ventures	(5)	(416)
Other comprehensive income, net of tax	4,106	(3,301)
Total comprehensive income	15,214	10,433
Non-controlling interests	(77)	282
Perpetual capital securities	(286)	(285)
Total comprehensive income attributable to shareholders	14,851	10,430

Consolidated Statement of Financial Position

As at 31 December 2025

	2025 HK\$ Million	2024 HK\$ Million
Non-current assets		
Fixed assets	72,868	70,209
Investment properties	151,694	150,708
Joint ventures	86,348	78,998
Associates	7,118	6,999
Investments	7,123	4,545
Goodwill	2,715	2,516
Derivative financial instruments	2,636	6,940
Other non-current assets	4,890	4,949
	<u>335,392</u>	<u>325,864</u>
Current assets		
Properties for sale	122,799	129,776
Debtors, prepayments and others	7,479	7,901
Loan receivables	2,085	2,171
Bank balances and deposits	41,743	36,069
	<u>174,106</u>	<u>175,917</u>
Current liabilities		
Creditors, accruals and others	18,910	18,713
Bank and other loans	11,643	11,139
Customers' deposits received	7,330	10,766
Provision for taxation	1,189	714
	<u>39,072</u>	<u>41,332</u>
Net current assets	<u>135,034</u>	<u>134,585</u>
Non-current liabilities		
Bank and other loans	39,717	41,577
Deferred tax liabilities	14,889	13,791
Lease liabilities	4,856	4,648
Derivative financial instruments	2,283	223
Pension liabilities	-	10
	<u>61,745</u>	<u>60,249</u>
Net assets	<u>408,681</u>	<u>400,200</u>
Representing:		
Share capital and share premium	236,471	236,471
Reserves	159,971	151,204
Shareholders' funds	<u>396,442</u>	<u>387,675</u>
Perpetual capital securities	7,929	7,929
Non-controlling interests	4,310	4,596
Total equity	<u>408,681</u>	<u>400,200</u>

Notes:

(1) Revenue by principal activities is as follows:

	Group		Joint ventures		Total	
	2025 HK\$ Million	2024 HK\$ Million	2025 HK\$ Million	2024 HK\$ Million	2025 HK\$ Million	2024 HK\$ Million
Property sales	20,414	9,958	35	4	20,449	9,962
Property rental	5,888	5,991	132	144	6,020	6,135
Hotel and serviced suite operation	4,628	4,366	26	24	4,654	4,390
Property and project management	778	789	132	123	910	912
Pub operation	26,227	24,425	-	-	26,227	24,425
Infrastructure and utility asset operation	-	-	27,588	25,761	27,588	25,761
	57,935	45,529	27,913	26,056	85,848	71,585

and is summarised by location as follows:

	Group		Joint ventures		Total	
	2025 HK\$ Million	2024 HK\$ Million	2025 HK\$ Million	2024 HK\$ Million	2025 HK\$ Million	2024 HK\$ Million
Hong Kong	17,972	14,605	43	47	18,015	14,652
The Mainland	7,000	4,023	109	115	7,109	4,138
The United Kingdom	28,513	26,727	10,266	9,254	38,779	35,981
Others	4,450	174	17,495	16,640	21,945	16,814
	57,935	45,529	27,913	26,056	85,848	71,585

Profit contribution by principal activities after allocation of operating costs is as follows:

	Group		Joint ventures		Total	
	2025 HK\$ Million	2024 HK\$ Million	2025 HK\$ Million	2024 HK\$ Million	2025 HK\$ Million	2024 HK\$ Million
Property sales	2,716	2,220	17	(11)	2,733	2,209
Property rental	4,519	4,615	95	105	4,614	4,720
Hotel and serviced suite operation	1,654	1,648	4	3	1,658	1,651
Property and project management	312	318	55	43	367	361
Pub operation	313	539	-	-	313	539
Infrastructure and utility asset operation	-	-	8,662	8,363	8,662	8,363
	9,514	9,340	8,833	8,503	18,347	17,843
Bank and other loan finance costs	(1,704)	(1,816)	(2,809)	(2,576)	(4,513)	(4,392)
	7,810	7,524	6,024	5,927	13,834	13,451
Gain on financial instruments					1,386	1,168
Interests in real estate investment trusts					346	274
Change in fair values						
Real estate investment trusts					525	(551)
Investment properties (net of tax)					(1,093)	1,645
Others					1,070	631
Taxation						
Group					(3,453)	(1,396)
Joint ventures					(1,507)	(1,488)
Non-controlling interests					25	208
Perpetual capital securities					(286)	(285)
Profit attributable to shareholders					10,847	13,657

(2) Profit before taxation is arrived at after charging:

	2025 HK\$ Million	2024 HK\$ Million
Interest and other finance costs		
Bank and other loans	1,999	2,357
Less: amount capitalised	(295)	(541)
	1,704	1,816
Lease liabilities	243	213
Costs of properties sold	13,133	5,125
Costs of pub products sold	7,008	6,786
Provision for properties for sale	2,350	1,217

(3) Taxation

	2025 HK\$ Million	2024 HK\$ Million
Current tax		
Hong Kong	846	619
Outside Hong Kong	2,044	747
Deferred tax	557	(266)
	3,447	1,100

(4) The calculation of earnings per share is based on profit attributable to shareholders and on 3,499,778,333 shares (2024 – weighted average of 3,514,375,347 shares) in issue during the year.

(5) Ageing analysis of debtors with reference to terms of agreements is as follows:

	2025 HK\$ Million	2024 HK\$ Million
Current to one month	1,700	1,803
Two to three months	101	101
Over three months	227	210
	2,028	2,114

Ageing analysis of creditors with reference to invoice dates and credit terms is as follows:

	2025 HK\$ Million	2024 HK\$ Million
Current to one month	3,544	3,658
Two to three months	50	30
Over three months	13	27
	3,607	3,715

(6) The International Accounting Standards Board has issued a number of new and revised IFRS Accounting Standards. The application of those IFRS Accounting Standards effective for annual accounting periods beginning on 1 January 2025 has no significant impact on the Group's results and financial position. For the IFRS Accounting Standards which are not yet effective, the Group is in the process of assessing their impact on the Group's results and financial position. Based on preliminary assessment, no significant impact is anticipated for those IFRS Accounting Standards scheduled to be effective in 2026.

(7) The annual results have been reviewed by the Audit Committee.