CKI

GLOBAL INFRASTRUCTURE PLAYER

CK Infrastructure Holdings Limited
長 江 基 建 集 團 有 限 公 司
(Incorporated in Bermuda with limited liability)
(HKEX: 1038 / LSE: CKI)

Annual Report 2024

A Leading Player in the Global Infrastructure Arena

CKI is one of the world's largest global infrastructure companies. The company aims to make the world a better place through a variety of infrastructure investments and developments in different parts of the world. The Group has diversified investments in Energy Infrastructure, Transportation Infrastructure, Water Infrastructure, Waste Management, Waste-to-energy, Household Infrastructure and Infrastructure Related Businesses. Its investments and operations span Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States.

CONTENTS

005 Ten-year Financial Summary
006 Chairman's Letter
012 Group Managing Director's Report
019 Long Term Development Strategy
020 Awards
024 Business Review
- 026 Investment in Power Assets
- 028 Infrastructure Investments in United Kingdom
- 038 Infrastructure Investments in Australia
- 048 Infrastructure Investments in New Zealand
- 051 Infrastructure Investments in Continental Europe
- 054 Infrastructure Investments in Canada
- 058 Infrastructure Investments in Hong Kong and Mainland China

060 Financial Review
062 Board and Key Personnel
077 Report of the Directors
090 Directors' Responsibility Statement
091 Independent Auditor's Report
095 Consolidated Income Statement
096 Consolidated Statement of Comprehensive Income
097 Consolidated Statement of Financial Position
098 Consolidated Statement of Changes in Equity
099 Consolidated Statement of Cash Flows
100 Notes to the Consolidated Financial Statements
150 Principal Subsidiaries
151 Principal Associates
152 Principal Joint Ventures
154 Schedule of Major Properties
155 Corporate Governance Report
190 Risk Factors
201 Business Profiles
214 Corporate Information and Key Dates

28
Consecutive Years of Dividend Growth Since Listing

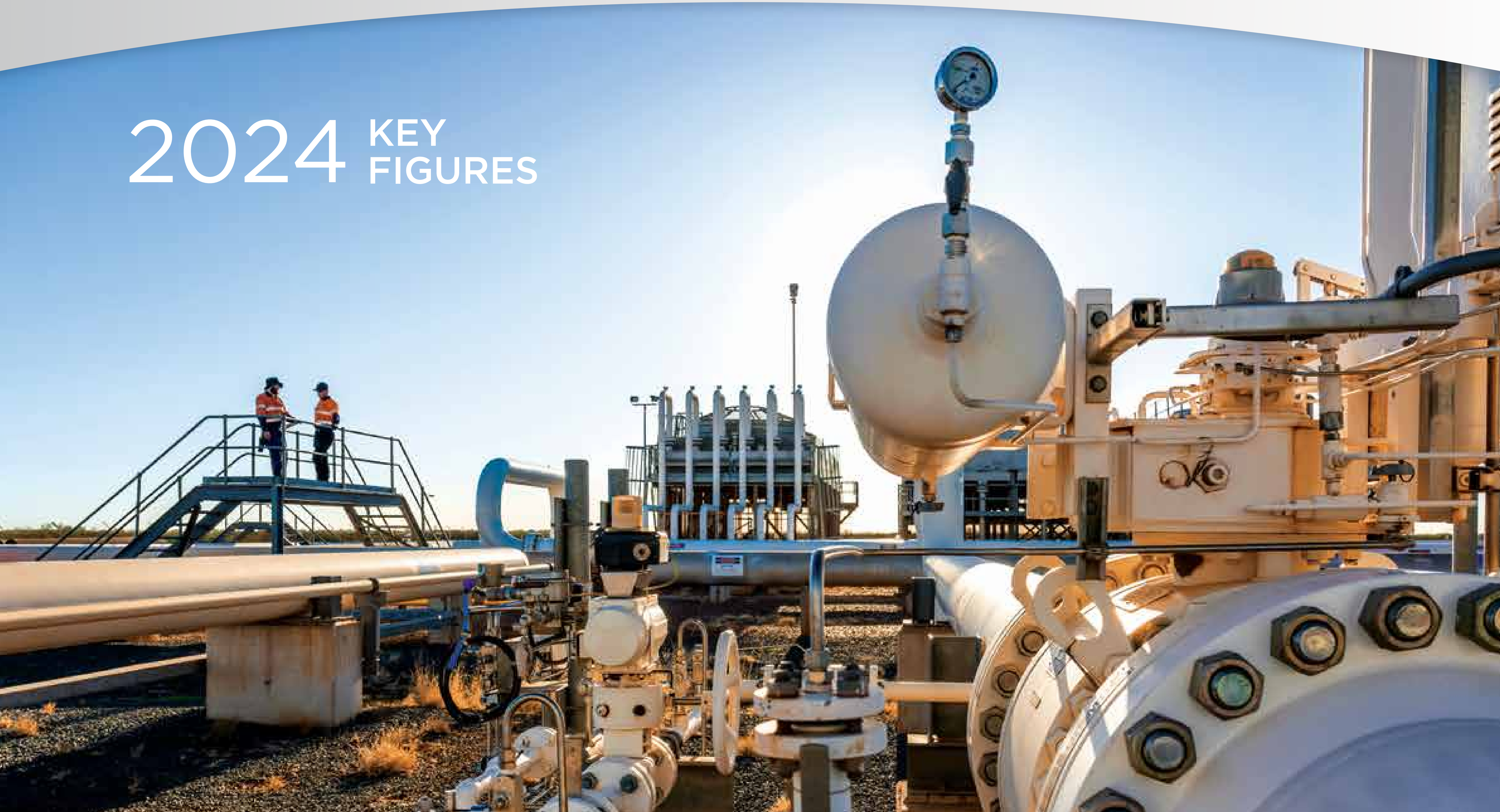
8,115
Profit Attributable to Shareholders (HK$ million)

8
Cash on Hand (HK$ billion)

7.8%
Net Debt to Net Total Capital Ratio

A/STABLE
Standard & Poor's Credit Rating

2024 KEY FIGURES



THE BUSINESS

Investment in
POWER ASSETS
- Power Assets

Infrastructure Investments in
UNITED KINGDOM
- UK Power Networks
- Northumbrian Water
- Northern Gas Networks
- Wales & West Gas Networks
- Phoenix Energy
- Seabank Power
- UK Rails (Eversholt Rail)
- UK Renewables Energy

Infrastructure Investments in
AUSTRALIA
- SA Power Networks
- Victoria Power Networks
- United Energy
- Australian Gas Networks
- Dampier Bunbury Pipeline
- Multinet Gas Networks
- Energy Developments (EDL)
- Australian Energy Operations

Infrastructure Investments in
NEW ZEALAND
- Wellington Electricity
- Enviro NZ

Infrastructure Investments in
CONTINENTAL EUROPE
- Dutch Enviro Energy (AVR)
- ista

Infrastructure Investments in
CANADA
- Canadian Power
- Park'N Fly
- Canadian Midstream Assets
- Reliance Home Comfort

Infrastructure Investments in
HONG KONG AND MAINLAND CHINA
- Shen-Shan Highway (Eastern Section)
- Shantou Bay Bridge
- Alliance Construction Materials
- Green Island Cement
- Green Island Cement (Yunfu)
- Guangdong Gitic Green Island Cement
- Yunfu Xiangli Cement

THE PEOPLE

TEN-YEAR FINANCIAL SUMMARY

Consolidated Income Statement Summary

for the year ended 31st December

HK$ million	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Profit attributable to shareholders	**8,115**	8,027	7,748	7,515	7,320	10,506	10,443	10,256	9,636	11,162
Dividends										
Interim dividend paid	**1,814**	1,789	1,764	1,739	1,713	1,713	1,713	1,688	1,587	1,512
Proposed final dividend	**4,687**	4,661	4,611	4,560	4,510	4,485	4,410	4,309	4,107	3,905
	6,501	6,450	6,375	6,299	6,223	6,198	6,123	5,997	5,694	5,417

Consolidated Statement of Financial Position Summary

as at 31st December

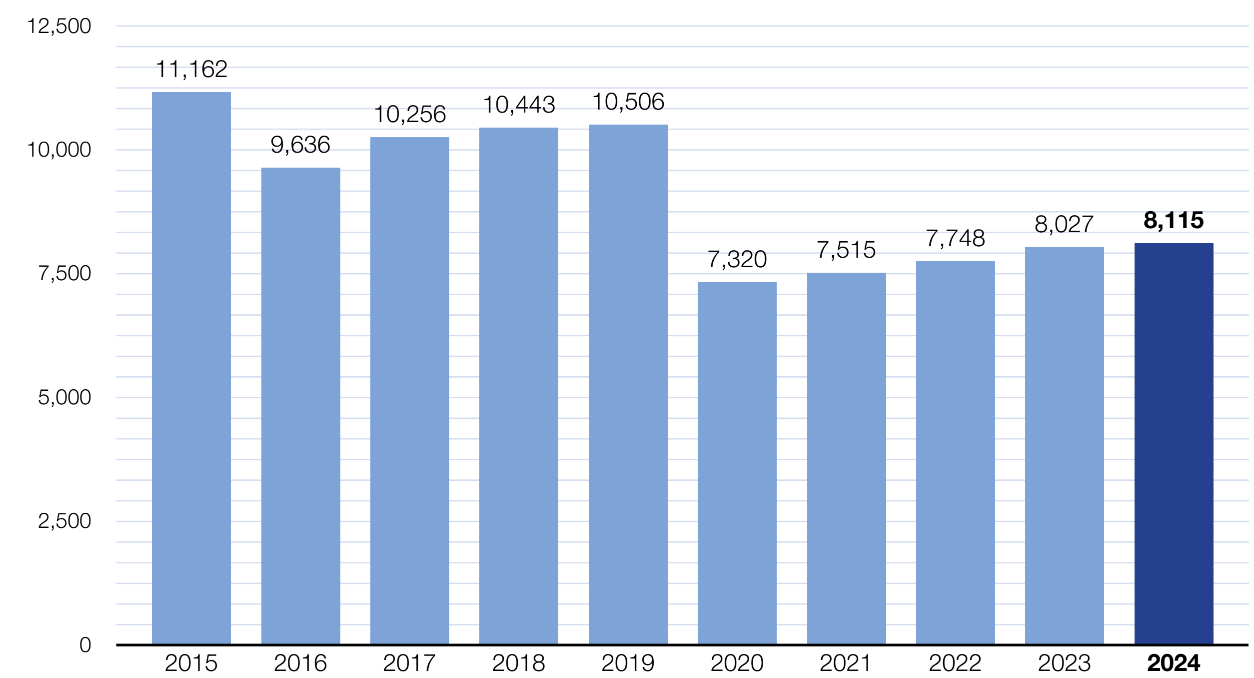
HK$ million	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Property, plant and equipment	**2,914**	3,079	3,017	3,029	2,965	2,805	2,508	2,462	2,404	2,379
Investment properties	**389**	408	408	408	396	398	382	360	344	334
Interests in associates	**38,068**	39,240	38,527	37,998	37,133	36,814	38,191	43,108	52,177	54,004
Interests in joint ventures	**102,148**	104,093	99,302	106,802	106,803	104,952	95,892	98,462	53,973	60,988
Other financial assets	**1,539**	1,542	1,590	1,613	1,892	1,871	7,821	702	648	1,985
Derivative financial instruments	**1,281**	624	1,249	441	126	1,107	2,448	1,253	2,178	571
Goodwill and intangible assets	**2,025**	2,299	2,246	2,447	2,602	2,486	2,556	2,569	2,554	2,525
Deferred tax assets	**1**	1	3	6	6	3	12	7	29	21
Other non-current assets	**–**	–	–	–	–	–	–	136	64	17
Current assets	**9,472**	14,587	19,525	10,255	15,488	14,748	7,960	10,755	13,539	9,278
Total assets	**157,837**	165,873	165,867	162,999	167,411	165,184	157,770	159,814	127,910	132,102
Current liabilities	**(11,198)**	(16,099)	(12,268)	(16,663)	(11,024)	(10,303)	(6,287)	(15,669)	(13,837)	(3,681)
Non-current liabilities	**(15,396)**	(16,503)	(24,217)	(20,489)	(30,125)	(28,507)	(29,579)	(25,953)	(7,886)	(17,862)
Total liabilities	**(26,594)**	(32,602)	(36,485)	(37,152)	(41,149)	(38,810)	(35,866)	(41,622)	(21,723)	(21,543)
Perpetual capital securities	**(9,885)**	(9,885)	(9,885)	(9,885)	(14,701)	(14,701)	(14,701)	(14,701)	(9,544)	(7,933)
Non-controlling interests	**(78)**	(93)	(104)	(128)	(119)	(69)	(30)	(18)	(38)	(55)
Equity attributable to shareholders	**121,280**	123,293	119,393	115,834	111,442	111,604	107,173	103,473	96,605	102,571

Per Share Data

HK$	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Earnings per share	**3.22**	3.19	3.08	2.98	2.91	4.17	4.14	4.07	3.82	4.44
Dividends per share	**2.580**	2.560	2.530	2.500	2.470	2.460	2.430	2.380	2.260	2.150
Shareholders' equity – net book value per share	**48.13**	48.93	47.39	45.97	44.23	44.29	42.54	41.07	38.34	40.71

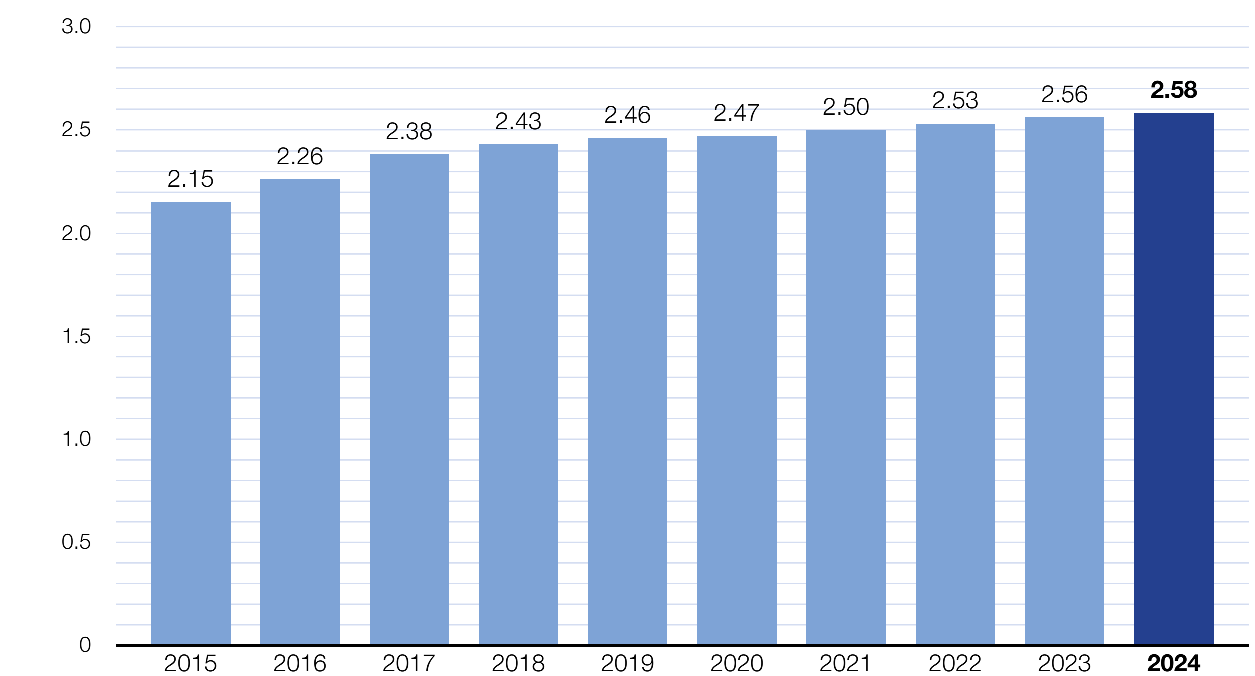
Profit Attributable to Shareholders

(HK$ million)



Dividends Per Share

(HK$)



CHAIRMAN'S LETTER

"Profit contributions from operating businesses reported a strong 10% year-on-year growth."

VICTOR T K LI
Chairman

2024 was characterised by challenging operating environments across many sectors and industries around the world. Geopolitical tensions remain heightened, interest rate pressures persisted, and the world order continued to be volatile.

QUALITY ASSETS – STRONG 10% OPERATIONAL PROFIT GROWTH

Against the current challenging backdrop, CK Infrastructure Holdings Limited ("CKI", the "Company" or the "Group") has reported good performance, given most of the Group's businesses are regulated, or are subject to long term contracts, or have long term loyal customers with very low churn. Profit contributions from operating businesses reported a strong 10% year-on-year growth. However, the net profit was impacted by treasury items, which included higher interest costs and lower exchange gains than in 2023. As a result, for the 12 months ended 31st December, 2024, CKI recorded net profit of HK$8,115 million, a 1% increase over last year.

In 2024, a number of acquisitions were made. They are Phoenix Energy, a gas distribution network in Northern Ireland; UK Renewables Energy, a portfolio of operating onshore wind farms in the United Kingdom; as well as ones made by member companies, including Powerlink Renewable Assets, a renewable energy portfolio in the United Kingdom acquired by UK Power Networks Services. These projects have all started to deliver revenues immediately upon acquisition completion.

On 19th August, 2024, the Group launched its secondary listing on the London Stock Exchange. This further enhances the Group's standing as one of the largest global infrastructure companies, and opens up additional channels for raising funds in the future when large scale acquisitions arise.

28TH CONSECUTIVE YEAR OF DIVIDEND GROWTH SINCE LISTING IN 1996

The Board of Directors of CKI (the "Board") has recommended a final dividend of HK$1.86 per share. Together with the interim dividend of HK$0.72 per share, the total dividend for the year will amount to HK$2.58 per share, representing a 0.8% increase over the prior year and the 28th consecutive year of dividend growth since the public listing of the Group in 1996. The proposed dividend will be paid on Wednesday, 11th June, 2025, subject to approval at the 2025 Annual General Meeting to those shareholders whose names appear on the Register of Members of the Company at the close of business on Tuesday, 27th May, 2025. As at the date hereof, the Company does not hold any treasury shares whether in the Central Clearing and Settlement System, or otherwise.

BUSINESS REVIEW

Despite the challenging macro environment around the globe, CKI's businesses have in general performed well operationally.

Power Assets

Power Assets continued to generate substantial contribution to CKI. Profit contribution was HK$2,203 million, representing year-on-year growth of 2%. The international infrastructure portfolio reported satisfactory operational growth, supported by sound underlying energy and utility-related businesses, while HK Electric recorded a slight decrease in profit contribution as there was a high deferred tax credit in the previous year (2023).

United Kingdom Infrastructure Portfolio

A strong performance was recorded by the United Kingdom portfolio, with a profit contribution of HK$3,981 million in 2024, a 31% increase over the previous year (in local currency, profit increased by 27%).

All our regulated utility businesses – UK Power Networks ("UKPN"), Northumbrian Water ("NWG"), Northern Gas Networks ("NGN") and Wales & West Utilities ("WWU") – recorded good results. In addition, Phoenix Energy has provided an immediate profit contribution since joining the Group.

UKPN achieved excellent operating results. The company's standout performance earned the top spot among utilities in the UK Customer Satisfaction Index, as well as the Energy Network of the Year title at Utility Week's inaugural Flex Awards. UK Power Networks Services, the non-regulated arm of UKPN, acquired a 68.7 MW renewable energy portfolio comprising mainly solar assets in the United Kingdom. The portfolio is backed by long-term offtake agreements and renewable energy subsidies, and consequently provided immediate and secure returns upon completion of the transaction.

NGN achieved an average score of 9.26 out of 10 for overall customer satisfaction in the Ofgem (the Office of Gas and Electricity Markets) governed gas distribution network customer satisfaction survey. This high score reflects NGN's accomplishment in delivering high levels of customer satisfaction.

WWU's dedication to the highest safety standards earned it an 11th consecutive Gold RoSPA (Royal Society for the Prevention of Accidents) award.

NWG has been named one of the World's Most Ethical Companies by the Ethisphere Institute for the 13th time, the only water company in the world to achieve this milestone. During the year, NWG introduced the country's first smart sewer project, designed to reduce spills from storm overflows, as well as an innovative interactive digital Storm Overflow Map. These initiatives have led to a reduction in internal sewer flooding and have positioned NWG as a leader in the country in flood prevention.

A satisfactory performance was achieved by UK Rails, with a number of train fleets continuing to be refurbished and upgraded.

In April 2024, CKI acquired 40% of Phoenix Energy alongside strategic partners CK Asset and Power Assets, who hold 40% and 20%, respectively. Phoenix Energy is Northern Ireland's largest natural gas distribution network, covering 78% of gas connections and serving 48% of the population. It operates under a supportive regulatory framework.

Australian Infrastructure Portfolio

Profit contribution from the Australian portfolio decreased by 4% over 2023 to HK$1,784 million (in local currency, the result was a decrease of 3%). The decline is attributed to higher tax charges as a result of amendments to thin capitalisation rules introduced in 2024. Taking out this tax impact, profit contribution increased by 6%.

The operation of the Group's electricity distribution networks – SA Power Networks ("SAPN"); Victoria Power Networks ("VPN"), which owns CitiPower and Powercor; and United Energy ("UE") – continued to command strong standings in the most recent benchmarking report presented by the Australian Energy Regulator based on multilateral total factor productivity. Amongst the 13 electricity distribution networks in the country, SAPN ranked 1st, CitiPower 2nd, and UE 3rd.

In May 2024, SAPN became the first Australian electricity distributor to issue a certified green bond in the country, establishing a leadership position in sustainable financing. During the year, an upgrade programme has been undertaken to enhance network reliability and system security to cater for future electricity load growth in the Fleurieu Peninsula and Kangaroo Island.

As for CitiPower, the first phase of a major programme to upgrade Melbourne's underground power network, which powers expanding parts of the city's CBD, has commenced.

Powercor was granted a transmission license by the Essential Services Commission, allowing the company to design and build new terminal station infrastructure enabling Powercor to provide rapid and seamless power connections for major businesses and clean energy projects.

Australian Gas Infrastructure Group (AGIG) consists of Australian Gas Networks, Multinet Gas Networks and the Dampier Bunbury Pipeline ("DBP"). In 2024, Australian Gas Networks completed its two-decade infrastructure upgrade programme in Victoria. Its Melbourne network is now entirely made up of polyethylene and protected-steel mains, making the network compatible with the future delivery of 100% hydrogen with only minor incremental investments needed.

DBP's construction of the third well for the Tubridgi Gas Storage Expansion project is progressing well. The commissioning date is expected to be in the first half of 2025.

During the year, Energy Developments ("EDL") reported earnings lower than those in 2023 due to a significant year-on-year drop in merchant power prices, as well as the expiration of several contracts.

Infrastructure Portfolio in Continental Europe

In Continental Europe, profit contribution increased by 13% to HK$607 million (in local currency terms, profit increased by 15%), due to a strong performance by ista, which reported record organic growth.

In 2024, ista launched an international rebranding campaign, expanded its footprint in the EV charging space by acquiring Chargemaker GmbH in Germany, and expanded its international presence by acquiring Alfred Aubort SA in Switzerland.

The reconstruction of AVR's Energy-from-Waste (EfW) facility at the Rozenburg unit, which was damaged by a fire in 2023, has made substantial progress and achieved a partial re-start as planned. All seven incineration lines are now operational as of January 2025.

Canadian Infrastructure Portfolio

In Canada, profit contribution decreased by 19% to HK$524 million (in local currency terms, the result was a decrease of 18%), as a result of a significant drop in profit from Canadian Power as well as the new Excessive Interest and Financing Expenses Limitation (EIFEL) rule.

In 2024, Reliance Home Comfort continued to perform well and continues to deliver on its long term growth path strategy. The company was recognised for the eighth consecutive year as one of Canada's Most Admired Corporate Cultures by Waterstone Human Capital.

CHAIRMAN'S LETTER

Canadian Power's year-on-year financial performance was lower as a result of merchant pool prices falling from the prior year's record highs. On the positive side, Canadian Power reached an agreement to extend the Meridian Cogeneration Plant power purchase agreement, under which Meridian will provide electricity to SaskPower and thermal energy to Cenovus until 2049.

Canadian Midstream Assets achieved increased throughput across its assets in 2024. Operational activity and performance were strong.

As global air travel continued its recovery from previous downturn, Park'N Fly saw solid revenue growth driven by rising demand in many of its key markets.

New Zealand Portfolio

In New Zealand, profit contribution was HK$185 million, a 10% increase compared to last year (in local currency terms, profit increased by 12%). This is attributable to Enviro NZ's strong performance.

During the year, Enviro NZ was successful in retaining and winning multiple commercial contracts, including a major soil disposal project with one of New Zealand's largest listed companies; a significant construction waste disposal contract; a three-year hazardous waste disposal project with Air New Zealand; and a five-month contract with the New Zealand Government's Ministry of Health to process and recycle expired COVID-19 products.

In November 2024, Wellington Electricity commenced essential infrastructure services upgrades in eastern Porirua. This project is intended to enhance the resilience of the electricity network and ensure reliable power to support potential capacity expansions to accommodate housing growth in the area.

Hong Kong and Mainland China Business

In Hong Kong and Mainland China, profit contribution was HK$132 million, a 13% increase over the previous year. A higher profit contribution from the Group's concrete business in Hong Kong was reported.

SOLID FINANCIAL FOUNDATION

CKI's financial platform continued to be solid with cash on hand at HK$8 billion. The net debt to net total capital ratio was a healthy 7.8% as at 31st December, 2024, and an industry low of 47.0% when taking into account the net debt in the infrastructure investment portfolio on a look-through basis. This underlying financial position ensures that the Group has the capability to weather periods of volatility, while also arming it with ample resources for pursuing growth opportunities as they arise.

Standard & Poor's has reaffirmed the Group's credit rating of "A/Stable".

PROGRESSING ON THE SUSTAINABLE PATH

Good progress has been made in the areas of sustainability and decarbonisation across all businesses. The electricity distribution networks in the United Kingdom and Australia have introduced initiatives such as smart grid solutions, electric vehicle charging infrastructure, and seamless integration systems with renewable energy sources. Our gas distribution networks are actively pursuing projects to produce, store, transmit, and distribute renewable gases such as hydrogen and biomethane. EDL has established itself as one of the United States's leading generators of electricity from landfill gas, while Dutch Enviro Energy is one of the largest renewable district heating producers in the Netherlands. Enviro NZ, already one of New Zealand's leading environmental services companies, provides resource recovery and reuse services, captures and converts methane gas into electricity, as well as processes biofuel from wood waste. UK Rails's initiative in utilising green steam to cut freight train emissions and ista's development of a digital data application that promotes responsible heating practices are progressing well. Additionally, Canadian Power's Okanagan wind farms, the solar and wind energy assets in the United Kingdom, along with HK Electric's conversion of coal to gas-fired generation units, are all contributing to the respective communities in which they serve to move towards a more sustainable energy future.

The three United Kingdom acquisitions made in 2024 all bear environmental sustainability elements with two being renewable energy businesses, and one a proponent of biomethane and hydrogen. In addition, ista acquired an electric vehicle charging business, further enhancing the Group's sustainability and decarbonisation initiatives.

The Group will also continue to explore new investment projects in this market sector as opportunities emerge.

OUTLOOK

Global markets continue to be adversely affected by uncertainties and geopolitical tensions. The relatively high interest rate and inflationary landscape continue to persist. While volatility reigns, CKI stands firm as a secure and steady investment proposition.

Our large scale, comprehensive portfolio, strong financial performance, solid fundamentals and good track record have further strengthened us as one of the leading global infrastructure operators. Our businesses are synonymous with financial and operational resilience, good customer service, and innovative projects for the betterment of the communities we serve. We are cautiously optimistic about the prospects of our businesses in 2025 and the years ahead.

Against a challenging macro landscape, CKI and our strategic CK Group partners, CK Asset and Power Assets, who all command strong financials, are in a very strong position and have an edge in securing growth opportunities as they arise.

Fundamental to our growth strategy is financial prudence. We seek to uphold the optimum balance between stability and growth, as evidenced by our continued earnings growth in alignment with a comfortable gearing position. We also do not approach acquisitions with a "must win" mentality.

We are pleased with the satisfying growth which CKI has accomplished, especially amidst 2024's volatile global environment. I would like to thank the Board for their ongoing support, our devoted staff for their contributions and our stakeholders for their continued commitment.

VICTOR T K LI
Chairman

19th March, 2025

GROUP MANAGING DIRECTOR'S REPORT

"The full-year dividend declared for 2024 is HK$2.58 per share, representing the 28th consecutive year of dividend growth since listing in 1996. This makes CKI one of the few listed companies in the world that has sustained a dividend growth of 28 years in a row since listing."

H L KAM
Group Managing Director

2024 – ANOTHER YEAR OF REMARKABLE ACHIEVEMENTS

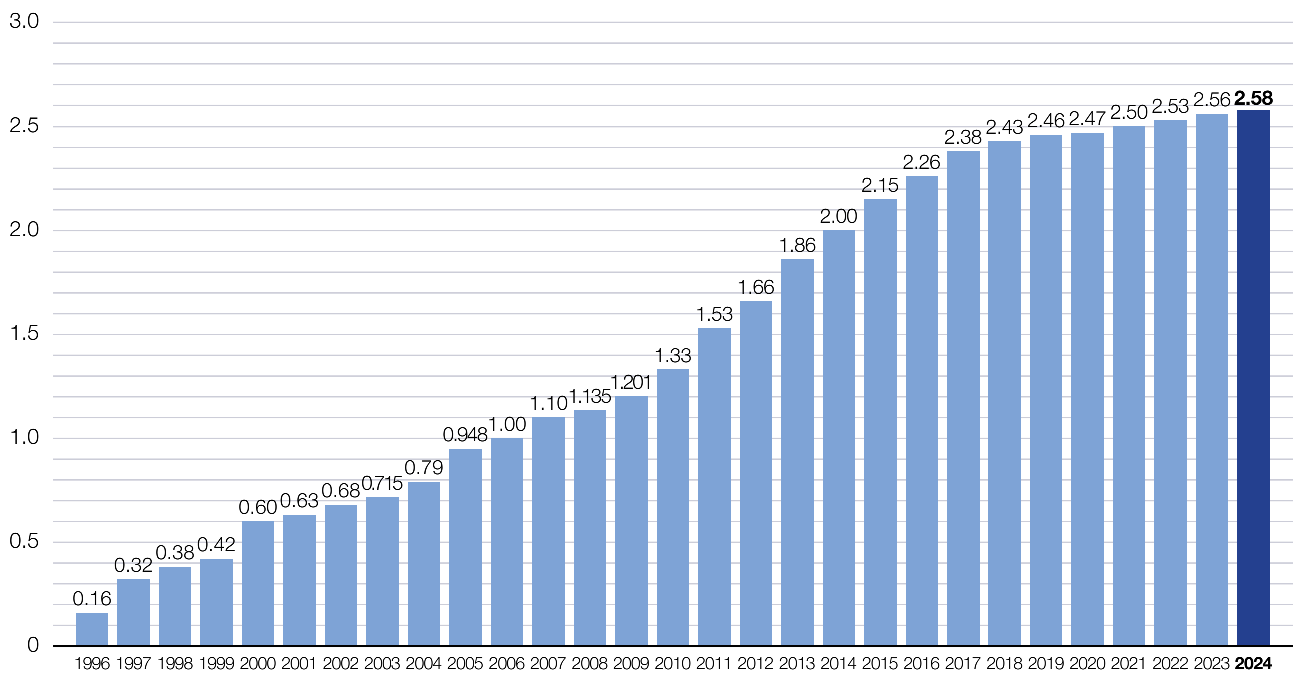
2024 – ANOTHER REMARKABLE YEAR FOR CKI

Despite a turbulent and challenging operating environment in 2024, CKI performed well and notched a number of achievements:

1. **Increased Operational Profit**
   Profit contributions from our global businesses reported a 10% increase over the previous year. This is due to the good performance across our diversified businesses, both regulated and non-regulated.

2. **28 Consecutive Years of Dividend Growth**
   The full-year dividend declared for 2024 is HK$2.58 per share, representing the 28th consecutive year of dividend growth since listing in 1996. This makes CKI one of the few listed companies in the world that has sustained a dividend growth of 28 years in a row since listing.

Dividend per Share since Listing in 1996
(HK$)



3. **Secondary Listing**
   CKI started trading as a secondary listing on the London Stock Exchange in August 2024. The move will help enhance the company's profile and standing in overseas markets, putting us in a better position for future acquisitions.

GROUP MANAGING DIRECTOR'S REPORT

4. **Acquisitions Continued**

In 2024, CKI acquired Phoenix Energy, a gas distribution network in Northern Ireland together with CK Asset and Power Assets. CKI's gas distribution portfolio in the United Kingdom now comprises two gas distribution networks in England, namely Northern Gas Networks and Wales & West Gas Networks, plus a gas distribution company in Northern Ireland.

In addition, CKI's renewable energy assets continued to grow in 2024 with the acquisition of UK Renewables Energy, a portfolio of onshore wind farms operating in the United Kingdom, and Powerlink Renewable Assets, a 68.7 MW portfolio of renewable assets, acquired through UK Power Networks.

All these projects began delivering revenues and secure returns immediately upon completion of transaction.

5. **Celebration of Four Milestone Anniversaries**

Over the years, 28 companies have joined the CKI Family. Now we celebrate the anniversaries of the various acquisitions almost every year. In 2024, three of our member companies, namely Envestra in Australia (now known as Australian Gas Networks), ETSA Utilities in Australia (now known as SA Power Networks) and Park'N Fly Canada celebrated the anniversaries of their joining CKI.

The anniversaries of Envestra investment and privatisation of ETSA Utilities in Australia signify the start of CKI's globalisation and diversification story 25 years ago, and the acquisition of Park'N Fly represents our entry to the transportation infrastructure market in Canada. These milestone anniversaries not only have long-term significances to the growth and development of CKI, the businesses' outstanding performance, tremendous growth and contributions to their respective communities also help realise the mission of CKI Group as a responsible global infrastructure conglomerate, which is why the milestone anniversaries are worthy of celebration.

FOUR MILESTONE ANNIVERSARIES IN 2024

1. **25th Anniversary of Our Initial Investment in Envestra**

During the first few years following our listing in 1996, CKI had built a portfolio of power stations, transportation and infrastructure related businesses in Hong Kong and Mainland China. With an aim to further expand its infrastructure portfolio, CKI pursued a globalisation and diversification strategy. 25 years ago, in 1999, CKI made its first investment in Australia by acquiring a 19.97% stake in Envestra and became one of the two major shareholders of the company. At that time, Envestra was one of the country's largest gas distributors, listed on the Australian Stock Exchange in Sydney.

Looking back, Envestra was a stepping stone that has led to greater success. Through Envestra, we developed our network with local finance professionals and government officials. Then around September of 1999, we were introduced to the privatisation opportunity of ETSA Utilities.

Our initial investment in Envestra in July 1999 paved the way for our privatisation of ETSA in December 1999, which happened only five months later. From then onwards, a series of acquisitions took place in different parts of the world and shaped CKI into what it is today.

July 2024 marked the 25th anniversary of CKI's initial investment in Envestra, the first overseas investment for CKI. Mr. H L Kam celebrated the 25th anniversary with Mr. Craig de Laine, CEO of Australian Gas Infrastructure Group (1st from right, first row).

2. **25th Anniversary of the Privatisation of ETSA Utilities**

We celebrated the 25th anniversary of our privatisation of ETSA Utilities, the sole electricity distributor in the state of South Australia. This is an important acquisition that kickstarted CKI's globalisation journey.

Since the privatisation in December 1999, we have transformed ETSA in many ways:

i Put in resources to improve the network infrastructure and invested in new technology to ensure a stable electricity supply.

ii. Boosted staff morale.

iii. Groomed the local management team and operation workforce. Its workforce has grown from around 1,200 employees in 1999 to nearly 3,000 employees as of today.

iv. In 2012, ETSA was renamed SA Power Networks to reflect the company's mission to serve the state of South Australia.

v. SA Power Networks now commands a Standard & Poor's "A-" credit rating, and ranks number one among Australian electricity distributors in terms of productivity for the past six years according to the Australian Energy Regulator.

ETSA was CKI's first foray into the electricity distribution business. The experience of running an electricity distribution company in Australia set the stage for building a portfolio that currently comprises electricity distribution assets around the globe. From then on, a series of acquisitions has been made:

i. Powercor in Australia in 2000

ii. CitiPower in Australia in 2002

iii. Wellington Electricity in New Zealand in 2008

iv. UK Power Networks in 2010

v. United Energy in Australia in 2017

Now, CKI represents one of the largest electricity distribution businesses in the world.

The ETSA privatisation in December 1999 kickstarted CKI's globalisation journey. At the 25th anniversary celebration dinner held in 2024, Mr. H L Kam held up the internal announcement of ETSA Utilities issued by Mr. Basil Scarsella, CEO of ETSA Utilities in 1999, announcing the successful privatisation by CKI.

3. 10th Anniversary of the Privatisation of Envestra

From 1999 to 2014, CKI remained as the co-largest shareholder of Envestra. In 2014, CKI won the competitive bid to privatise Envestra. Upon the full ownership of the company in 2014, we renamed Envestra as Australian Gas Networks to signify its gas network coverage across the nation.

The initial investment in Envestra in 1999 and its subsequent privatisation 15 years later in 2014 are both significant events worth celebrating and remembering. 1999 was our starting point for entry into the gas distribution industry in Australia, and 2014 was the happy conclusion to our journey with our full privatisation of Envestra.

The privatisation of Envestra placed CKI in a unique position to explore the broader gas industry in Australia. A few years later in 2017, CKI acquired Multinet Gas Networks in Victoria and Dampier Bunbury Pipeline in Western Australia. The new assets were integrated with Australian Gas Networks to form a large-scale Australian Gas Infrastructure Group (AGIG). The move led us to further diversify into the gas transmission industry, building a comprehensive gas infrastructure portfolio in Australia.

Together with Northern Gas Networks, Wales & West Gas Networks and Phoenix Energy in the United Kingdom under our wing, CKI is now one of the largest gas transmission and distribution asset owners in the world. It all started with the seed sowed in 1999 when we made our initial investment in Envestra.

Mr. H L Kam celebrated the 10th anniversary of Envestra privatisation in 2024 with the Envestra employees who had stayed with the company since 2014 until now.

4. 10th Anniversary of Park'N Fly

Park'N Fly Canada joined the CKI Family in 2014. Park'N Fly is a transportation project in Canada, marking the further diversification of the Group's businesses. Its nature is non-regulated and non-traditional infrastructure, but its business model brings about recurring cash flow, which fully aligns with our investment principle.

Over the years, Park'N Fly has grown to be the most prominent national player in the off-airport parking sector. Through an unwavering dedication to customer service and a relentless pursuit of excellence, the company has developed into a major off-site parking provider serving seven cities including Vancouver, Edmonton, Winnipeg, Toronto, Ottawa, Montreal, and Halifax, a truly 'from coast to coast' off-airport car park solution across Canada.

The company experienced a downturn during the COVID-19 pandemic. After the travel restrictions were lifted, Park'N Fly's business gradually picked up and in the recent two years, the company has performed remarkably well. With the support of CKI, Park'N Fly has weathered the storm and is poised to reach new heights.

2024 marked the 10th anniversary of Park'N Fly Canada joining the CKI Family. Park'N Fly is a transportation project in Canada that signifies the further diversification of CKI's businesses.

GLOBAL DEPLOYMENT STRATEGY DRIVES CONTINUOUS DIVIDEND GROWTH

With more than two decades of globalisation and diversification, our footprint now covers a wide range of businesses beyond the electricity and gas industries, and stretches across different continents.

It is notable that all our businesses are financially viable and resilient. This key feature of our growing portfolio is the strong backbone that has enabled us to maintain a 28-year dividend growth trajectory. Our solid financial performance allows us to share our stable returns with our shareholders.

It is one of our stated goals to make the world a better place through different types of infrastructure investments and developments all across the world. We are grateful to have the privilege to live our mission through the years, and that our shareholders, stakeholders, and colleagues are able to join us for this remarkable journey. We are committed to building a better world, with infrastructure as a force for good.

H L KAM
Group Managing Director

19th March, 2025

LONG TERM DEVELOPMENT STRATEGY

CKI is one of the world's largest global infrastructure companies with diverse businesses across different sectors around the world.

Through globalisation and diversification, CKI's portfolio now spans Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada, and the United States. Currently, its operations include electricity generation, transmission and distribution; gas transmission and distribution; transportation; water treatment and distribution; waste management; waste-to-energy; household infrastructure; as well as infrastructure materials manufacturing.

The Group has an effective set of strategies for continued growth and development:

1. TO DRIVE VALUE FROM THE GROUP'S EXISTING PORTFOLIO

CKI strives to drive organic growth and value creation from its existing portfolio. There are significant capital deployment opportunities within our existing portfolio, as businesses such as energy and water networks require investment to accommodate the changing landscape, including to support the ongoing energy transition. Innovations and synergies across the Group help us to learn from experiences and implement global best practices across our businesses, which helps to drive further value creation. CKI's head office sets targets, provides guidance and support, and works with local management to address challenges and optimise business performance.

2. TO EXPAND THE GROUP'S PORTFOLIO BY ACQUIRING QUALITY BUSINESSES WITH STRONG AND RECURRENT RETURNS

When studying a potential acquisition, CKI focuses on the fundamentals of the target and adopts a value-add approach. Even as the infrastructure sector has become intensely competitive, CKI never adopts a "must-win" mindset in a bidding situation. Stringent investment criteria must be met which in turn, maximise risk-based returns and provide stable recurring cashflows. The Group seeks investments in industries where it can capitalise on existing knowledge, and favours countries that have established legal systems and transparent regulatory regimes. CKI's global footprint and strong local management teams also position us well to originate and execute on growth opportunities, in both existing and adjacent markets or industries. Our investment philosophy and local market knowledge ensure that we are disciplined and experienced when evaluating growth opportunities, so that we can maintain a high performing and resilient portfolio of assets.

3. TO MAINTAIN A STRONG BALANCE SHEET WITH STEADY CASH FLOW AND LOW GEARING

A strong balance sheet provides a stable platform to support the Group's future growth. As at 31st December, 2024, CKI had cash on hand of HK$8 billion, and gearing remained low at a net debt to net total capital ratio of 7.8%. CKI enjoys low funding cost with a Standard & Poor's "A/Stable" rating. The Group aims to preserve this financial strength to ensure it can opportunistically pursue acquisitions.

4. TO CONTINUE OUR SUSTAINABILITY JOURNEY

We look to continue to play a leading role both by evolving strategies in our existing portfolio companies and by investing in the critical new infrastructure that is needed to create the net zero energy systems of tomorrow. Through our infrastructure, we strive to create enduring, sustainable value for our stakeholders.

CORPORATE CULTURE

As a global infrastructure company, CKI owns and operates a portfolio of quality infrastructure businesses around the world. The Group endeavours to enhance these businesses' service offerings and efficiency, while constantly striving to maintain assets in the best possible condition to be fit for purpose. CKI promotes a spirit of service for the community amongst staff members. The Group also fosters a corporate culture that puts strong emphasis on health and safety, and encourages creativity, diversity and innovation across all levels. Responsible workplace policies and practices that reflect the purpose, values and strategic direction of the Group in alignment with our established culture are in place in all member companies.

AWARDS

CK Infrastructure

Hong Kong Institute of Financial Analysts and Professional Commentators
- Outstanding Listed Company Award 2024

IJInvestor Awards 2024
- Utilities Acquisition of the Year

Northumbrian Water Group

Utility Week Awards
- Collaborative Excellence Award
- Innovation Award – Water

Ethisphere Institute
- World's Most Ethical Companies List

North East Chamber Business Awards
- People and Work Business of the Year

British Chamber Business Awards
- People and Work Business of the Year
  – National Winner

Northern Power Women Awards
- Large Business Category – Winner

Chartered Institute of Public Relations (CIPR) Excellence Awards
- Best Long-term Campaign – Winner

Water Industry Achievement Awards
- Leakage Initiative of the Year – Winner

The Forum Awards
- Partnership Awards

Digital Internal Communication Awards
- Best Use of Internal Social Channels – Winner
- Best Change Strategy – Highly Commended

UK Power Networks

International Energy Awards
- International Energy Engagement Award

Utility Week Flex Awards
- Energy Network of the Year
- Flexibility Pioneer of the Year

Best Big Company to Work For
- Second in the UK
- Best Improver Award
- Best Leader Award

The Institute of Customer Service
- UK Customer Satisfaction Index
  – The Best in the UK (Utilities Sector)
- TrainingMark Certification

UK National Contact Centre Awards
- Best Approach to Supporting Vulnerable Customers – Silver Winner

National Technology Awards
- Energy and Utilities Project of the Year
- Best Enterprise Tech Project

Energy & Utility Skills Awards
- Training Provision of the Year Award

The Energy Awards
- Digital Innovation of the Year

Digital Impact Awards
- Best Use of Digital from the Energy and Utilities Sector – Bronze Award

British Data Awards
- BI Solution of the Year

Women in Green Business Awards
- Diversity and Inclusion Strategy of the Year

Digital Communication Awards
- LinkedIn Campaign – Winner

Utility Week Awards
- Customer Experience Award

Northern Gas Networks

Energy & Utility Skills Awards
- Skills Collaboration Initiative of the Year Award

Wales & West Gas Networks

The Royal Society for the Prevention of Accidents Health and Safety Awards
- Gold Award
- President's Award

Gas Industry Awards
- Business Innovation Award
- Safety Award

The CIPD Awards in Wales
- Best Equality, Diversity and Inclusion Initiative

Society of Occupational Medicine Occupational Health Awards
- Outstanding Contribution by an Employer to Workplace Health and Wellbeing Award

Phoenix Energy

Great Place to Work
- Great Place to Work Certified Company (UK)

GRESB Infrastructure Asset Assessment
- 5-star Rating

British Standards Institution (BSI)
- Inclusive Service Kitemark

Business In the Community Northern Ireland
- Northern Ireland Environmental Benchmarking Survey – Platinum Level
- Business & Biodiversity Charter – Silver Award

UK Rails (Eversholt Rail)

The Golden Spanner Awards
- Golden Spanner for Class 185 Fleet

London North Eastern Railway (LNER)
- LNER Legends Award

AWARDS

SA Power Networks

2024 Clean Energy Council Awards
- Collaboration Award

Project Management Achievement Award (South Australia)
- ICT/Telecommunications Project – Winner
- Small Project – Winner

Red Hat APAC Innovation Awards
- Digital Transformation and Automation Category – Winner

ONCON Icon Awards
- Top 50 Information Security Team Award

Victoria Power Networks

2024 Clean Energy Council Awards
- First Nations Engagement and Participation Award

Enviro NZ

Institute of Chemical Engineers (IChemE) Awards 2024
- Sustainability Award Australasia – Winner
- Sustainability Award Global – Highly Commended

Australian Gas Infrastructure Group

Australian Pipelines and Gas Association Annual Awards
- APGA Safety Award 2024

Australian Service Excellence Awards
- Customer Service Project of the Year – Customer Impact – Service Champion

Society of Chemical Industry (SCI)
- Plant of the Year Award – Highly Commended

Shared Value Awards
- Shared Value Innovation Award

GoodCompany Awards
- Top 40 Best Workplaces to Give Back

Wellington Electricity

New Zealand Energy Excellence Awards*
- Energy Project of the Year

* The project team of Kāinga Ora Renewable Energy and Multiple Trading Trial, including Wellington Energy, received the award.

ista

ADC Award
- Digital Experience – Creative Use of Data

German Prize for Online Communication (DPOK)
- Energy & Environment Category – Winner
- Website Category – Winner

Digital Communication Awards
- Website (Corporate, Microsite, Career) Category – Winner

German Brand Summit
- Integrated Communication Award

PR Report Award
- Sustainability and CSR Category – Winner
- Media Relations Category – Winner
- KI and technology-based communication Category – Winner

German Award for Sustainability Projects
- Online Platform Category – Winner

Annual Multimedia Award
- Best Use of Data & KI – Gold Award

Reliance Home Comfort

Waterstone Human Capital
- Canada's Most Admired Corporate Cultures Award

Great Place to Work
- Great Place to Work Certified Company (Canada)

The Herald-Tribune
- Sarasota Herald-Tribune Top Workplaces

HR Awards
- Most Effective Recruitment Strategy – Excellence Award
- Best Talent Management Strategy – Excellence Award

Simcoe County Home Builders Association
- Awards of Creative Excellence – Supplier of the Year

HomeStars
- Best of Award – Winner

United Way Waterloo Region Communities
- Spirit of Community Award

Alliance Construction Materials

Hong Kong Construction Association (HKCA) Construction Safety Awards
- Proactive Safety Contractor Award

Hong Kong Occupational Safety & Health Award (SME Category)
- Safety Performance Award – Outstanding Award
- Rookie Safety Performance Award – Excellence Award

Hong Kong ESG Reporting Awards
- Best Sustainability Report for Non-listed Companies – Commendation

HKCA Hong Kong Construction Environmental Awards
- Environmental Merit Award

Hong Kong Awards for Environmental Excellence
- Certificate of Merit

Green Island Cement

Hong Kong Occupational Safety & Health Award (All Industries Category)
- Safety Performance Award – Outstanding Award

Occupational Health Award
- Joyful @ Healthy Workplace Best Practices Award (Enterprise / Organisation Category) – Grand Award

BOCHK Corporate Low-Carbon Environmental Leadership Awards
- Manufacturing Sector – Silver Award
- Sustainable Business Award

Employees Retraining Board Manpower Developer Award Scheme
- Manpower Developer 2014 – 2025

Investment in
POWER ASSETS

Infrastructure Investments in
UNITED KINGDOM

Infrastructure Investments in
AUSTRALIA

Infrastructure Investments in
NEW ZEALAND

Infrastructure Investments in
CONTINENTAL EUROPE

Infrastructure Investments in
CANADA

Infrastructure Investments in
HONG KONG AND MAINLAND CHINA

BUSINESS REVIEW

Investment in

POWER ASSETS

The Power Assets Group is a global investor in power generation, transmission and distribution, gas transmission and distribution, as well as oil storage and transmission across four continents in nine markets – namely the United Kingdom, Australia, Hong Kong, Mainland China, the Netherlands, New Zealand, Thailand, Canada and the United States.

The Power Assets Group ("Power Assets") continued to perform well in 2024 backed by its sound portfolio of energy and infrastructure-related businesses globally. Underpinned by a strong financial foundation, the resilience of Power Assets in the face of volatile markets has allowed it to continue expanding its portfolio, while ensuring the optimised performance of its existing businesses.

In Hong Kong, HK Electric continued to deliver stable returns and achieved a world-class supply reliability of over 99.9999% in 2024. During the year, a new 380 MW gas-fired combined-cycle generating unit (L12) was commissioned and two coal-fired units were retired. This took the company's gas-fired generation to around 70% of total output. These steps continue to support the company's target of fully phasing out coal-fired generation by 2035 in support of the Hong Kong Government's target of achieving 50% decarbonisation by 2035 from a 2005 baseline.

The United Kingdom is Power Assets's largest market of operation. In 2024, its strong performance in this market was further boosted by a number of acquisitions. These included Phoenix Energy, which operates under a regulatory framework as Northern Ireland's largest natural gas distribution network; UK Renewables Energy, which consists of 32 wind farms in England, Scotland and Wales; and Powerlink Renewable Assets, a portfolio of 70 renewable generation assets acquired by the non-regulated business of UK Power Networks. During the year, Power Assets's existing businesses in the country also performed strongly. UK Power Networks retained Ofgem (the Office of Gas and Electricity Markets)'s top ranking for Distribution System Operators, rewarding its outstanding customer service. With preparations ongoing for the RIIO-GD3 price control period (2026-2031), Northern Gas Networks and Wales & West Utilities are planning measured capital investment to improve their networks; new hydrogen and green projects are also being pursued. Seabank Power also achieved operation targets for availability, efficiency and start-up performance, with revenues remaining stable.

In Australia, businesses continued to introduce upgrades and initiatives to reinforce their performance and reliability, as well as to further decarbonise operations. Victoria Power Networks's subsidiary Powercor received a licence for transmission structure in its current distribution footprint, helping to lower costs and accelerate connections for major solar and wind generation projects. Under the Australian Gas Infrastructure Group, Australian Gas Networks enhanced gas supply security through the Gawler Gate Station project, while Multinet Gas Networks made satisfactory progress on its mains replacement and information technology programmes. United Energy continued to deliver stable returns under its regulatory framework, while the Dampier Bunbury Pipeline outperformed reliability targets. SA Power Networks received the draft decision for the 2025-2030 regulatory reset, laying the foundations for assured returns for the next five years, while also becoming Australia's first electricity distributor to issue a certified green bond to the market. Energy Developments (EDL) similarly continued supporting decarbonisation thanks to its renewable natural gas plants at Limestone and Lorain.

The Canadian businesses maintained satisfactory performance. The positive overall market for crude oil saw Canadian Midstream Assets benefit through customers' increased production and higher throughput volumes. Meanwhile, Canadian Power successfully renewed the power purchase agreements with the customers of its Meridian Cogeneration Plant, continuing to supply cost-effective and reliable electricity to the economic hub of Northwest Saskatchewan.

Dutch Enviro Energy in the Netherlands entered the final stages of reconstruction works for the Rozenburg energy-from-waste plant after it was damaged in a fire. All seven incineration lines are now re-commissioned.

In New Zealand, Wellington Electricity maintained stable operations and continued to provide steady cashflow.

Likewise, Ratchaburi Power Plant in Thailand reported good results, with the national offtaker – the Electricity Generating Authority of Thailand – providing guaranteed returns.

In Mainland China, the Jinwan co-generation power plant continued to generate stable profit contribution, while the Dali and Laoting wind farms helped their respective provinces avoid a significant total of 88,000 tonnes of carbon emissions.

Infrastructure Investments in

UNITED KINGDOM

In the United Kingdom, CKI has investments in electricity and gas distribution, water and wastewater services, electricity generation as well as railway rolling stock. These investments include UK Power Networks, the electricity distribution network operator that serves London, South East England and the East of England; Northern Gas Networks, a gas distribution business that serves the northern area of England; Wales & West Gas Networks, a gas distribution business that serves Wales and South West England; Phoenix Energy, the largest natural gas distribution network in Northern Ireland; Seabank Power, an electricity generation plant located near Bristol; Northumbrian Water, a water supply, sewerage and wastewater company that serves the North East and provides water supply to certain areas in South East England; UK Rails, one of the major rolling stock leasing companies in the United Kingdom; and UK Renewables Energy, a portfolio of operating onshore wind farms in the United Kingdom.

UK Power Networks Services, a non-regulated business of UK Power Networks, acquired Powerlink Renewable Assets (previously known as UU Solar). The portfolio comprises 70 renewable generation assets, including 65 solar photovoltaic, four onshore wind and one hydro generation assets.

UK POWER NETWORKS

UK Power Networks owns and maintains electricity networks across London, the South East and the East of England. The company's network is approximately 192,000 kilometres in length and covers an area of over 29,000 square kilometres, serving 9 million homes and businesses. The company also has a non-regulated business – UK Power Networks Services – which designs, builds, owns and operates private networks for both public and private sector clients.

During the year, UK Power Networks completed a transaction to acquire Powerlink Renewable Assets (previously known as UU Solar), a 68.7 MW portfolio of renewable assets, for an enterprise value of £90.8 million. The transaction was made through UK Power Networks Services, a non-regulated business of UK Power Networks. The portfolio comprises 70 renewable generation assets, including 65 solar photovoltaic, four onshore wind and one hydro generation assets. The majority of the renewable electricity generated from these assets is supplied to the facilities of United Utilities Water Limited, a regulated water and sewerage company in the United Kingdom, with the excess exported to the grid. UK Power Networks will leverage its extensive experience to create synergy between Powerlink Renewable Assets and UK Power Networks's other existing business, supporting its work in offering sustainable energy solutions and building resilient electricity supply for customers.

The outstanding performance of UK Power Networks continued to be recognised through a plethora of awards. These included the prestigious Energy Network of the Year award at Utility Week's inaugural Flex Awards, which also awarded the Flexibility Pioneer of the Year accolade to celebrate the company's pioneering Distribution System Operator ("DSO"). The company's DSO was also awarded £8.84 million after receiving the highest scores nationwide in both the stakeholder survey and panel assessment of Ofgem (the Office of Gas and Electricity Markets).

During the year, the UK Power Networks DSO facilitated the network to become the first to offer "day-ahead flexibility" at distribution level. The DSO awarded flexibility contracts to the country's biggest generator of zero carbon electricity to begin a trial paying electric vehicle ("EV") owners for allowing their vehicles to be used to balance the grid during times of very high or very low demand on the network. This flexibility not only contributes to grid reliability, it also delivers value to both customers and the grid.

UK Power Networks also continued to receive external acclaim as a standout employer, retaining its second ranking at the UK's Best Big Company to Work For by Best Companies in 2024. It also earned the Best Improver and Best Leader awards in recognition of the company for taking "workplace engagement seriously" and for continuing to "put their people at the forefront of all they do". UK Power Networks also earned the International Energy Engagement Award at the International Energy Awards by the Energy Institute – continuing to be the only utility company to be named as one of the Top 50 in the UK Customer Satisfaction Index by the Institute of Customer Service.

Supporting approximately £800 million of upgrades in the electricity network across London, the South East and the East of England in 2024, UK Power Networks has invested in projects such as (i) the new 132,000-volt underground cables boosting the capacity and reliability of power supplies which serve 190,000 properties across Bedfordshire and Cambridgeshire; as well as (ii) new cabling delivering power to heat and light homes in Worthing and Steyning. These upgrades not only increase network capacity and resilience, but also enable more low carbon electricity generation to be fed into the grid. As homes and businesses continue to connect to renewable energy, these upgrades help to further the critical role played by UK Power Networks in future-proofing local supplies, contributing to the United Kingdom's transition to a net zero economy.

UK Power Networks also secured £25 million in grants from the Ofgem Strategic Innovation Fund for large-scale trials of three projects. SHIELD supports low-income households' net zero transition through solar panels, battery storage solutions and heat captured from mini data centres at participants' homes. CReDo+ builds resilience and identifies risks through secure data sharing and establishing a "digital twin", while Heatropolis, a decarbonisation trial harnessing local heat networks, allows community heat networks to support wider electricity networks.

UK Power Networks has set a target of achieving net zero by 2040. In October 2024, this target has been validated by the Net-Zero Standard of the Science Based Targets initiative (SBTi) which requires businesses to aim for at least 90% reduction in long-term emissions. UK Power Networks has set 2019 to be the baseline year.

The Utility Week's inaugural Flex Awards named UK Power Networks "Energy Network of the Year" as well as "Flexibility Pioneer of the Year", the latter for the company's pioneering DSO.

As for the non-regulated UK Power Networks Services, after more than 20 years partnering High Speed 1, the rail line between London and the Channel Tunnel, it modernised the supervisory control and data acquisition (SCADA) system through prescriptive analytics and remote monitoring of electrical assets. These upgrades not only ensure the safety, 99.99% network availability, and 24/7 reliability of power supply to trains serving 26 million passengers, but also optimise the network to allow remote interaction with the rail line's electrical infrastructure, minimising trackside works.

NORTHUMBRIAN WATER

Northumbrian Water is one of ten regulated water and sewerage companies in England and Wales. The company operates approximately 26,400 kilometres of water mains and 30,250 kilometres of sewers, providing water and wastewater services to 2.7 million people in North East England, as well as supplying drinking water to 1.8 million people in South East England.

In addition to regulated businesses, Northumbrian Water's operations include Kielder Reservoir, the largest man-made reservoir in northwestern Europe; and a portfolio of long-term water and wastewater contracts in Scotland and Ireland.

At the prestigious Utility Week Awards, Northumbrian Water's creative projects earned the accolade of Innovation Award – Water. Meanwhile, the Collaborative Excellence Award recognised the company's world-class integrated efforts working alongside supply chain partners to address water pollution, as well as to provide efficient and resilient services. Additionally, Northumbrian Water has been named one of the World's Most Ethical Companies by the Ethisphere Institute for the 13th time, the only water company in the world to achieve this milestone.

The company's public relations work has also been presented with the Best Long-term Campaign award by the Chartered Institute of Public Relations (CIPR). At the Digital Internal Communication Awards,

Northumbrian Water has been named one of the World's Most Ethical Companies by the Ethisphere Institute for the 13th time, the only water company in the world to achieve this milestone.

Northumbrian Water's public engagement work was honoured with highly commended for Best Change Strategy and was the winner of the Best Use of Internal Social Channels.

In 2024, Northumbrian Water commenced work on a groundbreaking smart sewer project, using artificial intelligence (AI) and smart sensors to reduce spills caused by storm overflows. This revolutionary £20 million project is the first of its kind in the country. It harnesses AI analytics to predict the timing and location of rain and the resultant sewer network spillages in the region. This data allows changes to be made to the flow and direction of wastewater, so as to protect homes from internal flooding. The technology also provides valuable information on where additional sewage capacity is most needed, optimising further targeted investments for alternative rainwater storage. The company has also launched a novel interactive digital Storm Overflow Map, sharing up-to-date overflow and discharge information with the community. Supported by such ongoing work and the company's broader £1.7 billion investment programme on improving the environment, Northumbrian Water's Sewer Flooding Tactical Plan

(SFTP) has cut internal sewer flooding by 69% since 2020. This performance positions the company as the sector leader on preventing internal sewer flooding.

Supporting a plethora of exciting new innovation projects, Northumbrian Water was awarded a total of over £10 million worth of funding from Ofwat's Water Breakthrough Challenge initiative. The funds will finance four projects targeting overhauls to wastewater operations and customer service. These projects include (i) the River Deep Mountain AI project, which aims to ameliorate the health of local seas and rivers through digital models using data from AI tools; (ii) the Pipebot Patrol development of a sewer inspection robot which can flag precise blockage locations; (iii) the METREAU project, which will pioneer microbial electrochemical technology deployment for commercial wastewater treatment, reducing energy use and carbon footprint; and (iv) the Support for All project developing a one-stop approach solution for vulnerable customers with priority service needs.

As part of Northumbrian Water's ongoing investment, a host of network upgrades have been carried out and completed throughout the year. Notably, work continued on the major £155 million "Project Pipeline" to upgrade the water pipeline running from the company's treatment facility in County Durham to the network serving Tees Valley. Phase 1 work around Barnard Castle also progressed well, while construction on Phase 2 linking Gainford with Stockton-on-Tees is set to run from mid-2025 until 2028. The total of 57 kilometres of new water mains laid by the project is expected to provide reliable, resilient water supplies to some 200,000 customers in the North East of England.

NORTHERN GAS NETWORKS

Northern Gas Networks is a gas distribution company that serves the northern area of England. The network comprises more than 37,000 kilometres of gas distribution pipelines which stretch from northern Cumbria to the North East, including much of Yorkshire, covering large cities as well as rural areas. It transports approximately 13% of the nation's gas, serving a population of 6.7 million.

Northern Gas Networks was named winner of the Skills Collaboration Initiative of the Year Award at the Energy & Utility Skills Awards. The accolade recognises the creation of the innovative Training Terrace facility in York, a purpose-built street designed to simulate real-life emergency gas incident scenarios, where courses on handling emergency gas incidents can be delivered as close to real life settings as possible.

During the year, Northern Gas Networks maintained its frontier position for efficiency and continued to deliver consistently high levels of customer satisfaction, achieving an average overall score of 9.26 out of 10 in the Ofgem independent survey.

In terms of operations, Northern Gas Networks continued to carry out works to modernise the gas network, and the company exceeded targets for replacing Tier 1 gas mains and service pipes.

Work to support the most disadvantaged communities in Northern Gas Networks's region remained a core focus, and a landmark programme – "Warm Homes, Healthy Futures" – was launched. This programme is a collaboration effort amongst National Energy Action and Great Britain's gas distribution networks to tackle fuel poverty and improve health for tens of thousands of people across the country.

In the area of hydrogen, Northern Gas Networks submitted a funding application to Ofgem in April for conducting a Front End Engineering Design ("FEED") study for the East Coast Hydrogen project.

East Coast Hydrogen plans to use the existing gas distribution and transmission networks to connect planned hydrogen production and storage facilities with industrial and large commercial users of gas over the next 15 years. These initiatives will not only support industrial decarbonisation but also create jobs and secure investments for the region.

The FEED study is the natural next step in enabling Northern Gas Networks to start repurposing and constructing its infrastructure, and to understand how a hydrogen network can be operational in time to meet the government's net zero targets. Northern Gas Networks expects to receive an indication from Ofgem on the application's success early in 2025.

Northern Gas Networks maintained its frontier position for efficiency and continued to deliver consistently high levels of customer satisfaction, achieving an average overall score of 9.26 out of 10 in the Ofgem independent survey.

Northern Gas Networks has also been working alongside Teesside University and Frazer-Nash Consultancy in running the Production and Long-Term Containment of Hydrides (PATCH) project. This project will provide research for (i) understanding the market in regards to the reduction of energy requirements by using hydrides – chemicals composed of hydrogen and one or more other elements, which can potentially be used as a safe storage medium for the gas; as well as (ii) connecting the production of hydrides to industrial hubs.

Northern Gas Networks's hydrogen infrastructure sister company, N-Gen Energy Solutions, has worked in collaboration with hydrogen specialist Hygen on Bradford Low Carbon Hydrogen (BLCH), the largest green hydrogen project to be approved for funding via the United Kingdom Government's first hydrogen allocation round. BLCH will be located at the Birkshall gas storage site in Bradford and will include on-site refuelling facilities for vehicles. The facility will be available to commercial and other users in West Yorkshire and is set to be completed in 2027. Around 24.5 MW (12.5 tonnes daily) of hydrogen will be generated through electrolysis, using renewable electricity. This would be enough to power 800 diesel-fuelled buses. Green hydrogen distribution experts Ryze will also be able to deliver hydrogen generated at the facility to industrial users across the region.

WALES & WEST GAS NETWORKS

Wales & West Gas Networks is the ultimate holding company of Wales & West Utilities, one of eight gas distribution networks in the United Kingdom. The company has 2.6 million supply points and a pipeline network of over 35,000 kilometres. It serves an area of 42,000 square kilometres and a population of 7.5 million across Wales and South West England.

In December, Wales & West Gas Networks laid out its plans for the next five-year investment period – RIIO-GD3 (2026-2031). Delivering the highest standards of safety and service is central to the five-year plan. In the current price control period, the company has consistently exceeded regulatory targets for emergency responses, and consistently

Reflecting its continuous dedication to meeting the highest safety standards, Wales & West Gas Networks was awarded its 11th consecutive Gold RoSPA (Royal Society for the Prevention of Accidents) award.

achieved an annual customer service satisfaction score of in excess of nine out of ten. The plan for the new period builds on its strong track record during RIIO-GD2 of maintaining the network and achieving over 99.97% of network reliability. Plans have also been set out for the RIIO-GD3 price control to harness current capacity of the 21 biomethane plants which are connected to the network as well as to support hydrogen blending. These plans would reduce the company's methane emissions by 16%.

Reflecting its continuous dedication to meeting the highest safety standards, Wales & West Gas Networks was awarded its 11th consecutive Gold RoSPA (Royal Society for the Prevention of Accidents) award. The company also earned commendation for ensuring employee well-being. This included its Living Wage accreditation, which recognises the company as a real living wage employer offering flexible benefits and paying well above the living wage. Meanwhile, Wales & West Gas Networks was also awarded the Outstanding Contribution by an Employer to Workplace Health and Wellbeing award at the Society of Occupational Medicine's Occupational Health Awards. This award celebrates the culture of psychological safety and mental health at the company's workplace.

Wales & West Gas Networks has continued to accelerate its innovation in a wide variety of energy system transition projects. During the year, the company announced that it would lead a project, NextGen Electrolysis, to demonstrate the use of contaminated industrial wastewater to produce green hydrogen. Typical green hydrogen production requires highly purified water. This project will develop a new electrolyser which can remove water pollutants, significantly reducing both energy input and financial cost when producing green hydrogen. The project is funded by the Ofgem Strategic Innovation Fund and builds on earlier stage work which developed the concept at laboratory scale.

Another trial Wales & West Gas Networks participated in during the year showcased a first-of-its-kind hydrogen powered van which covered 2,000 kilometres over four weeks. Conventional battery electric vehicles (BEVs) suffer battery degradation in very cold or very hot climates, reducing their range by up to 40%. The new fuel cell vehicle completes demanding duties without compromise in temperatures as low as 2°C.

Wales & West Gas Networks also secured funding through the Ofgem Strategic Innovation Fund for two projects addressing the storing of clean hydrogen. These include the Aquifer project, which explores using aquifer structures as large scale hydrogen storage to reduce cost and contamination risk. Meanwhile, the Advanced Low Carbon Hydrogen Energy Management project harnesses waste biomass as feedstock for an innovative electrolysis technology. The company also finalised a re-opener application to Ofgem under its licence for £30 million for a FEED study and associated project work over three years, in support of the Hyline Cymru hydrogen pipeline. This 130 kilometres pipeline is poised to transport wind-powered green hydrogen produced in the Celtic Sea to South Wales.

PHOENIX ENERGY

Upon acquisition completion in April 2024, a consortium including CKI, CK Asset and Power Assets, owns a 100% interest in Phoenix Energy, the largest natural gas distribution network in Northern Ireland. The company's pipeline network extends across over 4,000 kilometres and covers 78% of gas connections in Northern Ireland. It serves over 350,000 properties and 48% of the population, including Greater Belfast.

During the year, Phoenix Energy led a series of pilot projects with industry partners to evaluate the regional performance of hybrid heating systems, i.e. combining the reliability of a gas boiler with the efficiency of a heat pump across a range of housing types. The trial activity explores the potential for hybrid heating solutions to support the decarbonisation of domestic heating, within an increasingly integrated energy system, providing programmatic, cost-effective consumer solutions.

Phoenix Energy also launched the Carbon Reduction Grant, which supports homes in Northern Ireland that use oil or solid fuel to heat their homes to switch to natural gas. The company's natural gas systems are up to 50% less carbon-intensive than old oil-fuelled heating. The grant provides £400 in cash rebates to households with total annual income under £55,000. The scheme facilitates Northern Ireland in its net zero pathway by switching to gas. The company also continues to establish market and regulatory frameworks to scale up the introduction of renewable gases, including biomethane and hydrogen, into its modern polyethylene pipe network.

Phoenix Energy's Environmental, Social and Governance (ESG) credentials have been recognised by its 5-star rating and a score of 99% in the GRESB Infrastructure Asset Assessment. In addition, the company became the first Northern Ireland utility operator to be awarded the Inclusive Service Kitemark by the British Standards Institution (BSI). The certification verifies the company's support rendered to customers in vulnerable situations.

Upon acquisition completion in April 2024, a consortium including CKI, CK Asset and Power Assets, owns a 100% interest in Phoenix Energy, the largest natural gas distribution network in Northern Ireland.

In December 2024, Phoenix Energy was reaccredited with the Great Place to Work certification, an independent certification that recognises employers who create an outstanding employee experience.

SEABANK POWER

Seabank Power is the owner and operator of a combined cycle gas turbine power plant located near Bristol in the South West of England. The power plant's total generating capacity is approximately 1,140 MW.

During the year, the final stages of design review were on schedule and in line with budget for the £23 million upgrade of Seabank Power's distributed control system (DCS). The project is on track to be delivered during the planned maintenance outage period in 2025 for Module 1, and in 2026 for Module 2.

UK Rails leases regional, commuter and high-speed passenger trains on long-term contracts to train operating companies, as well as freight locomotives to freight operating companies.

UK RAILS

UK Rails is one of the major rolling stock leasing companies in the United Kingdom. The company leases regional, commuter and high-speed passenger trains on long-term contracts to train operating companies, as well as freight locomotives to freight operating companies. UK Rails' rolling stock portfolio consists of 19 different fleets of passenger trains comprising 83 freight locomotives and over 2,700 passenger vehicles – including 2,000 electric-powered and 236 bi-mode vehicles. It also leases two depots.

At the annual Golden Spanner Awards, the UK Rails Class 185 fleet was presented with a Golden Spanner, recognising the fleet as the most reliable in its category. The company was also commended by its customer, London North Eastern Railway (LNER), through the LNER Legends Award, in recognition of the support provided over the years by UK Rails on their IC225 fleet.

It was announced that UK Rails will be investing in upgrading the Class 170 fleet leased to East Midlands Railway. The trains will be extensively refreshed, with CCTV and new passenger information systems installed, as well as new foams and covers applied to seats. All of the work entailed will take place in the United Kingdom, significantly boosting the domestic supply chain.

UK Rails also completed upgrades to its Class 375 fleet of 112 trains, which are leased to Southeastern. The £10 million investment refreshes the fleet with new LED lighting, and newly installed at-seat USB power sockets allowing passengers to be plugged in on the move. Energy metering is also in place to maximise energy efficiency and reduce costs. A new contract was signed in December 2024 with Southeastern and Alstom, to carry out an extensive interior and exterior refresh of UK Rails Class 376 fleet to enhance customer comfort and improve operational efficiency. The company has also continued to progress well in a £27 million refurbishment programme of its Class 395 Javelin train fleet, which is also leased to Southeastern. Maintenance of the fleet will continue in 2025.

During the year, UK Rails continued the concept and design work to evaluate the use of green steam to eliminate freight train emissions. The concept involves the replacement of the locomotive diesel engine with steam generators to produce high pressure steam to turn turbines to power the vehicle. During 2025, UK Rails will continue to work with its supplier and freight customers to develop the design, safety case, and business case to progress a demonstrator unit conversion.

In August 2024, a consortium comprising CKI, CK Asset, and Power Assets entered into an agreement to acquire, UK Renewables Energy, a portfolio of operating onshore wind farms in the United Kingdom.

UK RENEWABLES ENERGY

In August 2024, a consortium comprising CKI, CK Asset, and Power Assets entered into an agreement to acquire a portfolio of operating onshore wind farms in the United Kingdom. Comprising 32 wind farms located in England, Scotland and Wales totalling 175 MW in installed capacity and 137 MW in net attributable capacity, the portfolio was named UK Renewables Energy after acquisition completion.

The portfolio has started to provide returns, stable cashflows and recurring profit contributions upon transaction completion. Earnings are mainly generated from (i) inflation-linked government subsidies; and (ii) power revenue, including from power purchase agreements as well as from selling power to the market.

Infrastructure Investments in
AUSTRALIA

In Australia, CKI has investments in electricity and gas transmission and distribution, as well as renewable and remote energy solutions. It is the holding company of SA Power Networks, the primary electricity distributor in the state of South Australia; Victoria Power Networks, whose member companies CitiPower and Powercor, distribute electricity to approximately 65% of the state of Victoria, and Energy Solutions, a leader in developing large-scale renewable energy generation; United Energy, an electricity distribution business in Victoria serving more than 715,000 customers across Melbourne's east and southeast suburbs and the Mornington Peninsula; Australian Gas Networks and Multinet Gas Networks, which are natural gas distribution businesses operating across Australia; Dampier Bunbury Pipeline, Western Australia's principal gas transmission pipeline; as well as Energy Developments ("EDL"), a sustainable distributed energy producer of clean and renewable electricity, renewable natural gas as well as remote renewable energy. The Group's portfolio also includes Australian Energy Operations, a renewable energy power transmission business in Victoria.

In the 2024 Annual Benchmarking Report, the Australian Energy Regulator ("AER") ranked SA Power Networks, CitiPower and United Energy first, second and third respectively among the country's 13 electricity distribution networks based on their multilateral total factor productivity.

SA POWER NETWORKS

SA Power Networks is South Australia's sole regulated electricity distributor. It serves more than 920,000 homes and businesses across an area of approximately 178,000 square kilometres, with a powerline route length of approximately 90,000 kilometres.

SA Power Networks was ranked first in terms of multilateral total factor productivity in the 2024 Annual Benchmarking Report published by the AER.

The AER's final decision on its 2025-2030 Electricity Distribution Determination will be published on 30th April, 2025, and the new regulatory period will start on 1st July, 2025. A stable revenue stream for SA Power Networks is expected for the next five-year regulatory period.

At the 2024 Clean Energy Council Awards, SA Power Networks won the Collaboration Award in recognition of its leadership in creating the Flexible Exports initiative. The programme is a collaboration across industries, customers and different market bodies, enabling customers to double their solar exports.

SA Power Networks also became one of the winners at the Red Hat APAC Innovation Awards for its digital transformation and automation initiatives. With the adoption of an automation platform, the company significantly reduced manual patching and human error.

It is expected that additional electricity load growth will take place over the next 10 years in the Outer South and Fleurieu regions of the Fleurieu Peninsula and Kangaroo Island. SA Power Networks is undertaking an upgrade project for the Southern Outer Metro's 66 kV loop, an integral part of the southern suburbs' network. The re-stringing of 25 kilometres of powerline with higher capacity conductors will enhance network reliability and system security in preparation for future demand growth.

In an Australian first, SA Power Networks conducted successful trials of long-range night-time thermographic asset inspections in the South-East using drones. The thermographic inspections were used to identify excessive localised heating, indicative of an asset defect. These trials paved the way for drones to be used in a variety of applications beyond night-time thermographic inspections. Using drones to undertake asset inspections is safer, incurs a lower cost and causes less impact on customers than current ground and helicopter-based approaches. SA Power Networks is continuing to work with the Civil Aviation Safety Authority to expand its drone inspection capabilities.

SA Power Networks was ranked first in terms of multilateral total factor productivity in the 2024 Annual Benchmarking Report published by the AER.

2024 marked the 25th anniversary of the privatisation of ETSA (rebranded as SA Power Networks in 2012). The privatisaton of ETSA in 1999 kickstarted CKI's globalisation programme.

As lightning is a major cause of network interruptions, SA Power Networks developed a "Strike Finder" tool to locate lightning strikes near powerlines. With Strike Finder, the operation crews can focus on strikes that have occurred within 500 metres of powerlines at the time of outage. This innovation allows patrol times to be cut by about 70%. As a result, faster power restoration and improved reliability for customers across South Australia can be achieved.

In May 2024, SA Power Networks became the first Australian electricity distributor to issue a certified green bond in the country. With the issuance of A$245 million of 3-year bonds and A$250 million of 8.5-year bonds, and a total order book of over A$1.8 billion, the company has established a leadership position in sustainable financing. SA Power Networks will utilise the proceeds to finance or refinance new or existing distribution assets that support South Australia's transition to a distributed and decarbonised energy system.

SA Power Networks partnered with the City of Port Adelaide Enfield to switch Stobie pole-mounted lights on residential streets to LED light bulbs. Stage one of the project was completed in August 2024, installing energy-efficient LED bulbs on more than 4,800 streetlights.

The company secured A$5.4 million from the Australian Renewable Energy Agency ("ARENA"), which will be matched with SA Power Networks's own funding, to deploy eight community batteries in South Australia. This project will trial the use of batteries to support the network in times of peak demand to enable the expansion of South Australia's EV charging network and to provide backup power to critical community sites during outages.

In collaboration with the South Australian Government and the ARENA, SA Power Networks is leading the Energy Masters pilot project, which aims to evidence the customer and network benefits of energy optimisation and demand flexibility. Under this programme, 500 homes will receive subsidies for energy smart appliance upgrades, with each household fitted with a Home Energy Management System ("HEMS") which automatically optimises their energy use. SA Power Networks will send signals to each of the participating households via the HEMS, giving customers the choice to be rewarded for further shaping their energy use in response to network conditions. Additionally, each household will participate in a research programme aimed at demonstrating the value and customer perception of energy-smart households. Enabling flexible demand at scale using this new technology is expected to play a significant role in managing increased electricity demand as an alternative to building out the network.

Enerven, the unregulated subsidiary of SA Power Networks, designs, builds, and maintains major energy and telecommunication infrastructure solutions across Australia. Enerven is at the forefront of delivering some of the most significant energy projects in the country.

In 2024, Enerven secured multiple major construction projects across Australia and expanded its Operations and Maintenance portfolio with new contracts in South Australia, the Northern Territory, and Western Australia. This growth builds on decades-long partnerships with the Australian Department of Defence as well as industry leaders such as BHP and ElectraNet, where Enerven is trusted to manage their critical high-voltage infrastructure around the clock, seven days a week. These partnerships exemplify Enerven's role in ensuring the continuity of the nation's vital operations while supporting their transition to renewable energy. Enerven is well on its way to achieving its vision of being recognised as a leading national contracting business enabling the transformation of the energy sector.

2024 also marked the 25th anniversary of the privatisation of ETSA (rebranded as SA Power Networks in 2012) by CKI. The privatisaton of ETSA in 1999 kickstarted CKI's globalisation programme and led to the subsequent acquisitions of two other electricity distribution networks in Australia. The 25th anniversary celebration event was held on 10th December, 2024, the exact date 25 years earlier when the CKI consortium received the verbal acceptance of their revised offer from the South Australian Government.

VICTORIA POWER NETWORKS

Victoria Power Networks comprises electricity distribution networks CitiPower and Powercor, as well as energy infrastructure developer Energy Solutions (trading as "Beon").

CitiPower owns and operates a network that serves close to 350,000 customers in the central business district ("CBD") and inner suburbs of Melbourne, while Powercor covers a service area that includes regional and rural areas in Central and Western Victoria as well as Melbourne's outer western suburbs, supplying electricity to over 900,000 customers. Beon is a leader in the design, construction and maintenance of large-scale renewable energy and infrastructure projects in Australia and New Zealand.

In the 2024 Annual Benchmarking Report, CitiPower was ranked second by the AER based on the multilateral total factor productivity.

During the year, CitiPower began the first phase of a major upgrade to Melbourne's underground power network which carries high-voltage cables powering large parts of Melbourne's CBD. The tunnel upgrade is a precursor to a larger three-year revamp of the nearby zone substation that will support both planned new developments in the city and greater electrification needs of existing customers across the CBD. Demand across the Melbourne's CBD is expected to increase from 470 MW to over 700 MW.

To provide better customer experience, a trial in regards to information received during unplanned outages was conducted in 2024. Under the trial, CitiPower customers would receive additional text messages or emails embodying a link to a personalised outage map when unplanned outages occur. The personalised outage map will automatically update latest information such as fault location, the crew's estimated arrival time, repair status and estimated power restoration time.

Powercor started to build a new depot on a two-hectare site to replace the existing Mundarra Road facility in June. The new depot will be the central hub for the company's operations in the growing Echuca region. With a larger storage space for network materials, the crews will be able to manage and respond to requests and faults safely and quickly. In addition, construction works for a new Ballarat East Zone Substation has begun in late 2024. This project is estimated to provide reliability and safety benefits to about 82,000 Ballarat residents. The expected completion date will be late 2025 to early 2026.

During the year, Powercor has installed innovative technology to improve power reliability for homes and businesses in Daylesford and nearby towns. Currently, two main powerlines deliver electricity from Ballarat to Daylesford; and they pass through some of the state's most heavily vegetated areas.

BUSINESS REVIEW

This could lead to the region being prone to power outages, especially during major weather events. The new technology will provide a "switch over" capability between the two powerlines. If a fault occurs on one line, the technology will detect its location, isolate the area, and automatically supply electricity via the other line.

In September, the Essential Services Commission granted Powercor a transmission license which allows Powercor to design and build new terminal station infrastructure, including 220 kV lines for customer-related projects within its current distribution footprint across western, central and northern Victoria. These projects include large-scale solar and wind generation, battery storage, and data centres. In addition, Powercor will own, operate and provide maintenance for any necessary upgrades to the transmission system. The new license will enable the company to provide quick and easy power connections for major businesses and clean energy projects.

Both CitiPower and Powercor published their 2026-2031 Draft Regulatory Proposals in September 2024. CitiPower's proposal aims to enable electrification and uptake of customer energy resources, modernise its low-capacity network and meet Melbourne's CBD supply security obligations, as well as increase cyber security protections and market compliance. Besides enabling electrification and uptake of customer energy resources, Powercor plans to equip new technology to better manage bushfire risks, enhance network resilience against extreme weather events with special backup supplies for Apollo Bay, Ballan, Donald and Lancefield, as well as boost reliability for rural and regional customers by upgrading rural powerlines. The final plans of the companies will be approved by the AER in early 2026.

As for Beon, it completed the construction for Melbourne Airport's Northfield solar farm, which comprises approximately 19,000 solar panels. This is the second solar farm which Beon has built at the airport. Beon also commenced construction of a 376 MWdc Broadsound Solar Farm in Queensland for a Spanish multinational electric utility company. It is expected that the engineering, procurement and construction project will be completed by mid-2026. The company also secured a turnkey contract with an Italian renewables firm to design, construct and operate a 98.5 MW solar plus 20 MW battery project at Quorn Park in New South Wales.

Both CitiPower and Powercor published their 2026-2031 Draft Regulatory Proposals in September 2024.

In the 2024 Annual Benchmarking Report published by the AER, United Energy was ranked third in terms of the multilateral total factor productivity.

UNITED ENERGY

United Energy distributes electricity to more than 715,000 customers across Melbourne's east and southeast suburbs as well as the Mornington Peninsula with greater than 99.99% reliability. The company has an electricity distribution network that covers an area of approximately 1,500 square kilometres and is an industry leader in network technology and innovation.

In the 2024 Annual Benchmarking Report published by the AER, United Energy was ranked third in terms of the multilateral total factor productivity.

United Energy secured funds of A$3.54 million from the ARENA for its Flexible Services Trial project to explore solutions for managing flexible demand across suburban Melbourne. The project will consist of two parts: (i) a hot water load control trial by which hot water will be managed via a smart meter to align with periods of low demand, and (ii) a flexible exports trial enabling 100 residential and five commercial and industrial customers to export solar electricity from their rooftops above current static limits using dynamic operating envelopes. The trial will involve varying solar exports in line with what is happening on the local network. This Flexible Services Trial is due to be completed in 2026.

The company's 2026-2031 Draft Regulatory Proposal was unveiled in September 2024, while its final plans will be submitted to the AER for approval in January 2025. The proposal includes measures to increase the network's resilience against more frequent and severe weather events. Over the next five years, as Victoria's population is predicted to increase by an additional 900,000 people, energy consumption is expected to rise by 25%, renewable energy generation is to double, and 22% of cars are forecast to be fuelled by electricity. As such, United Energy's Draft Regulatory Proposal features a plan to build a new zone substation as well as a resilience package to help the network and local communities manage extreme weather events.

AUSTRALIAN GAS INFRASTRUCTURE GROUP

Australian Gas Infrastructure Group ("AGIG") is one of the largest gas infrastructure businesses in Australia. It owns and operates gas transmission and distribution pipelines as well as storage assets, supplying gas to more than two million homes and businesses across the country.

AGIG consists of Australian Gas Networks, Multinet Gas Networks and Dampier Bunbury Pipeline.

Australian Gas Networks

Australian Gas Networks is one of Australia's largest natural gas distribution companies. It owns over 27,000 kilometres of distribution networks and 1,000 kilometres of transmission pipelines, delivering gas to more than 1.3 million homes and businesses in South Australia, Victoria, Queensland, New South Wales and the Northern Territory.

In August 2024, Australian Gas Networks hosted an event to celebrate the 25th anniversary of CKI's first investment in 19.97% of the shares of Envestra in 1999, and the 10th anniversary of the 100% acquisition and privatisation of Envestra in 2014. Since the privatisation in 2014, CKI has renamed Envestra as Australian Gas Networks to signify its wide gas network coverage in the country.

During the year, Australian Gas Networks completed the two-decade upgrade programme of its infrastructure in Victoria. The company's Melbourne network is now entirely made up of polyethylene and protected-steel mains, making the network compatible with the future delivery of 100% hydrogen with only minor incremental investments needed.

Australian Gas Networks's Hydrogen Park South Australia has delivered 5% blended renewable hydrogen to homes in the southern part of Mitchell Park in South Australia since May 2021, and the renewable gas blend was raised to 10% in 2024. It is expected that the blend will be further increased to 15% in 2025.

In August 2024, Australian Gas Networks (formerly known as Envestra) hosted an event to celebrate the 25th anniversary of CKI's first investment in 19.97% of the shares of Envestra in 1999, and the 10th anniversary of the 100% acquisition and privatisation of Envestra in 2014.

Construction of Hydrogen Park Gladstone was completed in late 2024 with support from the state government, and has been providing 10% hydrogen blended gas to about 800 residential and commercial properties in Gladstone and Barney Point.

In October 2024, a groundbreaking ceremony was held for the Hydrogen Park Murray Valley ("HyP Murray Valley") Project. The project features a 10 MW electrolyser, and is expected to generate around 500 tonnes of renewable hydrogen annually, displacing approximately 4,000 tonnes of carbon dioxide each year. Hydrogen produced at the facility will be blended into the Albury-Wodonga gas network at up to 10% by volume. There are 40,000 commercial, industrial and residential customers in the Albury-Wodonga region connected to the local gas network. Renewable gas certificates produced by HyP Murray Valley have been bought by Mars Petcare, which will enable them to offset carbon emissions from their production facility in Wodonga. The project is backed by A$36.1 million in funding from the ARENA, and A$12.3 million from the Victorian Government with additional financing of A$3.22 million provided by the Clean Energy Finance Corporation. The project is targeted to be completed by the end of 2025.

During the year, a feasibility study was commenced by Australian Gas Networks on a major hydrogen project involving SA Water's Bolivar wastewater treatment plant in Adelaide. The 60 MW electrolysis plant is to use renewable energy to split water into hydrogen and oxygen. The renewable hydrogen would then be blended into the gas distribution networks at up to 20% by volume, supplying over 350,000 households and businesses across the metropolitan area. The Hydrogen Park Adelaide facility is also to provide renewable hydrogen to the adjacent Bolivar Power Station to help lower its emissions profile. Operation of the project is targeted to be 2028.

Australian Gas Networks completed the two-decade upgrade programme in Victoria during the year.

Australian Gas Networks and other participants in the gas industry have partnered with MasterChef Australia, a cooking competition TV programme, regarding the delivery and usage of carbon neutral biomethane in the kitchen used for the competition, as well as hydrogen gas for the BBQ challenge. The two-year partnership created a first-of-its-kind kitchen in Australia, poised to lead the way for new homes and commercial kitchens across the country.

Multinet Gas Networks

Multinet Gas Networks operates a regulated natural gas network that covers approximately 1,860 square kilometres in the eastern and southeastern suburbs of Melbourne, the Yarra Ranges and South Gippsland. It serves approximately 720,000 residential, commercial and industrial customers.

In recognition of Multinet Gas Networks's and Australian Gas Networks's Underground Asset Locating programme, which was developed for the reduction of the number and severity of underground asset strikes, the company was presented the APGA Safety Award 2024 by the Australian Pipelines and Gas Association. In addition, the company's Priority Services Programme for vulnerable customers won the 2024 Service Champion Award for Customer Service Project of the Year at the Australian Service Excellence Awards.

Dampier Bunbury Pipeline

Dampier Bunbury Pipeline is the owner and operator of the Dampier to Bunbury Natural Gas Pipeline, the principal gas transmission pipeline in Western Australia.

Stretching approximately 1,600 kilometres, the pipeline links the gas fields in the Carnarvon Basin off the Pilbara coast and the Perth Basin to mining, industrial, and commercial customers, as well as to residential customers in Perth via other distribution networks. The total length of the pipeline including looping and lateral pipelines is approximately 3,000 kilometres.

Dampier Bunbury Pipeline has commenced work on the upcoming 2026-2030 Dampier to Bunbury Pipeline Access Arrangement. A Draft Plan for the Arrangement was published for consultation, and the final plan was submitted in January 2025. Upon receiving the Draft Decision from the Economic Regulation Authority Western Australia, a revised final plan is expected to be submitted in the third quarter of 2025.

Dampier Bunbury Pipeline's Tubridgi Gas Storage Expansion project continued to achieve milestones throughout 2024 to support the gas sales agreement to Yara. Two new wells, TRW-02 and TRW-08, were commissioned.

The Tubridgi Gas Storage Expansion project continued to achieve milestones throughout 2024 to support the gas sales agreement to Yara. Two new wells, TRW-02 and TRW-08, were commissioned. Tubridgi produces and delivers native gas to Yara with no curtailments, maintaining its reputation for 100% reliability.

In August 2024, Dampier Bunbury Pipeline celebrated the 40th anniversary of its establishment. The gas transmission pipeline is the nation's longest natural gas pipeline. It is vital to the reliable transportation of natural gas from the vast off-shore and on-shore reserves in the northern and western parts of Western Australia to energy consumers in the south, including some of the state's largest industrial businesses.

Built with an initial capacity of 240 TJ per day, the Dampier Bunbury Pipeline has been extended and expanded multiple times to meet the growing energy demands of Western Australia and has continually been adapted to meet new challenges and opportunities in support of the changing economy. The pipeline today has a total full haul capacity of 845 TJ per day.

In November 2024, the Western Australian Government announced a A$15 million grant for AGIG to support its Carbon Capture and Storage transmission project. With the grant, the company will develop an onshore transmission pipeline for a Carbon Capture and Storage hub in the Pilbara to transport carbon dioxide from facilities on the Burrup into depleted gas fields for permanent sequestration. The project has the potential to be a catalyst for Carbon Capture and Storage implementation in the state and a key step in reducing emissions from heavy industry in the Pilbara.

ENERGY DEVELOPMENTS

Energy Developments ("EDL") is a leading global producer of sustainable distributed energy. It specialises in helping customers decarbonise by providing innovative and reliable energy solutions including (i) hybrid renewable power stations that use a mix of wind, solar and battery, backed up by thermal generation, in remote and off-grid areas; (ii) grid-connected wind farms; (iii) renewable natural gas ("RNG") from landfills; and (iv) electricity from landfill and underground coal mine waste gases. EDL owns and operates a global portfolio of 88 power and gas facilities in Australia, North America and Europe.

In April 2024, EDL successfully delivered a 4 MW expansion for Gold Fields's Agnew Gold Mine in Western Australia.

In April 2024, EDL successfully delivered a 4 MW expansion for Gold Fields's Agnew Gold Mine in Western Australia. This is the latest addition to the microgrid, which comprises four key on-site generation assets. The first microgrid in the country which utilises large scale wind generation at a mine site, total capacity at Agnew is 47 MW, in addition to a 13 MW battery system.

In November, EDL's Coober Pedy hybrid renewable power station achieved a significant milestone, passing 25,000 hours of 100% renewable energy generation for the remote South Australian mining town. The power station came online in mid-2017 and integrates a 4 MW wind farm, 1 MW of solar power and a 1 MW/500 kWhr battery, backed up by 4.15 MW of diesel generation.

During the year, EDL celebrated two years of partnering with WORK180, a platform that empowers women and marginalised groups, providing them with databases and other resources to help them make informed career choices and find suitable, equitable, supportive workplaces.

In the United States, EDL ramped up RNG production, delivering record production in 2024. EDL has built, and is operating, five RNG plants with a combined installed capacity of 6.8 million MMBtu. The company also has 21 landfill gas power stations in the country, making EDL one of the United States's leading generators of electricity from landfill gas.

In 2024, the installed capacity at the Byron Centre landfill gas power station in the United States was expanded to 4.8 MW following the commissioning of a third engine. This came about when the gas well network at the South Kent Landfill that feeds the facility was expanded and additional gas was available for more renewable electricity generation.

Infrastructure Investments in

NEW ZEALAND

In New Zealand, CKI has investments in electricity distribution and waste management. The Group's Wellington Electricity is the electricity distributor which serves New Zealand's capital city, Wellington, and its surrounding areas, while Enviro NZ is a leading waste and recycling resource management company in the country.

WELLINGTON ELECTRICITY

Wellington Electricity owns and operates the electricity distribution network in the cities of Wellington, Upper Hutt, Lower Hutt and Porirua in New Zealand. Its network extends about 4,700 square kilometres, and supplies electricity to more than 176,000 connections across the residential, commercial and industrial sectors.

In November 2024, Wellington Electricity, Porirua City Council, Wellington Water and Kāinga Ora – Homes and Communities teamed up to carry out critical infrastructure service upgrades in eastern Porirua. This programme involves the installation of new electricity cables, as well as the laying of water pipes. The project aims to increase the resilience of eastern Porirua's electricity network, ensuring safe and reliable power for decades to come. The new cables will also be able to accommodate future capacity increase to cope with housing growth in the area.

The Commerce Commission released its final decisions on the 2025-2030 regulatory period for all electricity distribution companies in New Zealand. The new Price Path will take effect from 1st April, 2025. Stable returns from Wellington Electricity are expected in the next five years.

Wellington Electricity, Porirua City Council, Wellington Water and Kāinga Ora – Homes and Communities teamed up to carry out critical infrastructure service upgrades in eastern Porirua.

ENVIRO NZ

Enviro NZ is one of New Zealand's leading environmental services companies. It provides waste and recycling collection, resource recovery and reuse, as well as disposal services to more than half a million commercial and residential customers in the country. It also owns and manages one of New Zealand's largest disposal and resource recovery sites located in Hampton Downs. Covering an area of 360 hectares, the Hampton Downs facility receives an estimated 40% of greater Auckland's landfill volume. The operation utilises state-of-the-art technology to capture and convert methane gas to electricity and turns garden and food waste into compost at its organics facility. Enviro NZ also processes construction and demolition woodwaste into a biofuel which is used as a coal replacement in powering cement kilns.

Enviro NZ, together with the University of Auckland, won the Institute of Chemical Engineers' Sustainability Award Australasia 2024 for a collaboration project in optimising landfill gas capture rates. In 2023, the project mitigated over 600,000 tonnes of carbon dioxide equivalent, powering approximately 6,000 homes in the Waikato region of the North Island with renewable electricity.

An organic processing facility developed by Enviro NZ at the Timaru District Council's Redruth Resource Recovery Park officially opened in November 2024.

In July 2024, Enviro NZ released its third sustainability report which highlights the company's sustainability performance in 2023. In terms of emissions, the company recorded a 26% decrease compared with its baseline year of 2021. Compared to 2022, there was an 18% increase in renewable electricity generated from landfill gas, an 86% increase in the quantity of wood and timber recycled as well as a 52% increase in low-carbon passenger vehicles. The company qualified for the third year of greenhouse gas inventory certification under the Toitū Carbon Reduce programme.

The company was successful in retaining and winning multiple commercial contracts during the year, including a major soil disposal project with one of New Zealand's largest listed companies, a significant construction waste disposal contract, a three-year hazardous waste disposal project with Air New Zealand, and a five-month contract with the New Zealand Government's Ministry of Health to process and recycle approximately 10,000 pallets of expired COVID-19 products.

An organic processing facility developed by Enviro NZ at the Timaru District Council's Redruth Resource Recovery Park officially opened in November 2024. Food and garden organic material collected from the kerbside is transformed into compost at the facility. The Recovery Park has the dual benefit of enabling the recovery and reuse of valuable materials as well as reducing emissions from the landfill. The community can purchase compost from the organic processing plant, and the balance is sold for use on South Canterbury farms for soil remediation.

Enviro NZ participated in a trial in Nelson to collect soft plastic in bags and bales for recycling into fence posts for use in local vineyards, farms and garden beds. The six-month trial was supported by Nelson City Council and funded by the Packaging Forum. In the first 10 weeks of the trial, more than 1.5 tonnes of soft plastic were collected, enough to make 160 posts. This pilot programme will assess the viability of kerbside recycling for soft plastics as well as the economic viability on a larger scale.

New Zealand, through the Ministry of Foreign Affairs and Trade, has been helping Pacific nations to provide and improve public services by teaming up New Zealand based experts with their counterparts in Pacific Island countries. Enviro NZ has been supportive of this initiative and since August 2024 has been helping the island of Tonga.

Infrastructure Investments in

CONTINENTAL EUROPE

In Continental Europe, CKI has investments in energy-from-waste and household infrastructure businesses. Dutch Enviro Energy is the holding company of AVR, the Netherlands' largest energy-from-waste company. In the household infrastructure portfolio, ista is a leading sub-metering player in Europe, with key markets covering Germany, France, the Netherlands and Denmark.

AVR's energy-from-waste treatment plants have been granted with "R1" energy recovery status, enabling the treatment of waste imported from European countries.

DUTCH ENVIRO ENERGY

Dutch Enviro Energy is the holding company of AVR, which operates five waste treatment facilities – three in Rozenburg, in the Port of Rotterdam area, and two in Duiven, near the German border. Long-term contracts are in place for (i) the feedstocks which are used for the processing of waste of which gate fees are paid by customers, as well as (ii) offtake for energy produced. In addition to serving the domestic market, both AVR's energy-from-waste treatment plants are granted with "R1" energy recovery status, enabling the treatment of waste imported from European countries. The waste that AVR treats includes biomass, industrial wastewater, municipal solid waste, commercial waste, and hazardous waste, all of which are converted into energy, namely electricity, steam and heat. AVR is also one of the largest renewable district heating producers in the Netherlands.

In September 2023, a fire broke out at the E-building of AVR's Rozenburg unit. The subsequent recovery efforts have made significant progress after a year of dedicated efforts. The energy-from-waste facility has successfully achieved a partial re-start as planned, with all seven incineration lines are now operational as of January 2025. The newly constructed facilities include infrastructure upgrades and electrical system enhancements. In addition, AVR has made a strategic decision to construct a new turbine hall and install two additional turbines. Power production and supply are anticipated to resume in the fourth quarter of 2025.

ISTA

Headquartered in Essen, Germany, ista is a leading international provider of sub-metering and related services with over 100 years of experience. ista's operations range from hardware development, manufacturing, installation and maintenance to meter reading, individual billing, data collection and processing, as well as energy data management. In addition, ista offers services such as the provision of smoke alarms, humidity sensors, drinking water analyses, leakage detection and energy performance certificates. With a presence in over 20 countries, ista services more than 14 million dwellings with over 60 million measuring devices. The company's major markets are Germany, France, the Netherlands and Denmark.

With an aim to enhance climate awareness and support environmental protection initiatives, ista has developed the Heiz-O-Meter, an innovative digital data application designed to provide a comprehensive overview of household heating behaviours across Germany on a monthly basis. The Heiz-O-Meter leverages anonymised heating data from over 500,000 German households and integrates information from the German Weather Service to account for weather-related

ista has developed the Heiz-O-Meter, an innovative digital data application designed to provide a comprehensive overview of household heating behaviours across Germany on a monthly basis.

influences. Since its launch in December 2023, the Heiz-O-Meter has enabled consumers to accurately measure their heating energy usage; and by comparing their consumption patterns with trends in Germany, users are encouraged to adopt more responsible heating practices.

In August, ista acquired Chargemaker GmbH, an EV infrastructure supplier based in Frankfurt. Additionally, ista expanded its presence in Switzerland by acquiring Alfred Aubort SA, a well-established heat and water metering service provider in Western Switzerland – this acquisition allows ista to enhance its service offerings to over 170,000 apartments and commercial units across the country.

Having successfully operated in the United Arab Emirates (UAE) and Qatar for several years, ista further expanded its regional footprint by establishing an entity in Bahrain in 2024.

Infrastructure Investments in
CANADA

In Canada, CKI has investments in (i) Canadian Power, which holds a portfolio comprising stakes in Okanagan Wind in British Columbia and five electricity generation plants in Ontario, Alberta and Saskatchewan; (ii) Park'N Fly, the leading off-airport car park provider in the country; (iii) Canadian Midstream Assets, which holds oil and gas midstream assets in Alberta and Saskatchewan; and (iv) Reliance Home Comfort, a residential services company under the Household Infrastructure portfolio of the Group.

CANADIAN POWER

Canadian Power owns (i) 100% of Okanagan Wind, which comprises two wind farms in British Columbia with a combined generating capacity of 30 MW; (ii) 100% of the Meridian Cogeneration Plant ("Meridian"), a 220 MW combined cycle, natural gas-fired cogeneration plant in Saskatchewan; and (iii) 49.99% of TransAlta Cogeneration, L.P., which operates three natural gas-fired cogeneration plants in Alberta and Ontario, as well as a gas-fired plant in Alberta.

In September 2024, Canadian Power reached an agreement to extend the Meridian power purchase agreement, under which Meridian will provide electricity to SaskPower and thermal energy to Cenovus until 2049.

In early 2024, Canadian Power established an Environmental, Social, and Governance ("ESG") committee dedicated to overseeing the company's commitment to ESG responsibilities within its operations and promoting long-term sustainability.

In September 2024, Canadian Power reached an agreement to extend the Meridian power purchase agreement.

PARK'N FLY

Park'N Fly is the leading off-airport car park company in Canada, providing parking solutions to both business and leisure travellers coast-to-coast. Headquartered in Mississauga, Ontario, the company operates in seven Canadian cities – Vancouver, Edmonton, Winnipeg, Toronto, Ottawa, Montreal, and Halifax. The company offers valet and self-park options, as well as a host of other vehicle related services, such as recharging, detailing and oil changes, in selected cities.

In June 2024, Park'N Fly celebrated its 10th anniversary as a member company of CKI, while October marked 50 years of the founding of Park'N Fly.

As global air travel gradually recovered from previous downturns, Park'N Fly saw solid revenue growth driven by rising demand in its key markets in 2024.

In June, Park'N Fly celebrated its 10th anniversary as a member company of CKI, while October marked 50 years of the founding of Park'N Fly. These momentous events underscore Park'N Fly's enduring reliability, expertise, and commitment to its customers, as well as the exceptional contributions of its employees over the past five decades.

During the year, several community events were held. These events ranged from supporting the Ronald McDonald House Charities in British Columbia and Yukon to supporting the Salvation Army Toy Mountain event in Ontario. Such events are all part of Park'N Fly's mission of helping families in the communities it serves.

CANADIAN MIDSTREAM ASSETS

Canadian Midstream Assets owns and operates approximately 2,300 kilometres of crude oil pipelines, approximately six million barrels of oil storage capacity, as well as natural gas infrastructure assets in Alberta and Saskatchewan, Canada. The company's portfolio of long-term contracts generates secure and predictable returns. Canadian Midstream Assets achieved higher throughput on its assets in 2024 with robust activity levels.

Canadian Midstream Assets is dedicated to maintaining the highest standards of safety and reliability. Through an increased focus on leadership field engagements, contractor assessments, and verification activities, Canadian Midstream Assets achieved a strong safety performance in 2024, including zero recordable injuries, zero Tier 1 or Tier 2 process safety events, zero Potential Significant Injury or Fatality (PSIF) events and zero reportable spills (both hydrocarbon and non-hydrocarbon).

The company continues to provide support to the local communities in which it operates and made a number of donations in 2024, including a donation to the Hardisty General Hospital Auxiliary Guild. This contribution will facilitate the upgrade of hospital equipment and improve the comfort and quality of life for long-term care residents at the Hardisty Health Centre.

Canadian Midstream Assets achieved higher throughput on its assets in 2024 with robust activity levels.

Reliance was recognised for the eighth consecutive year as one of Canada's Most Admired Corporate Cultures by Waterstone Human Capital.

RELIANCE HOME COMFORT

Reliance Home Comfort ("Reliance") is one of Canada's leading home services companies offering the sale and rental of water heaters, HVAC (Heating, Ventilation, and Air Conditioning) equipment, water purification products, and emerging green solutions including heat pumps and EV chargers. The company also provides plumbing and electrical services, smart home solutions, and comfort protection plans for customers. Reliance has over two million customer relationships in Canada and has a growing presence in select areas of the United States.

In 2024, Reliance was honoured with a number of accolades recognising its achievements in corporate culture, human resources, customer service, and community engagement. The company was awarded the Great Place to Work certification for the first time by a globally respected organisation on workplace culture, Great Place to Work, in recognition of its efforts to create an ideal workplace for employees. Furthermore, Reliance was recognised for the eighth consecutive year as one of Canada's Most Admired Corporate Cultures by Waterstone Human Capital. This national programme acknowledges best-in-class Canadian organisations for fostering cultures that lead to enhanced business performance and sustained competitive advantage.

Reliance is committed to building a sustainable future for its team members, customers, and the communities it serves. By aligning its ESG priorities, Reliance is dedicated to taking bold actions to minimise its impact on the environment, support strong communities and promote diversity, equity and inclusivity.

Infrastructure Investments in

HONG KONG AND MAINLAND CHINA

CKI's Hong Kong and Mainland China portfolio comprises infrastructure materials manufacturing businesses and Mainland infrastructure investments and operations.

The Group's infrastructure projects in Mainland China include a toll road and a bridge in Guangdong province, namely the Shen-Shan Highway (Eastern Section) and Shantou Bay Bridge.

During the year, the traffic flow for the Group's toll road and bridge was steady. Toll income on the Shen-Shan Highway (Eastern Section) grew for two years in a row.

Thorough safety inspection was completed at the Shen-Shan Highway (Eastern Section) and Shantou Bay Bridge. Ongoing safety assurance measures have also been implemented. They include slope reinforcement and the putting up of additional anti-collision fences for the Highway, as well as main bridge bearing replacement and hanger cable alignment for the Bay Bridge. All these works have been proceeding smoothly.

In Hong Kong, CKI's infrastructure materials manufacturing business, Green Island Cement ("GIC"), leads the industry in the production of cement, concrete and aggregates.

GIC operates an integrated cement plant in Hong Kong and three cement facilities in Guangdong Province. In addition, GIC supplies and paves bituminous products for the construction industry through Anderson Asphalt Limited, and operates chartering of vessels and mining in Southeast Asia.

In 2024, GIC participated in a range of infrastructure projects, including the Zhongshan West Ring Project, the Zhaoqing-Gaoming Expressway, the No. 15 section of the Guangzhou-Zhanjiang Railway, and the Power Station Project at Xinxing Shuiyuan Mountain.

GIC was presented with a Silver Award (Manufacturing Sector) and Sustainable Business Award at the BOCHK 2023 Corporate Low-Carbon Environmental Leadership Awards organised by the Federation of Hong Kong Industries in August 2024. The awards aim to drive eco-friendly initiatives across the manufacturing, services, and property management sectors in Hong Kong and the Pan-Pearl River Delta region. In addition, the company was recognised as Manpower Developer 2014-2025 in the Manpower Developer Award Scheme held by the Employees Retraining Board.

Alliance Construction Materials Limited ("Alliance"), which operates CKI's concrete and aggregates businesses, is a joint venture between CKI and Heidelberg Materials. Alliance's robust and smart concrete supply chain has always provided strong support for infrastructure projects in Hong Kong.

During the year, GIC and Alliance contributed to a number of major construction projects in Hong Kong, including the Central Tunnel of the 4.7 kilometres dual three-lane carriageway known as the Central Kowloon Route, the Oyster Bay Station construction project, and the Tung Chung Line extension project of the Mass Transit Railway Corporation ("MTRC"), the construction of a third runway at Hong Kong International Airport, as well as several government public housing projects.

For the MTRC project, Alliance supplied the foundation works with low-carbon green concrete, which integrated Ground Granulated Blastfurnace Slag (GGBS), constituting a major milestone in sustainable construction practices.

The Three-Runway System at the Hong Kong International Airport commenced operations in November 2024. Alliance supplied 1.9 million tonnes of aggregates to multiple construction clients engaged in this mega project, while maintaining strict compliance with the requisite environment, health and safety standards.

To commemorate the 20th anniversary since its establishment in 2004, Alliance held a gala dinner in May 2024 to celebrate the company's remarkable journey and achievements with its shareholders, staff members, customers, business partners and suppliers, as well as other industry professionals.

Alliance has continued to pursue excellence in its Environmental, Social and Governance (ESG) practices. The company has maintained a zero lost time injury rate and an incident rate significantly lower than the industry average. By leveraging automation and digitalisation, Alliance continually enhances its safety management, governance, environmental performance, and operational efficiency, demonstrating its commitment to sustainable and safe operations.

Alliance was honoured with a number of safety accolades, including the Proactive Safety Contractor Award 2024 presented by the Hong Kong Construction Association, and the Safety Performance Award at the 23rd Hong Kong Occupational Safety & Health Award.

FINANCIAL REVIEW

FINANCIAL RESOURCES, TREASURY ACTIVITIES AND GEARING RATIO

The Group's capital expenditure and investments were funded from cash on hand, internal cash generation, loans, notes, bonds, share placement and other project loans.

As at 31st December, 2024, cash and bank deposits on hand amounted to HK$8,105 million and the total borrowings of the Group amounted to HK$19,241 million, which included Hong Kong dollar notes of HK$260 million and foreign currency borrowings of HK$18,981 million. Of the total borrowings, 24 per cent were repayable in 2025 and 76 per cent were repayable between 2026 and 2029. To refinance certain borrowings repayable in 2025, the Group has obtained and is finalising loan facilities with certain banks. The Group's financing activities continue to be well received and fully supported by its bankers.

The Group adopts conservative treasury policies in cash and financial management. To achieve better risk control and minimise the cost of funds, the Group's treasury activities are centralised. Cash is generally placed in short-term deposits mostly denominated in U.S. dollars, Hong Kong dollars, Australian dollars, New Zealand dollars, British pound, Canadian dollars, Euros or Renminbi. The Group's liquidity and financing requirements are reviewed regularly. The Group will continue to maintain a strong capital structure when considering financing for new investments or maturity of bank loans.

As at 31st December, 2024, the Group maintained a net debt position with a net debt to net total capital ratio of 7.8 per cent. This was based on HK$11,136 million of net debt and HK$142,379 million of net total capital, which represents the total borrowings plus total equity net of cash and bank deposits. This ratio was 7.7 per cent at the year end of 2023.

The net debt to net total capital ratio would be 47.0 per cent by sharing of net debt in infrastructure investment portfolio on a look-through basis, which was based on HK$116,582 million of net debt and HK$247,825 million of net total capital. This ratio was 46.4 per cent at the year end of 2023.

To minimise currency risk exposure in respect of its investments in other countries, the Group generally hedges those investments with (i) currency swaps and (ii) the appropriate level of borrowings denominated in the local currencies. The Group also entered into certain interest rate swaps to mitigate interest rate risks. As at 31st December, 2024, the notional amounts of these derivative instruments amounted to HK$51,014 million.

CHARGE ON GROUP ASSETS

As at 31st December, 2024, certain assets were pledged to secure bank borrowings totalling HK$1,388 million granted to the Group.

CONTINGENT LIABILITIES

As at 31st December, 2024, the Group was subject to the following contingent liabilities:

HK$ million	
Performance bond indemnities	144
Sub-contractor warranties	24
Total	168

EMPLOYEES

The Group, including its subsidiaries but excluding affiliated companies, employs a total of 2,358 employees. Employees' cost (excluding directors' emoluments) amounted to HK$1,072 million. The Group ensures that the pay levels of its employees are competitive and that its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

Preferential subscription of 2,978,000 new shares of the Company was given to those employees who had subscribed for shares of HK$1.00 each in the Company at HK$12.65 per share on the flotation of the Company in 1996. The Group does not have any share option scheme for employees.

BOARD AND KEY PERSONNEL

Front *(from left to right)* **Joanna Chen, Andrew Hunter, H L Kam, Victor Li, Edmond Ip, Dominic Chan**
Back *(from left to right)* **Duncan Macrae, Victor Luk, Pak Lam Lun, Ivan Chan, Wendy Tong Barnes, Chiu Yue Seng**

DIRECTORS' BIOGRAPHICAL INFORMATION

LI Tzar Kuoi, Victor

aged 60, has been the Chairman of the Company since its incorporation in May 1996. He has been a member of the Remuneration Committee of the Company since March 2005, the Chairman of the Executive Committee of the Company since April 2005 and a member of the Nomination Committee of the Company since January 2019. Mr. Li is the Chairman and Executive Director of CK Hutchison Holdings Limited, and the Chairman and Managing Director and the Chairman of the Executive Committee of CK Asset Holdings Limited. He is also the Chairman of CK Life Sciences Int'l., (Holdings) Inc., a Non-executive Director of Power Assets Holdings Limited and HK Electric Investments Manager Limited ("HKEIM") as the trustee-manager of HK Electric Investments, and a Non-executive Director and the Deputy Chairman of HK Electric Investments Limited. Except for HKEIM, all the companies/investment trust mentioned above are listed in Hong Kong. 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. He serves as a member of the 14th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China and a member of the Chief Executive's Council of Advisers of the Hong Kong Special Administrative Region ("HKSAR"). 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 is 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. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Civil Engineering and a degree of Doctor of Laws, honoris causa (LL.D.). Mr. Li is a nephew of Mr. Kam Hing Lam, the Group Managing Director of the Company.

KAM Hing Lam

aged 78, has been the Group Managing Director of the Company since its incorporation in May 1996 and a member of the Executive Committee of the Company since April 2005. He is the Deputy Managing Director of CK Hutchison Holdings Limited, the Deputy Managing Director and Executive Committee Member of CK Asset Holdings Limited, and the President of CK Life Sciences Int'l., (Holdings) Inc. All the companies mentioned above are listed companies. Mr. Kam is also the Chairman of Hui Xian Asset Management Limited, which manages Hui Xian Real Estate Investment Trust, a real estate investment trust listed on The Stock Exchange of Hong Kong Limited ("SEHK"). Mr. Kam is 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. He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. Mr. Kam is an uncle of Mr. Li Tzar Kuoi, Victor, the Chairman of the Company.

IP Tak Chuen, Edmond

aged 72, has been an Executive Director of the Company since its incorporation in May 1996, the Deputy Chairman of the Company since February 2003, a member of the Executive Committee of the Company since April 2005 and the Chairman of the Sustainability Committee of the Company since December 2020. He is Deputy Managing Director of CK Hutchison Holdings Limited, and the Deputy Chairman and Executive Committee Member of CK Asset Holdings Limited. He is also the Senior Vice President and Chief Investment Officer of CK Life Sciences Int'l., (Holdings) Inc. All the companies mentioned above are listed companies. Mr. Ip is also a Non-executive Director of Hui Xian Asset Management Limited, which manages Hui Xian Real Estate Investment Trust, a real estate investment trust listed on the SEHK. He is a director of a substantial shareholder of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by a substantial shareholder of the Company. He holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration.

FOK Kin Ning, Canning

aged 73, has been an Executive Director and Deputy Chairman of the Company since March 1997. Mr. Fok is the Deputy Chairman of CK Hutchison Holdings Limited. Mr. Fok is also the Chairman of Hutchison Telecommunications Hong Kong Holdings Limited, TPG Telecom Limited, HK Electric Investments Manager Limited as the trustee-manager of HK Electric Investments, and HK Electric Investments Limited and the Executive Chairman of CK Hutchison Group Telecom Holdings Limited ("CKHGT"). Mr. Fok is also the Deputy President Commissioner of PT Indosat Tbk. Except for HKEIM and CKHGT, all the companies/investment trust mentioned above are listed in Hong Kong or overseas. Mr. Fok is 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. He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a fellow of Chartered Accountants Australia and New Zealand.

BOARD AND KEY PERSONNEL

DIRECTORS' BIOGRAPHICAL INFORMATION (CONT'D)

Frank John SIXT

aged 73, has been an Executive Director of the Company since its incorporation in May 1996. Mr. Sixt is the Group Co-Managing Director and Group Finance Director of CK Hutchison Holdings Limited. He is also the Non-executive Chairman of TOM Group Limited, the Chairman and an Alternate Director of Hutchison Telecommunications (Australia) Limited, a Non-executive Director of TPG Telecom Limited, a Director of Cenovus Energy Inc., and an Alternate Director of HK Electric Investments Manager Limited as the trustee-manager of HK Electric Investments, and HK Electric Investments Limited. Except for HKEIM, all the companies/investment trust mentioned above are listed in Hong Kong or overseas. He has over four decades of legal, global finance and risk management experience, and possesses deep expertise in overseeing financial reporting system, risk management and internal control systems as well as sustainability issues and related risks. Mr. Sixt is a director of certain substantial shareholders 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. He holds a Master's degree in Arts and a Bachelor's degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Québec and Ontario, Canada.

Andrew John HUNTER

aged 66, has been an Executive Director of the Company since December 2006, Deputy Managing Director of the Company since May 2010 and a member of the Executive Committee of the Company since March 2007. He acted as the Chief Operating Officer of the Company from December 2006 to May 2010. Mr. Hunter is the Chairman of Power Assets Holdings Limited. He is also an Executive Director of CK Hutchison Holdings Limited. All the companies mentioned above are listed companies. He is a director of a substantial shareholder of the Company within the meaning of Part XV of the SFO. Prior to the appointment to the board of Power Assets Holdings Limited in 1999, Mr. Hunter was the Finance Director of the Hutchison Property Group. He holds a Master of Arts degree and a Master's degree in Business Administration. He is a member of the Institute of Chartered Accountants of Scotland and of the Hong Kong Institute of Certified Public Accountants. He has over 40 years of experience in accounting and financial management.

CHAN Loi Shun

aged 62, has been an Executive Director of the Company since January 2011, Chief Financial Officer of the Company since January 2006 and a member of the Executive Committee of the Company since April 2005. He joined the CK Group in January 1992. Mr. Chan is also an Executive Director of Power Assets Holdings Limited, HK Electric Investments Manager Limited as the trustee-manager of HK Electric Investments, and HK Electric Investments Limited. Except for HKEIM, all the companies/investment trust mentioned above are listed in Hong Kong. Mr. Chan is a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants and also a member of the Institute of Certified Management Accountants (Australia).

CHEN Tsien Hua

aged 62, has been an Executive Director of the Company since January 2017, a member of the Executive Committee of the Company since March 2007 and the Head of Business Development of the Company since 2005. She joined Hutchison Whampoa Limited in August 1992 and has been with the Company since July 1996. Ms. Chen holds a Bachelor's degree in Social Sciences and a Master's degree in Business Administration.

CHEONG Ying Chew, Henry

aged 77, has been an Independent Non-executive Director of the Company since its incorporation in May 1996. He has been a member of the Audit Committee of the Company since December 1998 and acted as the Chairman of the Audit Committee of the Company from December 1998 to December 2006. Mr. Cheong has been a member of the Remuneration Committee of the Company since January 2005 and the Chairman of the Remuneration Committee of the Company since January 2012. Mr. Cheong has also been a member of the Nomination Committee of the Company since February 2024. He is also an Independent Non-executive Director of CK Asset Holdings Limited, New World Department Store China Limited and Skyworth Group Limited, and an Independent Director of BTS Group Holdings Public Company Limited. Mr. Cheong is an Executive Director and the Deputy Chairman of Worldsec Limited. All the companies mentioned above are listed companies. He holds a Bachelor of Science degree in Mathematics and a Master of Science degree in Operational Research and Management.

KWOK Eva Lee

aged 82, has been an Independent Non-executive Director of the Company since September 2004. She has been a member of the Nomination Committee of the Company since January 2019 and the Chairperson of the Nomination Committee of the Company since December 2020. She acted as a member of the Audit Committee of the Company from September 2004 to June 2019. She is also an Independent Non-executive Director of CK Asset Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc., and a Director of Li Ka Shing (Canada) Foundation ("LKS Canada Foundation"). She currently serves as the Chair and Chief Executive Officer of Amara Holdings Inc. ("Amara"). Mrs. Kwok also acts as an Independent Director of Cenovus Energy Inc. Mrs. Kwok currently acts as the Chairperson of the Remuneration Committee and a member of the Nomination Committee of CK Life Sciences Int'l., (Holdings) Inc. and also sits on the Governance Committee of Cenovus Energy Inc. Except for LKS Canada Foundation and Amara, all the companies mentioned above are listed companies. She is a director of a company controlled by a substantial shareholder of the Company within the meaning of Part XV of the SFO. In addition, she was an Independent Director of Bank of Montreal, a listed company, and previously sat on the Human Resources and Compensation Committee of Cenovus Energy Inc., the Compensation Committee, the Corporate Governance Committee and the Audit Committee of Husky Energy Inc., the Audit Committee of CK Life Sciences Int'l., (Holdings) Inc., the Audit Committee and Pension Fund Society of the Bank of Montreal, the Nominating and Governance Committee of Shoppers Drug Mart Corporation, the Independent Committee of Directors and Human Resources Committee of Telesystems International Wireless (TIW) Inc., the Independent Committee of Directors and the Corporate Governance Committee of Fletcher Challenge Canada Ltd., the Audit and Corporate Governance Committees of Clarica Life Insurance Company, the Corporate Governance Committee of Air Canada, the Innovation Saskatchewan (IS) Board of Directors and the Saskatchewan-Asia Advisory Council of Saskatchewan.

DIRECTORS' BIOGRAPHICAL INFORMATION (CONT'D)

SNG Sow-mei alias POON Sow Mei

aged 83, has been an Independent Non-executive Director of the Company since September 2004. She has been a member of the Audit Committee of the Company since September 2004 and a member of the Remuneration Committee of the Company since September 2022. She acted as the Chairperson of the Audit Committee of the Company from July 2020 to May 2022. She is an Independent Non-executive Director of CK Asset Holdings Limited, a listed company. She is also an Independent Non-executive Director of ESR Asset Management (Prosperity) Limited, which manages Prosperity Real Estate Investment Trust, a real estate investment trust listed on the SEHK. Mrs. Sng is also a member of the Audit Committee and the Nomination Committee of ESR Asset Management (Prosperity) Limited. Mrs. Sng was previously an Independent Non-executive Director, the Lead Independent Director and a member of the Audit Committee of Hutchison Port Holdings Management Pte. Limited, as the trustee-manager of Hutchison Port Holdings Trust, a business trust listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"), an Independent Director and a member of the Audit Committee of ESR Trust Management (Suntec) Limited, which manages Suntec Real Estate Investment Trust, a real estate investment trust listed on SGX-ST, and an Independent Non-executive Director and a member of the Audit Committee of ESR Asset Management (Fortune) Limited, which manages Fortune Real Estate Investment Trust, a real estate investment trust listed on the SEHK. Mrs. Sng was also previously a Director of INFA Systems Ltd. and the Senior Consultant (International Business) of Singapore Technologies Electronics Ltd. Prior to her appointment with Singapore Technologies Pte Ltd. where Mrs. Sng was the Director, Special Projects (North East Asia) in 2000 and a Consultant in 2001, Mrs. Sng was the Managing Director of CapitaLand Hong Kong Ltd. for investments in Hong Kong and the region including Japan and Taiwan. In Hong Kong from 1983 to 1997, Mrs. Sng was the Centre Director and then as Regional Director of the Singapore Economic Development Board and Trade Development Board respectively. Mrs. Sng was Singapore's Trade Commissioner in Hong Kong from 1990 to 1997. Mrs. Sng holds a Bachelor of Arts degree from the Nanyang University in Singapore and has wide experience in various fields of industrial investment, business development, strategic and financial management, especially in property investment and management. In 1996, Mrs. Sng was conferred the title of PPA(P) – Pingat Pentadbiran Awam (Perak), the Singapore Public Administration Medal (Silver) by the Republic of Singapore.

LAN Hong Tsung, David

aged 84, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since February 2005, and a member of the Sustainability Committee of the Company since February 2024. Dr. Lan is an Independent Non-executive Director of Cinda Financial Holdings Co., Limited. He is also an Independent Non-executive Director of ESR Asset Management (Prosperity) Limited, which manages Prosperity Real Estate Investment Trust, a real estate investment trust listed on the SEHK. He was previously an Independent Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited and SJM Holdings Limited, both are listed companies, for 15 years and 11 years respectively. Dr. Lan was also previously an Independent Non-executive Director of ESR Asset Management (Fortune) Limited, which manages Fortune Real Estate Investment Trust, a real estate investment trust listed on the SEHK. He is the Chairman of David H T Lan Consultants Limited, and holds directorship at Nanyang Commercial Bank, Limited since April 2002 and International Probono Legal Services Association Limited since 2019. Dr. Lan acted as Supervisor of Nanyang Commercial Bank (China), Limited for 12 years and 9 months since December 2007 until his reappointment as Senior Consultant from October 2020. Dr. Lan was a Senior Advisor of Mitsui & Company (Hong Kong) Limited for 19 years till his retirement in March 2019. He was also the President of the International Institute of Management for almost 7 years till his retirement in June 2019. He was the Secretary for Home Affairs of the HKSAR Government till his retirement in July 2000. He had served as civil servant in various capacities for 39 years and was awarded the Gold Bauhinia Star Medal on 1st July, 2000. He was appointed as the 10th and 11th National Committee Member of the Chinese People's Political Consultative Conference of the People's Republic of China. Dr. Lan is a Chartered Secretary and a Fellow Member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. He received his Bachelor of Arts degree from the University of London and completed the Advanced Management Program of the Harvard Business School, Boston. He was also a Fellow at Queen Elizabeth House, University of Oxford. Dr. Lan was conferred with Doctor of Business Administration, honoris causa by University of the West of England, Bristol, Doctor of Humanities, honoris causa by Don Honorio Ventura Technological State University, and holder of Visiting Professorship Awards of Bulacan State University and Tarlac State University.

DIRECTORS' BIOGRAPHICAL INFORMATION (CONT'D)

Paul Joseph TIGHE

aged 68, has been an Independent Non-executive Director of the Company since April 2017. He has been a member of the Audit Committee of the Company since March 2019 and the Chairman of the Audit Committee of the Company since May 2022. He has been a member of the Sustainability Committee of the Company since December 2020. He is also an Independent Non-executive Director of CK Hutchison Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc., both listed companies. Mr. Tighe is a director of a substantial shareholder of the Company within the meaning of Part XV of the SFO, and a director of a company controlled by a substantial shareholder of the Company. He is a former career diplomat with Australia's Department of Foreign Affairs and Trade. He has around 37 years of experience in government and public policy, including 28 years as a diplomat. He has served as Australian Consul-General to Hong Kong and Macau (from 2011 to 2016), Australian Ambassador to Greece, Bulgaria and Albania (from 2005 to 2008), Deputy Head of Mission and Permanent Representative to the United Nations' Economic and Social Commission for Asia and the Pacific at the Australian Embassy in Bangkok (from 1998 to 2001) and as Counsellor in the Australian Delegation to the Organisation for Economic Co-operation and Development in Paris (from 1991 to 1995). In between overseas assignments, Mr. Tighe has held several positions at the headquarters of the Department of Foreign Affairs and Trade in Canberra, including as head of the Department's Trade and Economic Policy Division, head of the Diplomatic Security, Information Management and Services Division, head of the Agriculture and Resources Branch and Director of the International Economic Analysis Section. Before joining the Department of Foreign Affairs and Trade, Mr. Tighe worked in the Overseas Economic Relations Division of the Australian Treasury (from 1986 to 1988), in the Secretariat of the Organisation for Economic Co-operation and Development in Paris (from 1984 to 1986) and in the Australian Industries Assistance Commission (from 1980 to 1984). He holds a Bachelor of Science degree from the University of New South Wales.

LEE Pui Ling, Angelina

aged 76, has been a Non-executive Director of the Company since September 2004 and prior to that an Independent Non-executive Director of the Company from May 1996. Mrs. Lee is a solicitor and a Fellow of the Institute of Chartered Accountants in England and Wales. She holds a Bachelor of Laws degree from and was awarded an Honorary Fellowship by University College London, University of London. Amongst her public appointments, Mrs. Lee was a Member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority and a Non-executive Director of the Securities and Futures Commission. Mrs. Lee is a Non-executive Director of Henderson Land Development Company Limited and TOM Group Limited, and an Independent Non-executive Director of Great Eagle Holdings Limited, all of which are listed companies. Mrs. Lee is also a director of a company controlled by a substantial shareholder of the Company within the meaning of Part XV of the SFO.

George Colin MAGNUS

aged 89, acted as an Executive Director and Deputy Chairman of the Company from May 1996 to October 2005, and has been a Non-executive Director of the Company since November 2005. He is also an Independent Non-executive Director of HK Electric Investments Manager Limited as the trustee-manager of HK Electric Investments, and HK Electric Investments Limited. He acted as an Executive Director of Cheung Kong (Holdings) Limited ("CKH") since 1980 and Deputy Chairman since 1985 until he retired from these offices in October 2005. He has been a Non-executive Director of CKH since November 2005 until his resignation in June 2015. He has been an Executive Director of Hutchison Whampoa Limited ("HWL") since 1980 and was re-designated as a Non-executive Director since November 2005 until his resignation in June 2015. He served as Deputy Chairman of HWL from 1984 to 1993. Mr. Magnus was previously the Chairman of Power Assets Holdings Limited (formerly known as Hongkong Electric Holdings Limited) from 1993 to 2005, a Non-executive Director from 2005 to 2012 and an Independent Non-executive Director until January 2014. He was a Non-executive Director of CK Hutchison Holdings Limited from January 2015 until his retirement in March 2025. Except for HKEIM, CKH and HWL, all the companies/investment trust mentioned above are listed in Hong Kong. He is a director of a substantial shareholder of the Company within the meaning of Part XV of the SFO. He holds a Master's degree in Economics from King's College, Cambridge.

MAN Ka Keung, Simon

aged 67, has been an Alternate Director to Mr. Ip Tak Chuen, Edmond, Deputy Chairman of the Company, since February 2008. He joined the CK Group in December 1987. He is Executive Committee Member and General Manager of Accounts Department of CK Asset Holdings Limited, a listed company. He is a director of certain companies controlled by a substantial shareholder of the Company within the meaning of Part XV of the SFO. He has over 44 years of experience in accounting, auditing, tax and finance. He holds a Bachelor's degree in Economics and is a member of Chartered Accountants Australia and New Zealand.

Eirene YEUNG

aged 64, Alternate Director to Mr. Kam Hing Lam, the Group Managing Director of the Company, and the Company Secretary and a member of the Sustainability Committee of the Company. She is also Executive Committee Member and Company Secretary, and General Manager of Company Secretarial Department of CK Asset Holdings Limited. She is also the Company Secretary of CK Life Sciences Int'l., (Holdings) Inc. Ms. Yeung is a Non-executive Director of ESR Asset Management (Fortune) Limited, the manager of Fortune Real Estate Investment Trust. All the companies/investment trust mentioned above are listed in Hong Kong. She is a director of certain companies controlled by a substantial shareholder of the Company within the meaning of Part XV of the SFO. Ms. Yeung joined the CK Group in August 1994. She is a solicitor of the High Court of the HKSAR and a non-practising solicitor of the Senior Courts of England and Wales. She is also a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION

HONG KONG

CHAN Kee Ham, Ivan

aged 62, Chief Planning and Investment Officer, has been with the Company since September 1999. He is also the Chief Financial Officer of Power Assets 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.

CHIU Yue Seng

aged 48, Head of Corporate Finance, joined the Company in January 2017. He is also an Executive Committee Member and Head of Special Projects of CK Asset Holdings Limited. He has over 20 years of experience in investment banking and finance. He holds a Bachelor of Arts degree and a Master's degree in Business Administration.

LUK Sai Hong, Victor

aged 61, Group General Counsel, has been with the Company since July 1998. He has over 30 years of experience in the legal field. He holds a Bachelor's degree in Social Science. He was admitted as solicitor of the Supreme Court in England in 1992 and was admitted as solicitor in Hong Kong in 1993. He is a solicitor of the High Court of the HKSAR and is a member of The Law Society of Hong Kong.

LUN Pak Lam

aged 67, Head of China Infrastructure, joined Hutchison Whampoa Limited and Cheung Kong (Holdings) Limited in May 1993 and June 1994 respectively and has been with the Company since July 1996. He holds a Bachelor's and a Master's degree in Engineering, a Master of Finance degree in Investment Management and a Master of Science degree in Financial Analysis.

Duncan Nicholas MACRAE

aged 54, Head of International Business, joined the CK Group in February 2011. He has over 30 years of experience in the infrastructure investment field. He holds Bachelor's and Master's degrees in Philosophy, Politics & Economics, and is a member of the Institute of Directors, UK.

TONG BARNES Wai Che, Wendy

aged 64, Chief Corporate Affairs Officer, joined the CK Group in March 1999. She is also an Executive Committee Member and Chief Corporate Affairs Officer of CK Asset Holdings Limited. She is also the Chief Corporate Affairs Officer of CK Life Sciences Int'l., (Holdings) Inc. and the Deputy Chief Executive Officer of Hui Xian Asset Management Limited. She holds a Bachelor's degree in Business Administration.

TSANG Pak Chung, Eddy

aged 67, Chief Executive Officer of CK Infrastructure Materials. He is also an Executive Director of Green Island Cement (Holdings) Limited, Green Island International (BVI) Limited, Green Island Environment Limited and Anderson Asia (Holdings) Limited. He joined the CK Group in January 2005. He holds a Bachelor's degree in Economics and a Master's degree in Commerce. He is a member of Chartered Accountants Australia and New Zealand, the Hong Kong Institute of Certified Public Accountants and the Chartered Governance Institute, and is currently the Chairman of Hong Kong Construction Materials Association Limited, a fellow member of Institute of Quarrying and a member of Construction Business Development Committee of Construction Industry Council.

YIP Cheung, Lawrence

aged 61, Head of Internal Audit, has been with the Company since November 1997. He holds a Master's degree in Business Administration. He is a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants and a fellow of the Institute of Chartered Accountants in England and Wales.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION (CONT'D)

OVERSEAS

Christopher AUGHTON

aged 54, has been Chief Executive Officer of Enviro (NZ) Limited ("Enviro NZ") since January 2018. His career spans management and board positions at a variety of international organisations, as well as senior advisory roles in corporate finance and private equity. Prior to joining Enviro NZ, Mr. Aughton was Chief Executive Officer of a multi-national healthcare group headquartered in Sydney, Australia. He had also previously served as Director of Enviro Waste Services Limited (renamed Enviro NZ Services Limited in 2023; it is a wholly owned subsidiary of Enviro NZ) from 2007 to 2013. Mr. Aughton holds a Bachelor of Science and a Bachelor of Commerce (Honours).

Andrew BILLS

aged 58, is the Chief Executive Officer of SA Power Networks since May 2023. Mr. Bills has over 25 years of experience in the energy industry across the public and private sectors, covering power generation, retail supply, distribution, LPG and energy trading. He was previously Chief Executive of a government owned power generator, and had held senior executive positions in several Australian energy industry organisations. Mr. Bills holds a Master's degree in Business Administration, a Bachelor's degree in Arts, and is a Graduate of the Australian Institute of Company Directors.

Kailash CHADA

aged 53, was appointed Group Chief Executive Officer of Phoenix Energy Holdings Limited in April 2023, having been Group Chief Finance Officer there from 2017. Mr. Chada worked in major international banking and other financial services businesses in London for more than 15 years prior to moving back to Northern Ireland ("NI") in 2013. Mr. Chada holds a Bachelor's degree in Civil Engineering and is a member of the Institute of Chartered Accountants of Scotland. Mr. Chada is actively involved in the NI business community and is currently Vice President of the NI Chamber of Commerce, a board member of NI Business in the Community and a council member of the Confederation of British Industry for NI.

Shane COOKE

aged 49, was appointed Chief Executive Officer of Husky Midstream General Partnership ("Husky Midstream") in June 2023. Husky Midstream is a joint venture of Cenovus Energy Inc. ("Cenovus Energy"), CK Infrastructure ("CKI") and Power Assets. CKI's shareholding in Husky Midstream is held by Canadian Midstream Assets. Mr. Cooke has over 20 years of experience in the energy industry across finance, commercial, midstream and downstream asset optimisation, strategy, project management, business development, governance and risk. Mr. Cooke has worked at Cenovus Energy for over 20 years, where he held progressively more senior roles across finance, corporate and downstream organisations. Mr. Cooke has a Bachelor of Commerce degree and is a CFA® Charterholder, CFA Institute.

Craig DE LAINE

aged 50, is Chief Executive Officer of Australian Gas Infrastructure Group, which consists of Australian Gas Networks Limited ("AGN"), Multinet Group Holdings Pty Limited, Dampier Bunbury Natural Gas Pipeline Holdings Pty Limited and AGI Development Group. He joined AGN in 2005. Prior to being appointed to his current position in November 2021, Mr. de Laine had responsibility for a broad range of key corporate functions, including business strategy, low carbon strategy and transition, hydrogen growth and development, ESG, corporate affairs, media, communications, regulation, customer service and business development, community engagement, risk and compliance and people and culture. Mr. de Laine holds a Master of Economics.

Graham Winston EDWARDS

aged 71, has been Chief Executive of Wales & West Utilities Limited since the business commenced in 2005. Mr. Edwards has significant senior management experience across the utility sector. Prior to his tenure in Wales & West Utilities, he worked in the electricity and water sectors, where he held senior posts in human resources, operations, and business leadership roles with full P&L responsibilities. He has also spent many years in the manufacturing sector with global automotive and consumer goods companies. Mr. Edwards has a Master's degree in Business Administration, and is a Fellow of the Chartered Institute of Personnel and Development. He is a Non-executive Director of the Institute of Customer Service. He is a previous Wales Chair of both the Confederation of British Industry and Business in the Community.

Derek David GOODMANSON

aged 58, is Chief Executive Officer of Canadian Power Holdings Inc. He joined the company as Technical and Commercial Director in 2011, and was promoted to his current position in 2012. Mr. Goodmanson has over 30 years of experience in engineering, maintenance, project management, operations, and commercial management in the power industry, having held a number of key leadership roles in the power generation and transmission sectors throughout Canada. He holds a Bachelor of Mechanical Engineering degree, and is a Registered Professional Engineer in Canada. He also completed the Ivey Executive Development Programme.

James Christopher HARMAN

aged 56, has been Chief Executive Officer of Energy Developments Pty Limited ("EDL") since October 2016. Before joining EDL, Mr. Harman had over 20 years of experience in the natural resource industry in the United Kingdom and Australia, and has extensive international leadership and business development experience. Prior to his current position, he was Group Head of Business Development of a top-tier natural resource company. Mr. Harman is the Deputy Chair of the Australian Energy Council, and is a Director of Bioenergy Australia. He holds a Bachelor's degree in Commerce and a Master's degree in Laws.

Mark John HORSLEY

aged 65, has been Chief Executive Officer of Northern Gas Networks Limited since 2011. He has more than 49 years of experience in the energy sector. Mr. Horsley has held a number of senior appointments in the industry, which include an international built asset consultancy and power companies. Mr. Horsley held the post of Chairman of the UK Energy Networks Association from 2004 to 2006 and was Chairman of the Energy Innovation Centre from 2014 to 2017. In 2024, he was appointed Chair of Future Energy Networks (FEN), the trade body that represents the gas transmission and distribution operators in the United Kingdom.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION (CONT'D)

OVERSEAS (CONT'D)

Mary KENNY

aged 59, is Chief Executive Officer of Eversholt Rail. Ms. Kenny was first involved in Eversholt Rail in 1997 as part of the due diligence team of the bank which acquired Eversholt Leasing (now known as Eversholt Rail). Subsequently, she worked in Eversholt Rail as Commercial Manager until 2001, before returning to banking where she held various finance roles around the asset and structured finance portfolio. In 2007, Ms. Kenny rejoined Eversholt Rail as Head of Finance and Chief Operating Officer before being promoted to her current position in 2008. During her time with Eversholt Rail, she has overseen a number of significant investment programmes in addition to operational and ownership changes. Ms. Kenny has a Bachelor's degree in Business and is a qualified Chartered Management Accountant.

Hagen LESSING

aged 51, has been Chief Executive Officer of the ista Group since June 2021. He joined ista as Chief Executive Officer of ista Germany in October 2019. Prior to joining ista, Dr. Lessing worked for a world-renowned consulting group for more than 15 years, having supported clients from the energy and industrial goods sectors in Germany, Scandinavia and the United Kingdom with a focus on strategy, transformation and digitisation. Dr. Lessing studied Business Management and Engineering in Germany and the United States, and holds a Doctor's degree in Applied Computer Science.

Peter LOWE

aged 72, was appointed as Chairman of Multinet Group Holdings Pty Limited and United Energy Distribution Holdings Pty Limited in 2004, and Chairman of Dampier Bunbury Natural Gas Pipeline Holdings Pty Limited in 2021. He has also been an Independent Director of Australian Gas Networks Limited since 2017. Mr. Lowe has over 30 years of commercial experience at senior management level, including development of strategies for new business, corporate restructuring, financing of acquisitions and making operational improvements. Mr. Lowe holds a Bachelor's degree in Commerce and a Master's degree in Business Administration.

Yves Willy André LUCA

aged 59, has been Chief Executive Officer of AVR-Afvalverwerking B.V. ("AVR") since 2013, where he managed the acquisition by a consortium led by the Group and the transition of AVR. Mr. Luca has 28 years of experience in the waste management industry, where he held several regional and national executive positions, as well as directorships in both managing board and group board in Europe's leading waste service, raw materials and energy provider group. Over the years, he has been responsible for waste collection operations, recycling activities and energy-from-waste activities in Belgium and Eastern Europe. Mr. Luca holds a Master's degree in Applied Economic Science.

Carlo MARRELLO

aged 60, is Chief Executive Officer of Park'N Fly. He joined the company in 2014. Mr. Marrello has over 30 years of experience in executive management, consulting, sales, and operations in both the financial and commercial logistics industries. He has a Bachelor's degree, and has previously held a number of senior appointments, which include the Global Head of Commodities Logistics at a leading bank in Canada.

Stuart Michael MAYER

aged 58, is General Manager of Seabank Power Limited. He joined the company as Commercial Financial Controller in 2001, and was promoted to his current position in 2007. Mr. Mayer held a variety of commercial and financial roles in the civil and military aero engine sectors in the United Kingdom and overseas. Mr. Mayer is a Chartered Management Accountant with over 30 years of experience in engineering and utilities.

Neil Douglas MCGEE

aged 73, is Chairman and a Non-executive Director of Dutch Enviro Energy Holdings B.V. He joined the CK Hutchison Group in 1978, holding various legal, corporate secretarial, finance and management positions. He is also a Director of Power Assets Holdings Limited, UK Power Networks Holdings Limited, Northern Gas Networks Limited and Seabank Power Limited. Mr. McGee holds a Bachelor of Arts degree and a Bachelor of Laws degree.

Heidi MOTTRAM

aged 60, is Chief Executive Officer of the Northumbrian Water Group Limited and Northumbrian Water Limited Boards. Ms. Mottram has held the positions since 2010 before Northumbrian Water's acquisition by a consortium led by the Group in October 2011. Prior to her current position, Ms. Mottram has held a number of senior management roles in the rail and transport sector, and she was awarded an OBE in the New Year Honours List 2010 for services to the rail industry. In 2016, she was selected to be the Prince of Wales' Business Ambassador to the North East, in conjunction with Business in the Community. In the same year, Ms. Mottram was also named North East Business Executive of the Year for her contribution to business in the North East of England. In 2018, Ms. Mottram was awarded a CBE in the Queen's Birthday Honours List for her contribution to the water industry and business community. Ms. Mottram received the Chair's Award for Excellence in Director and Board Practice by Institute of Directors in Yorkshire and North East in 2020.

Sean O'BRIEN

aged 58, is President and Chief Executive Officer of Reliance Home Comfort. Mr. O'Brien has over 25 years of senior leadership experience in sales, general management, marketing and business development, with an emphasis on fostering a high performance culture. Prior to his current role, he was President of Canada's largest industrial supplies distribution company. In 2016 he was recognised as Canada's Most Admired™ CEO and in 2017 won Glassdoor Highest Rated CEO of the Year Award. Mr. O'Brien holds a Bachelor's degree in Social Studies.

Richard Clive PEARSON

aged 79, has been Chairman of Wellington Electricity Distribution Network Limited and its subsidiary companies since the organisation's establishment in 2008. He was also appointed Chairman of Enviro (NZ) Limited in 2013. Prior to his current positions, Mr. Pearson worked for Hutchison Whampoa Group (now known as CK Hutchison Holdings) from 1975 to 2007, holding various senior roles in Hutchison Port Holdings Group, including Managing Director – Europe Division from 2005 to 2007, President of ECT Rotterdam from 2002 to 2004, as well as Managing Director of Hongkong International Terminals Ltd. from 1996 to 1998. Mr. Pearson holds a Bachelor's degree in Commerce and is a member of the New Zealand Society of Accountants.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION (CONT'D)

OVERSEAS (CONT'D)

Timothy Hugh ROURKE

aged 53, is Chief Executive Officer of Victoria Power Networks Pty Ltd. ("Victoria Power Networks") and its subsidiaries. He is also the Chief Executive Officer and Director of United Energy Distribution Holdings Pty Limited. Prior to joining Victoria Power Networks in April 2013, Mr. Rourke was Chief Executive Officer of an energy infrastructure business operating in Australia and New Zealand. Previous experience included senior executive roles with a number of Australian based energy and infrastructure companies. Before entering the energy sector, he worked for a multi-national mining company and an international accounting and consultancy firm. Mr. Rourke is a Director of Energy Networks Australia, the national industry association representing electricity and gas distribution business. He holds a Bachelor of Commerce degree.

Basil SCARSELLA

aged 69, has been Chief Executive Officer of UK Power Networks Holdings Limited since its establishment in late 2010. Prior to his current appointment, Mr. Scarsella held a number of senior positions in the Group's businesses, including Chief Executive Officer of Northern Gas Networks Limited in the United Kingdom from 2005 to 2010, and Chief Executive Officer of SA Power Networks in Australia from 1998 to 2005. Before SA Power Networks was acquired by the Group, he worked in ETSA Utilities and other energy companies in Australia. Mr. Scarsella has a degree in Economics and is a Certified Practising Accountant. He is a Life Member of Football Australia and received the Australian Sports Medal in 2000, and in 2003 became a Member of the Order of Australia (AM) for his services to sport. Mr. Scarsella was the Chairman of the Energy Networks Association in the United Kingdom from 2014 to 2017.

Greg Donald SKELTON

aged 60, is Chief Executive Officer of Wellington Electricity Lines Limited. He has been with the company since its formation in 2009. Mr. Skelton has over 30 years of experience in the fields of production engineering, electrical engineering and business management. He holds a Bachelor's degree in Electrical Engineering, a Master's degree in Business Administration, and is a Fellow of Engineering New Zealand.

Peter Peace TULLOCH

aged 81, has been Chairman of SA Power Networks, Victoria Power Networks Pty Ltd., as well as its subsidiaries since 2005. He was appointed Chairman of Australian Gas Networks Limited in late 2014, and he is also a Non-executive Director of CK Life Sciences Int'l., (Holdings) Inc. Mr. Tulloch has over 30 years of banking experience in Asia. He was educated in Scotland and is a Fellow of the Institute of Canadian Bankers.

REPORT OF THE DIRECTORS

The Directors are pleased to present shareholders their report together with the audited financial statements of the Group for the year ended 31st December, 2024.

PRINCIPAL ACTIVITIES

The Group's principal activities during the year are development, investment and operation of infrastructure businesses in Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States.

BUSINESS REVIEW

A fair review of the Group's business, and an indication of likely future development in the Group's business are provided in the Business Review, Chairman's Letter and Group Managing Director's Report on pages 24 to 59, pages 6 to 11 and pages 12 to 18 of this Annual Report respectively. An analysis of the Group's performance using financial key performance indicators is set out in the Ten-year Financial Summary on page 5 and Financial Review on pages 60 to 61. A description of the principal risks and uncertainties facing the Group can be found in the Risk Factors on pages 190 to 200. In addition, particulars of important events affecting the Group that have occurred since the end of the year 2024, if any, are set out in the Chairman's Letter on pages 6 to 11. The above discussions form part of the Report of the Directors.

As a global leader in infrastructure investment, we understand the urgent need to tackle climate-related challenges and support to the transition to net zero emissions. In alignment with COP29 objectives, investment in decarbonisation, clean energy, and resilient infrastructure is one of our key focus areas to actively shape global infrastructure for today and tomorrows, exemplified by our acquisition of Phoenix Energy and two other renewable energy businesses in 2024. To facilitate our net zero transition, we have established a comprehensive plan built on six strategic levers: decarbonising electricity generation and prioritising renewable energy, modernising and digitalising electricity networks, recovering methane and capturing carbon emissions, embracing hydrogen as a clean energy source, promoting resource efficiency, and innovating sustainable practices across the value chain, which provide a structured and measurable roadmap to achieve our decarbonisation goals. As we progress on our net zero transition journey, we anticipate that our business units will make significant contributions to achieve the Group's decarbonisation targets, reinforcing our collective responsibility to a sustainable future. In 2024, we achieved a 6.0% year-over-year reduction in Scope 1 and 2 greenhouse gas (GHG) emissions, on track to achieve a 50% reduction in Scope 1 and 2 GHG emissions by 2035 from our baseline in 2020, with the ultimate goal of pursuing net zero by 2050.

To reinforce our commitment to shaping global infrastructure with accountability, transparency, and sustainability, we consistently align with global sustainability disclosure standards. In addition to following the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), we have voluntarily reported on industry-based metrics from the Sustainability Accounting Standards Board (SASB) Standards, starting with those in the energy sector in this year's Sustainability Report. Following our listing on the London Stock Exchange plc in August 2024, we will also make sustainability disclosures that comply with the relevant Listing Rules of the UK's Financial Conduct Authority ("UK Listing Rules") and applicable regulations. Furthermore, we are continually enhancing our climate-related disclosures to meet the latest International Financial Reporting Standards (IFRS) S2 requirements as adopted by the Environmental, Social and Governance Reporting Code under the Rules Governing the Listing of Securities ("HK Listing Rules") on The Stock Exchange of Hong Kong Limited ("HK Stock Exchange"), ensuring compliance with local regulatory frameworks while fulfilling global expectations.

BUSINESS REVIEW (CONT'D)

Aligned with our climate initiatives, the Group has reinforced its dedication to environmental stewardship and biodiversity conservation with the establishment of the Biodiversity Policy, placing the protection of nature and respect for all lives at the heart of our corporate strategy for sustainable, long-term growth. The Biodiversity Policy has been applied across the Group's operations with measurable goals and actions, serving as a directive for our collective efforts in nurturing biodiversity. The Group also encourages its stakeholders, including its suppliers, contractors, business partners and customers, to follow the practices outlines in the Biodiversity Policy and to further their own efforts at environmental protection and biodiversity conservation.

Many of the Group's businesses and investments in relation to energy, transportation, water, waste management and infrastructure in different parts of the world are subject to local laws and legislations including, for instance, Gas Act 1986 (and associated regulations) and Electricity Safety, Quality and Continuity Regulations in the United Kingdom; National Gas Law and Rules, Gas Distribution System Code and National Electricity (Victoria) Act 2005 in Australia; European Union Energy Efficiency Directive in Europe; Consumer Protection Act, 2002 (Ontario) and Canadian Environmental Protection Act 1999 in Canada. Each of such businesses is required to work within the ambit of its operating licence(s) in the jurisdictions where it operates and ensures that its local operations comply with relevant laws and regulations that have significant impact on the operation(s) through performing regular audits, completing regular internal compliance reports and putting in place regulatory compliance guidelines and procedures.

The Group endeavours to communicate openly and transparently with its key stakeholders including its employees, customers and suppliers to gather their views on the issues that concern them the most. The Group uses stakeholders' input to understand the shifting market needs, which in turn helps to inform the Group's decision making in relation to its practices, initiatives and disclosures. This year, the Group voluntarily adopted a double materiality approach to sharpen our focus on sustainability disclosure and solidify our sustainability approaches. The assessment identified key sustainability topics that are financially material to our business and impactful to our stakeholders, which align with the Group's priorities such as decarbonisation, hydrogen economy, energy transition, climate resilience and adaptation, and GHG emissions management, matching our stakeholders' expectation for the year.

The Group is steadfast in its commitment to a just transition that steers us toward a sustainable future while maintaining a strong focus on inclusivity and equity. The formalisation of the Workforce Diversity Policy, which applies to all Group companies, affirms our dedication to creating a diverse and inclusive workplace, fostering gender empowerment, gender equality and gender diversity across our workforce. Progress in embedding these principles of diversity and inclusion within our workplace, culture, strategy and processes is continuously monitored, and training on diversity and inclusion is provided to our employees from time to time to uphold these values within our corporate culture.

Furthermore, our dedication to a just transition is mirrored in our investment in the professional development of our employees. By offering extensive training, mentorship, and clear career progression opportunities, we are cultivating a workforce that is skilled, motivated, and equipped to succeed in the dynamic nature of our industry.

Building on our commitment to employee development and a just transition, the Group also places a high priority on the satisfaction and well-being of our customers. We are dedicated to creating a safe and secure environment for them and, to this end, have implemented a series of measures that ensure they receive current information on the health, safety, and environmental risks associated with our products and services. Furthermore, our business units foster local community engagement by establishing groups that provide a forum for community interaction and organising various activities to heighten awareness about the significance of environmental protection. By uniting with our customers and collaborating on these initiatives, we are confident that we can advance toward a shared vision of forging a more sustainable and resilient landscape for the benefit of all.

The Group acknowledges the potential environmental and social consequences that can arise throughout the supply chain and is dedicated to mitigating these risks through collaborative efforts with our suppliers. ESG-related factors are carefully considered and given significant weight in the assessment process for potential suppliers and contractors. To cultivate valuable partnerships with our suppliers, regular monitoring, audits, and evaluations are conducted to assess their performance. Our business units have also implemented various approaches to ensure the effective implementation of monitoring systems, with nearly all suppliers participating in the assessment process.

Details of the discussion of the Group's environmental policies and performance, the Group's compliance with relevant laws and regulations that have a significant impact on the Group, and an account of the Group's relationships with the key stakeholders are set out in the Sustainability Report. In line with the Group's "comply or explain" obligation under the UK Listing Rules, we confirmed that we have made disclosures consistent with the TCFD recommendations. The recommended disclosures are available in the Sustainability Report, which serves as a centralised and comprehensive repository of ESG-related information, including climate-related aspects. The Sustainability Report is designed to provide relevant, material, and decision-useful information by disclosing ESG risks, opportunities, and our management approach, supported by analysis and data. While it is a standalone document, the Sustainability Report highlights how climate and other ESG factors are integrated into our business strategies and operations, reflecting our holistic approach to corporate performance management. The Sustainability Report has been published on the Company's website (https://www.cki.com.hk), the website of Hong Kong Exchanges and Clearing Limited (https://www.hkexnews.hk) and the National Storage Mechanism (https://data.fca.org.uk/#/nsm/nationalstoragemechanism) for inspection and download.

RESULTS AND DIVIDENDS

Results of the Group for the year ended 31st December, 2024 are set out in the Consolidated Income Statement on page 95.

The Directors recommend the payment of a final dividend of HK$1.86 per share which, together with the interim dividend of HK$0.72 per share paid on 25th September, 2024, makes the total dividend of HK$2.58 per share for the year.

GROUP FINANCIAL SUMMARY

Results, assets and liabilities of the Group for the last ten years are summarised on page 5.

DIRECTORS

The Directors of the Company in office at the date of this Annual Report are listed on page 214 and their biographical information is set out on pages 62 to 69.

Mr. Barrie Cook retired as an Independent Non-executive Director of the Company with effect from 10th February, 2024.

In accordance with the Company's Bye-laws, the Directors of the Company (including Non-executive Directors) shall be subject to retirement by rotation at each annual general meeting. Accordingly, Mr. Kam Hing Lam, Mr. Frank John Sixt, Mr. Chan Loi Shun, Mrs. Kwok Eva Lee and Mrs. Lee Pui Ling, Angelina will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Each of the Independent Non-executive Directors had made an annual confirmation of independence taking into account the factors referred to in Rule 3.13 of the HK Listing Rules. The Company considered that all Independent Non-executive Directors meet the independence guidelines set out in Rule 3.13 of the HK Listing Rules and are independent in accordance with the terms of the guidelines.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There were no transactions, arrangements or contracts of significance in relation to the businesses of the Company and its subsidiaries to which the Company or a specified undertaking of the Company was a party and in which a Director of the Company or his/her connected entity had a material interest, whether directly or indirectly, subsisted at any time during the year 2024 and as at the date of this Annual Report.

DIRECTORS' SERVICE CONTRACTS

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

PERMITTED INDEMNITY PROVISION

The Company's Bye-laws and the Bermuda Companies Act provide that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty in their offices, provided that this indemnity shall not extend to any matter in respect of any wilful negligence, wilful default, fraud or dishonesty which may attach to the Directors concerned, or any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given against him or in which he is convicted. A Directors Liability Insurance is in place to protect the Directors against potential costs and liabilities arising from claims brought against the Directors.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st December, 2024, 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 HK Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the HK Listing Rules ("Model Code"), to be notified to the Company and HK Stock Exchange, were as follows:

(1) Long Positions in Shares

			Number of Ordinary Shares/Share Stapled Units					
Name of Company	Name of Director	Capacity	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	Approximate % of Shareholding
Company	Li Tzar Kuoi, Victor	Interest of child or spouse & beneficiary of trusts	–	227,000	–	5,428,000 (Note 1)	5,655,000	0.22%
	Kam Hing Lam	Beneficial owner	100,000	–	–	–	100,000	0.003%
CK Hutchison Holdings Limited	Li Tzar Kuoi, Victor	Beneficial Owner, interest of child or spouse, interest of controlled corporations & beneficiary of trusts	220,000	405,200	2,572,350 (Note 3)	1,162,632,010 (Note 2)	1,165,829,560	30.43%
	Kam Hing Lam	Beneficial owner & interest of child or spouse	51,040	57,360	–	–	108,400	0.002%
	Fok Kin Ning, Canning	Interest of controlled corporation	–	–	6,011,438 (Note 9)	–	6,011,438	0.15%
	Frank John Sixt	Beneficial owner	166,800	–	–	–	166,800	0.004%
	Lan Hong Tsung, David	Beneficial owner	13,680	–	–	–	13,680	0.0003%
	Lee Pui Ling, Angelina	Beneficial owner	111,334	–	–	–	111,334	0.002%
	George Colin Magnus	Beneficial owner, interest of child or spouse & founder & beneficiary of a discretionary trust	85,361	16,771	–	833,868 (Note 10)	936,000	0.02%
	Man Ka Keung, Simon	Beneficial owner & interest of child or spouse	9,895 (Note 11)	1,895 (Note 11)	–	–	9,895	0.0003%
Power Assets Holdings Limited	Kam Hing Lam	Interest of child or spouse	–	100,000	–	–	100,000	0.004%
	Lee Pui Ling, Angelina	Beneficial owner	8,800	–	–	–	8,800	0.0004%

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONT'D)

(1) Long Positions in Shares (Cont'd)

Name of Company	Name of Director	Capacity	Number of Ordinary Shares/Share Stapled Units: Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	Approximate % of Shareholding
HK Electric Investments and HK Electric Investments Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation & beneficiary of trusts	–	–	5,170,000 (Note 5)	2,700,000 (Note 6)	7,870,000	0.08%
	Kam Hing Lam	Interest of child or spouse	–	1,025,000	–	–	1,025,000	0.01%
	Fok Kin Ning, Canning	Interest of controlled corporation	–	–	2,000,000 (Note 9)	–	2,000,000	0.02%
	Lee Pui Ling, Angelina	Beneficial owner	2,000	–	–	–	2,000	0.00002%
Hutchison Telecommunications (Australia) Limited	Fok Kin Ning, Canning	Beneficial owner & interest of controlled corporation	4,100,000	–	1,000,000 (Note 9)	–	5,100,000	0.037%
	Frank John Sixt	Beneficial owner	1,000,000	–	–	–	1,000,000	0.007%
Hutchison Telecommunications Hong Kong Holdings Limited	Li Tzar Kuoi, Victor	Interest of child or spouse, interest of controlled corporations & beneficiary of trusts	–	192,000	353,047,203 (Note 7)	53,604,826 (Note 8)	406,844,029	8.44%
	Fok Kin Ning, Canning	Interest of controlled corporation	–	–	1,202,380 (Note 9)	–	1,202,380	0.024%
	Frank John Sixt	Beneficial owner	255,000	–	–	–	255,000	0.005%
	George Colin Magnus	Beneficial owner & interest of child or spouse	13,201	132	–	–	13,333	0.0002%

(2) Long Positions in Debentures

Name of Company	Name of Director	Capacity	Amount of Debentures: Personal Interests	Family Interests	Corporate Interests	Other Interests	Total
Cheung Kong Infrastructure Finance (BVI) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	–	–	US$10,000,000 4.2% Guaranteed Perpetual Capital Securities (Note 4)	–	US$10,000,000 4.2% Guaranteed Perpetual Capital Securities

Notes:

1. The discretionary beneficiaries of each of The Li Ka-Shing Unity Discretionary Trust ("DT1") and another discretionary trust ("DT2") are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard. Each of the trustees of DT1 and DT2 holds units in The Li Ka-Shing Unity Trust ("UT1") but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of UT1 holds a total of 5,428,000 shares of the Company.

   The entire issued share capital of TUT1 and of the trustees of DT1 and DT2 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 interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Unity Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as aforesaid.

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

2. The 1,162,632,010 shares in CK Hutchison Holdings Limited ("CK Hutchison") comprise:

   (a) 1,005,817,044 shares held by TUT1 as trustee of UT1 together with certain companies which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT1 related companies"). By virtue of being a director of the Company and a discretionary beneficiary of each of DT1 and DT2 as described in Note 1 above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said shares of CK Hutchison held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO.

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

   The entire issued share capital of TUT3 and of the trustees of DT3 and DT4 are owned by Li Ka-Shing Castle Holdings Limited ("Castle Holdco"). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Castle Holdco. TUT3 is only interested in the shares of CK Hutchison by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of CK Hutchison independently without any reference to Castle Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Castle Holdco as aforesaid.

   By virtue of the above and as a director of the Company and a discretionary beneficiary of each of DT3 and DT4, Mr. Li Tzar Kuoi, Victor is also taken to have a duty of disclosure in relation to the said 72,387,720 shares of CK Hutchison held by TUT3 as trustee of UT3 and TUT3 related companies under the SFO.

   (c) 84,427,246 shares held by a company controlled by Li Ka-Shing Castle Trustee Corporation Limited as trustee of DT3.

3. The 2,572,350 shares in CK Hutchison comprise:

   (a) 2,272,350 shares held by certain companies in which Mr. Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.

   (b) 300,000 shares 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.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONT'D)

Notes (Cont'd):

4. Such interests are held by a company of which Mr. Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings.

5. The 5,170,000 share stapled units in HK Electric Investments and HK Electric Investments Limited ("HKEI") are held by LKSF. By virtue of the terms of the constituent documents of LKSF, Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.

6. The 2,700,000 share stapled units in HKEI are held by TUT1 as trustee of UT1. By virtue of being a director of the Company and a discretionary beneficiary of each of DT1 and DT2 as described in Note 1 above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said 2,700,000 shares stapled units of HKEI held by TUT1 as trustee of UT1 under the SFO.

7. The 353,047,203 shares in Hutchison Telecommunications Hong Kong Holdings Limited ("HTHK") comprise:

   (a) 2,519,250 shares held by certain companies in which Mr. Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.

   (b) 350,527,953 shares held by LKSF. By virtue of the terms of the constituent documents of LKSF, Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.

8. The 53,604,826 shares in HTHK comprise:

   (a) 153,280 shares held by TUT3 as trustee of UT3. By virtue of being a director of the Company and a discretionary beneficiary of each of DT3 and DT4 as described in Note 2(b) above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said 153,280 shares of HTHK held by TUT3 as trustee of UT3 under the SFO.

   (b) 53,451,546 shares held by TUT1 as trustee of UT1 together with a company which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings ("TUT1 related company"). By virtue of being a director of the Company and a discretionary beneficiary of each of DT1 and DT2 as described in Note 1 above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said 53,451,546 shares of HTHK held by TUT1 as trustee of UT1 and TUT1 related company under the SFO.

9. Such interests are held by a company which is equally owned by Mr. Fok Kin Ning, Canning and his wife.

10. Such interests comprise 184,000 shares held by a company controlled by a trust under which Mr. George Colin Magnus is a discretionary beneficiary and 649,868 shares indirectly held by a trust of which Mr. George Colin Magnus is the settlor and a discretionary beneficiary.

11. Such 9,895 shares comprise (a) 8,000 shares individually held by Mr. Man Ka Keung, Simon; and (b) 1,895 shares jointly held by Mr. Man Ka Keung, Simon and his wife.

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 31st December, 2024, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and HK Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and HK Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at 31st December, 2024, 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 by the Company under Section 336 of the SFO were as follows:

Long Positions of Substantial Shareholders in the Shares of the Company

Name	Capacity	Number of Ordinary Shares	Total	Approximate % of Shareholding
Hutchison Infrastructure Holdings Limited	Beneficial owner	1,906,681,945	1,906,681,945	75.67%
Aspire Rich Limited	Interest of controlled corporation	1,906,681,945 (Note i)	1,906,681,945	75.67%
Robust Faith Limited	Interest of controlled corporation	1,906,681,945 (Note i)	1,906,681,945	75.67%
CK Hutchison Capital Securities (2) Limited	Interest of controlled corporations	1,906,681,945 (Note ii)	1,906,681,945	75.67%
CK Hutchison Capital Securities (3) Limited	Interest of controlled corporations	1,906,681,945 (Note iii)	1,906,681,945	75.67%
CK Hutchison Global Investments Limited	Interest of controlled corporations	1,906,681,945 (Note iv)	1,906,681,945	75.67%
CK Hutchison Holdings Limited	Interest of controlled corporations	1,906,681,945 (Note v)	1,906,681,945	75.67%

Notes:

i. This represents the same block of shares in the Company as shown against the name of Hutchison Infrastructure Holdings Limited ("HIHL") above. Since HIHL is equally controlled by Aspire Rich Limited ("Aspire Rich") and Robust Faith Limited ("Robust Faith"), each of Aspire Rich and Robust Faith is deemed to be interested in the same number of shares in which HIHL is interested under the SFO.

ii. As Aspire Rich is wholly-owned by CK Hutchison Capital Securities (2) Limited ("CK 2"), CK 2 is deemed to be interested in the same number of shares in which Aspire Rich is deemed to be interested under the SFO.

iii. As Robust Faith is wholly-owned by CK Hutchison Capital Securities (3) Limited ("CK 3"), CK 3 is deemed to be interested in the same number of shares in which Robust Faith is deemed to be interested under the SFO.

iv. As CK 2 and CK 3 are wholly-owned by CK Hutchison Global Investments Limited ("CK Global"), CK Global is deemed to be interested in the same number of shares in which CK 2 and CK 3 are deemed to be interested under the SFO.

v. As CK Global is wholly-owned by CK Hutchison Holdings Limited ("CK Hutchison"), CK Hutchison is deemed to be interested in the same number of shares in which CK Global is deemed to be interested under the SFO.

Save as disclosed above, as at 31st December, 2024, the Company had not been notified by any persons (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 by the Company under Section 336 of the SFO.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, 36.08 per cent of the Group's purchases were attributable to the Group's five largest suppliers with the largest supplier accounted for 11.87 per cent of the Group's purchases. The Group's five largest customers accounted for less than 30 per cent of the Group's sales of goods or services.

None of the Directors, their close associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5 per cent of the number of issued shares of the Company) has any interest in the Group's five largest suppliers.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year, the interests of Directors in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group ("Competing Business") as required to be disclosed pursuant to the HK Listing Rules were as follows:

(a) Core Business Activities of the Group

(1) Development, investment and operation of energy infrastructure;
(2) Development, investment and operation of transportation infrastructure;
(3) Development, investment and operation of water infrastructure;
(4) Development, investment and operation of waste management and waste-to-energy businesses;
(5) Development, investment and operation of household infrastructure;
(6) Development, investment and operation and commercialisation of infrastructure related business;
(7) Investment holding and project management; and
(8) Securities investment.

(b) Interests in Competing Business

Name of Director	Name of Company	Nature of Interest	Competing Business Note i
Victor T K Li	CK Asset Holdings Limited	Chairman and Managing Director	(1), (2), (3), (4) & (5)
	CK Hutchison Holdings Limited	Chairman and Executive Director Note ii	(1), (2), (3), (4) & (7)
	Power Assets Holdings Limited	Non-executive Director	(1), (4), (7) & (8)
	HK Electric Investments and HK Electric Investments Limited	Non-executive Director and Deputy Chairman	(1) & (7)
	CK Life Sciences Int'l., (Holdings) Inc.	Chairman	(8)
Kam Hing Lam	CK Asset Holdings Limited	Deputy Managing Director	(1), (2), (3), (4) & (5)
	CK Hutchison Holdings Limited	Deputy Managing Director	(1), (2), (3), (4) & (7)
	CK Life Sciences Int'l., (Holdings) Inc.	President	(8)
Ip Tak Chuen, Edmond	CK Asset Holdings Limited	Deputy Chairman Note iii	(1), (2), (3), (4) & (5)
	CK Hutchison Holdings Limited	Deputy Managing Director	(1), (2), (3), (4) & (7)
	CK Life Sciences Int'l., (Holdings) Inc.	Senior Vice President and Chief Investment Officer	(8)
Fok Kin Ning, Canning	CK Hutchison Holdings Limited	Deputy Chairman Note iv	(1), (2), (3), (4) & (7)
	Power Assets Holdings Limited	Note v	(1), (4), (7) & (8)
	HK Electric Investments and HK Electric Investments Limited	Chairman	(1) & (7)
	Hutchison Telecommunications Hong Kong Holdings Limited	Chairman	(7)
Frank John Sixt	CK Hutchison Holdings Limited	Group Co-Managing Director and Group Finance Director Note vi	(1), (2), (3), (4) & (7)
	HK Electric Investments and HK Electric Investments Limited	Alternate Director	(1) & (7)
	TOM Group Limited	Non-executive Chairman	(7) & (8)
	Cenovus Energy Inc.	Director	(1)
Andrew John Hunter	CK Hutchison Holdings Limited	Executive Director Note vii	(1), (2), (3), (4) & (7)
	Power Assets Holdings Limited	Chairman and Executive Director Note viii	(1), (4), (7) & (8)
Chan Loi Shun	Power Assets Holdings Limited	Executive Director	(1), (4), (7) & (8)
	HK Electric Investments and HK Electric Investments Limited	Executive Director	(1) & (7)
Lee Pui Ling, Angelina	TOM Group Limited	Non-executive Director	(7) & (8)
	Henderson Land Development Company Limited	Non-executive Director	(1), (2) & (7)
George Colin Magnus	CK Hutchison Holdings Limited	Non-executive Director Note ix	(1), (2), (3), (4) & (7)
Man Ka Keung, Simon	Dutch Enviro Energy Holdings B. V.	Director	(4)
	Wales & West Gas Networks (Holdings) Limited	Note x	(1)
	DUET Company Pty Limited	Director	(1)
	Northumbrian Water Group Limited	Director	(3)
	UK Power Networks Holdings Limited	Director	(1)
	Eversholt UK Rails Group Limited	Director	(2)
	Phoenix Energy Group Holdings Limited	Director	(1)
	UK Renewables Energy Group Limited	Director	(1)
Eirene Yeung	Reliance Holdings LP	Note xi	(5)
	Dutch Enviro Energy Holdings B. V.	Note xi	(4)
	Wales & West Gas Networks (Holdings) Limited	Note xi	(1)
	DUET Company Pty Limited	Note xi	(1)
	Phoenix Energy Group Holdings Limited	Note xi	(1)
	UK Renewables Energy Group Limited	Note xi	(1)

Notes:

i. Such businesses may be conducted through subsidiaries, associated companies or by way of other forms of investments.

ii. Mr. Victor T K Li was the Chairman and Group Co-Managing Director of CK Hutchison Holdings Limited before the re-designation to Chairman and Executive Director took effect on 1st April, 2024.

iii. Mr. Ip Tak Chuen, Edmond was the Deputy Managing Director of CK Asset Holdings Limited before the re-designation to Deputy Chairman took effect on 1st April, 2024.

iv. Mr. Fok Kin Ning, Canning was the Group Co-Managing Director of CK Hutchison Holdings Limited before the re-designation to Deputy Chairman took effect on 1st April, 2024.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES (CONT'D)

Notes (Cont'd):

v. Mr. Fok Kin Ning, Canning was the Chairman of Power Assets Holdings Limited before the retirement took effect on 1st April, 2024.

vi. Mr. Frank John Sixt was the Group Finance Director and Deputy Managing Director of CK Hutchison Holdings Limited before the re-designation to Group Co-Managing Director and Group Finance Director took effect on 1st April, 2024.

vii. Mr. Andrew John Hunter was appointed as an Executive Director of CK Hutchison Holdings Limited took effect on 1st April, 2024.

viii. Mr. Andrew John Hunter was an Executive Director of Power Assets Holdings Limited before the appointment as Chairman took effect on 1st April, 2024.

ix. Mr. George Colin Magnus retired as a Non-executive Director of CK Hutchison Holdings Limited with effect from 21st March, 2025.

x. Mr. Man Ka Keung, Simon is a director of certain direct or indirect unlisted holding companies of the entity.

xi. Ms. Eirene Yeung is a director of a direct unlisted holding company of the entity or certain indirect unlisted holding companies of the entity.

Save as disclosed above, none of the Directors is interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with businesses of the Group.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws and there are no restrictions against such rights under the laws of Bermuda.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31st December, 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury share). As at 31st December, 2024, the Company and its subsidiaries did not hold any treasury shares whether in the Central Clearing and Settlement System, or otherwise.

EQUITY-LINKED AGREEMENTS

For the year ended 31st December, 2024, the Company has not entered into any equity-linked agreement, and there did not subsist any equity-linked agreement entered into by the Company as at 31st December, 2024.

MANAGEMENT CONTRACTS

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

PUBLIC FLOAT

As announced by the Company on 8th January, 1997 and 17th February, 1997, the HK Stock Exchange granted a waiver from strict compliance with Rule 8.08 of the HK Listing Rules to the Company on 9th January, 1997 subject to approximately not less than 15.2 per cent of the issued share capital of the Company being held in public hands. Based on information available and within the knowledge of the Directors, the obligation has been complied with.

DONATIONS

Donations made by the Group during the year amounted to HK$973,000.

DISCLOSURE UNDER CHAPTER 13 OF THE HK LISTING RULES

The following information is disclosed in accordance with Rule 13.22 of Chapter 13 of the HK Listing Rules:

As at 31st December, 2024, the Group's financial assistance to certain affiliated companies exceeded the assets ratio of 8 per cent. A combined statement of financial position of the affiliated companies as at 31st December, 2024 is set out below:

HK$ million	
Non-current assets	488,265
Current assets	25,211
Current liabilities	(59,526)
Non-current liabilities	(276,568)
Net assets	177,382
Share capital	52,119
Reserves	124,667
Non-controlling interests	596
Total equity	177,382

As at 31st December, 2024, the consolidated attributable interest of the Group in these affiliated companies amounted to HK$78,671 million.

AUDIT COMMITTEE

The Group's annual report for the year ended 31st December, 2024 has been reviewed by the audit committee of the Company ("Audit Committee"). Information on the work of Audit Committee and its composition are set out in the Corporate Governance Report on pages 169 to 172.

AUDITOR

The financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu who retire and offer themselves for re-appointment at the 2025 annual general meeting.

On behalf of the Board
VICTOR T K LI
Chairman

19th March, 2025

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that to the best of their knowledge:

– the consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants, and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and

– that the management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board
VICTOR T K LI
Chairman

19th March, 2025

INDEPENDENT AUDITOR'S REPORT

Deloitte. 德勤

TO THE MEMBERS OF CK INFRASTRUCTURE HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of CK Infrastructure Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 95 to 153, which comprise the consolidated statement of financial position as at 31st December, 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 31st December, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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"), and we have 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 MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. The matter was 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 the matter.

KEY AUDIT MATTER (CONT'D)

Valuation of interests in joint ventures

Key audit matter	How our audit addressed the key audit matter
We identified the valuation of interests in joint ventures as a key audit matter due to the significance of the Group's interests in joint ventures in the context of the Group's consolidated financial statements. As at 31st December, 2024, the carrying amount of interests in joint ventures amounted to HK$102,148 million as stated in note 18 to the consolidated financial statements, which represented approximately 65% of the Group's total assets. As disclosed in note 3(e) to the consolidated financial statements, interests in joint ventures are carried in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint ventures, less impairment in the values of individual investments. As such, the Group is required to assess at the end of each reporting period whether there is any indication that the carrying amount of interests in joint ventures may be impaired. For those joint ventures in which such indication exists, the Group assessed the carrying amounts for impairment.	Our procedures in relation to the valuation of interests in joint ventures included: • Assessing the appropriateness of the management's accounting for interests in joint ventures; • Understanding and evaluating the management's process for identifying the existence of impairment indicators in respect of the interests in joint ventures; • Where indicators of impairment have been identified, assessing the reasonableness of the recoverable amounts of each of the joint ventures and obtaining an understanding from the management of their financial position and future prospects; and • Understanding the management process for determining and assessing the reasonableness of key inputs and assumptions used by management in their estimation of recoverable amounts of those interests in joint ventures with impairment indicators, including projections of cash flows, growth rates and discount rates applied; and comparing cash flow projections to supporting evidence, such as approved budgets.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of Bermuda Companies Act, 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.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
19th March, 2025

CONSOLIDATED INCOME STATEMENT

for the year ended 31st December

HK$ million	Notes	2024	2023
Turnover	6	**38,985**	38,582
Sales and interest income from infrastructure investments	6	**4,993**	5,990
Other income	7	**546**	784
Operating costs	8	**(4,150)**	(4,257)
Finance costs	9	**(865)**	(769)
Exchange gain		**113**	572
Share of results of associates		**2,765**	2,571
Share of results of joint ventures		**5,269**	3,687
Profit before taxation	10	**8,671**	8,578
Taxation	11(a)	**(126)**	(119)
Profit for the year	12	**8,545**	8,459
Attributable to:			
Shareholders of the Company		**8,115**	8,027
Owners of perpetual capital securities		**438**	438
Non-controlling interests		**(8)**	(6)
		8,545	8,459
Earnings per share	13	**HK$3.22**	HK$3.19

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31st December

HK$ million	2024	2023
Profit for the year	**8,545**	8,459
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Loss from fair value changes of derivatives designated as effective cash flow hedges	**(46)**	(31)
Gain/(Loss) from fair value changes of derivatives designated as effective net investment hedges	**1,457**	(1,467)
Exchange differences on translation of financial statements of foreign operations	**(3,811)**	2,750
Share of other comprehensive (expense)/income of associates	**(556)**	432
Share of other comprehensive income of joint ventures	**429**	288
Income tax relating to components of other comprehensive income	**(40)**	18
	(2,567)	1,990
Items that will not be reclassified to profit or loss:		
Share of other comprehensive (expense)/income of associates	**(237)**	73
Share of other comprehensive (expense)/income of joint ventures	**(1,206)**	270
Income tax relating to components of other comprehensive income	**353**	(63)
	(1,090)	280
Other comprehensive (expense)/income for the year	**(3,657)**	2,270
Total comprehensive income for the year	**4,888**	10,729
Attributable to:		
Shareholders of the Company	**4,462**	10,300
Owners of perpetual capital securities	**438**	438
Non-controlling interests	**(12)**	(9)
	4,888	10,729

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31st December

HK$ million	Notes	2024	2023
Property, plant and equipment	15	**2,914**	3,079
Investment properties	16	**389**	408
Interests in associates	17	**38,068**	39,240
Interests in joint ventures	18	**102,148**	104,093
Other financial assets	19	**1,539**	1,542
Derivative financial instruments	20	**1,281**	624
Goodwill and intangible assets	21	**2,025**	2,299
Deferred tax assets	27	**1**	1
Total non-current assets		**148,365**	151,286
Inventories	22	**113**	178
Derivative financial instruments	20	**522**	536
Debtors and prepayments	23	**732**	796
Bank balances and deposits	24	**8,105**	13,077
Total current assets		**9,472**	14,587
Bank and other loans	25	**4,602**	9,024
Derivative financial instruments	20	**393**	1,072
Creditors, accruals and others	26	**6,137**	5,902
Taxation		**66**	101
Total current liabilities		**11,198**	16,099
Net current liabilities		**(1,726)**	(1,512)
Total assets less current liabilities		**146,639**	149,774
Bank and other loans	25	**14,639**	15,173
Derivative financial instruments	20	**2**	465
Deferred tax liabilities	27	**461**	505
Other non-current liabilities		**294**	360
Total non-current liabilities		**15,396**	16,503
Net assets		**131,243**	133,271
Representing:			
Share capital	29	**2,520**	2,520
Reserves		**118,760**	120,773
Equity attributable to shareholders of the Company		**121,280**	123,293
Perpetual capital securities	30	**9,885**	9,885
Non-controlling interests		**78**	93
Total equity		**131,243**	133,271

VICTOR T K LI
Director

IP TAK CHUEN, EDMOND
Director

19th March, 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st December

HK$ million	Share capital	Share premium	Contributed surplus	Property revaluation reserve	Hedging reserve	Exchange translation reserve	Retained profits	Sub-total	Perpetual capital securities	Non-controlling interests	Total
	Attributable to shareholders of the Company										
At 1st January, 2023	2,520	16,185	6,062	68	1,552	(8,936)	101,942	119,393	9,885	104	129,382
Profit for the year	–	–	–	–	–	–	8,027	8,027	438	(6)	8,459
Loss from fair value changes of derivatives designated as effective cash flow hedges	–	–	–	–	(31)	–	–	(31)	–	–	(31)
Loss from fair value changes of derivatives designated as effective net investment hedges	–	–	–	–	–	(1,467)	–	(1,467)	–	–	(1,467)
Exchange differences on translation of financial statements of foreign operations	–	–	–	–	–	2,753	–	2,753	–	(3)	2,750
Share of other comprehensive (expense)/income of associates	–	–	–	–	(207)	639	73	505	–	–	505
Share of other comprehensive income of joint ventures	–	–	–	–	288	–	270	558	–	–	558
Income tax relating to components of other comprehensive income	–	–	–	–	18	–	(63)	(45)	–	–	(45)
Total comprehensive income/(expense) for the year	–	–	–	–	68	1,925	8,307	10,300	438	(9)	10,729
Final dividend paid for the year 2022	–	–	–	–	–	–	(4,611)	(4,611)	–	(2)	(4,613)
Interim dividend paid	–	–	–	–	–	–	(1,789)	(1,789)	–	–	(1,789)
Distribution paid on perpetual capital securities	–	–	–	–	–	–	–	–	(438)	–	(438)
At 31st December, 2023	2,520	16,185	6,062	68	1,620	(7,011)	103,849	123,293	9,885	93	133,271
Profit for the year	–	–	–	–	–	–	8,115	8,115	438	(8)	8,545
Loss from fair value changes of derivatives designated as effective cash flow hedges	–	–	–	–	(46)	–	–	(46)	–	–	(46)
Gain from fair value changes of derivatives designated as effective net investment hedges	–	–	–	–	–	1,457	–	1,457	–	–	1,457
Exchange differences on translation of financial statements of foreign operations	–	–	–	–	–	(3,807)	–	(3,807)	–	(4)	(3,811)
Share of other comprehensive expense of associates	–	–	–	–	(128)	(428)	(237)	(793)	–	–	(793)
Share of other comprehensive income/(expense) of joint ventures	–	–	–	–	429	–	(1,206)	(777)	–	–	(777)
Income tax relating to components of other comprehensive income	–	–	–	–	(40)	–	353	313	–	–	313
Total comprehensive income/(expense) for the year	–	–	–	–	215	(2,778)	7,025	4,462	438	(12)	4,888
Final dividend paid for the year 2023	–	–	–	–	–	–	(4,661)	(4,661)	–	(3)	(4,664)
Interim dividend paid	–	–	–	–	–	–	(1,814)	(1,814)	–	–	(1,814)
Distribution paid on perpetual capital securities	–	–	–	–	–	–	–	–	(438)	–	(438)
At 31st December, 2024	**2,520**	**16,185**	**6,062**	**68**	**1,835**	**(9,789)**	**104,399**	**121,280**	**9,885**	**78**	**131,243**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st December

HK$ million	Notes	2024	2023
OPERATING ACTIVITIES			
Cash generated from operating activities before finance costs and income tax paid	32(a)	**2,910**	4,630
Finance costs paid		**(798)**	(726)
Income taxes paid		**(144)**	(59)
Net cash from operating activities		**1,968**	3,845
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(367)**	(320)
Disposals of property, plant and equipment		**6**	4
Additions to intangible assets		**(12)**	(22)
Purchase of other financial assets		**–**	(36)
Advances to an associate		**(4)**	(4)
Investment in joint ventures		**(1,807)**	(599)
Advances to a joint venture		**(26)**	(30)
Advances repaid from a joint venture		**47**	15
Dividends received from associates		**2,290**	2,351
Dividends received from joint ventures		**3,158**	2,449
Net cash paid on hedging instruments		**(105)**	(1,402)
Net cash from investing activities		**3,180**	2,406
Net cash flows before financing activities		**5,148**	6,251
FINANCING ACTIVITIES			
New bank and other loans	32(b)	**6,210**	876
Repayments of bank and other loans	32(b)	**(9,363)**	(5,209)
Repayment of lease principal	32(b)	**(38)**	(34)
Interest paid on lease liabilities	32(b)	**(13)**	(12)
Dividends paid		**(6,475)**	(6,400)
Dividends paid to non-controlling interests		**(3)**	(2)
Distribution paid on perpetual capital securities		**(438)**	(438)
Net cash utilised in financing activities		**(10,120)**	(11,219)
Net decrease in cash and cash equivalents		**(4,972)**	(4,968)
Cash and cash equivalents at 1st January		**13,077**	18,045
Cash and cash equivalents at 31st December	24	**8,105**	13,077

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

CK Infrastructure Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") and The London Stock Exchange plc ("London Stock Exchange"). The addresses of its registered office and principal place of business are disclosed in the section headed "Corporate Information" of the Annual Report of the Company and its subsidiaries (collectively, the "Group"). The Company's ultimate holding company is CK Hutchison Holdings Limited ("CK Hutchison"), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on Hong Kong Stock Exchange.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Group's principal activities are the development, investment and operation of infrastructure businesses in Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States.

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. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance.

Although HKFRS Accounting Standards have been fully converged with IFRS Accounting Standards except for certain differences in transitional provisions since 1st January, 2005, management has given due consideration to the requirements of IFRS 1 First-time Adoption of International Financial Reporting Standards in preparing these financial statements. For this purpose the date of the Group's transition of IFRS Accounting Standards was determined to be 1st January, 2023, being the beginning of the earliest period for which the Group presents full comparative information in these financial statements.

With due regard to the Group's accounting policies in previous periods and the requirements of IFRS 1, management has concluded that no adjustments were required to the amounts reported under HKFRS Accounting Standards as at the date of IFRS Accounting Standards transition, or in respect of the year ended 31st December, 2023. As such, the Group makes an explicit and unreserved statement of compliance with IFRS Accounting Standards issued by the IASB.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as explained in the material accounting policies set out below.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

In the current year, the Group has adopted the amendments to IFRS Accounting Standards issued by the IASB that are effective to the Group for accounting period beginning on 1st January, 2024. The Group has also adopted the amendments to HKFRS Accounting Standards consequently issued by the HKICPA which have the same effective dates as those issued by the IASB and are in all material aspects identical to the pronouncements issued by the IASB. The adoption of both amendments to IFRS Accounting Standards and HKFRS Accounting Standards has no material impact on the Group's results and financial position for the current or prior years and does not result in any significant change in accounting policies of the Group.

The Group has not early adopted the following new and amendments to IFRS Accounting Standards issued by the IASB and HKFRS Accounting Standards issued by the HKICPA that have been issued but are not yet effective. The Group is continuing to assess the implication of the adoption of these standards. Except for the adoption of IFRS 18/HKFRS 18 which is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future consolidated financial statements, the Directors anticipate that the adoption of both amendments to IFRS Accounting Standards and HKFRS Accounting Standards listed below will have no material impact on the results and financial position of the Group.

Amendments to IFRS 9/HKFRS 9 and IFRS 7/HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS 9/HKFRS 9 and IFRS 7/HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 10/HKFRS 10 and IAS 28/HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IFRS/HKFRS Accounting Standards	Annual Improvements to IFRS/HKFRS Accounting Standards – Volume 11
Amendments to IAS 21/HKAS 21	Lack of Exchangeability
IFRS 18/HKFRS 18	Presentation and Disclosure in Financial Statements

3. MATERIAL ACCOUNTING POLICIES

(a) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the year together with the Group's interests in associates and joint ventures on the basis set out in (e) below.

The results of subsidiaries, share of results of associates and joint ventures acquired or disposed of during the year are included in the consolidated income statement from the date the Group gains control/exercises significant influences/gains joint control until the date when the Group ceases to control/ceases to exercise significant influences/ceases to joint control, as appropriate.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Goodwill

In relation to business combination that took place on or after 1st January, 2010, goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the subsidiaries, and the fair value of the Group's previously held equity interests in the subsidiaries (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill recognised prior to 1st January, 2010 was measured as the excess of costs of acquisition over the net fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of the subsidiaries, associates and joint ventures acquired.

Goodwill is recognised as an asset less any identified impairment loss. Goodwill recognised in reserves prior to 1st January, 2001 continues to be held in the reserves and are transferred to retained profits when the business to which the goodwill relates is disposed of or becomes impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the business acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, associate, joint venture or relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

(c) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation of intangible assets is provided over their estimated useful lives using the straight-line method, at the following rates per annum:

Brand name and trademarks	Indefinite useful lives
Customer contracts	Over the contract lives
Resource consents (excluding landfills)	4% or over the contract lives
Computer software	33% or over the license period
Operation license	7%
Others	Indefinite useful lives or over the contract lives

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Intangible Assets (Cont'd)

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired through business combination are carried at cost less accumulated impairment losses.

The useful life of the resource consents for the landfills is dependent on the total capacity of the landfills, the level of tonnage of waste, the compacting rate and other variable. As such the landfills useful life is reassessed annually and the amortisation rate of the landfills resource consents is adjusted accordingly.

The carrying amount of intangible assets with indefinite useful life is tested for impairment annually. The carrying amount of intangible assets with finite useful life is reviewed for indications of impairment at the end of each reporting period. An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(d) Subsidiaries

A subsidiary is an entity that is controlled by the Company. The Company controls an entity when it has power over the investees; it is exposed, or has 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 acquisition of a subsidiary is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. After 1st January, 2010, acquisition-related costs are generally recognised in profit or loss as incurred.

Prior to 1st January, 2010, any costs directly attributable to business combination were included as part of the cost of the acquisition.

The acquiree's identifiable assets, liabilities and contingent liabilities, where appropriate, are recognised at their fair values at the acquisition date.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Associates and Joint Ventures

An associate is a company, other than a subsidiary or joint venture, in which the Group has a long-term equity interest and over which the Group is in a position to exercise significant influence over its management, including participation in the financial and operating policy decisions.

A joint venture is a contractual arrangement whereby the venturers agree to share control of the arrangement which exists only when the decisions about the relevant activities require unanimous consent of the parties sharing control, and have rights to the net assets of the arrangement.

The results and assets and liabilities of associates/joint ventures are incorporated in the Group's consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates/joint ventures are carried in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associate or joint venture, less impairment in the values of individual investments. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group.

Losses of an associate/joint venture in excess of the Group's interest in that associate/joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate/joint venture) are not recognised.

(f) Property, Plant and Equipment

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, including costs of testing whether the related asset is functioning properly.

Freehold land is not depreciated. Depreciation of property, plant and equipment is provided to write off their depreciable amounts over their estimated useful lives using the straight-line method, at the following rates per annum:

Leasehold land	Over the unexpired lease term
Buildings	2% to 3% or over the unexpired lease terms of the land, whichever is the higher
Mains, pipes, other plant and machinery	3% to 26% or over the expected useful lives
Leased properties and others	Over the lease term or expected useful lives
Furniture, fixtures and others	3% to 33% or over the expected useful lives

When an asset is disposed of or retired, any gain or loss, representing the difference between the carrying value and the sales proceeds, if any, is included in the consolidated income statement.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Investment Properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are stated at its fair value at the end of the reporting period. Gains or losses arising from changes in the fair values of investment properties are recognised in the consolidated income statement for the period in which they arise.

(h) Inventories

Inventories are stated at the lower of cost, computed on a weighted-average or a first-in first-out basis as appropriate, and net realisable value. Cost includes cost of purchase and where applicable, cost of conversion and other costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value is determined on the basis of anticipated sales proceeds less estimated costs to completion and costs necessary to make the sale.

(i) Financial Instruments

Investments in securities

Equity securities and debt securities are classified as "financial assets at fair value through profit or loss" and "financial assets at amortised cost", respectively, according to the business model.

Financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Other investments

Other investments are classified as financial assets at fair value through profit or loss in accordance with IFRS 9/HKFRS 9.

Derivative financial instruments and hedge accounting

Derivative financial instruments are initially measured at fair values on the dates at which the contracts are entered into, and are remeasured to their fair values at subsequent reporting dates.

Hedging accounting relationships are aligned with the Group's risk management objectives and strategy.

Changes in the fair values of derivative financial instruments that are designated as effective in hedging future cash flows are recognised directly in hedging reserve. Amounts deferred in the equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss. Any ineffective portion is recognised immediately in the consolidated income statement.

Changes in fair values of derivative financial instruments that are designated and qualify as net investment hedges are recognised directly in exchange translation reserve. Any ineffective portion is recognised immediately in the consolidated income statement.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Financial Instruments (Cont'd)

Derivative financial instruments and hedge accounting (Cont'd)

Changes in the fair values of derivative financial instruments that do not qualify for hedge accounting are recognised in the consolidated income statement.

The Group discontinues hedge accounting prospectively only when the hedging relationship ceases to meet the qualifying criteria, including instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it, in which case hedge accounting continues for the remainder of the hedging relationship. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the hedged risk associated with the hedged item is ultimately recognised in profit or loss. The cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss when a forecast transaction is no longer expected to occur in relation to hedging of a forecast transaction.

Debtors

Debtors are classified as financial assets at amortised cost in accordance with IFRS 9/HKFRS 9, and subsequently measured at amortised cost using the effective interest method.

Appropriate allowances for expected credit loss are recognised in the consolidated income statement to reflect the initial expected credit losses and the changes in credit risk since initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Bank and other loans

Interest-bearing bank and other loans are initially measured at fair values, and are subsequently measured at amortised cost, using the effective interest method.

Creditors

Creditors are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Perpetual capital securities issued by the Group are classified as equity instruments and are initially recorded at the proceeds received.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Financial Instruments (Cont'd)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of the initial fair value less subsequent amortisation and the amount of the expected loss determined in accordance with IFRS 9/HKFRS 9.

Fair value

Fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. Fair value of derivative financial instruments and certain financial assets not traded on active liquid markets are determined with reference to fair value estimated by independent professionals or the present value of the estimated future cash flows discounted at the effective interest rate.

Impairment

The Group recognises a loss allowance for expected credit loss on financial assets and financial guarantee which are subject to impairment under IFRS 9/HKFRS 9. The amount of expected credit loss is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime expected credit loss represents the expected credit loss that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month expected credit loss represents the portion of lifetime expected credit loss that is expected to result from default events that are possible within 12 months after the reporting date.

The Group recognises lifetime expected credit loss for trade receivables. For all other financial instruments, the Group measures the loss allowance equal to 12-month expected credit loss, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime expected credit loss.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(j) Revenue Recognition

Sales of goods

Revenue from sales of goods is recognised when a performance obligation is satisfied, which is recognised at a point in time, based on the timing of control of the goods underlying the particular performance obligation being transferred to the customer.

Revenue is measured at the fair value of the consideration received or receivable and is arrived at after deduction of any sales returns and discounts and taxes.

Sales of services

Revenue from sales of services is recognised when a performance obligation is satisfied, which is recognised at a point in time, based on the timing of control of the services underlying the particular performance obligation being transferred to the customer.

Interest income

Interest income from a financial asset excluding financial assets at fair value through profit or loss is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(k) Foreign Currencies

The individual financial statements of each group entity is prepared and presented in the currency of the primary economic environment in which the entity operates ("functional currency"). For the purpose of the consolidated financial statements, the result and financial position of each entity are presented in Hong Kong dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was measured. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the consolidated income statement for the year, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised directly in other comprehensive income. Exchange differences arising on the retranslation of non-monetary items carried at fair values are included in the consolidated income statement for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income and accumulated in equity.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Foreign Currencies (Cont'd)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Hong Kong dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as other comprehensive income and included in the Group's exchange translation reserve. Such translation differences are recognised in the consolidated income statement in the year in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in the exchange translation reserve.

(l) Taxation

Hong Kong Profits Tax is provided for at the prevailing tax rate on the estimated assessable profits less available tax relief for losses brought forward of each individual company comprising the Group. Overseas tax is provided for at the applicable local tax rates on the estimated assessable profits less available tax losses of the individual company concerned.

Deferred tax is provided for all temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit of the corresponding year. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Leases

For lessees, right-of-use assets and lease liabilities are recognised at the lease commencement date, except for leases with a lease term of 12 months or less, or those low-value assets, which are recognised as expenses on a straight-line basis over the lease terms.

Lease liabilities are initially measured at the present value of the remaining lease payments with reference to an expected lease term, which includes optional lease periods when the lessee is reasonably certain to exercise the option to extend or not to terminate the lease. The remaining lease payments are discounted using the interest rate implicit in the lease. If the interest rate implicit in the lease is not readily determinable, the Group uses the incremental borrowing rate at the lease commencement date. Subsequently, lease liabilities are adjusted by interest accretion and lease payments. Lease payments are separated into principal portion and interest portion and presented within financing activities in the consolidated statement of cash flows.

At inception, the right-of-use assets comprise the initial lease liabilities, initial direct costs and the obligation to restore the asset, less any incentive granted by the lessor. The right-of-use assets are depreciated over the shorter of the lease term or the useful life of the underlying asset. The carrying amount of right-of-use assets is reviewed for indications of impairment at the end of each reporting period. All impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount.

(n) Employee Retirement Benefits

The Group operates defined contribution and defined benefit retirement plans for its employees.

The costs of defined contribution plans are charged to the consolidated income statement as an expense when employees have rendered service entitling them to the contributions.

The cost of providing retirement benefits under the Group's defined benefit retirement plans is determined using the projected unit credit method, with actuarial valuations being carried out annually. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained profits and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The amount recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plans.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include other financial assets, derivative financial instruments, bank balances and deposits, bank and other loans, debtors and creditors. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Currency Risk

The Group is exposed to currency risk primarily arising from foreign investments and borrowings denominated in currencies other than the functional currency of individual subsidiaries, which accounted for 4 per cent of the Group's borrowings (2023: 28 per cent). The Group generally hedges those investments with the appropriate level of borrowings denominated in the local currencies of relevant countries. The Group also entered into currency derivatives to hedge most foreign investments financed by internal resources. Given this, the management considers that the net exposure to currency risk is kept to an appropriate level. Details of the currency derivatives entered into by the Group at the end of the reporting period are set out in note 20.

The Group is also exposed to currency risk arising from bank deposits denominated in foreign currencies, which accounted for 75 per cent of the Group's bank balances and deposits at the end of the reporting period (2023: 91 per cent). Those bank balances and deposits are mainly denominated in United States dollars, Australian dollars, Pounds sterling, Canadian dollars, New Zealand dollars, Euros and Renminbi. The management maintains the portfolio of bank deposits denominated in different currencies and the exposure to currency risk is kept to an appropriate level.

Sensitivity analysis

The following table indicates the approximate change in the Group's profit for the year and other comprehensive income in response to a 5 per cent strengthening in foreign currencies (except for United States dollars) against Hong Kong dollars to which the Group has significant exposure related to monetary financial assets and liabilities and derivative financial instruments in existence at the end of the reporting period:

	2024		2023	
HK$ million	Effect on profit for the year increase/ (decrease)	Effect on other comprehensive income decrease	Effect on profit for the year increase/ (decrease)	Effect on other comprehensive income decrease
Australian dollars	19	(375)	16	(410)
Pounds sterling	57	(1,200)	104	(1,221)
Japanese yen	(38)	–	(82)	–
Canadian dollars	21	(303)	9	(326)
New Zealand dollars	5	(61)	8	(68)
Euros	22	(423)	9	(437)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Currency Risk (Cont'd)

Sensitivity analysis (Cont'd)

A 5 per cent weakening in the above foreign currencies against Hong Kong dollars would have had an equal but opposite effect on the Group's profit for the year and other comprehensive income.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the Group's entities exposure to currency risk for both monetary financial assets and liabilities and derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next reporting period. In this respect, the management does not expect any significant movements in the pegged rate of 7.8 between the United States dollars and Hong Kong dollars. It is also assumed that such pegged rate would be materially unaffected by any changes in movement in value of the United States dollars against other currencies.

(b) Interest Rate Risk

The Group's interest rate risk relates primarily to floating rate borrowings and deposits. In relation to these floating rate borrowings, the management aims at keeping borrowings at fixed rates at appropriate level by entering into interest rate swaps. In order to achieve this result, the Group entered into interest rate swaps to hedge against certain exposures to changes in interest rates of the borrowings.

Details of the Group's interest rate swaps and borrowings entered into by the Group at the end of the reporting period are set out in notes 20 and 25, respectively.

Sensitivity analysis

At 31st December, 2024, it is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would decrease the Group's profit for the year by HK$27 million (2023: HK$15 million). Other comprehensive income would increase by HK$4 million (2023: HK$70 million) in response to the general increase in interest rates. A decrease of 100 basis points in interest rate would have had an equal but opposite effect on the Group's profit for the year and other comprehensive income.

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 100 basis points increase represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next reporting period.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit Risk

The Group's credit risk is primarily attributable to derivative financial instruments entered into for hedging purposes, bank balances and deposits, trade debtors and other receivables.

In respect of trade debtors and other receivables, local management teams of subsidiaries are responsible for monitoring the procedures to ensure that follow-up actions are taken to recover overdue debts of the subsidiaries. In addition, the teams perform impairment assessment under expected credit loss model based on provision matrix or individual assessment on each debt at the end of the reporting period in relation to waste management services and sales of infrastructure materials to ensure that adequate impairment losses are recognised. Normally, the Group does not obtain collateral covering the outstanding balances.

The Group recognises lifetime expected credit loss for trade receivables. For all other financial instruments, the Group measures the loss allowance equal to 12-month expected credit loss, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime expected credit loss.

The estimated loss rates are estimated based on historically observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

Transactions involving derivative financial instruments and liquid funds are also with banks or financial institutions of high credit standing.

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. The Group does not provide any guarantees which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade debtors and other receivables are set out in note 23.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

(d) Liquidity Risk

The Group's treasury activities are centralised to achieve better risk control and minimise the cost of funds. Cash is generally placed in short-term deposits mostly denominated in United States dollars, Hong Kong dollars, Australian dollars, Pounds sterling, Canadian dollars, New Zealand dollars, Euros and Renminbi. The management aims to maintain a balance between continuity of adequate funding and the flexibility through the use of bank and other borrowings. The Group's liquidity and financing requirements are reviewed regularly to mitigate the effects of fluctuations in cash flows. The management will consider new financing while maintaining appropriate gearing for new investments and refinancing of existing debts.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity Risk (Cont'd)

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial assets and liabilities, 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:

	2024						2023					
HK$ million	Carrying amount	Total contractual undiscounted cash outflows	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	Carrying amount	Total contractual undiscounted cash outflows	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
Unsecured bank loans	16,827	18,609	3,839	3,059	11,711	–	13,973	15,483	2,039	3,997	9,447	–
Secured bank loans	1,388	1,419	1,419	–	–	–	1,557	1,683	89	1,594	–	–
Lease liabilities	306	365	46	43	108	168	372	452	51	48	124	229
Unsecured notes and bonds	1,026	1,093	30	30	1,033	–	8,667	8,922	7,771	31	1,120	–
Trade creditors	236	236	236	–	–	–	329	329	329	–	–	–
Other payables and accruals	768	768	745	–	–	23	786	786	761	–	–	25
	20,551	22,490	6,315	3,132	12,852	191	25,684	27,655	11,040	5,670	10,691	254
Derivatives settled gross:												
Currency derivatives held as net investment hedging instruments:												
– outflow		47,889	36,320	–	7,388	4,181		50,049	37,271	4,663	8,115	–
– inflow		(49,947)	(36,640)	–	(8,885)	(4,422)		(49,429)	(36,336)	(4,208)	(8,885)	–
		(2,058)	(320)	–	(1,497)	(241)		620	935	455	(770)	–

(e) Other Price Risk

The Group is exposed to other price risk through its investments in securities and other investments as set out in note 19. The management manages this exposure by maintaining a portfolio of investments with different risks. For strategic purposes, the Group holds primarily equity or debt instruments operating in energy sector.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) Other Price Risk (Cont'd)

Sensitivity analysis

At 31st December, 2024, it is estimated that a 5 per cent decrease in the prices of the respective instruments, with all other variables held constant, would decrease the Group's profit for the year by HK$77 million (2023: HK$77 million). A 5 per cent increase in prices would have had an equal but opposite effect on the Group's profit for the year and other comprehensive income.

The sensitivity analysis above has been determined assuming that the change in prices had occurred at the end of the reporting period and had been applied to the exposure to price risk for the Group's investments in securities and other investments at fair value in existence at that date (as set out in note 19). The 5 per cent decrease in prices represents management's assessment of a reasonably possible change in the prices of those instruments over the period until the end of the next reporting period.

(f) Fair Value

Except for certain investments in securities which are stated at cost, the carrying values of all financial assets and financial liabilities approximate to their fair values.

The fair value of the Group's financial instruments and non-financial instruments are grouped into Level 1 to 3 with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

At 31st December, 2024, investment properties amounting to HK$389 million (2023: HK$408 million) and unlisted investment in securities amounting to HK$350 million (2023: HK$353 million) were measured at fair value based on value inputs, other than quoted prices, that are observable either directly or indirectly. Other investments amounting to HK$1,189 million (2023: HK$1,189 million) were measured at fair value based on value inputs that are not observable market data but change of these value inputs to reasonable possible alternatives would not have material effect on the Group's results and financial position.

Derivative financial instruments were measured at fair value based on value inputs, other than quoted prices, that are observable either directly or indirectly.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(g) Offsetting Financial Assets and Financial Liabilities

The following tables set out the carrying amounts of financial assets and financial liabilities that are subject to enforceable master netting arrangements or similar agreements, irrespective of whether they are offset in the Group's consolidated statement of financial position.

As at 31st December, 2024 HK$ million	Gross amounts of recognised financial assets/ (liabilities)	Gross amounts offset in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position		Net amounts
				Financial assets/ (liabilities)	Cash collateral pledged/ (received)	
Financial asset						
Derivative financial instruments	130	–	130	(130)	–	–
Financial liability						
Derivative financial instruments	(240)	–	(240)	130	–	(110)

As at 31st December, 2023 HK$ million	Gross amounts of recognised financial assets/ (liabilities)	Gross amounts offset in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position		Net amounts
				Financial assets/ (liabilities)	Cash collateral pledged/ (received)	
Financial asset						
Derivative financial instruments	24	–	24	(24)	–	–
Financial liability						
Derivative financial instruments	(465)	–	(465)	24	–	(441)

5. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Significant estimates and assumptions concerning the future may be required in selecting and applying the appropriate accounting methods and policies in the financial statements. The Group bases its estimates and judgements on historical experience and various other assumptions that it believes are reasonable under various circumstances. Actual results may differ from these estimates and judgements under different assumptions and conditions.

(a) Impairment testing of goodwill

Goodwill is tested for impairment annually or more frequently when there is any indication of impairment which required the Group to estimate the value in use of the relevant cash-generating unit. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the relevant cash-generating unit and a suitable discount rate is used in order to calculate the present value. The carrying value of goodwill as at 31st December, 2024 is HK$760 million (2023: HK$848 million). Details of the impairment testing of goodwill are disclosed in note 21.

(b) Impairment testing of intangible assets

Impairment testing of intangible assets requires significant judgement and estimate. Intangible assets with indefinite useful lives are tested for impairment annually and intangible assets with definite useful lives are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. The recoverable amount is the higher of an asset's fair value less costs of disposals and value in use. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the relevant cash-generating unit and a suitable discount rate is used in order to calculate the present value. The carrying value of intangible assets as at 31st December, 2024 is HK$1,265 million (2023: HK$1,451 million).

6. TURNOVER

Turnover represents net sales of infrastructure materials, interest income from loans granted to associates and joint ventures, sales of waste management services and share of turnover of joint ventures. Sales of infrastructure materials and waste management services were substantially recognised at a point in time.

Turnover comprises both sales and interest income from infrastructure investments and share of turnover of joint ventures as follows:

HK$ million	2024	2023
Sales of infrastructure materials	**1,573**	1,741
Interest income from loans granted to associates	**98**	264
Interest income from loans granted to joint ventures	**1,325**	1,993
Sales of waste management services	**1,997**	1,992
Sales and interest income from infrastructure investments	**4,993**	5,990
Share of turnover of joint ventures	**33,992**	32,592
Turnover	**38,985**	38,582

7. OTHER INCOME

Other income includes the following:

HK$ million	2024	2023
Bank interest income	467	616

8. OPERATING COSTS

Operating costs include the following:

HK$ million	2024	2023
Depreciation of property, plant and equipment	301	295
Amortisation of intangible assets	18	30
Cost of inventories sold	1,477	1,628
Cost of services provided	858	885

9. FINANCE COSTS

HK$ million	2024	2023
Interest and other finance costs on		
Bank loans	765	745
Notes and bonds	172	197
Lease liabilities	13	12
Others	(85)	(185)
Total	865	769

10. PROFIT BEFORE TAXATION

HK$ million	2024	2023
Profit before taxation is arrived at after charging:		
Staff costs	1,072	1,030
Lease expenses relating to short-term leases and leases of low-value assets	52	70
Directors' emoluments (note 33)	107	115
Auditor's remuneration	9	8

11. TAXATION

(a) Taxation is provided for at the applicable tax rates on the estimated assessable profits less available tax losses. Deferred taxation is provided on temporary differences under the liability method using tax rates applicable to the Group's operations in different countries.

HK$ million	2024	2023
Current taxation – Hong Kong	2	1
Current taxation – outside Hong Kong	101	92
Deferred taxation (note 27)	23	26
Total	126	119

(b) Reconciliation between tax charge and accounting profit at Hong Kong profits tax rate:

HK$ million	2024	2023
Profit before taxation	8,671	8,578
Less: Share of results of associates	(2,765)	(2,571)
Share of results of joint ventures	(5,269)	(3,687)
	637	2,320
Tax at 16.5% (2023: 16.5%)	105	383
Tax impact on:		
Different domestic rates of subsidiaries operating in other tax jurisdictions	(66)	(260)
Income not subject to tax	(178)	(216)
Expenses not deductible for tax purpose	85	74
Tax losses and other temporary differences not recognised	144	109
Others	36	29
Tax charge	126	119

11. TAXATION (CONT'D)

(c) Pillar Two model rules

In December 2021, the Organisation for Economic Co-operation and Development ("OECD") released the Pillar Two model rules (the Global Anti-Base Erosion Proposal) for a new global minimum tax reform applicable to multinational enterprise groups with annual revenues of at least €750 million. CK Hutchison, the ultimate holding company of the Group, is in scope of this new Pillar Two tax reform.

Draft Bill for implementation of the global minimum tax and the domestic minimum top-up tax in Hong Kong is being considered by the Legislative Council. Once the Bill is enacted, Hong Kong is expected to have an Income Inclusion Rule ("IIR"), and a qualified domestic minimum top-up tax ("QDMTT") in the form of the Hong Kong minimum top-up tax ("HKMTT"). Both will be implemented for fiscal years beginning on or after 1st January, 2025. For certain other jurisdictions where the Group has operations, Pillar Two legislation has been enacted or substantively enacted and is effective for the Group's financial year beginning on 1st January, 2024.

In 2023, the IASB and HKICPA made amendments to IAS 12 and HKAS 12 which provided temporary relief from the requirement to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group has applied the mandatory temporary exception from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under OECD's Pillar Two model rules, a top-up tax liability would arise when the effective tax rate in a jurisdiction is below 15%. Based on the information currently available, current tax exposure or impact on the Group's income tax position is not expected to be material for the relevant jurisdictions which have Pillar Two legislation enacted or substantively enacted.

The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

12. PROFIT FOR THE YEAR AND SEGMENT INFORMATION

for the year ended 31st December

			Infrastructure Investments																	
	Investment in Power Assets Holdings Limited		United Kingdom		Australia		Continental Europe		Hong Kong and Mainland China		Canada		New Zealand		Total before unallocated items		Unallocated items		Consolidated	
HK$ million	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Turnover	–	–	19,123	18,263	6,965	6,836	4,634	4,678	3,001	3,201	2,737	3,087	2,525	2,517	38,985	38,582	–	–	38,985	38,582
Sales and interest income from infrastructure investments	–	–	428	980	579	837	222	218	1,573	1,741	194	222	1,997	1,992	4,993	5,990	–	–	4,993	5,990
Bank interest income	–	–	–	–	–	–	–	–	66	62	5	–	4	3	75	65	392	551	467	616
Other income	–	–	–	–	–	–	–	–	41	104	–	–	7	5	48	109	31	59	79	168
Change in fair value of derivative financial instruments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(103)	–	(103)
Depreciation and amortisation	–	–	–	–	–	–	–	–	(108)	(104)	–	–	(210)	(220)	(318)	(324)	(1)	(1)	(319)	(325)
Other operating costs	–	–	–	–	–	–	–	–	(1,640)	(1,773)	–	–	(1,566)	(1,586)	(3,206)	(3,359)	(625)	(470)	(3,831)	(3,829)
Finance costs	–	–	–	–	–	–	–	–	–	–	–	–	(107)	(104)	(107)	(104)	(758)	(665)	(865)	(769)
Exchange gain / (loss)	–	–	–	–	–	–	–	–	2	(8)	–	–	–	–	2	(8)	111	580	113	572
Share of results of associates and joint ventures	2,203	2,162	3,553	2,070	1,205	1,018	385	317	199	93	401	498	88	100	8,034	6,258	–	–	8,034	6,258
Profit / (Loss) before taxation	2,203	2,162	3,981	3,050	1,784	1,855	607	535	133	115	600	720	213	190	9,521	8,627	(850)	(49)	8,671	8,578
Taxation	–	–	–	–	–	–	–	–	(9)	(4)	(76)	(72)	(28)	(22)	(113)	(98)	(13)	(21)	(126)	(119)
Profit / (Loss) for the year	2,203	2,162	3,981	3,050	1,784	1,855	607	535	124	111	524	648	185	168	9,408	8,529	(863)	(70)	8,545	8,459
Attributable to:																				
Shareholders of the Company	2,203	2,162	3,981	3,050	1,784	1,855	607	535	132	117	524	648	185	168	9,416	8,535	(1,301)	(508)	8,115	8,027
Owners of perpetual capital securities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	438	438	438	438
Non-controlling interests	–	–	–	–	–	–	–	–	(8)	(6)	–	–	–	–	(8)	(6)	–	–	(8)	(6)
	2,203	2,162	3,981	3,050	1,784	1,855	607	535	124	111	524	648	185	168	9,408	8,529	(863)	(70)	8,545	8,459

12. PROFIT FOR THE YEAR AND SEGMENT INFORMATION (CONT'D)

for the year ended 31st December

			Infrastructure Investments																	
	Investment in Power Assets Holdings Limited		United Kingdom		Australia		Continental Europe		Hong Kong and Mainland China		Canada		New Zealand		Total before unallocated items		Unallocated items		Consolidated	
HK$ million	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Other information																				
Expenditure for segment non-current assets:																				
– Additions to property, plant and equipment	**–**	–	**–**	–	**–**	–	**–**	–	**60**	85	**–**	–	**306**	290	**366**	375	**1**	3	**367**	378
– Additions to intangible assets	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**12**	22	**12**	22	**–**	–	**12**	22
– Investments in associate and joint ventures	**–**	–	**1,333**	8,210	**4,496**	–	**148**	–	**–**	–	**1,496**	40	**–**	–	**7,473**	8,250	**–**	–	**7,473**	8,250
as at 31st December																				
Assets																				
Interests in associates and joint ventures	**31,357**	31,961	**55,363**	53,389	**29,974**	32,357	**14,300**	15,248	**768**	776	**7,528**	8,539	**926**	1,063	**140,216**	143,333	**–**	–	**140,216**	143,333
Property, plant and equipment and investment properties	**–**	–	**–**	–	**–**	–	**–**	–	**1,537**	1,626	**–**	–	**1,763**	1,859	**3,300**	3,485	**3**	2	**3,303**	3,487
Other segment assets	**–**	–	**304**	307	**–**	–	**–**	–	**2,258**	2,625	**2**	2	**2,366**	2,812	**4,930**	5,746	**–**	–	**4,930**	5,746
Unallocated corporate assets	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**9,388**	13,307	**9,388**	13,307
Total assets	**31,357**	31,961	**55,667**	53,696	**29,974**	32,357	**14,300**	15,248	**4,563**	5,027	**7,530**	8,541	**5,055**	5,734	**148,446**	152,564	**9,391**	13,309	**157,837**	165,873
Liabilities																				
Segment liabilities	**–**	–	**64**	64	**–**	–	**95**	100	**928**	945	**111**	147	**2,289**	2,694	**3,487**	3,950	**–**	–	**3,487**	3,950
Unallocated corporate liabilities	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**23,107**	28,652	**23,107**	28,652
Total liabilities	**–**	–	**64**	64	**–**	–	**95**	100	**928**	945	**111**	147	**2,289**	2,694	**3,487**	3,950	**23,107**	28,652	**26,594**	32,602

12. PROFIT FOR THE YEAR AND SEGMENT INFORMATION (CONT'D)

Segment profit attributable to shareholders of the Company represents the profit earned by each segment after the profit attributable to owners of perpetual capital securities and non-controlling interests without allocation of gains or losses from treasury activities, corporate overheads and other expenses of the Group's head office.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than financial assets of the Group's head office; and
- all liabilities are allocated to reportable segments other than financial and other liabilities of the Group's head office.

13. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of the Company of HK$8,115 million (2023: HK$8,027 million) and on 2,519,610,945 shares (2023: 2,519,610,945 shares) in issue during the year.

14. DIVIDENDS

(a)

HK$ million	2024	2023
Interim dividend paid of HK$0.72 per share (2023: HK$0.71 per share)	**1,814**	1,789
Proposed final dividend of HK$1.86 per share (2023: HK$1.85 per share)	**4,687**	4,661
Total	**6,501**	6,450

(b)

HK$ million	2024	2023
Final dividend in respect of the previous financial year, approved and paid during the year, of HK$1.85 per share (2023: HK$1.83 per share)	**4,661**	4,611

15. PROPERTY, PLANT AND EQUIPMENT

HK$ million	Medium term leasehold land in Hong Kong	Medium term leasehold land outside Hong Kong	Freehold land outside Hong Kong	Buildings	Mains, pipes, other plant and machinery	Leased properties and others	Furniture, fixtures and others	Total
Cost								
At 1st January, 2023	393	145	595	1,454	3,415	470	71	6,543
Transfer between categories	–	–	(25)	25	–	–	–	–
Additions	–	–	9	–	306	58	5	378
Disposals	–	–	–	–	(66)	–	(3)	(69)
Termination of leases	–	–	–	–	–	(11)	–	(11)
Exchange translation differences	–	(4)	3	(22)	(12)	4	(2)	(33)
At 31st December, 2023	393	141	582	1,457	3,643	521	71	6,808
Transfer between categories	–	–	–	–	(3)	–	1	(2)
Related to subsidiaries acquired	–	–	4	–	–	–	–	4
Additions	–	–	267	12	81	22	3	385
Disposals	–	–	–	–	(108)	–	(2)	(110)
Termination of leases	–	–	–	–	–	(31)	–	(31)
Exchange translation differences	–	(4)	(84)	(39)	(256)	(57)	–	(440)
At 31st December, 2024	393	137	769	1,430	3,357	455	73	6,614
Accumulated depreciation								
At 1st January, 2023	234	64	34	815	2,184	143	52	3,526
Charge for the year	6	3	10	35	198	38	5	295
Disposals	–	–	–	–	(59)	–	(3)	(62)
Termination of leases	–	–	–	–	–	(6)	–	(6)
Exchange translation differences	–	(1)	–	(13)	(11)	2	(1)	(24)
At 31st December, 2023	240	66	44	837	2,312	177	53	3,729
Charge for the year	6	3	9	42	195	41	5	301
Disposals	–	–	–	–	(105)	–	(2)	(107)
Termination of leases	–	–	–	–	–	(20)	–	(20)
Exchange translation differences	–	(2)	(4)	(18)	(157)	(21)	(1)	(203)
At 31st December, 2024	246	67	49	861	2,245	177	55	3,700
Carrying value								
At 31st December, 2024	**147**	**70**	**720**	**569**	**1,112**	**278**	**18**	**2,914**
At 31st December, 2023	153	75	538	620	1,331	344	18	3,079

16. INVESTMENT PROPERTIES

HK$ million	
Medium term leases in Hong Kong, at fair value	
At 1st January, 2023	408
Change in fair values	–
At 31st December, 2023	408
Change in fair values	(19)
At 31st December, 2024	**389**

The fair values of the Group's investment properties at 31st December, 2024 and 2023 are determined based on a valuation carried out by Mr. K. B. Wong for and on behalf of Cushman & Wakefield Limited, independent qualified professional valuers not connected with the Group. Mr. K. B. Wong is a member of the Hong Kong Institute of Surveyors. The valuation which reflects the highest and best use was arrived at by reference to comparable market transactions and also taking reference of capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential of the properties.

17. INTERESTS IN ASSOCIATES

HK$ million	2024	2023
Investment costs		
– Listed in Hong Kong	**8,036**	8,036
– Unlisted	**2,133**	730
Share of post-acquisition reserves	**26,964**	27,743
	37,133	36,509
Amounts due by unlisted associates (note 36)	**935**	2,731
	38,068	39,240
Market value of investment in a listed associate	**41,598**	34,614

Included in the amounts due by unlisted associates are subordinated loans of HK$790 million (2023: HK$2,568 million). The rights in respect of these loans are subordinated to the rights of any other lenders to the associates.

17. INTERESTS IN ASSOCIATES (CONT'D)

Summarised financial information of Power Assets Holdings Limited ("Power Assets"), the only material associate, adjusted for any differences in accounting policies and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below.

(a) Financial information of the material associate as at 31st December

	Power Assets	
HK$ million	2024	2023
Current assets	3,488	4,359
Non-current assets	90,589	91,343
Current liabilities	(4,077)	(3,249)
Non-current liabilities	(2,924)	(3,701)
Equity	87,076	88,752
Reconciled to the Group's interests in the material associate		
Group's effective interest	36.01%	36.01%
Group's shares of net assets of the material associate and its carrying amount in the consolidated financial statements	31,357	31,961

(b) Financial information of the material associate for the year ended 31st December

	Power Assets	
HK$ million	2024	2023
Turnover	919	1,292
Profit for the year	6,119	6,003
Other comprehensive (expense)/income	(1,785)	1,901
Total comprehensive income	4,334	7,904
Dividend received from the material associate	2,164	2,164

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

HK$ million	2024	2023
Aggregate carrying amount of individually insignificant associates in the consolidated financial statements	5,776	4,548
Aggregate amounts of the Group's share of those associates'		
Profit for the year	561	409
Other comprehensive expense	(47)	(137)
Total comprehensive income	514	272

Particulars of the principal associates are set out in Appendix 2 on page 151.

18. INTERESTS IN JOINT VENTURES

HK$ million	2024	2023
Investment costs	77,171	71,101
Share of post-acquisition reserves	10,256	12,386
	87,427	83,487
Amounts due by joint ventures (note 36)	14,721	20,606
	102,148	104,093

Included in the amounts due by joint ventures are subordinated loans of HK$13,723 million (2023: HK$19,712 million). The rights in respect of these loans are subordinated to the rights of any other lenders to the joint ventures.

Summarised financial information of CK William UK Holdings Limited ("CK William") and UK Power Networks Holdings Limited ("UK Power Networks"), the material joint ventures, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below.

(a) Financial information of the material joint ventures as at 31st December

	CK William		UK Power Networks	
HK$ million	2024	2023	2024	2023
Current assets	5,449	4,793	6,173	6,931
Non-current assets	95,913	90,886	164,665	157,481
Current liabilities	(9,483)	(13,433)	(14,780)	(15,033)
Non-current liabilities	(59,262)	(57,313)	(92,069)	(85,972)
Equity	32,617	24,933	63,989	63,407
Reconciled to the Group's interest in the joint ventures				
Group's effective interest	40%	40%	40%	40%
Group's share of net assets of the joint ventures	13,047	9,973	25,596	25,363
Consolidation adjustments at Group level and non-controlling interests	101	91	117	116
Carrying amount of the joint ventures in the consolidated financial statements	13,148	10,064	25,713	25,479
Included in the above assets and liabilities:				
Cash and cash equivalents	1,780	1,284	1,207	1,339
Current financial liabilities (excluding trade and other payables and provisions)	(5,401)	(9,798)	(3,516)	(5,119)
Non-current financial liabilities (excluding trade and other payables and provisions)	(47,120)	(47,759)	(61,361)	(58,174)

18. INTERESTS IN JOINT VENTURES (CONT'D)

(b) Financial information of the material joint ventures for the year ended 31st December

HK$ million	CK William 2024	CK William 2023	UK Power Networks 2024	UK Power Networks 2023
Turnover	12,479	11,212	18,958	17,997
Profit for the year	613	606	4,791	4,522
Other comprehensive (expense)/ income	(538)	(408)	(1,047)	1,345
Total comprehensive income	75	198	3,744	5,867
Dividend received from the joint ventures	87	1	992	931
Included in the above profit:				
Depreciation and amortisation	(3,318)	(2,771)	(3,485)	(3,145)
Interest income	48	43	305	312
Interest expense	(2,841)	(2,832)	(2,894)	(3,376)
Income tax expense	(654)	(362)	(1,716)	(1,758)

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

HK$ million	2024	2023
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	48,566	47,944
Aggregate amounts of the Group's share of those joint ventures'		
Profit for the year	3,108	1,636
Other comprehensive income	64	93
Total comprehensive income	3,172	1,729

Particulars of the principal joint ventures are set out in Appendix 3 on pages 152 and 153.

19. OTHER FINANCIAL ASSETS

HK$ million	2024	2023
Financial assets at fair value through profit or loss		
Equity securities, unlisted	350	353
Other investments#	1,189	1,189
Total	1,539	1,542

Other investments include the investments under the agreement made as of 31st August, 2018 and as amended as of 30th December, 2019 with CK Hutchison Holdings Limited and its wholly-owned subsidiary.

20. DERIVATIVE FINANCIAL INSTRUMENTS

HK$ million	2024 Assets	2024 Liabilities	2023 Assets	2023 Liabilities
Forward foreign exchange contracts	436	(155)	200	(1,072)
Cross currency swaps	1,360	(240)	907	(465)
Interest rate swaps	7	–	53	–
	1,803	(395)	1,160	(1,537)
Portion classified as:				
Non-current	1,281	(2)	624	(465)
Current	522	(393)	536	(1,072)
	1,803	(395)	1,160	(1,537)

20. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Currency Derivatives

During the current year, the Group utilised currency derivatives to hedge long-term foreign investments. The Group is a party to a variety of foreign currency forward contracts and cross currency swaps in the management of its exchange rate exposures.

The following contracts are outstanding as at the end of the reporting period and the major terms of these contracts are as follows:

As at 31st December, 2024 Notional amount	Maturity
Sell AUD 159.3 million^	2025
Sell CAD 1,024.1 million^	2025
Sell GBP 2,487.4 million^	2025
Sell NZD 280.0 million^	2025
Sell EUR 532.3 million^	2025
Sell EUR 65.0 million^	2027
Sell AUD 1,414.8 million^	2027
Sell EUR 450.0 million^	2031
Sell CAD 100.0 million^	2031

As at 31st December, 2023 Notional amount	Maturity
Sell AUD 159.3 million^	2024
Sell CAD 991.6 million^	2024
Sell GBP 2,487.4 million^	2024
Sell NZD 280.0 million^	2024
Sell EUR 515.0 million^	2024
Sell CAD 132.5 million^	2025
Sell EUR 450.0 million^	2025
Sell EUR 65.0 million^	2027
Sell AUD 1,414.8 million^	2027

^ designated as hedging instrument in accordance with IFRS 9/HKFRS 9

The fair values of the above currency derivatives that are designated and effective as net investment hedges totalling HK$1,401 million (net assets to the Group) (2023: HK$430 million (net liabilities to the Group)) have been deferred in equity at 31st December, 2024.

None of the above currency derivatives is designated and effective as cash flow hedges and fair value hedges at 31st December, 2024 and 2023.

20. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Interest Rate Swaps

During the current year, the Group utilised interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. The notional principal amounts of the interest rate swap contracts outstanding as at 31st December, 2024 and 2023 and the major terms of these contracts are as follows:

As at 31st December, 2024 HK$ million	Floating interest rate	Weighted average fixed interest rate	Notional principal amount
Contracts maturing in 2025	BKBM*	4.13%	660
Contracts maturing in 2025	BBSW*	2.70%	2,469

As at 31st December, 2023 HK$ million	Floating interest rate	Weighted average fixed interest rate	Notional principal amount
Contracts maturing in 2025	BKBM*	4.13%	743
Contracts maturing in 2025	BBSW*	2.70%	2,718

* BKBM – New Zealand Bank Bill Reference Rate
BBSW – Australian Bank Bill Swap Reference Rate

The fair values of the above interest rate swaps that are designated and effective as cash flow hedges totalling HK$7 million (2023: HK$53 million) (net assets to the Group) have been deferred in equity at 31st December, 2024.

21. GOODWILL AND INTANGIBLE ASSETS

HK$ million	2024	2023
Goodwill	**760**	848
Intangible assets	**1,265**	1,451
Total	**2,025**	2,299

Goodwill

HK$ million	2024	2023
At 1st January	**848**	843
Addition	**6**	–
Exchange difference	**(94)**	5
At 31st December	**760**	848

For the purpose of impairment test, the recoverable amount of the cash-generating units is determined based on value in use calculations.

The Group prepared its cash flow projections of each cash-generating unit based on the latest approved budget plus extrapolated cash flows for the subsequent 4 years (2023: 4 years) except for a landfill where the whole life model is used. Cash flow projections for each cash-generating unit are based on the expected terminal growth rate of 3 per cent (2023: 3 per cent). The Group considers that cash flow projections of 5 years (2023: 5 years) are appropriate as they entered long-term contracts with customers.

The model uses a terminal value which is equal to eight to ten times of earnings before interest, taxation, depreciation and amortisation and discount rate of 8.5 per cent to 9.8 per cent (2023: 8.8 per cent to 9.9 per cent). The impairment test of its assets is then assessed using the value in use for each cash-generating unit. Based on impairment tests prepared, there is no impairment for goodwill as at 31st December, 2024 and 2023.

21. GOODWILL AND INTANGIBLE ASSETS (CONT'D)

Intangible Assets

HK$ million	Brand name and trademarks	Customer contracts	Resource consents	Computer software	Operation license	Others	Total
Cost							
At 1st January, 2023	117	53	1,435	53	89	10	1,757
Additions	–	–	2	–	–	20	22
Transfer	–	–	–	–	–	61	61
Disposals	–	–	–	–	–	(14)	(14)
Exchange translation differences	–	–	9	–	(2)	1	8
At 31st December, 2023	117	53	1,446	53	87	78	1,834
Additions	–	–	–	–	–	6	6
Transfer	–	–	2	–	–	–	2
Disposals	–	–	–	–	–	(16)	(16)
Exchange translation differences	(13)	(5)	(159)	(7)	(2)	(9)	(195)
At 31st December, 2024	104	48	1,289	46	85	59	1,631
Accumulated amortisation							
At 1st January, 2023	–	53	163	42	89	7	354
Charge for the year	–	–	21	8	–	1	30
Exchange translation differences	–	–	1	–	(2)	–	(1)
At 31st December, 2023	–	53	185	50	87	8	383
Charge for the year	–	–	18	–	–	–	18
Disposals	–	–	–	–	–	(1)	(1)
Exchange translation differences	–	(5)	(20)	(6)	(2)	(1)	(34)
At 31st December, 2024	–	48	183	44	85	6	366
Carrying value							
At 31st December, 2024	**104**	**–**	**1,106**	**2**	**–**	**53**	**1,265**
At 31st December, 2023	117	–	1,261	3	–	70	1,451

For brand name and trademarks of the Group that are regarded to have indefinite useful lives, there is no foreseeable limit to the period over which these assets are expected to generate cash flows for the Group.

For other intangible assets of the Group that are regarded to have finite useful lives, they are amortised on a straight-line basis according to their license periods or contract lives.

22. INVENTORIES

HK$ million	2024	2023
Raw materials	53	59
Work-in-progress	17	54
Stores, spare parts and supplies	20	24
Finished goods	23	41
Total	**113**	178

23. DEBTORS AND PREPAYMENTS

HK$ million	2024	2023
Trade debtors	250	363
Prepayments, deposits and other receivables	482	433
Total	**732**	796

The aging analysis of the Group's trade debtors presented based on the invoice dates is as follows:

HK$ million	2024	2023
Less than 1 month	189	199
1 to 3 months	42	102
More than 3 months but less than 12 months	20	54
More than 12 months	8	18
Gross total	259	373
Loss allowance	(9)	(10)
Total after allowance	**250**	363

23. DEBTORS AND PREPAYMENTS (CONT'D)

Trade with customers is carried out largely on credit, except for new customers, residential customers of waste management services and customers with unsatisfactory payment records, where payment in advance is normally required. Invoices are normally due within 1 month of issuance, except for certain well-established customers, where the terms are extended to 2 months, and certain customers with disputed items, where the terms are negotiated individually. Each customer has a maximum credit limit, which was granted and approved by senior management in accordance with the laid-down credit review policy and procedures.

During the year ended 31st December, 2024, the Group measured the loss allowance based on provision matrix or individual assessment under the expected credit loss model.

The Group used average loss rates ranging from 0 to 32.23 per cent (2023: from 0.25 per cent to 15.01 per cent) for provision matrix assessment. The average loss rates were estimated based on historically observed default rates of the debtors and were adjusted for any forward-looking information that was available without undue cost or effort.

The movement in the loss allowance during the year is as follows:

HK$ million	2024	2023
At 1st January	10	9
Impairment loss recognised	6	3
Impairment loss written back	(7)	(2)
At 31st December	**9**	10

24. BANK BALANCES AND DEPOSITS

Bank balances and deposits carry average effective interest rate at 5.5 per cent (2023: 5.0 per cent) per annum.

25. BANK AND OTHER LOANS

HK$ million	2024	2023
Unsecured bank loans repayable:		
Within 1 year	**3,214**	1,439
In the 2nd year	**2,506**	3,538
In the 3rd to 5th year, inclusive	**11,107**	8,996
	16,827	13,973
Unsecured notes and bonds repayable:		
Within 1 year	**–**	7,585
In the 2nd year	**–**	–
In the 3rd to 5th year, inclusive	**1,026**	1,082
	1,026	8,667
Secured bank loans repayable:		
Within 1 year	**1,388**	–
In the 2nd year	**–**	1,557
	1,388	1,557
Total	**19,241**	24,197
Portion classified as:		
Current liabilities	**4,602**	9,024
Non-current liabilities	**14,639**	15,173
Total	**19,241**	24,197

25. BANK AND OTHER LOANS (CONT'D)

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Bank loans		Notes		Bonds		Total	
HK$ million	2024	2023	2024	2023	2024	2023	2024	2023
AUD	**10,489**	11,548	**–**	–	**–**	–	**10,489**	11,548
JPY	**–**	823	**766**	822	**–**	–	**766**	1,645
EUR	**5,663**	862	**–**	–	**–**	5,172	**5,663**	6,034
NZD	**1,388**	1,557	**–**	–	**–**	–	**1,388**	1,557
Others	**675**	740	**260**	2,673	**–**	–	**935**	3,413
Total	**18,215**	15,530	**1,026**	3,495	**–**	5,172	**19,241**	24,197

The average effective interest rate of the Group's bank loans is 4.8 per cent (2023: 3.7 per cent) per annum.

The Group's notes and bonds of HK$1,026 million (2023: HK$6,254 million) were arranged at fixed interest rate and exposed the Group to fair value interest rate risk. Other borrowings were arranged at floating rates, thus exposed the Group to cash flow interest rate risk.

Bank loans carried interest at floating rate, which was determined with reference to BBSY*, EURIBOR*, BKBM, CORRA* or TONAR* plus an average margin less than 1 per cent (2023: BBSY*, EURIBOR*, BKBM, CDOR* or TONAR* plus an average margin less than 1 per cent) per annum.

Fixed rate notes and bonds carried interest ranging from 2.6 per cent to 4.0 per cent (2023: interest ranging from 1.0 per cent to 4.0 per cent) per annum.

Certain assets were pledged to secure bank loans totalling HK$1,388 million (2023: HK$1,557 million) granted to the Group.

* BBSY – Australian Bank Bill Swap Bid Rate

CDOR – Canadian Dollar Offered Rate

CORRA – Canadian Overnight Repo Rate Average

EURIBOR – Euro Interbank Offered Rate

TONAR – Tokyo Overnight Average Rate

26. CREDITORS, ACCRUALS AND OTHERS

HK$ million	2024	2023
Trade creditors	**236**	329
Other payables and accruals	**5,865**	5,535
Lease liabilities	**36**	38
Total	**6,137**	5,902

The aging analysis of the Group's trade creditors is as follows:

HK$ million	2024	2023
Current	**132**	211
1 month	**56**	42
2 to 3 months	**15**	39
Over 3 months	**33**	37
Total	**236**	329

At 31st December, 2024, non-current lease liabilities of HK$270 million (2023: HK$334 million) is included under other non-current liabilities.

The aging analysis of the Group's lease liabilities is as follows:

HK$ million	2024	2023
Within 1 year	**36**	38
More than 1 year but not more than 2 years	**36**	39
More than 2 years but not more than 5 years	**97**	113
More than 5 years	**137**	182
	306	372
Less: Amount due for settlement within 12 months shown under current liabilities	**(36)**	(38)
Amount due for settlement after 12 months shown under non-current liabilities (included in other non-current liabilities)	**270**	334

27. DEFERRED TAX ASSETS/LIABILITIES

HK$ million	2024	2023
Deferred tax assets	**(1)**	(1)
Deferred tax liabilities	**461**	505
Total	**460**	504

The followings are the major deferred tax (assets)/liabilities recognised by the Group and movements thereon during the current and prior years:

HK$ million	Accelerated tax depreciation	Tax losses	Fair value arising from business combination	Others	Total
At 1st January, 2023	130	(72)	368	64	490
(Credit)/Charge to profit for the year	(7)	3	(3)	33	26
Exchange translation differences	–	–	3	(2)	1
Others	(2)	2	–	(13)	(13)
At 31st December, 2023	121	(67)	368	82	504
Charge/(Credit) to profit for the year	24	(21)	(3)	23	23
Exchange translation differences	(4)	–	(40)	(7)	(51)
Others	–	–	–	(16)	(16)
At 31st December, 2024	**141**	**(88)**	**325**	**82**	**460**

Apart from the unused tax losses of which the deferred tax assets were recognised as presented above, the Group had unused tax losses and other unused tax credits totalling HK$5,340 million (2023: HK$1,322 million) at 31st December, 2024. No deferred tax asset has been recognised in respect of these tax losses and tax credits due to the unpredictability of future profit streams to utilise the available tax losses and tax credits. The current year's balance included the provisional tax losses that are subject to agreement by relevant tax authorities. If the same basis is applied, the comparative would be HK$4,718 million.

These unutilised tax losses and tax credits can be carried forward against future taxable income. Of the total amounts unrecognised, HK$263 million (2023: HK$191 million) is expected to expire within five years and the remaining balances have no expiry date.

28. RETIREMENT PLANS

Defined Contribution Retirement Plans

The Group provides defined contribution retirement plans for its eligible employees.

Contributions to the defined contribution plans in Hong Kong are made by either the employer only at 10 per cent of the employees' monthly basic salaries or by both the employer and the employees each at 5 or 10 per cent (2023: 10 or 15 per cent) of the employees' monthly basic salaries. The Company and its Hong Kong subsidiaries also participate in master trust Mandatory Provident Fund ("MPF") schemes operated by independent service providers. Mandatory contributions to these MPF schemes are made by both the employers and employees at 5 per cent of the employees' monthly relevant income each capped at HK$30,000.

Contribution to the defined contribution plans in New Zealand are made by either the employer only at 9 per cent of the employees' monthly basic salaries or by both the employer and employees each at 4 to 9 per cent of the employees' monthly basic salaries.

As the Group's retirement plans in Hong Kong, are all MPF-exempted recognised occupational retirement schemes ("ORSO schemes"), except for certain subsidiaries of which the new Hong Kong employees have to join the MPF schemes, the Group offers an option to its new Hong Kong employees to elect between the ORSO schemes and the MPF schemes.

The Group's costs in respect of defined contribution plans for the year amounted to HK$32 million (2023: HK$29 million). No forfeited contributions and earnings for the year under the defined contribution plans were used to reduce the existing level of contributions (2023: HK$1 million). At 31st December, 2024, there were no forfeited contributions and earnings available to the Group to reduce its contributions to the defined contribution plans in future years (2023: nil).

29. SHARE CAPITAL

	Number of Shares		Amount	
	2024	2023	**2024 HK$ million**	2023 HK$ million
Authorised:				
Ordinary shares of HK$1 each	**4,000,000,000**	4,000,000,000	**4,000**	4,000
Issued and fully paid:				
Ordinary shares of HK$1 each	**2,519,610,945**	2,519,610,945	**2,520**	2,520

30. PERPETUAL CAPITAL SECURITIES

On 23rd August, 2017, the Group issued US$500 million 4.85 per cent guaranteed perpetual capital securities at an issue price of 100 per cent. These perpetual capital securities were issued for general corporate funding purposes. Distributions on these perpetual capital securities are paid semi-annually in arrears from 23rd August, 2017 and may be deferred at the discretion of the Group. These perpetual capital securities have no fixed maturity and are redeemable at the Group's option on or after 23rd August, 2022 at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

On 3rd November, 2017, the Group issued US$150 million 4.85 per cent guaranteed perpetual capital securities at an issue price of 100 per cent plus an amount corresponding to accrued distribution from and including 23rd August, 2017 to, but excluding 3rd November, 2017. The perpetual capital securities were issued for general corporate funding purposes. Distributions on these perpetual capital securities are paid from 23rd August, 2017 and may be deferred at the discretion of the Group. These perpetual capital securities have no fixed maturity and are redeemable at the Group's option on or after 23rd August, 2022 at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

On 2nd June, 2021, the Group issued US$300 million 4.20 per cent guaranteed perpetual capital securities at an issue price of 100 per cent. Distribution is payable semi-annually in arrear from 2nd December, 2021 and may be deferred at the sole discretion of the Group. These perpetual capital securities have no fixed maturity and are redeemable at the Group's option on 2nd June, 2026, or any day thereafter at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

On 29th July, 2021, the Group issued US$300 million 4.00 per cent guaranteed perpetual capital securities at an issue price of 100 per cent. Distribution is payable semi-annually in arrear from 29th January, 2022 and may be deferred at the sole discretion of the Group. These perpetual capital securities have no fixed maturity and are redeemable at the Group's option on 29th July, 2026, or any day thereafter at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

31. 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 expand and generate attractive and predictable returns for shareholders and benefits for other stakeholders, by establishing and maintaining a quality investment portfolio with stable earnings and appropriate level of risks that the management are comfortable with.

The capital structure of the Group consists of debts, which includes bank loans, notes, bonds as detailed in note 25 and lease liabilities, bank balances and deposits, equity attributable to shareholders of the Company, comprising issued share capital and reserves, perpetual capital securities and non-controlling interests as detailed in the consolidated statement of changes in equity.

The management actively and regularly reviews and manages the Group's capital structure to maintain a balance between high shareholders' returns and strong capital position, and makes adjustments to the capital structure in light of changes in the global market conditions.

The Group maintained a low net debt to net total capital ratio of 7.8 per cent (2023: 7.7 per cent) as at 31st December, 2024. The management targets to maintain a solid capital position to pursue more new investment opportunities. The Group's overall strategy remains unchanged from 2023.

The net debt to net total capital ratios at 31st December, 2024 and 2023 were as follows:

HK$ million	2024	2023
Total debts	**19,241**	24,197
Bank balances and deposits	**(8,105)**	(13,077)
Net debt	**11,136**	11,120
Net total capital	**142,379**	144,391
Net debt to net total capital ratio	**7.8%**	7.7%

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.

32. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation between profit before taxation and cash generated from operating activities before finance costs and income taxes paid

HK$ million	2024	2023
Profit before taxation	**8,671**	8,578
Share of results of associates	**(2,765)**	(2,571)
Share of results of joint ventures	**(5,269)**	(3,687)
Interest income from loans granted to associates	**(98)**	(264)
Interest income from loans granted to joint ventures	**(1,325)**	(1,993)
Bank interest income	**(467)**	(616)
Finance costs	**865**	769
Depreciation of property, plant and equipment	**301**	295
Amortisation of intangible assets	**18**	30
(Gain)/Loss on disposal of property, plant and equipment	**(3)**	3
Change in fair value of investment properties	**19**	–
Change in fair value of other financial assets	**–**	103
Unrealised exchange gain	**(130)**	(129)
Returns received from an associate	**280**	149
Returns received from joint ventures	**856**	1,014
Interest received from associates	**124**	265
Interest received from joint ventures	**1,323**	1,951
Bank interest received	**499**	618
Operating cash flows before changes in working capital	**2,899**	4,515
Decrease in inventories	**65**	131
(Increase)/Decrease in debtors and prepayments	**(19)**	266
Decrease in creditors and accruals	**(90)**	(270)
Exchange translation differences	**55**	(12)
Cash generated from operating activities before finance costs and income tax paid	**2,910**	4,630

32. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

(b) Reconciliation of liabilities arising from financial activities

HK$ million	Unsecured bank loans	Secured bank loans	Lease liabilities	Unsecured notes and bonds	Total
At 1st January, 2023	18,148	1,523	351	8,540	28,562
Financing cash flows	(4,358)	25	(46)	–	(4,379)
New lease entered/lease modified	–	–	58	–	58
Termination of leases	–	–	(5)	–	(5)
Interest expenses	–	–	12	–	12
Exchange loss	183	9	2	127	321
At 31st December, 2023	13,973	1,557	372	8,667	24,569
Financing cash flows	4,153	9	(51)	(7,315)	(3,204)
New lease entered/lease modified	–	–	22	–	22
Termination of leases	–	–	(11)	–	(11)
Interest expenses	–	–	13	–	13
Exchange gain	(1,299)	(178)	(39)	(326)	(1,842)
At 31st December, 2024	**16,827**	**1,388**	**306**	**1,026**	**19,547**

(c) Funds from Operations*

HK$ million	2024	2023
Net cash from operating activities	**1,968**	3,845
Dividends received from associates	**2,290**	2,351
Dividends received from joint ventures	**3,158**	2,449
	7,416	8,645

* Funds from operations represent net cash from operating activities and dividends received from associates and joint ventures.

33. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Directors' emoluments comprise payments to the Company's directors by the Group in connection with the management of the affairs of the Group. The independent non-executive directors ("INED") receive an annual director's fee of HK$75,000 each; and for those acting as the audit committee members ("ACM"), additional annual fee of HK$100,000 each is paid. For those INED acting as remuneration committee members ("RCM"), nomination committee members ("NCM") and sustainability committee members ("SCM"), additional annual fee of HK$25,000 each is paid. The emoluments of each of the Company's directors for the current year, excluding emoluments received from the Group's associates, are as follows:

HK$ million	Fees	Basic Salaries, Allowances and Other Benefits	Bonuses	Provident Fund Contributions	Inducement or Compensation Fees	Total Emoluments 2024	Total Emoluments 2023
Victor T K Li (1 and 3)	0.125	–	30.024	–	–	**30.149**	30.149
Kam Hing Lam	0.075	4.200	10.569	–	–	**14.844**	15.094
Ip Tak Chuen, Edmond	0.100	1.800	2.358	–	–	**4.258**	13.688
Fok Kin Ning, Canning (1)	0.075	–	–	–	–	**0.075**	0.075
Frank John Sixt	0.075	–	–	–	–	**0.075**	0.075
Andrew John Hunter (1)	0.075	14.367	17.671	1.437	–	**33.550**	32.797
Chan Loi Shun (1, 2 and 3)	0.075	8.495	3.744	0.848	–	**13.162**	12.194
Chen Tsien Hua	0.075	6.466	2.686	0.644	–	**9.871**	9.324
Cheong Ying Chew, Henry (5)	0.222	–	–	–	–	**0.222**	0.200
Kwok Eva Lee (5)	0.100	–	–	–	–	**0.100**	0.100
Sng Sow-Mei (5)	0.200	–	–	–	–	**0.200**	0.200
Lan Hong Tsung, David (5)	0.197	–	–	–	–	**0.197**	0.175
Barrie Cook (4 and 5)	0.014	–	–	–	–	**0.014**	0.125
Paul Joseph Tighe (5)	0.200	–	–	–	–	**0.200**	0.200
Lee Pui Ling, Angelina	0.075	–	–	–	–	**0.075**	0.075
George Colin Magnus	0.075	–	–	–	–	**0.075**	0.075
Total for the year 2024	**1.758**	**35.328**	**67.052**	**2.929**	**–**	**107.067**	
Total for the year 2023	1.825	33.771	76.177	2.773	–		114.546

Notes:

(1) During the year, Mr. Victor T K Li and Mr. Chan Loi Shun each received directors' fees of HK$70,000 (2023: HK$70,000), Mr. Fok Kin Ning, Canning received director's fee of HK$29,836 (2023: HK$120,000), and Mr. Andrew John Hunter received director's fee of HK$107,568 (2023: HK$70,000) from Power Assets. The directors' fees totalling HK$277,404 (2023: HK$330,000) were then paid back to the Company.

(2) During the year, the directors' emoluments in the sum of HK$5,294,800 (2023: HK$5,087,100) received by Mr. Chan Loi Shun from Power Assets were paid back to the Company.

(3) Mr. Victor T K Li and Mr. Chan Loi Shun have acted as NCM and SCM of Power Assets, respectively and each received fees of HK$20,000 (2023: HK$20,000) during the year. The fees totalling HK$40,000 (2023: HK$40,000) were then paid back to the Company.

33. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (CONT'D)

Notes: (Cont'd)

(4) Mr. Barrie Cook has retired as an INED, and ceased as NCM and SCM of the Company with effect from 10th February, 2024.

(5) INED, ACM, RCM, NCM and SCM – During the year, Mrs. Sng Sow-Mei has acted as INED, ACM and RCM of the Company. Mrs. Kwok Eva Lee has acted as INED and NCM of the Company. Mr. Paul Joseph Tighe has acted as INED, ACM and SCM of the Company. In addition, Mr. Cheong Ying Chew, Henry has acted as INED, ACM and RCM of the Company during the year and acted as NCM of the Company during the period from 10th February, 2024 to 31st December, 2024. Mr. Lan Hong Tsung, David has acted as INED and ACM of the Company during the year and acted as SCM of the Company during the period from 10th February, 2024 to 31st December, 2024. Mr. Barrie Cook has acted as INED, NCM and SCM of the Company during the period from 1st January, 2024 to 10th February, 2024. The total emoluments paid to these INED, ACM, RCM, NCM and SCM during the year were HK$933,197 (2023: HK$1,000,000).

Of the five individuals with the highest emoluments in the Group, four (2023: four) are directors whose emoluments are disclosed above. In respect of the remaining one (2023: one) individual, the remuneration consisted of salaries and benefits in kind of HK$14 million (2023: HK$13 million) and bonuses of HK$5 million (2023: HK$4 million).

34. COMMITMENTS

The Group's capital commitments outstanding at 31st December and not provided for in the consolidated financial statements are as follows:

	Contracted but not provided for	
HK$ million	2024	2023
Investments in joint ventures	–	3
Plant and machinery	198	131
Other financial assets	91	139
Total	**289**	273

35. CONTINGENT LIABILITIES

The contingent liabilities of the Group are as follows:

HK$ million	2024	2023
Performance bond indemnities	144	174
Sub-contractor warranties	24	22
Total	**168**	196

36. MATERIAL RELATED PARTY TRANSACTIONS

During the year, the Group advanced HK$4 million (2023: HK$4 million) to an unlisted associate. The total outstanding loan balances as at 31st December, 2024 amounted to HK$935 million (2023: HK$2,731 million), of which HK$790 million (2023: HK$2,568 million) at fixed rates ranging from 10.85 per cent to 11.19 per cent (2023: from 10.85 per cent to 11.19 per cent) per annum and HK$145 million (2023: HK$163 million) was interest-free. The average effective interest rate of the loan granted to associates is 11.05 per cent (2023: 11.05 per cent) per annum. As stated in note 6, interest income from loans granted to associates during the year amounted to HK$98 million (2023: HK$264 million). The loans had no fixed terms of repayment.

During the year, the Group advanced HK$26 million (2023: HK$30 million) to a joint venture. The Group received repayment of HK$47 million from a joint venture (2023: HK$15 million) during the year ended 31st December, 2024. The total outstanding loan balances as at 31st December, 2024 amounted to HK$14,721 million (2023: HK$20,606 million), of which HK$8,150 million (2023: HK$11,989 million) bore interest with reference to BBSW (2023: BBSW and return from a joint venture), and HK$5,936 million (2023: HK$7,973 million) at fixed rate ranging from 4.2 per cent to 11 per cent (2023: from 4.4 per cent to 11 per cent) per annum, and HK$635 million (2023: HK$644 million) was interest-free. The average effective interest rate of the loan granted to joint ventures is 7.64 per cent (2023: 7.22 per cent) per annum. As stated in note 6, interest income from loans granted to joint ventures during the year amounted to HK$1,325 million (2023: HK$1,993 million). The loans had no fixed terms of repayment.

Moreover, the Group's sales of infrastructure materials to a joint venture for the current year amounted to HK$524 million (2023: HK$509 million). The Group also received income and incurred operating costs from sales of waste management services from/to its joint ventures amounted to HK$50 million (2023: HK$55 million) and HK$51 million (2023: HK$48 million), respectively for the current year.

The emoluments of key management have been presented in note 33 above.

The above related party transactions made during the year did not constitute connected transactions or continuing connected transactions.

37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(a) Statement of Financial Position of the Company

as at 31st December

HK$ million	2024	2023
Property, plant and equipment	3	3
Unlisted investments in subsidiaries	67,443	48,136
Total non-current assets	**67,446**	48,139
Amounts due from subsidiaries	37,215	51,301
Prepayments, deposits and other receivables	26	14
Bank balances	38	41
Total current assets	**37,279**	51,356
Amounts due to subsidiaries	50,929	55,905
Other payables and accruals	122	119
Total current liabilities	**51,051**	56,024
Net current liabilities	**(13,772)**	(4,668)
Net assets	**53,674**	43,471
Representing:		
Share capital	2,520	2,520
Reserves	51,154	40,951
Total equity	**53,674**	43,471

37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONT'D)

(b) Movements in the Company's Equity

HK$ million	Share capital	Share premium	Retained profits	Total
At 1st January, 2023	2,520	16,185	30,909	49,614
Profit for the year	–	–	257	257
Final dividend paid for the year 2022	–	–	(4,611)	(4,611)
Interim dividend paid	–	–	(1,789)	(1,789)
At 31st December, 2023	2,520	16,185	24,766	43,471
Profit for the year	–	–	16,678	16,678
Final dividend paid for the year 2023	–	–	(4,661)	(4,661)
Interim dividend paid	–	–	(1,814)	(1,814)
At 31st December, 2024	**2,520**	**16,185**	**34,969**	**53,674**

38. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

39. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements set out on pages 95 to 153 were approved by the Board of Directors on 19th March, 2025.

PRINCIPAL SUBSIDIARIES

APPENDIX 1

The table below shows the subsidiaries as at 31st December, 2024 which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of all the subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

Name	Place of incorporation/ principal place of business	Issued share capital	Proportion of nominal value of issued capital held by the Group (per cent)	Principal activities
Anderson Asia (Holdings) Limited	Hong Kong	HK$1 ordinary HK$60,291,765 Non-voting deferred	100	Investment holding
Anderson Asphalt Limited	Hong Kong	HK$200,000,000	100	Production and laying of asphalt and investment holding
Cheung Kong China Infrastructure Limited	Hong Kong	HK$2	100	China infrastructure investment holding
China Cement Company (International) Limited	Hong Kong	HK$1,000,000	70	Investment holding
Green Island Cement Company, Limited	Hong Kong	HK$306,694,931	100	Manufacturing, sale and distribution of cement and property investment
Green Island Cement (Holdings) Limited	Hong Kong	HK$722,027,503	100	Investment holding
Enviro NZ Services Limited	New Zealand	NZ$84,768,736	100	Waste management services

Note: The shares of all the above subsidiaries are indirectly held by the Company.

PRINCIPAL ASSOCIATES

APPENDIX 2

The table below shows the associates as at 31st December, 2024 which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of all the associates would, in the opinion of the Directors, result in particulars of excessive length.

Name	Place of incorporation/ principal place of business	Issued share capital	Percentage of equity attributable to the Group	Principal activities
Power Assets Holdings Limited (note 1)	Hong Kong	HK$6,610,008,417	36	Investment in energy and utility-related businesses
SA Power Networks Partnership (note 2)	Australia	N/A	23	Electricity distribution
Victoria Power Networks Pty Limited (note 3)	Australia	A$315,498,640	23	Electricity distribution

Notes:

1. The associate is listed on Hong Kong Stock Exchange.
2. SA Power Networks Partnership, an unincorporated body, is formed by the following companies:

   CKI Utilities Development Limited
   PAI Utilities Development Limited
   Spark Infrastructure SA (No.1) Pty Ltd
   Spark Infrastructure SA (No.2) Pty Ltd
   Spark Infrastructure SA (No.3) Pty Ltd

   CKI Utilities Development Limited and PAI Utilities Development Limited, both of which are associates of the Group, together own a 51 per cent interest in SA Power Networks Partnership.

   The partnership operates and manages the electricity distribution business in the State of South Australia of Australia.
3. Victoria Power Networks Pty Limited owns 100 per cent interests in the following companies:

   Powercor Australia Ltd
   CitiPower Pty Ltd
   The CitiPower Trust

   Powercor Australia Ltd and The CitiPower Trust each operates and manages an electricity distribution business in the State of Victoria of Australia.

PRINCIPAL JOINT VENTURES

APPENDIX 3

The table below shows the joint ventures as at 31st December, 2024 which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of all the joint ventures would, in the opinion of the Directors, result in particulars of excessive length.

Name	Place of incorporation/ principal place of business	Issued share capital	Percentage of equity attributable to the Group	Principal activities
UK Power Networks Holdings Limited	United Kingdom	£610,000,000 ordinary	40	Electricity distribution
Northumbrian Water Group Limited (note 3)	United Kingdom	£40 ordinary	39	Water supply, sewerage and waste water businesses
Northern Gas Networks Holdings Limited	United Kingdom	£71,670,979 ordinary £1 special	47	Gas distribution
Wales & West Gas Networks (Holdings) Limited	United Kingdom	£29,027	39	Gas distribution
Electricity First Limited	United Kingdom	£29,001,004	50	Electricity generation
Eversholt UK Rails Group Limited	United Kingdom	£1,100	65	Leasing of rolling stock
CK William UK Holdings Limited (note 1 & 2)	United Kingdom	£5,122,005,121	40	Investment holding
Australian Gas Networks Limited	Australia	A$879,082,753	45	Gas distribution
Canadian Power Holdings Inc.	Canada	C$137,000,002 ordinary	50	Electricity generation
Park'N Fly Canada Inc. (formerly known as 1822604 Alberta Ltd.) (note 3)	Canada	C$280,000,002	65	Off-airport parking operation
Husky Midstream Limited Partnership	Canada	C$1,153,845,000 class A units C$621,301,154 class B units C$1,776,923 general partnership interest	16	Oil pipelines, storage facilities and ancillary assets operation

APPENDIX 3 (CONT'D)

Name	Place of incorporation/ principal place of business	Issued share capital	Percentage of equity attributable to the Group	Principal activities
CKP (Canada) Holdings Limited	Canada	C$2,243,862,831	25	Water heater and HVAC (heating, ventilation and air conditioning) rentals, sales and services
Wellington Electricity Distribution Network Limited	New Zealand	NZ$406,500,100	50	Electricity distribution
Trionista SE	Germany	€125,000	35	Sub-metering and related services
AVR-Afvalverwerking B.V.	The Netherlands	€1	46	Producing energy from waste

Notes:

1. CK William UK Holdings Limited owns 100 per cent interests 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 UK.

2. CK William UK Holdings Limited owns 66 per cent interests in United Energy Distribution Holdings Pty Limited, which operates an energy distribution business in Australia.

3. The percentage of equity attributable to the Group includes the additional interests under the agreements dated 30th December, 2019. Further details are set out in the Company's announcement dated 31st July, 2019.

SCHEDULE OF MAJOR PROPERTIES

APPENDIX 4

Location	Lot Number	Group's Interest (per cent)	Approximate floor/site area attributable to the Group (sq. m.)	Existing Usage	Lease Term
14-18 Tsing Tim Street, Tsing Yi	TYTL 98	100	3,355	I	Medium
TMTL 201 Tap Shek Kok	TMTL 201	100	152,855	I	Medium
Certain units of Harbour Centre Tower 2, 8 Hok Cheung Street, Hunghom	KML 113	100	5,528	C	Medium

I: Industrial C: Commercial

CORPORATE GOVERNANCE REPORT

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 "Group"). 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 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 ("HK Listing Rules") on The Stock Exchange of Hong Kong Limited ("HK Stock Exchange") throughout the year ended 31st December, 2024.

SUSTAINABLE BUSINESS MODEL

Purpose, Values, Strategy and Culture

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. The Long Term Development Strategy section at page 19 of this Annual Report discusses the Company's purpose, values, strategy and culture.

Sustainable Dividend Policy

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 is in line with the earnings improvements and long-term growth of the Company. The Board makes all dividend decisions in accordance with those principles which are provided in the Company's dividend policy.

THE BOARD

Roles of the Board

Accountable to the shareholders under the leadership of the Chairman, the Board leads, directs and supervises the Company's affairs to enable the long-term success of the Company. The Board is responsible for shaping and monitoring the corporate culture, setting long-term strategic objectives, policies and directions of the Company with appropriate focus on values creation and risk management. The Board evaluates the Group's operating, financial and sustainability performance and oversees the executive management of the Company with the support of various standing committees, and ensures the Company maintains effective communication with shareholders and appropriate engagement with other key stakeholders. The Board ensures appropriate and adequate reporting in annual reports, including financial statements, Environment, Social and Governance ("ESG"), disclosure of Board's practices and other corporate policies. The Board is accountable for its actions or inactions, and where appropriate, the Board takes the shareholders' and stakeholders' view into account in its decisions. The Board ensures adequacy of resources, staff qualifications and experience, especially for the Company's accounting, internal audit and financial reporting functions, as well as those relating to the Company's ESG performance and reporting.

THE BOARD (CONT'D)

Roles of the Board (Cont'd)

Under the leadership of the Group Managing Director, the Company's management is responsible for the day-to-day operations of the Group.

The Company has arranged and maintained appropriate and adequate directors and officers liability insurance coverage for its Directors and officers since its listing on HK Stock Exchange.

Board Composition

As at 31st December, 2024, the Board consists of fifteen Directors, comprising eight Executive Directors (including the Chairman, the Group Managing Director, two Deputy Chairmen, the Deputy Managing Director, the Chief Financial Officer and two Executive Directors), two Non-executive Directors and five Independent Non-executive Directors. Two Alternate Directors have been appointed. Details of the composition of the Board are set out on page 214 of this Annual Report. Throughout the year ended 31st December, 2024 and up to the date of this Annual Report, at least one-third of the members of the Board are Independent Non-executive Directors and more than one of them have appropriate professional qualifications, or accounting or related financial management expertise. Independent Non-executive Directors have been identified in all corporate communications that disclosed the names of Directors.

A formal letter setting out the key terms and conditions of the Board appointment was issued to all Directors. During the year ended 31st December, 2024 and up to the date of this Annual Report, the following change to the composition of the Board has taken place:

- Mr. Barrie Cook retired as an Independent Non-executive Director with effect from 10th February, 2024.

The Board, through and by the Nomination Committee, reviews the Board's structure, size and composition at least annually to ensure that the Board has a balance of expertise, skills, experience and diversity of perspectives appropriate to the requirements of the business of the Group and a balanced composition of Executive and Non-executive Directors.

The Company maintains, on the websites of the Company and the Hong Kong Exchanges and Clearing Limited ("HKEX"), an updated list of Directors identifying their respective roles and functions and whether they are Independent Non-executive Directors. The Directors' biographical information and the relationships among the Directors are set out on pages 62 to 69 of this Annual Report and on the website of the Company.

Chairman and Group Managing Director

During the year, the positions of Chairman and Group Managing Director are held by separate individuals. The Chairman determines the broad strategic direction of the Group in consultation with the Board and is responsible for the high-level oversight of management. The Group Managing Director, with the support of the Executive Directors, is responsible for the strategic planning of different business functions and the day-to-day management and operations of the Group.

The Chairman provides leadership for the Board and ensures effective performance of the duties of the Board and that all key and appropriate issues are discussed in a timely manner. With the support of other Executive Directors and the Company Secretary, the Chairman sets the agenda for each Board meeting taking into account, where appropriate, matters proposed by the other Directors for inclusion in the agenda, and ensures that all Directors receive adequate and accurate information, and are properly briefed on issues arising at Board meetings, on a timely manner.

The Chairman encourages and solicits opinions from the Directors and urges for Directors' active contribution to the Board's affairs, and takes the lead to ensure that the Board acts in the best interest of the Company. The Chairman promotes a culture of openness and a constructive relationship between Executive and Non-executive Directors, and encourages Directors with different views to voice their concerns. The Chairman allows sufficient time for discussion of issues and ensures that Board decisions fairly reflect Board consensus. Led by the Chairman, the Board and the management of the Company have taken appropriate steps to facilitate effective communication with shareholders and engagement with other stakeholders, and have put in place good corporate governance practices and procedures.

The Chairman leads the Board in fostering the Group's corporate culture in alignment with its purpose, values and strategy set by the Board, to reinforce the Group's vision and pursuit of success.

Executive Directors and the Executive Committee

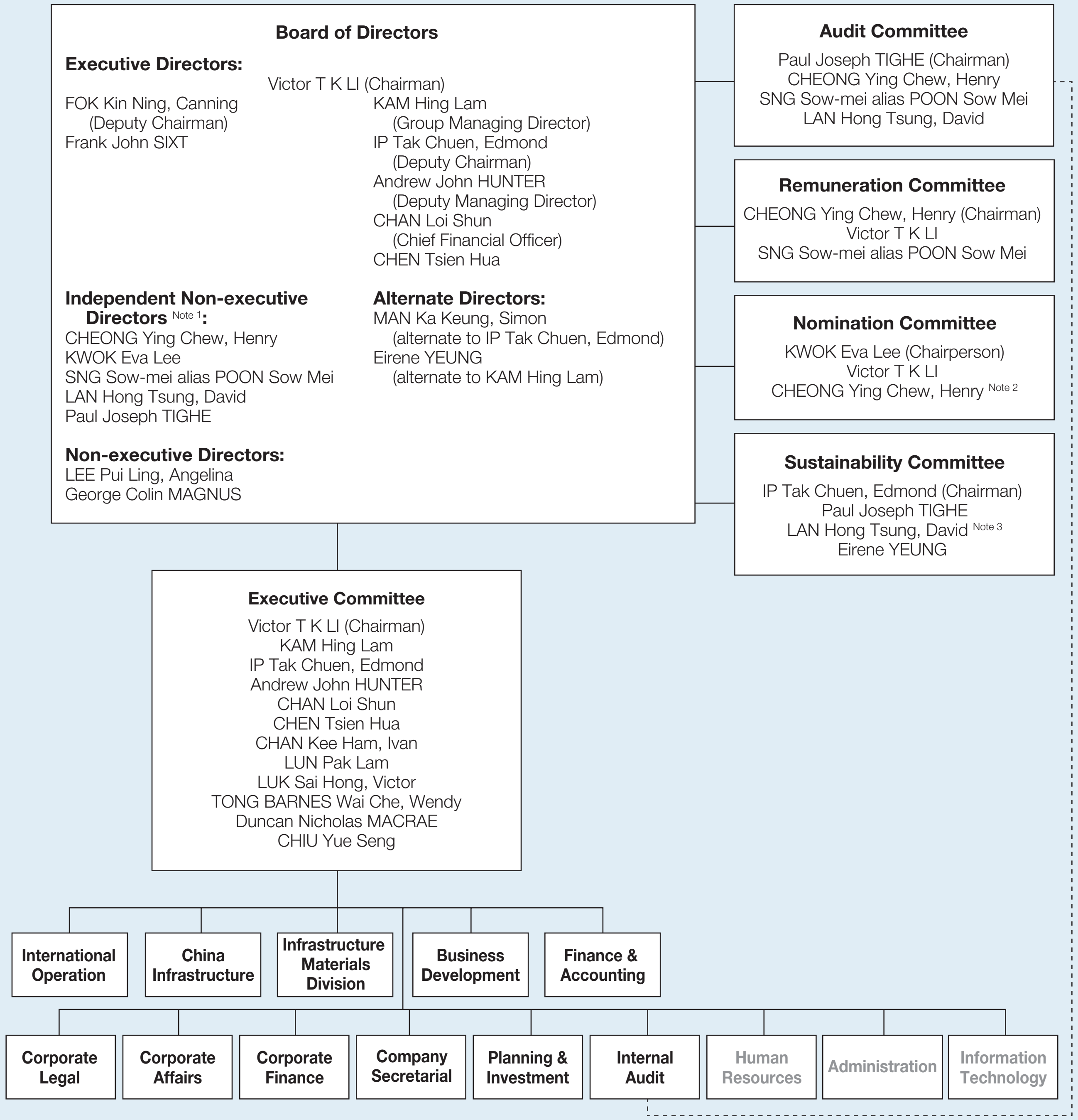
Executive Directors are in charge of different business units and functional divisions in accordance with their respective areas of expertise. The management of the Company reports acquisitions of or investments in businesses or projects, and other matters as considered appropriate, back to the Board, and obtains the Board's prior approval before making decisions or entering into any commitments on behalf of the Company. Where appropriate, disclosure is made and/or circulars are issued to obtain shareholders' approval in accordance with the requirements of the applicable rules and regulations.

The Executive Committee is one of the five Board committees established with specific terms of reference. (Details of the other Board committees are provided below in this Report.) The Executive Committee comprises six Executive Directors and six other key personnel of the Company. The Executive Committee is chaired by the Chairman of the Board and meets regularly to discuss and make decisions on matters relating to the management and operations of the Company, and to assess and make recommendations to the Board on acquisitions of or investments in businesses or projects. The Executive Committee is provided with sufficient resources to discharge its duties, and a Director as a member of the Executive Committee may seek independent professional advice, through the Company Secretary and at the Company's expense, in appropriate circumstances in discharging its duties.

THE BOARD (CONT'D)

Executive Directors and the Executive Committee (Cont'd)

A Management Structure Chart of the Company is set out below:



Notes:

1. An Independent Non-executive Director, Mr. Barrie Cook, retired with effect from 10th February, 2024.
2. Appointed as a member of the Nomination Committee with effect from 10th February, 2024 following the retirement of Mr. Barrie Cook.
3. Appointed as a member of the Sustainability Committee with effect from 10th February, 2024 following the retirement of Mr. Barrie Cook.

Board Process

The Board meets regularly and at least four times a year at approximately quarterly intervals. Regular Board meetings in a particular year are scheduled towards the end of the immediately preceding year to give all Directors adequate time to plan their schedules. Notice of at least 14 days is given of a regular Board meeting, together with a draft agenda for review and comments. The prior notice gives all Directors an opportunity to include matters in the agenda. The agenda accompanying a full set of papers of a regular Board meeting are circulated not less than three days before the intended date of the meeting, with a view to enabling the Directors to make informed decisions on matters to be considered at the meeting. The Directors are given as much prior notice as is reasonable and practical under the circumstances of ad hoc Board meetings in addition to regular Board meetings. According to the Company's Bye-laws, any Director may waive notice of any meeting.

The Directors are provided with adequate, complete and reliable information in a timely manner to enable them to make informed decisions. All Directors are entitled to have access to Board papers and related materials. Directors make enquiries when they require further information. Communication between the Directors on the one hand and the Company Secretary acting as the coordinator for business units of the Group on the other, is a dynamic and interactive process ensuring that queries raised and clarifications sought by the Directors are dealt with and that further supporting information is provided if appropriate. The Company Secretary and the Chief Financial Officer attend all regular Board meetings to advise on corporate governance, statutory compliance and accounting and tax related financial matters, as appropriate. A Director has the right to seek independent professional advice at the Company's expense in accordance with the Company's Guidelines for Directors Seeking Independent Professional Advice should such advice be considered necessary by the Director.

Each Director is required to declare his/her interest in accordance with the Company's Bye-laws. All matters to be considered by the Board which the Board has determined to be material, in which a substantial shareholder or a Director has a conflict of interest, are dealt with in accordance with the applicable rules and regulations and, where appropriate, by an independent board committee to be set up in accordance with the HK Listing Rules.

THE BOARD (CONT'D)

Board Process (Cont'd)

During the year ended 31st December, 2024, the Company held four regular Board meetings (in March, May, August and November of 2024) and a Special Board Meeting in August 2024. An annual general meeting of the Company was held on 22th May, 2024. The attendance record is set out below:

Members of the Board	Board Meeting(s) attended/ Eligible to Attend	General Meeting(s) Attended/ Eligible to Attend [Note 1]
Executive Directors		
Victor T K LI *(Chairman of the Board and Chairman of the Executive Committee)*	5/5	1/1
KAM Hing Lam *(Group Managing Director)*	5/5	1/1
IP Tak Chuen, Edmond *(Deputy Chairman and Chairman of the Sustainability Committee)*	5/5	1/1
FOK Kin Ning, Canning *(Deputy Chairman)*	5/5	1/1
Frank John SIXT	5/5	1/1
Andrew John HUNTER *(Deputy Managing Director)*	5/5	1/1
CHAN Loi Shun *(Chief Financial Officer)*	5/5	1/1
CHEN Tsien Hua	5/5	1/1
Independent Non-executive Directors		
CHEONG Ying Chew, Henry *(Chairman of the Remuneration Committee)*	5/5	1/1
KWOK Eva Lee *(Chairperson of the Nomination Committee)*	5/5	1/1
SNG Sow-mei alias POON Sow Mei	5/5	1/1
LAN Hong Tsung, David	5/5	1/1
Barrie COOK [Note 2]	N/A	N/A
Paul Joseph TIGHE *(Chairman of the Audit Committee)*	5/5	1/1
Non-executive Directors		
LEE Pui Ling, Angelina	4/5	0/1
George Colin MAGNUS	5/5	1/1

Notes:

1. All Directors attended via video conferencing.
2. Retired as an Independent Non-executive Director with effect from 10th February, 2024.

The Directors have the option to attend Board meetings in person, by phone or through means of electronic communication or by their respective alternate directors (if applicable), in accordance with the Company's Bye-laws. An updated and consolidated version of the Company's Memorandum of Association and Bye-laws (both English and Chinese versions) are available on the websites of the Company and HKEX. There were no significant changes in the Company's constitutional documents during the year 2024.

The Directors also considered and approved affairs and matters of the Company by way of written resolutions during the year ended 31st December, 2024 with the support of relevant information and explanatory materials necessary and sufficient for the Directors to make informed decisions. All Directors (including the Independent Non-executive Directors) have been given the opportunity to consider, query and comment on such matters before granting approval. In addition, the management of the Company also provides the Directors with monthly updates and other information in order to enable the Directors to keep abreast of the business affairs of the Group and be involved in scrutinizing the Group's performance in achieving the Group's corporate goals and objectives.

During the year ended 31st December, 2024, in addition to full Board meetings, the Chairman held two meetings with the Independent Non-executive Directors without the presence of other Directors (in May and November of 2024). The attendance record is set out below:

	Meeting(s) Attended/ Eligible to Attend
Chairman	
Victor T K LI	2/2
Independent Non-executive Directors	
CHEONG Ying Chew, Henry	2/2
KWOK Eva Lee	2/2
SNG Sow-mei alias POON Sow Mei	2/2
LAN Hong Tsung, David	2/2
Barrie COOK [Note]	N/A
Paul Joseph TIGHE	2/2

Note: Retired as an Independent Non-executive Director with effect from 10th February, 2024.

Board Independence

As at 31st December, 2024, five out of the fifteenth members of the Board are Independent Non-executive Directors accounting for approximately 33.33% of the Board. Separation of the roles of the Chairman and the Group Managing Director ensures there is a balance of power and authority. The Audit Committee, the Nomination Committee and the Remuneration Committee are chaired by Independent Non-executive Directors. The Audit Committee comprises Independent Non-executive Directors only. Independent Non-executive Directors comprise a majority of each of the Nomination Committee and the Remuneration Committee. A majority of the Directors sitting on the Sustainability Committee are Independent Non-executive Directors.

THE BOARD (CONT'D)

Board Independence (Cont'd)

The Independent Non-executive Directors exercise their independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct of the Company. The Independent Non-executive Directors help review the Board's major decisions, the Company's financial and operational performance and monitor performance reporting on a regular basis. During the year ended 31st December, 2024, through their participation at the Company's annual general meeting, Board and Board Committee meetings and perusal of reports by and having dialogues with the management, the Independent Non-executive Directors attended to affairs relating to internal audit and controls, corporate governance, directors' appointments, acquisitions and divestments, accounting and financial matters, regulatory compliance, and strategic and sustainability policies of the Company.

The independence of the Independent Non-executive Directors is assessed according to the relevant requirements under the HK Listing Rules. Each Independent Non-executive Director is reminded to inform the Company and HK Stock Exchange as soon as practicable if there is any change that may affect his/her independence. Each Independent Non-executive Director has provided the Company with an annual confirmation of independence taking into account the factors referred to in Rule 3.13 of the HK Listing Rules. Independent Non-executive Directors receive fixed fees for their appointments as members of the Board and additional fees for sitting on each Board Committee. None of such fees are based on the performance of the Group. None of the Independent Non-executive Directors are financially dependent on the Group.

The Board considers that a Director's independence is a question of fact and that cross-directorships do not necessarily result in significant links with other directors or compromise the independence of an Independent Non-executive Director. Instead, the experience of sitting on other listed boards broadens a Director's perspective and enriches a Director's contributions to Board discussions. The Independent Non-executive Directors are professionals with high esteem and integrity, experts in their specific fields with a wide spectrum of skills and experience, and financially independent. The Independent Non-executive Directors are able to provide independent, constructive views with respect to the Company's matters and challenges to the management and other Directors as circumstances require. The Board is of the view that all Independent Non-executive Directors of the Company meet the independence guidelines set out in Rule 3.13 of the HK Listing Rules.

The following paragraphs provide a summary of the mechanism maintained by the Company to ensure independent views and input are available to the Board.

Pursuant to the Company's Board Diversity Policy and Director Nomination Policy, the Board, through the Nomination Committee, reviews and assesses the profile of a candidate for directorship with a view to achieving a balance of skill set, experience, expertise and diversity of perspectives appropriate for the strategies of the Company. As reported above, a balanced composition secures strong independence on the Board and the Board Committees. To maintain the desired independence, the Company assesses the independence of the Independence Non-executive Directors periodically on the Board in accordance with the requirements of the HK Listing Rules.

The Chairman encourages Directors with different views to voice their concerns to promote diversity of thought and independence of judgement. To enable the Directors to discharge their duties and identify and understand issues quickly, the management of the Company provides the Directors with all relevant documents and information in a timely manner, with a view to enabling the Directors to exercise independent judgement, contribute to discussions and make informed, resilient decisions. To facilitate these objectives, the Directors are entitled to seek further information from the management on the matters to be discussed at meetings of the Board or Board Committees, and/or to seek assistance from the Company Secretary who will be co-ordinating between the Directors and the management to deal with any queries from the Directors, or seek assistance from external professional advisers at the Company's expense.

In addition, the two meetings held every year between the Chairman and Independent Non-executive Directors without the presence of the other Directors provide an exclusive platform for Independent Non-executive Directors to raise concerns, exchange views and discuss issues about the Company or its business, such as corporate governance enhancement, efficiency of the Board and any other matters they may wish to discuss without the presence of the Executive Directors and the management.

The Company considers board performance evaluation as an essential tool for assessing Board effectiveness. The Board conducted an internal board and committees performance evaluation for 2024 with assistance from the Company Secretary and the authorised officers. The evaluation involved each Director completing a questionnaire to provide individual ratings and comments and identify areas for enhancement (if any) covering a range of topics. The evaluation parameters included, amongst others, board composition and expertise, board processes, board accountability and leadership, and continuous development. The results show that the Directors are satisfied with the performance of the Board.

Commitment, Induction and Professional Development

The Directors disclosed to the Company at the time of appointment their other significant commitments, such as the number and nature of offices held in public companies or organisations. Each Director has provided the Company with an annual confirmation that he/she has given sufficient time and attention to the affairs of the Company and has disclosed to the Company in a timely manner changes, if any, in the number and nature of offices he/she held in public companies or organisations and his/her other significant commitments, for the year ended 31st December, 2024. The Company considers that there has been satisfactory attendance of the Directors at the Company's general meeting, Board meetings, Board Committee meetings and, with respect to the Independent Non-executive Directors, the meetings between the Chairman and the Independent Non-executive Directors during the year ended 31st December, 2024. Executive Directors have hands-on knowledge and expertise in the areas and operations of which they are in charge. Appropriate attention to the affairs of the Company is measured in terms of time as well as the quality of such attention, the ability of the Directors to contribute with reference to their areas of knowledge, skills and expertise and the ability to bring global perspectives to the Company. The Independent Non-executive Directors have consistently demonstrated their commitment to being fully engaged with the Company's affairs both inside and outside the boardroom, and their ability to devote sufficient time to the Board. The Company considers that the Independent Non-executive Directors manage to make a positive contribution to the development of the Group's strategy and policies through independent, constructive and informed comments.

THE BOARD (CONT'D)

Commitment, Induction and Professional Development (Cont'd)

Shortly before the appointment takes effect, a prospective Director receives a comprehensive induction package comprising a policy handbook containing the Company's corporate governance and sustainability policies and procedures, as well as a guidance book, compiled and reviewed by the Company's external legal advisers, providing an overview of directors' duties and obligations under the HK Listing Rules and other relevant legal and regulatory requirements. The Company instructs its external legal advisers to give a briefing session to take a prospective Director through all the directors' duties and responsibilities under the applicable laws and regulations, and other requirements under the HK Listing Rules that are applicable to him/her as a Director, before the appointment is effective. Senior executives and responsible officers provide newly appointed Directors with orientation briefings on the roles of a member of the Board and Board Committees and on the Group's structure, business outlook and strategy, financial reporting and accounting practice, risk management and governance framework. The Company Secretary and the authorised officers liaise proactively with newly appointed Directors before and after their appointments to facilitate their discharge of duties and responsibilities as Directors of the Company.

All Directors are encouraged to participate in continuous professional development ("CPD"). The Company has a long history of organising and providing Directors with tailored CPD training, at the cost of the Company, to enable the Directors to develop and refresh their knowledge and skills on the roles, functions and duties of a listed company director and discharge their duties and responsibilities for the benefit of the Company. The Company has been organising in-house seminars and webinars on an annual basis for the Directors together with directors of other companies of the entire CK Group. The Company Secretary and the authorised officers of the Company also assist the Directors, on an individual basis, from time to time upon request in handling any regulatory, compliance or governance issues that the Directors may come across in the performance of their duties and responsibilities.

Throughout the year ended 31st December, 2024, the Directors have participated in CPD to keep abreast of the latest developments in areas including laws and regulations, the HK Listing Rules and other applicable laws and regulations, governance and sustainability practices, directors' duties, risk management and internal control, and industry-specific and innovative changes in the markets in which the Group operates, primarily by the following means:

1. reading guidelines, memoranda, reports, updates and other papers prepared or compiled from time to time by or for the Company;
2. attending briefings/seminars/conferences/courses/workshops organised by the Company, professional bodies and/or government authorities; and
3. reading news/journals/magazines/other publications and materials.

The CPD training received by the Directors in the year ended 31st December, 2024 is summarised as follows:

Members of the Board	Training received
Executive Directors	
Victor T K LI *(Chairman)*	(1) & (3)
KAM Hing Lam *(Group Managing Director)*	(1), (2) & (3)
IP Tak Chuen, Edmond *(Deputy Chairman)*	(1) & (3)
FOK Kin Ning, Canning *(Deputy Chairman)*	(1) & (3)
Frank John SIXT	(1) & (3)
Andrew John HUNTER *(Deputy Managing Director)*	(1) & (3)
CHAN Loi Shun *(Chief Financial Officer)*	(1) & (3)
CHEN Tsien Hua	(1), (2) & (3)
Independent Non-executive Directors	
CHEONG Ying Chew, Henry	(1), (2) & (3)
KWOK Eva Lee	(1), (2) & (3)
SNG Sow-mei alias POON Sow Mei	(1), (2) & (3)
LAN Hong Tsung, David	(1) & (3)
Barrie COOK [Note]	N/A
Paul Joseph TIGHE	(1), (2) & (3)
Non-executive Directors	
LEE Pui Ling, Angelina	(1), (2) & (3)
George Colin MAGNUS	(1) & (3)

Note: Retired as an Independent Non-executive Director with effect from 10th February, 2024.

The Directors have provided the Company with their CPD records for the year ended 31st December, 2024.

The Directors have also participated in CPD to keep abreast of the latest developments in areas of the applicable Listing Rules of the London Stock Exchange plc ("UK Listing Rules") since the Company's Secondary Listing on the main market for listed securities of London Stock Exchange plc ("LSE") in August 2024.

Compliance with the Code

The Company has adopted a code for securities transactions in terms substantially the same as Appendix C3 to the HK Listing Rules ("Code"). In light of the secondary listing of the Company in the UK, the Code was updated with the relevant requirements set out in Regulation (EU) No. 596/2014 as it forms part of domestic law by virtue of the European Union (Withdraw) Act 2018. The Code is reviewed and revised by the Company to reflect any amendments to Appendix C3 to the HK Listing Rules and the above mentioned relevant laws and regulations from time to time.

All Directors have confirmed that they have complied with the required standards set out in the Code regarding their dealings in securities of the Company during the year ended 31st December, 2024.

THE BOARD (CONT'D)

Compliance with the Code (Cont'd)

The Board has established written guidelines no less exacting than the Code for relevant employees in respect of their dealings in the Company's securities. The Company has adopted a policy on handling of confidential information, information disclosure, and securities dealing, applicable to the Group's employees when they are in possession of confidential or inside information in relation to the Group. The policy satisfies the requirements under Part XIVA of the Securities and Futures Ordinance and the HK Listing Rules. The Policy also satisfies the UK Listing Rules, the UK Disclosure Guidance and Transparency Rules and the UK Market Abuse Regulation and other applicable laws and regulations following the Company's Secondary Listing on the main market for listed securities of LSE in August 2024. The policy is available on the Company's intranet and disseminated to the employees.

Board Committees

Five Board Committees, namely Audit Committee, Remuneration Committee, Nomination Committee, Sustainability Committee and Executive Committee, have been established with specific terms of reference. Details of these Board Committees are further provided in this Report. The memberships and terms of reference of the Board Committees are available on the websites of the Company and/or HKEX, where applicable. Board Committees are required to report to the Board on their decisions and recommendations at Board meetings.

The table below provides membership information of these committees on which the Directors served during the year ended 31st December, 2024:

	Board Committee				
Directors	Audit Committee	Remuneration Committee	Nomination Committee	Sustainability Committee*	Executive Committee*
Executive Directors					
Victor T K LI	–	M	M	–	C
KAM Hing Lam	–	–	–	–	M
IP Tak Chuen, Edmond	–	–	–	C	M
FOK Kin Ning, Canning	–	–	–	–	–
Frank John SIXT	–	–	–	–	–
Andrew John HUNTER	–	–	–	–	M
CHAN Loi Shun	–	–	–	–	M
CHEN Tsien Hua	–	–	–	–	M
Independent Non-Executive Directors					
CHEONG Ying Chew, Henry	M	C	M Note 1	–	–
KWOK Eva Lee	–	–	C	–	–
SNG Sow-mei alias POON Sow Mei	M	M	–	–	–
LAN Hong Tsung, David	M	–	–	M Note 2	–
Paul Joseph TIGHE	C	–	–	M	–
Non-Executive Directors					
LEE Pui Ling, Angelina	–	–	–	–	–
George Colin MAGNUS	–	–	–	–	–

Notes:

* also comprises other key personnel or the Company Secretary

C Chairperson of the relevant Board committees

M Member of the relevant Board committees

1. Appointed as a member of the Nomination Committee with effect from 10th February, 2024 following the retirement of Mr. Barrie Cook.
2. Appointed as a member of the Sustainability Committee with effect from 10th February, 2024 following the retirement of Mr. Barrie Cook.

COMPANY SECRETARY

Reporting to the Chairman, the Company Secretary advises the Board on corporate governance and other regulatory compliance matters. The Company Secretary assists the Board with the development and maintenance of a sound and effective corporate governance framework, including robust risk management and internal control systems to reinforce regulatory compliance and good corporate governance practices. The Company Secretary further assists the Board in fostering a strong compliance culture to meet regulatory and shareholder expectations.

The Company Secretary is responsible for keeping the Board abreast of developments in the law, rules and regulations that may affect the Company's business and operations. The Company Secretary also assists the Board in monitoring the Company's compliance with Board procedures and the requirements under the HK Listing Rules, the relevant UK Listing Rules following the Company's Secondary Listing on the main market for listed securities of LSE in August 2024 and other applicable laws, rules and regulations. From time to time, the Company Secretary organises induction and regular training, and prepares briefing materials for Directors and the management of the Company, to provide them with continuous training on regulatory developments or specific topics of relevance to the business of the Company.

The Company Secretary provides compliance advice to the Board and management in the Company's decision making process, and works closely with the Board, in particular the Executive Directors, and the management in the formulation and implementation of the Company's policies and procedures which reflect the values underlying the Company's corporate culture developed over the years in support of the application of the strategy to achieve the Company's purpose. The Company Secretary assists the Board and the Sustainability Committee in aligning the desired corporate culture with the Company's purpose, values and strategy.

As part of the Company's efforts to maintain effective and meaningful engagement with stakeholders, the Company Secretary, in collaboration with the Executive Directors and the management of the Company, acts as a crucial conduit of communications within the Board, between the Board and the management, between the Board and the Company's business units and departments, and between the Company and its shareholders and other stakeholders. In doing so, the Company Secretary facilitates a good channel of communication between the Company and its shareholders, and also assists and works with the Board and the management in responding to inquiries from the regulators in a timely manner. All Directors have access to the advice and services of the Company Secretary in order to ensure that Board procedures, and all applicable laws, rules and regulations, are complied with.

COMPANY SECRETARY (CONT'D)

The Company Secretary and the authorised officers prepare written resolutions and minutes and keeps records of substantive matters discussed and decisions resolved at all Board and Board Committee meetings. Minutes of all meetings of the Board and Board Committees record in sufficient detail the matters considered and decisions reached by the Board or Board Committees. Draft and final versions of the minutes are sent to all Directors or Board Committee members as appropriate for comments and for their records within a reasonable time after each Board or Board Committee meeting. Such minutes and resolutions are available for inspection by Directors or Board Committee members upon request.

The Company Secretary of the Company has been appointed since the listing of the Company. Except for a brief period of approximately four months during which the position had taken up by her then deputy. The appointment and dismissal of the Company Secretary is subject to the Board's approval. The Company Secretary has confirmed that she has complied with all the required qualifications, experience and training requirements under the HK Listing Rules as at 31st December, 2024.

ACCOUNTABILITY AND AUDIT

Financial Reporting

Directors are provided with a review of the Group's major business activities and key financial information on a quarterly basis. Monthly updates are provided to all members of the Board, for the purpose of providing a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties. Sufficient explanation and information is provided to the Board to enable Directors to make an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge in writing on an annual basis their responsibility for preparing the financial statements of the Group. With the assistance of the Company's Finance and Accounting Department which is under the supervision of the Chief Financial Officer being a professional accountant, the Directors ensure the financial statements of the Group are prepared in accordance with the statutory requirements and applicable accounting standards, and published in a timely manner. Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubts upon the Company's ability to continue as a going concern. The statement by the auditor of the Company regarding its reporting responsibilities on the consolidated financial statements of the Group is provided in the Independent Auditor's Report on pages 91 to 94.

The Board presents a clear, balanced and understandable assessment of the Group's performance and financial position in the Group's annual and interim reports and other financial disclosures required by the HK Listing Rules, the relevant UK Listing Rules (following the Company's Secondary Listing on the main market for listed securities of LSE in August 2024), and in other reports to the regulators or information disclosed under applicable statutory requirements. The Board is aware of and updated with the requirements under the applicable rules and regulations about timely disclosure of information or matters regarding the Company and will authorise the publication of such announcements as and when the occasion arises. The Company Secretary and the authorised officers together with the Finance and Accounting Department work closely and in consultation with professional advisers to review the materiality and sensitivity of transactions and proposed transactions and advise the Board accordingly.

The Company issues half-yearly financial results within two months after the end of the relevant period, and annual financial results within three months after the end of the relevant year. All significant transactions and inside information are announced and disclosed in accordance with the HK Listing Rules and the relevant UK Listing Rules following the Company's Secondary Listing on the main market for listed securities of LSE in August 2024 during the year. The shareholders of the Company are therefore able to assess the performance, financial position and prospects of the Company.

Given regular Board meetings are held quarterly to review major business and financial information, the Company does not consider it necessary, nor is it in the interests of the Company and its shareholders, to issue quarterly financial results. This would incur costs disproportionate to any additional benefits to the shareholders.

Audit Committee

The Audit Committee comprises four 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. No members of the Audit Committee are former partners of the existing auditing firm of the Company who have ceased to be partners of such firm or ceased to have financial interest in such firm for less than two years.

The Audit Committee is chaired by Mr. Paul Joseph Tighe with Mr. Cheong Ying Chew, Henry, Mrs. Sng Sow-mei alias Poon Sow Mei and Mr. Lan Hong Tsung, David as members. The Audit Committee held four meetings in March, May, August and November of 2024. The Company's external auditor was invited to attend all the meetings held in 2024. During the year ended 31st December, 2024, the Audit Committee held two private sessions with the external auditor and internal auditor respectively without the presence of management. Attendance record of the members of the Audit Committee in 2024 is as follows:

Members of the Audit Committee	Audit Committee Meetings Attended/ Eligible to Attend
Paul Joseph TIGHE *(Chairman of the Audit Committee)*	4/4
CHEONG Ying Chew, Henry	4/4
SNG Sow-mei alias POON Sow Mei	4/4
LAN Hong Tsung, David	4/4

Minutes of the Audit Committee meetings are kept by the Company Secretary. Draft minutes of the meetings of the Audit Committee are circulated to members within a reasonable time after each meeting for their review and comments and the signed minutes are shared with the members for reference.

ACCOUNTABILITY AND AUDIT (CONT'D)

Audit Committee (Cont'd)

The terms of reference of the Audit Committee are updated from time to time in accordance with the provisions set out in the CG Code and are available on the websites of the Company and HKEX. Under the Audit Committee's terms of reference, the role of the Audit Committee is to assist the Board in fulfilling its duties through the review and supervision of the Company's financial reporting, risk management and internal control systems and to take on any other responsibility as may be delegated by the Board from time to time. Audit Committee is responsible for overseeing the Group's financial reporting, risk management and internal control systems, monitoring the integrity of the Group's financial information, overseeing the relationship with the external auditor of the Company, reviewing the arrangements that the Company's employees may use, in confidence and anonymity, to raise concerns about possible improprieties and ensuring proper arrangements are in place for fair and independent investigations and follow-up actions, and performing corporate governance functions delegated by the Board. The Audit Committee is provided with sufficient resources to perform its duties. The Company Secretary arranges independent professional advice for a Director as a member of the Audit Committee at the expense of the Company should the seeking of such advice be considered necessary by the Audit Committee.

In 2024, the Audit Committee discharged the duties and responsibilities under the terms of reference and the CG Code. The following is a summary of the work of the Audit Committee during 2024:

1. Reviewed the financial reports for 2023 annual results and 2024 interim results, and unaudited financial results for the first quarter and the third quarter of 2024;
2. Reviewed the findings and recommendations of the Internal Audit on the work of various business units and divisions/departments and updates on remedial actions, as appropriate;
3. Reviewed the effectiveness of the risk management and internal control systems;
4. Reviewed the external auditor's audit planning report and audit findings;
5. Reviewed the external auditor's remuneration;
6. Reviewed the risks of different business units and analysis thereof provided by the relevant business units and the Internal Audit Department;
7. Reviewed the control mechanisms for such risks advising on action plans for improvement of the situations;
8. Reviewed the arrangements employees can use, in confidence and anonymity, to raise concerns about possible improprieties in financial reporting, internal control or other matters;
9. Reviewed the following internal policies and corporate governance practices:

   Corporate Governance Policies:
   (a) Anti-Fraud and Anti-Bribery Policy;
   (b) Anti-Money Laundering Policy;
   (c) Board Diversity Policy;
   (d) Competition Compliance Policy;
   (e) Director Nomination Policy;
   (f) Employee Code of Conduct;
   (g) GenAI Use Policy;
   (h) Information Security Policy;
   (i) Media, Public Engagement and Donation Policy;
   (j) Code for Securities Transactions;
   (k) Policy on Appointment of Third Party Representatives;
   (l) Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing;
   (m) Privacy Policy and Personal Information Collection Statement;
   (n) Sanctions Compliance Policy;
   (o) Shareholders Communication Policy;
   (p) Whistleblowing Policy – Procedures for Reporting Possible Improprieties; and

   Sustainability Policies:
   (q) Anti-Harassment Policy;
   (r) Biodiversity Policy;
   (s) Corporate Social Responsibility Policy;
   (t) Environmental Policy;
   (u) Health and Safety Policy;
   (v) Human Rights Policy;
   (w) Modern Slavery and Human Trafficking Statement;
   (x) Supplier Code of Conduct;
   (y) Workforce Diversity Policy; and
10. Reviewed revisions of the following Corporate Governance Policies:

    (a) Code for Securities Transactions;
    (b) Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing; and
    (c) Shareholders Communication Policy.

At the meeting of the Audit Committee held in March 2025, the Audit Committee:

1. Noted, after due and careful consideration of reports from the management and the internal and external auditors, that no suspected fraud or irregularities, significant internal control deficiencies, or significant suspected infringement of laws, rules, or regulations had been found, and concluded that the risk management and internal control systems were adequate and effective;

ACCOUNTABILITY AND AUDIT (CONT'D)

Audit Committee (Cont'd)

2. Reviewed the Group's 2024 consolidated financial statements, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor. After review and discussions with the management, internal and external auditors, the Audit Committee endorsed the accounting treatment adopted by the Company, and the Audit Committee had to the best of its ability assured itself that the disclosure of the financial information in the Annual Report 2024 complied with the applicable accounting standards, Appendix D2 to the HK Listing Rules and relevant UK Listing Rules following the Company's Secondary Listing on the main market for listed securities of LSE in August 2024. The Audit Committee therefore resolved to recommend for the Board's approval of the consolidated financial statements for the year ended 31st December, 2024;
3. Noted the fees for (i) audit services, and (ii) tax services and other services provided by the external auditor of the Company for the year ended 31st December, 2024 amounted to approximately HK$8.3 million and HK$3.9 million, respectively; and, in this respect, received confirmation from Messrs. Deloitte Touche Tohmatsu ("Deloitte"), the Company's external auditor, that Deloitte is independent in accordance with The Code of Ethics for Professional Accountants issued by The Hong Kong Institute of Certified Public Accountants;
4. Resolved to recommend to the Board the re-appointment of Deloitte as the Company's external auditor for 2025 and that the related resolution be put forth for shareholders' consideration and approval at the 2025 annual general meeting;
5. Reviewed the Annual Report 2024; and
6. Reviewed and confirmed satisfaction of the following corporate governance functions, as delegated by the Board and provided in the terms of reference of the Audit Committee:
   (a) Develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
   (b) Review and monitor the training and continuous professional development of Directors and senior management;
   (c) Review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
   (d) Develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
   (e) Review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Whistleblowing Policy is in place for employees and those who deal with the Group (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in matters of financial reporting, internal control or other matters relating to the Group. Such procedures are included in the Company's Employee Handbook and available on the Company's website.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining sound and effective risk management and internal control systems, which include the development of necessary policies and procedures. Such systems are reviewed twice a year to ensure they are operating effectively on an ongoing basis. The Group has put in place an Enterprise Risk Management framework, which is consistent with the COSO (Committee of Sponsoring Organisations of the Treadway Commission) framework, to identify, assess, manage, monitor and control current and emerging risks.

Risk management and internal control systems are designed to help achieve the following objectives:

1. Alignment with and supportive of the Group's strategies;
2. Effectiveness and efficiency of operations which include safeguarding assets against unauthorised use or disposition;
3. Reliability of financial and operational reporting; and
4. Compliance with applicable laws, regulations and internal controls and procedures.

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 errors, losses or fraud. The concept of reasonable assurance recognises that the cost of control procedure should not exceed the expected benefits.

The Board, through the Audit Committee, regularly reviews the following:

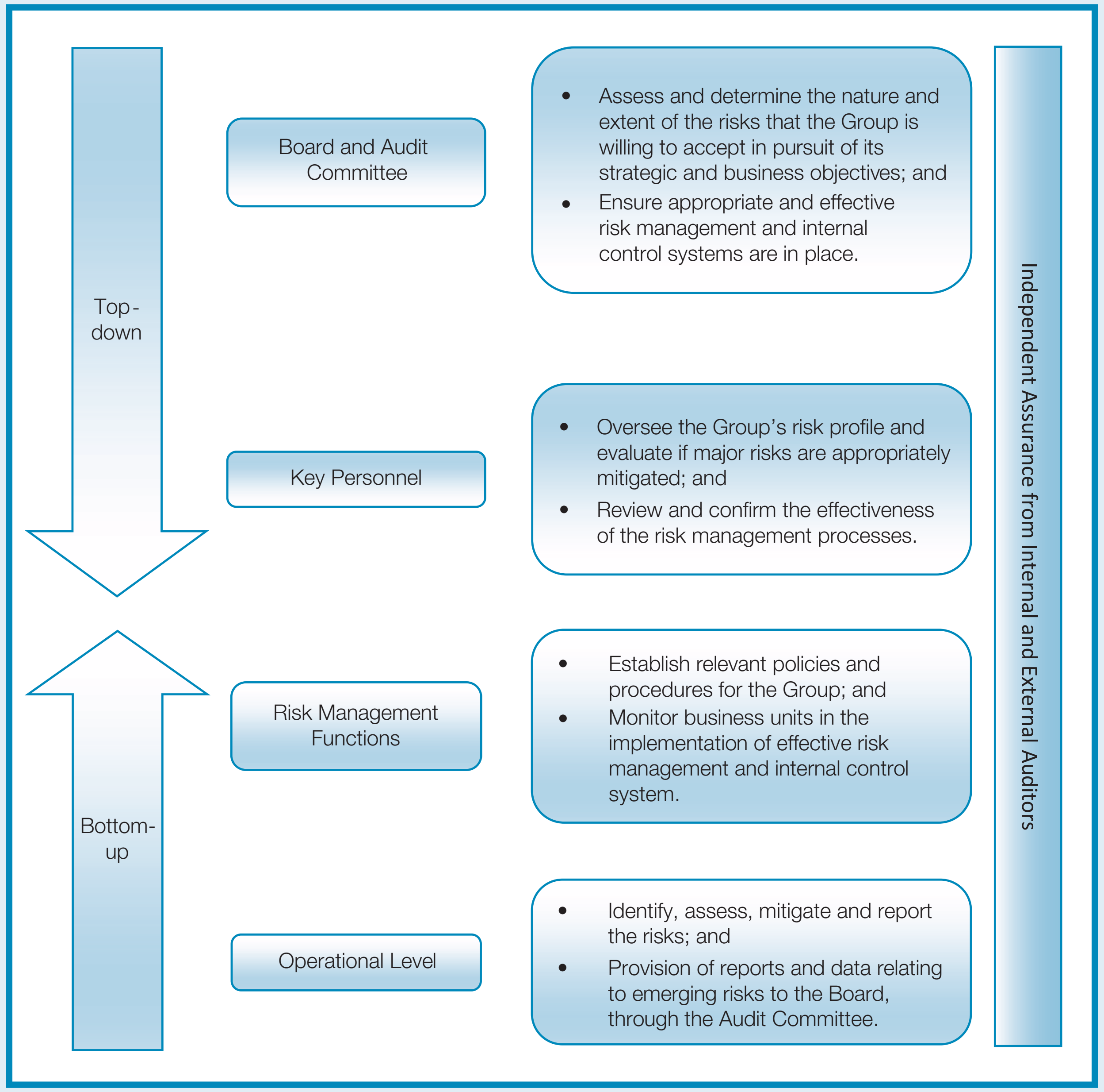
1. The significant risks (including ESG risks) and decisions that could have a material impact on the Group. These reviews consider the level of risk that the Group is prepared to take in pursuit of its business strategy and the effectiveness of the management controls in place to mitigate the risk exposure. They also regularly review the effectiveness of any remedial actions taken during the reporting period in order to respond to changes in its business and the external environment; and
2. The scope and quality of the risk management framework (including ESG risks) and effectiveness of the internal control systems. The Audit Committee evaluates the internal audit function on an ongoing basis by reviewing internal audit resources, plans, budgets and works. The Audit Committee also carries out a review of the reports from the external auditors, Deloitte, regarding the internal controls and relevant financial reporting matters in the Company.

The terms of reference of the Audit Committee include the requirement to review arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters.

RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Governance Structure for Enterprise Risk Management

The Group adopts a "Top-down and bottom-up" approach to managing risk exposures, involving input from each major business unit as well as discussions and reviews by the key personnel and the Board, through the Audit Committee. The top-down strategic view with complementary bottom-up operational processes are illustrated below:



Through this "top-down and bottom-up" risk review process, the risks identified in each business unit will be presented in the Group Risk Register, where they are considered significant on a group level. This Register, whose content is confirmed by the Group Managing Director and the Chief Financial Officer, forms part of the Risk Management Report for review and approval by the Audit Committee every half-yearly. The Audit Committee, on behalf of the Board, reviews the Report to ensure that all the significant risks are identified and appropriately managed.

For the half-yearly risk assessment submission, each business unit has to perform a risk assessment where the risks associated with achieving the business objectives are identified and analysed. It also includes a review of the control mechanisms for each risk and an action plan is put in place to address the areas for improvement. The chief executive officer and chief financial officer of each business unit need to provide a formal confirmation to acknowledge the review of their control systems and highlight any weaknesses. Such confirmations are reviewed by the Audit Committee, through Internal Audit, and submitted to the Board for its assessment.

Regarding the procedures and internal controls for handling inside information, the Group:

1. is well aware of its statutory and regulatory obligations to announce any inside information;
2. has implemented policies and procedures which strictly prohibit the unauthorised use of confidential information and insider trading, and has communicated this to all staff; and
3. requires that only Directors and delegated officers can act as the Group's spokesperson and respond to external enquiries about the Group's affairs.

Internal Audit, reporting directly to the Audit Committee and the Group Managing Director, performs independent assessments of the risk management and internal control systems. Using a risk based methodology, Internal Audit prepares its audit plan in consultation with, but independent of, management, and it is reviewed by the Audit Committee. The audit work focuses on those areas of the Group's activities with the greatest perceived risks. Ad hoc reviews will also be performed on areas of concern identified by the Audit Committee and management. Management of individual business units will be informed of the areas for improvement, and Internal Audit will closely monitor the implementation of agreed corrective actions.

Review of the Effectiveness of Enterprise Risk Management and Internal Control Systems

Through the Audit Committee's review, the Board is responsible for the Group's risk management and internal control systems and for reviewing their effectiveness.

The Board has conducted a review of the effectiveness of the Group's risk management and internal control systems, including all material financial, operational and compliance controls, and concluded that they are adequate and effective. No significant control failings or weaknesses had been identified during the reporting period. The Board is not aware of any material unforeseen outcomes or contingencies that may in the future have a material impact on the Company's financial performance or condition.

The Board, through the Audit Committee, has reviewed the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, and financial reporting functions as well as those relating to the company's ESG performance and reporting at the Board meeting held in March 2025.

RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Legal and Regulatory Compliance

The Group is committed to maintaining high standards of business integrity, honesty and transparency in all its business dealings. In addition to the risk management and internal control measures discussed above, the Company has adopted, and regularly reviews, its comprehensive set of corporate governance policies and sustainability policies, which provide frameworks and directions at the Group level on corporate governance and sustainability-related matters. Business units and operating subsidiaries also develop additional implementation policies and practices that better suit their specific business and operating circumstances.

The Group adopts a "zero tolerance" approach to bribery, corruption and fraud of any kind. Relevant Corporate Governance Policies (e.g. the Anti-Fraud and Anti-Bribery Policy, Anti-Money Laundering Policy, the Employee Code of Conduct and the Whistleblowing Policy, etc.) are in place and available to employees for their attention and adherence for promotion and support of the anti-corruption laws and regulations. In addition to the specific requirements included in the contracts with suppliers for compliance with local laws and regulations, the Supplier Code of Conduct requests that the appointed suppliers maintain the ethical standards which align with the compliance requirements and practices as provided therein. Tailor-made internal seminars and workshops are held from time to time with the assistance of regulators, legal professionals and other experts to provide employees with training on the latest development of the legal and regulatory requirements in relation to anti-corruption and other legal compliance issues. 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.

The Group is subject to the HK Listing Rules, the Codes on Takeovers and Mergers and Shares Buy-backs, the Securities and Futures Ordinance, the Companies Ordinance, the Companies Act of Bermuda and other applicable laws, rules and regulations. The Group is committed to conducting its businesses in compliance with the applicable local and international law, rules and regulations. The Group is also subject to the relevant UK Listing Rules following the Company's Secondary Listing on the main market for listed securities of LSE in August 2024. During the year of 2024, the Board is not aware of any legal or regulatory non-compliance by the Directors or employees of the Group which might have significant impact on the Group.

NOMINATION OF DIRECTORS

Nomination Committee

A majority of the members of the Company's Nomination Committee are Independent Non-executive Directors. The Nomination Committee is chaired by Mrs. Kwok Eva Lee, an Independent Non-executive Director, with another Independent Non-executive Director, Mr. Cheong Ying Chew, Henry [Note] and the Chairman of the Board, Mr. Victor T K Li as members.

Note: Mr. Cheong Ying Chew, Henry has been appointed as a member of the Nomination Committee with effect from 10th February, 2024 following the retirement of Mr. Barrie Cook.

The terms of reference of the Nomination Committee follow closely the requirements of the CG Code and are available on the websites of the Company and HKEX. The principal responsibilities of the Nomination Committee are:

1. at least once annually to review the structure, size, diversity profile and skills matrix of the Board and the needs of the Board and make recommendation on any proposed changes to the Board to complement the Board to achieve the Group corporate strategy as well as promote shareholder value;
2. to identify suitable director candidates and select or make recommendation to the Board on the selection of individuals to be nominated as Directors;
3. to assess the independence of Independent Non-executive Directors having regard to the criteria under the HK Listing Rules;
4. to make recommendation to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and
5. to review the Director Nomination Policy and the Board Diversity Policy of the Company periodically and make recommendation on any proposed revisions to the Board.

A meeting of the Nomination Committee was held in March 2024. Attendance record of the members of the Nomination Committee in 2024 is as follows:

Members of the Nomination Committee	Nomination Committee Meeting(s) Attended/ Eligible to Attend
KWOK Eva Lee *(Chairperson of the Nomination Committee)*	1/1
Victor T K LI	1/1
CHEONG Ying Chew, Henry [Note]	1/1

Note: Mr. Cheong Ying Chew, Henry has been appointed as a member of the Nomination Committee with effect from 10th February, 2024 following the retirement of Mr. Barrie Cook.

The following is a summary of the work of the Nomination Committee during 2024:

1. Reviewed the structure, size, diversity profile and skills matrix of the Board and the needs of the Board, and made recommendation to the Board on any proposed changes;
2. Assessed the independence of the Independent Non-executive Directors having regard to the criteria under the HK Listing Rules;
3. Made recommendation to the Board on the re-election of Directors at the 2024 annual general meeting; and
4. Reviewed the implementation and effectiveness of the Director Nomination Policy and the Board Diversity Policy and made recommendations on any proposed revision to the Board, where applicable.

In March, 2025, the Nomination Committee has 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 directorships in Hong Kong listed issuers and other significant external time commitments of that Director and other factors or circumstances relevant to that Director's character, integrity, independence and experience.

NOMINATION OF DIRECTORS (CONT'D)

Nomination Committee (Cont'd)

The Nomination Committee is provided with sufficient resources to perform its duties. The Nomination Committee is empowered by the Board to seek information they require from the management of the Company in order to perform their duties and to have access to independent professional advice at the Company's expense, through the Company Secretary, where necessary.

Nomination Procedures and Board Diversity

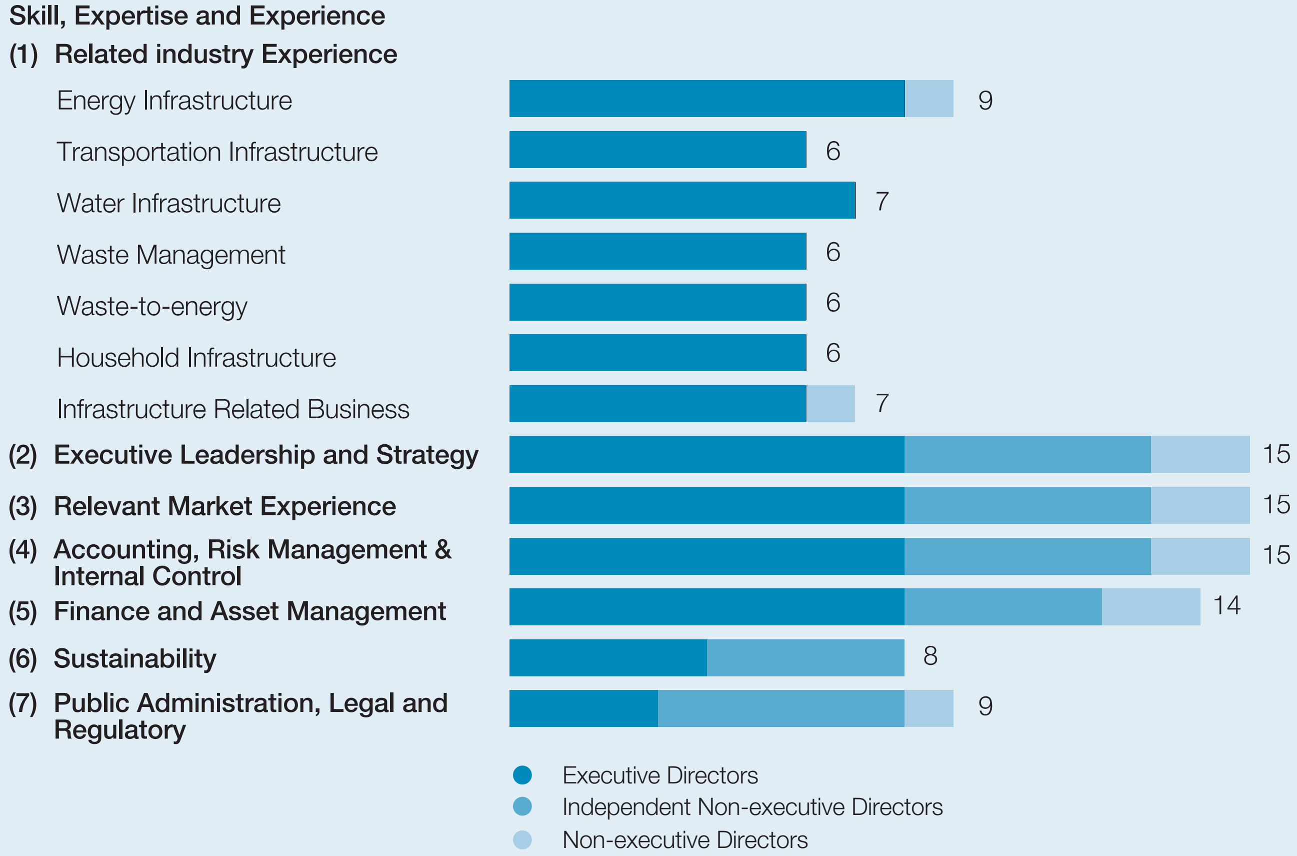
The Board recognises the importance of Board refreshment, which brings in new perspectives and ideas to the Board and the Group. The Nomination Committee is responsible for a regular review of the Board composition and succession planning for Directors and makes recommendations on changes to the Board, taking the Company's corporate strategy and shareholders' value into account.

The Nomination Committee, with delegated responsibility, establishes the policy and procedures for nomination of directors, and determines the process and criteria to select and recommend candidates for directorship. The nomination process has been, and will continue to be, conducted in accordance with the Director Nomination Policy and the Board Diversity Policy. Such policies are available on the website of the Company. The Board, through and by the Nomination Committee, reviews from time to time (and at least once annually) these policies and monitors their implementation to ensure continued effectiveness and compliance with regulatory requirements and good corporate governance practices.

The Company's Director Nomination Policy sets out the approach and procedures the Board adopts for the nomination and selection of suitable director candidates, including the appointment of additional Directors, replacement of Directors and re-election of Directors:

1. The Nomination Committee, from time to time, identifies, assesses, selects and nominates suitable director candidates to the Board for it to consider for appointment. In the determination of the suitability of a candidate, the Nomination Committee considers the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, expertise, independence, age, culture, ethnicity and gender diversity, and in particular considers whether and how the candidate's attributes may be complementary to the Board as a whole, and the candidate's commitment, motivation, integrity and such other factors that it may consider appropriate for a position on the Board. The Board takes into consideration the benefits of a diversified Board when selecting Board candidates. The ultimate responsibility for the selection and appointment of Directors rests with the Board as a whole.
2. If the Nomination Committee determines that an additional or replacement Director is required, it will deploy multiple channels for identifying suitable director candidates. Where a retiring Director, being eligible, offers himself/herself for re-election, the Nomination Committee will, if appropriate, make a recommendation to the Board for its consideration, for such retiring Director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring Director will be sent to shareholders prior to a general meeting in accordance with the HK Listing Rules. Shareholders of the Company may nominate a person to stand for election as a Director at a general meeting in accordance with the Bye-laws and applicable laws and regulations. The procedures for such proposal are available on the website of the Company.

As at 31st December, 2024, the Board comprises eight Executive Directors, two Non-executive Directors and five Independent Non-executive Directors. A skills matrix setting out details of the mix of skills of the Board is provided below:



As provided in the Company's Board Diversity Policy, the Board takes the following approach to achieving diversity on the Board appropriate for the Company's purpose, values, strategy and corporate culture:

1. The Company recognises the benefits of a Board that possesses a balance of skill sets, experience, expertise and diversity of perspectives appropriate for the strategies of the Company. The Company believes that board diversity enhances decision-making capability and thus the overall effectiveness of the Board in achieving sustainable business operation and enhancing shareholder value.
2. The Company takes into consideration the benefits of various aspects of diversity, including gender, age, culture, ethnicity, education background, professional experience and other factors that may be relevant from time to time towards achieving a diversified Board.
3. Appointment to the Board is based on merit and attributes that the selected candidate will bring to the Board to complement and expand the competencies, experience and perspectives of the Board as a whole, taking into account the corporate strategy of the Company.
4. The Nomination Committee is responsible for reviewing the structure, size, diversity profile and skills matrix of the Board, selecting individuals to be nominated as Directors, reviewing succession plan of Directors, and making recommendation on these matters to the Board for approval. The Company is mindful of having an appropriately structured recruitment, selection and training programme at appropriate levels so as to identify and prepare suitable talents for Board positions.

NOMINATION OF DIRECTORS (CONT'D)

Nomination Procedures and Board Diversity (Cont'd)

The Company is of the view that appointment to our Board of Directors should be based on merit that complements and expands the skills, experience, expertise, independence and knowledge of the Board of Directors as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background, and any other factors that our Board might consider relevant and applicable from time to time towards achieving a diverse Board of Directors.

There are currently four female Directors, representing about 26.66% of the Board. The Board is of the view that gender should not be the only driving factor in considering a candidate for the Board. The Company will follow the Board Diversity Policy and the Director Nomination Policy to take into account various factors to identify suitable candidates for appointment to the Board, and may adjust the proportion of female directors over time as and when appropriate. As at 31st December, 2024, the ratio of female to male of the key personnel of the Group and all the Directors of the Company, and in the workforce of the Group was 22:78 and 20:80 respectively. Notwithstanding the foregoing, gender diversity may be less relevant to the Group's infrastructure business due to the nature of business.

Further details on the gender ratio and initiatives taken to improve gender diversity across management and the wider workforce, together with relevant data, can be found in the 2024 Sustainability Report of the Company, which will be published together with this Annual Report.

Rotation of Directors

All Directors (including Independent Non-executive Directors) are subject to retirement by rotation at least once every three years. Retiring Directors are eligible for re-election by shareholders at general meetings in accordance with the Company's Bye-laws and the CG Code. Each Director who is subject to retirement by rotation will be appointed by a separate resolution at the Company's annual general meeting.

Where a retiring Director, being eligible, offers himself/herself for re-election at the annual general meeting, the Nomination Committee will consider and, if appropriate, recommend to the Board that such retiring Director be recommended for re-election by the shareholders at the forthcoming annual general meeting. When formulating such recommendations, the Nomination Committee will take into consideration the Company's Bye-laws, Director Nomination Policy and Board Diversity Policy, as well as, in the case of a retiring Independent Non-executive Director, his/her biographical details and diversity profile, and the contributions and independent view he/she can bring to the Board. A member of the Nomination Committee abstains from voting on the resolutions of the Nomination Committee for considering his/her own nomination.

Each retiring Independent Non-executive Director eligible for re-election at the annual general meeting makes a confirmation of independence taking into account the independence factors set out in Rule 3.13 of the HK Listing Rules. The Board has opined in its circular for 2025 annual general meeting that the retiring Independent Non-executive Director, eligible for re-election, namely Mrs. Kwok Eva Lee, meets the independence factors set out in Rule 3.13 of the HK Listing Rules and is independent.

The Board assesses a Director's independence on a case-by-case basis with reference to the Director's business acumen, experience in related industries, professional qualification, international business exposure and the nature of the businesses of the Company. The Board considers that a Director's independence should not be defined by his/her tenure on the Board. A Director who has over time gained in-depth insight into the Company's operations and its markets are well-positioned to offer his/her perspective and advice for discussions on the Board. Long serving directors can bring valuable contributions to the Company with their comprehensive understanding of the operations of the Company, in particular the infrastructure businesses which typically have a long return on investment period.

The Nomination Committee has taken into account the respective contributions of the retiring Independent Non-executive Director to the Board and her commitment to her role as Independent Non-executive Director. The retiring Independent Non-executive Director has demonstrated her ability to provide independent views to the Company's matters and have brought in fresh perspectives, skills and knowledge gained from her other directorships and appointments on an ongoing basis. The Nomination Committee is satisfied that the retiring Independent Non-executive Director possesses the required integrity and the wealth of skills, knowledge and experience that have enabled her to continue contributing meaningfully and objectively to the Board as an Independent Non-executive Director and the independence of the retiring Independent Non-executive Director from the management has not been impaired by the years of service. Based on the biographical information disclosed to the Company, the retiring Independent Non-executive Director does not hold seven or more listed company directorships. During her tenure as Independent Non-executive Director, the retiring Independent Non-executive Director has not been involved in the daily management of the Company or financially dependent on the Company which would materially interfere with the exercise of independent judgement. There is no evidence that her tenure has compromised her continued independence.

The nomination of the retiring Directors have been made in accordance with the Director Nomination Policy of the Company. The Nomination Committee is of the view that the retiring Directors are appropriate to stand for re-election and that their re-appointment will enhance the Board's diversity and performance, and accordingly recommends them for re-election at the forthcoming annual general meeting.

The Board, having considered the recommendation of the Nomination Committee, is of the view that the retiring Directors are able to continue to generate significant contributions to the Company and the shareholders as a whole, and has accepted the nomination by the Nomination Committee and recommends the retiring Directors for re-election by the shareholders at the forthcoming annual general meeting. The Board considers that the re-election of the retiring Directors as Directors is in the best interest of the Company and the shareholders as a whole. The retiring Directors abstained from voting at the Nomination Committee meeting and the Board meeting, where applicable, regarding their respective nominations.

As at 31st December, 2024, one of the Independent Non-executive Directors has served the Board for not more than nine years. In accordance with the CG Code, if and when all the Independent Non-executive Directors have served on the Board for more than nine years, a circular containing the required information on the existing Independent Non-executive Directors will be sent to the shareholders together with the notice of the annual general meeting, and a new Independent Non-executive Director will be appointed at the forthcoming annual general meeting as required by the CG Code and the HK Listing Rules.

REMUNERATION OF DIRECTORS

Remuneration Committee

A majority of the members of the Company's Remuneration Committee are Independent Non-executive Directors. The Remuneration Committee is chaired by Mr. Cheong Ying Chew, Henry, an Independent Non-executive Director, with another Independent Non-executive Director, Mrs. Sng Sow-mei alias Poon Sow Mei and the Chairman of the Board, Mr. Victor T K Li as members.

As reported in the last corporate governance report, a meeting of the Remuneration Committee was held in January 2024. Since the publication of the Annual Report 2023 in April 2024, a meeting of the Remuneration Committee was held in January 2025. Attendance record is as follows:

Members of the Remuneration Committee	Remuneration Committee Meeting(s) Attended/ Eligible to Attend
CHEONG Ying Chew, Henry *(Chairman of the Remuneration Committee)*	1/1
Victor T K LI	1/1
SNG Sow-mei alias POON Sow Mei	1/1

The terms of reference of the Remuneration Committee are available on the websites of the Company and HKEX. The Board reviewed the terms of reference of the Remuneration Committee in March 2024 for an update of the terms of reference in accordance with the provisions set out in the CG Code.

Under its terms of reference, the principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration packages of all Directors and the senior management, making recommendations on the remuneration of Non-executive Directors and, with delegated responsibility, determining the remuneration packages of individual Executive Directors and senior management, with reference to the corporate goals and objectives of the Board resolved from time to time. The Board has never approved any remuneration or compensation arrangements which have previously been rejected by the Remuneration Committee.

In the discharge of its duties and to better advise on the Group's future remuneration policy and related strategies, the Remuneration Committee has been advised on the Group's existing Remuneration Policy and proposals for formulating employees' remuneration packages, market trends and other human resources issues relating to the Directors and senior management, including, without limitation, succession plans and key personnel movements as well as policies for recruiting and retaining qualified personnel. Human Resources Department provides administrative support and implements the approved remuneration packages and other human resources related decisions approved by the Remuneration Committee. The Remuneration Committee is provided with sufficient resources to perform its duties. The Company Secretary arranges independent professional advice at the expense of the Company for the Remuneration Committee should the seeking of such advice be considered necessary by the Remuneration Committee.

The following is a summary of the work of the Remuneration Committee during the meeting held in January 2025:

1. Reviewed the remuneration policy for 2024/2025;
2. Recommended to the Board the Company's policy and structure for the remuneration packages of the Directors and the management;
3. Reviewed and determined the remuneration packages of Executive Directors and the management with reference to the Company's established practice of the remuneration review;
4. Reviewed the remuneration of Non-executive Directors;
5. Reviewed the annual bonus policy; and
6. Considered HKEX's requirement for listed issuers to disclose whether and how climate-related considerations would be factored into remuneration policies, and noted the effectiveness of the current remuneration policy of the Company.

The Remuneration Committee, in assessing remuneration proposals, has taken into account the progress of the Company's performance towards achieving short and long term climate-related sustainability metrics and targets as adopted by the Company and the Company's progress towards other matters, such as climate and environment, and health and safety, against such applicable metrics and targets.

The Remuneration Committee is satisfied that there is in place a clear system for determining remunerations, that is reasonable and has been followed consistently in its application.

No Director or any of his/her associates was involved in deciding his/her own remuneration at the meeting of the Remuneration Committee held in January 2025. The recommendations made by the Remuneration Committee were endorsed by the Board in March 2025.

Remuneration Policy

The remuneration packages of the Executive Directors and senior management are determined with reference to the skills, knowledge, experience, involvement in the Company's affairs and the performance of the individuals, taking into account the corporate goals and objectives of the Board resolved from time to time, the expected overall performance of the Group's businesses, market trends (including market data and the prevailing market conditions during that year), and whether the current remuneration programme effectively aligns executive pay and performance. A significant proportion of the Executive Directors' remuneration packages has been structured to link rewards to corporate and individual performance. The Company does not have any share option scheme in place. The Board has resolved that the senior management of the Company comprises the Executive Directors of the Company only. Please refer to note 33 in the Notes to Consolidated Financial Statements for details of the remuneration payable to the Directors.

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

SUSTAINABILITY

Sustainability Committee

As at 31st December, 2024, the Sustainability Committee comprises three Directors, a majority of whom are Independent Non-executive Directors, and the Company Secretary.

The Sustainability Committee is chaired by Mr. Ip Tak Chuen, Edmond, Executive Director. Other members include two Independent Non-executive Directors, Mr. Lan Hong Tsung, David [Note] and Mr. Paul Joseph Tighe, and the Company Secretary, Ms. Eirene Yeung.

The terms of reference of the Sustainability Committee are available on the websites of the Company and HKEX. The principal responsibilities of the Sustainability Committee include:

1. to propose and recommend to the Board on the Group's corporate social responsibility and sustainability objectives, strategies, priorities, initiatives, goals and targets;
2. to oversee, review and evaluate actions taken by the Group in furtherance of the corporate social responsibility and sustainability priorities, goals and targets, including coordinating with the business units of the Group and ensuring that their operations and practices adhere to the relevant priorities and goals;
3. to review and report to the Board on sustainability and ESG risks and opportunities;
4. to monitor, evaluate and review emerging corporate social responsibility and sustainability-related issues, trends and best practices that could impact the business operations and performance of the Group;
5. to oversee and review the Group's corporate social responsibility and sustainability and ESG policies, practices, frameworks and management approaches, and to recommend improvements;
6. to consider the impact of the Company's corporate social responsibility and sustainability on its stakeholders, including employees, shareholders, local communities and the environment;
7. to review and advise the Board on the Company's public communication, disclosure and publications (including the Sustainability Report) as regards its corporate social responsibility and sustainability performance; and
8. to perform such further functions related or incidental to the foregoing which the Sustainability Committee deems appropriate.

The Sustainability Committee is provided with sufficient resources to perform its duties. The Company Secretary arranges independent professional advice for the Sustainability Committee at the expense of the Company should the seeking of such advice be considered necessary by the Sustainability Committee.

Note: Mr. Lan Hong Tsung, David has been appointed as a member of the Sustainability Committee with effect from 10th February, 2024 following the retirement of Mr. Barrie Cook.

The Sustainability Committee held two meetings in March and November of 2024. Attendance record of the members of the Sustainability Committee in 2024 is as follows:

Members of the Sustainability Committee	Sustainability Committee Meeting(s) Attended/ Eligible to Attend
IP Tak Chuen, Edmond *(Chairman of the Sustainability Committee)*	2/2
LAN Hong Tsung, David [Note]	2/2
Paul Joseph TIGHE	2/2
Eirene YEUNG	2/2

Note: Mr. Lan Hong Tsung, David has been appointed as a member of the Sustainability Committee with effect from 10th February, 2024 following the retirement of Mr. Barrie Cook.

The following is a summary of the major work of the Sustainability Committee during the year of 2024:

1. Reviewed the Group's sustainability objectives, strategies, priorities, initiatives, goals, targets, work progress and highlights for the year of 2023, in consultation with the external professional consultant;
2. Reviewed the new IFRS S2 (Climate-related Disclosures) issued by the International Sustainability Standards Board ("ISSB") which was adopted by HK Stock Exchange and such disclosures would impact on the Company's business model, value chain and strategy;
3. Considered rating agencies' analyses of the Group's sustainability performance;
4. Reviewed the sustainability-related issues, trends and best practices that might affect the Group;
5. Reviewed the Company's sustainability frameworks and sustainability-related policies, practices and management approach;
6. Reviewed the Company's sustainability report for the year of 2023, prepared in consultation with the external professional consultant;
7. Reviewed the progress of the Group in 2024 towards the sustainability targets and sustainability-related issues, trends and best practices;
8. Reviewed alignment for the Group's sustainability targets and goals with the United Nations Sustainable Development Goals (UNSDGs);
9. Considered the plan and preparatory work for the Company's sustainability report for the year of 2024; and
10. Reviewed the Biodiversity Policy and Workforce Diversity Policy, duly adopted in 2024.

At the meeting of the Sustainability Committee held in March 2025, the Sustainability Committee reviewed the sustainability report for the year 2024 and reviewed the sustainability policies of the Company.

Sustainability Report

The Company's standalone sustainability report provides more details of the Group's sustainability efforts and practices. The sustainability report for the year of 2024, published at the same time as this Annual Report, is available on the websites of the Company and HKEX, and National Storage Mechanism.

SHAREHOLDERS ENGAGEMENT

Shareholders Communication Policy

The Company's Shareholders Communication Policy is available on the Company's website. The policy is subject to review on a regular basis to ensure its implementation and effectiveness.

The Company commits to engaging stakeholders in ongoing dialogues to understand their evolving needs, concerns and expectations. The Company establishes different forms of engagement for different groups of stakeholders to keep consistent interactions and maintains different communication channels for shareholders and investors to communicate their views on matters regarding the Company's businesses and affairs. These channels include (1) corporate communications[Note 1] published on the websites of the Company and HKEX with notice of availability of corporate communications to be distributed to shareholders[Note 2] by email or by post (where applicable) (and, in the case of actionable corporate communications[Note 3], further disseminated to shareholders in accordance with the HK Listing Rules); (2) general meetings which provide a forum for shareholders to raise comments and exchange views with the Board; (3) updated and key information regarding the Group available on the website of the Company; (4) the Company's website which offers a communication platform between the Company and its shareholders and stakeholders; (5) press conferences and briefing meetings with analysts held from time to time, where applicable, to provide updates on the performance of the Group; (6) the Company's Branch Share Registrar who deals with shareholders for share registration and related matters; (7) the Corporate Affairs Department of the Company handling enquiries from shareholders and investors generally; and (8) other dedicated communication channels, activities and events operated or organised by designated business units and departments at various levels engaging different groups of stakeholders.

These channels are adopted for communications with shareholders, and for shareholders and investors to provide the Company with feedback and engage with the Company actively. Shareholders are encouraged to attend general meetings. Shareholders' questions not fully answered at general meetings will be followed up by the Company Secretary, the authorised officers and other relevant departments, as appropriate. Contact details of Investor Relations are available on the Company's website for taking enquiries and receiving information requests from shareholders. Those enquiries and information requests will be handled by Investor Relations or referred to other relevant departments for further handling. Having reviewed the implementation of the multiple channels of communication in place, the Board, through and by the Audit Committee, considers that the implementation of the Company's Shareholders Communication Policy was effective during the year ended 31st December, 2024. In March 2024, the Shareholders Communication Policy was amended to reflect the new arrangements for dissemination of corporate communications to shareholders.

No changes have been made to the Company's constitutional documents during the year ended 31st December, 2024 and thereafter until the date of this Annual Report.

Notes:

1. "Corporate Communications" refer to any documents issued or to be issued by the Company for the information or action of holders of any of the Company's shares or securities or the investing public, including but not limited to directors' reports, annual accounts and auditor's reports, interim reports, notices of meetings, listing documents, circulars and proxy forms.
2. "Shareholders", for the purpose of this section, include holder of the shares in or other securities of the Company.
3. "Actionable Corporate Communications" refer to any Corporate Communications that seek instructions from Shareholders on how they wish to exercise their rights or made an election as Shareholders.

Shareholders Rights and Shareholders Meetings

The Company has only one class of shares. All shares have the same voting rights and are entitled to dividends declared. The Company's Bye-laws set out the rights of shareholders. Shareholder(s) holding not less than one-tenth of the paid-up capital of the Company may in accordance with the requirements and procedures set out in the Companies Act of Bermuda, request the Board to convene a special general meeting pursuant to Bye-law 58 of the Company's Bye-laws. The objects of the meeting must be stated in the related requisition which must be signed by the requisitionist(s) and deposited at the registered office of the Company.

Shareholder(s) holding not less than one-twentieth of the total voting rights or not less than 100 shareholders, may at their expense, unless the Company otherwise resolves, propose any resolution at any general meeting under the Companies Act of Bermuda. A written notice to that effect signed by the requisitionists together with a sum reasonably sufficient to meet the expenses in giving effect thereto must be deposited at the registered office of the Company at Clarendon House, Church Street, Hamilton HM11, Bermuda (addressed to the Company Secretary) not less than six weeks before the meeting. The notice shall contain, inter alia, a description of the proposed resolution desired to be put forward at the meeting, the reasons for such proposal and any material interest of the proposing shareholder(s) in such proposal.

Pursuant to Bye-law 88 of the Company's Bye-laws, if a shareholder wishes to propose a person other than a retiring Director for election as a Director at any general meeting (including an annual general meeting), the shareholder should lodge a written notice at the registered office or the head office of the Company provided that the minimum length of the period, during which such written notice may be given, shall be at least seven days and that the period for lodgment of such written notice shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting. Such written notice must be accompanied by a notice signed by the person to be proposed of his/her willingness to be elected as a Director. The procedures for shareholders to propose a person for election as a Director are available on the website of the Company.

In conducting a poll, subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Company's Bye-laws, every shareholder present in person or by proxy or, in the case of a shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid share of which he/she/it is the holder. A person entitled to more than one vote on a poll need not use all his/her votes or cast all the votes he/she uses in the same way.

A general meeting may be held as a physical meeting, or as a hybrid meeting conducted by virtual attendance through electronic facilities as well as physical attendance, in the proceedings of which shareholders are provided with on-line access to participate and vote. All corporate communications of the Company are published on the Company's website. Shareholders (including those whose shares are held in the Central Clearing and Settlement System (CCASS)) are entitled to request receiving corporate communications in printed form. (Any such request from a shareholder will cease to be valid after one year, or such shorter period if the original request is revoked in writing, or superseded by subsequent written request, by such shareholder, prior to the expiry date of the original request.) Details of the arrangements for dissemination of corporate communications (including actionable corporate communications) and the relevant request forms are available on the Company's website under "Dissemination of Corporate Communications" in the "Investor Information" section.

SHAREHOLDERS ENGAGEMENT (CONT'D)

Shareholders Rights and Shareholders Meetings (Cont'd)

Enquiries in relation to the Company's matters may be sent in written form to the Board by addressing them to the Corporate Affairs Department or the Company Secretary by mail at 12th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong or by email to contact@cki.com.hk. The Company Secretary ensures that all such enquiries will be properly directed to the Board, the relevant Board Committee(s), and/or the relevant departments of the Company, as appropriate, for further handling. The Company Secretary and the authorised officers are responsible for coordinating communications.

In 2024, the Company held one general meeting. The Chairman, the Chairperson of each of the Audit Committee, the Remuneration Committee, the Nomination Committee, the Sustainability Committee and the Executive Committee and all Directors in office at the time attended the 2024 annual general meeting held in May 2024 and were available to answer questions except a Non-Executive Director was unable to attend. The Company's external auditor attended the 2024 annual general meeting and was available to answer questions.

Separate resolutions are proposed at the general meetings of the Company on each substantially separate issue, including the election of individual directors. All the resolutions (other than procedural or administrative resolutions) put to vote at the Company's general meetings are taken by poll.

At the 2024 annual general meeting, the Chairman of the meeting explained (through the Company Secretary) the detailed procedures for conducting a poll, and answered questions from shareholders. The Chairman of the meeting exercised his power under the Company's Bye-laws to put each resolution set out in the notice of annual general meeting to be voted on by way of a poll. Representatives of the Branch Share Registrar of the Company were appointed as scrutineers to monitor and count the poll votes cast at the 2024 annual general meeting.

The percentage of votes cast in favour of the resolutions at the 2024 annual general meeting as disclosed in the announcement of the Company dated 22nd May, 2024 are set out below:

	Resolutions proposed at the 2024 Annual General Meeting	Percentage of Votes
1.	To receive the audited Financial Statements, the Report of the Directors and the Independent Auditor's Report for the year ended 31st December, 2023.	99.9138%
2.	To declare a final dividend.	99.9994%
3(1).	To elect Mr. Ip Tak Chuen, Edmond as Director.	99.0445%
3(2).	To elect Mr. Andrew John Hunter as Director.	98.9341%
3(3).	To elect Mr. Cheong Ying Chew, Henry as Director.	92.7845%
3(4).	To elect Mr. Lan Hong Tsung, David as Director.	95.8178%
3(5).	To elect Mr. George Colin Magnus as Director.	98.5895%
4.	To appoint Messrs. Deloitte Touche Tohmatsu as Auditor and authorise the Directors to fix their remuneration.	99.8922%
5(1).	To give a general mandate to the Directors to issue additional shares of the Company.	99.5005%
5(2).	To give a general mandate to the Directors to buy back shares of the Company.	99.9972%

Accordingly, all resolutions put to shareholders at the 2024 annual general meeting were duly passed as ordinary resolutions. Poll results were posted on the websites of the Company and HKEX.

Other corporate information and important shareholders' dates are set out in the "Corporate Information and Key Dates" section of this Annual Report.

As at 31st December, 2024, the Company had 2,270 registered shareholders, whose shareholdings are categorised as follows:

Size of Registered Shareholding	No. of Shareholders	Approximate percentage of Shareholders	No. of Shares	Approximate percentage of Issued Share Capital
1,000 or below	1,052	46.34%	889,168	0.03%
1,001 – 5,000	742	32.69%	2,172,767	0.09%
5,001 – 10,000	245	10.79%	2,051,489	0.08%
10,001 – 100,000	209	9.21%	6,207,264	0.25%
Above 100,000	22	0.97%	2,508,290,257	99.55%
Total	**2,270**	**100%**	**2,519,610,945** Note	**100%**

Note: As at 31st December, 2024, the Company did not hold any treasury shares, and total number of shares in issue was 2,519,610,945, out of which 591,550,812 shares were registered in the name of HKSCC Nominees Limited and 3,676,945 shares were registered in the name of Computershare Company Nominees Limited.

Based on information publicly available and within the knowledge of the Directors, the public float of the Company as at the latest practicable date prior to the date of publication of this Annual Report is approximately 24.09%*.

* Waiver from strict compliance with Rule 8.08 of the HK Listing Rules has been granted to the Company subject to maintenance of a public float of not less than approximately 15.2%.

RISK FACTORS

The Group's businesses, financial condition, results of operations and growth prospects may be affected by risks and uncertainties directly or indirectly pertaining to the Group's businesses. The risk factors set out below are those that could result in the Group's businesses, financial condition, results of operations or growth prospects differing materially from expected or historical results. Such factors are by no means 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 turn out to be material in the future. In addition, this Annual Report does not constitute a recommendation or advice to invest in the shares or other securities of the Company and investors are advised to make their own judgement or consult their own investment advisors before making any investment in the shares or other securities of the Company.

GLOBAL ECONOMY

Escalating trade protectionism, fluctuation of major currencies, supply chain disruptions, high interest rates and inflationary pressure in some countries, diverging fiscal policy and monetary policy, fluctuation of commodity prices and energy costs, continuing geopolitical tensions and increasing climate risks have created uncertainties and volatility in the global economy and financial markets. Continued slowdown in global economic growth could lead to economic contractions in certain markets, commercial and consumer delinquencies, weakened consumer confidence, and increased market volatility and decline in the value of the assets.

The Group is a diversified infrastructure investment company with businesses presently in Hong Kong, Mainland China, the United Kingdom ("UK"), Continental Europe, Australia, New Zealand, Canada and the United States. Any adverse economic, social and/or political conditions in those countries and places in which the Group operates may potentially impact on the Group's businesses, financial condition or results of operations, asset values and liabilities.

ECONOMIC CONDITIONS AND INTEREST RATES

The industries in which the Group operates are affected by the economic conditions of the various places where the Group's investments or operations are located, the population growth of these places, mark to market value of securities investments, the currency environment and interest rates cycles. There can be no assurance that the combination of the above factors the Group experiences in the future will not adversely affect its financial condition or results of operations.

Inflation and interest rates remain at a relatively high level in many countries. The interest rate cycle has impact on the aggregate demand from all sectors, which may in turn affect the businesses of the Group. While the Group regularly reviews its exposure to interest rate fluctuations and may manage such exposure using hedging instruments, there can be no guarantee that the Group will not be affected by the interest rate exposure.

In particular, certain businesses in the Group are subject to regulatory regimes in which local interest rates are taken into account in the calculation of the regulated cost of capital, which flows through to allowed revenue. There can be no assurance that any changes in the regulated cost of capital can be fully mitigated by the businesses. Furthermore, income from finance and treasury operations is dependent upon the capital markets, interest rate and currency environment, and the worldwide economic and market conditions, and therefore there can be no assurance that changes in these conditions will not adversely affect the Group's business, financial condition, results of operations and growth prospects. The volatility in the financial markets may also adversely affect the income to be derived by the Group from its finance and treasury activities.

CONCENTRATION IN GEOGRAPHICAL MARKETS AND BUSINESS TYPES

The business operation of the Group may be viewed as substantially concentrated in certain geographical markets or in one particular or more types of business. If and when the Group's operations are exposed to any deterioration in the economic, social or political conditions as well as any incidence of social unrest, strike, riot, civil disturbance or disobedience or terrorism, or even outbreaks of epidemics in such geographical markets or business segments, the adverse circumstances may materially disrupt the Group's operations and, in turn, impact the revenue, profitability and financial condition of the Group.

HIGHLY COMPETITIVE MARKETS

Unlike the Group's regulated businesses, which do not experience significant competition, some of the Group's non-regulated business, such as the Group's waste management, off-airport car parking, rolling stock leasing, cement and household infrastructure businesses, face competition across the diverse markets in which they operate. New market entrants and intensified price competition among existing market players could adversely impact the Group's businesses, financial condition, results of operations or growth prospects. Competition risks faced by the Group include (a) possible restrictions on the access by the shuttle buses operated by the Group's off-airport car parking businesses as imposed by the airport authorities that operates the on-airport car parking businesses; (b) the availability of rail link services from city centre to airport which may reduce the usage of the off-airport car park; and (c) significant competition and pricing pressure from other competitors attempting to capture a higher level of market share. Such risks may adversely affect the financial performance of the Group's operation.

INFRASTRUCTURE MARKET

The Group has historically focused, and continues to focus, its portfolio on regulated businesses in the power and infrastructure sectors. The infrastructure market is highly regulated. Some of the investments owned by the Group in the power and infrastructure sectors (for example, water, gas and electricity) are subject to regulatory pricing and strict adherence must be made to the licence requirements, codes and guidelines established by the relevant regulatory authorities from time to time. Failure to comply with these licence requirements, codes or guidelines may lead to penalties, or, in extreme circumstances, amendment, suspension or cancellation of the relevant licences by the authorities. Many of the Group's regulated businesses have recently been undergoing challenging regulatory resets with lower permitted return and restrictions on shareholders' distribution under certain circumstances. Interest and inflation rates, high energy cost, energy windfall tax, cap on the energy retail prices in certain markets as well as tougher stances adopted by regulators may affect the returns of the Group's infrastructure businesses. Any operational practices that are significantly out of step with community expectations can lead to concerns with regulators or local or national governments, and may ultimately lead to more stringent regulatory resets, regulatory oversight as well as negative publicity that could also have a reputational impact.

The distribution and transmission networks of the Group's utilities investments are also exposed to supply interruptions. If an extreme weather and climate event, earthquake, storm, flood, fire, sabotage, terrorist attack, outbreaks of epidemics or any other unplanned event interrupts service, the loss of cash flow resulting from the interruption and the cost of recovery from network damage could be considerable and potentially cause poor customer perceptions and may also lead to claims and litigation. Moreover, some losses from events such as terrorist attacks may not be recoverable. The Russia-Ukraine conflict and the instability in the Middle East may continue to impact energy supply at risk and cause price volatility. Increases in the number or duration of supply interruptions could result in material increases in the costs associated with the operation of the distribution and transmission networks. The capacity factor (load factor) of the wind farms acquired by the Group could also be affected by the wind conditions, which could result in the fluctuation of revenues. Some investments in non-regulated business may also be impacted by regulatory reform. All of these uncertain factors could have a material adverse effect on the businesses, financial condition, results of operations or growth prospects of the Group.

CRUDE OIL MARKETS

The Group's investment in Husky Midstream Limited Partnership ("HMLP") comprises oil pipelines, storage facilities and ancillary assets in Canada. Its results of operation and financial condition may be dependent on the prices received for refined products and crude oil of Cenovus Energy Inc. ("Cenovus"). Fluctuation of crude oil prices could impact the value and quantity of Cenovus' oil production. HMLP also has other customers apart from Cenovus and their demand for HMLP's services may depend on prices received for their refined products and crude oil. Prices for refined products and crude oil are based on local and global supply and demand as well as availability and costs of transportation. Supply and demand may be affected by a number of factors including, but not limited to, actions taken by the Organisation of the Petroleum Exporting Countries (OPEC), non-OPEC crude oil supply, social and political conditions in oil producing countries, the occurrence of natural disasters, general and specific economic conditions, technological developments, prevailing weather patterns and the availability of alternate sources of energy. Furthermore, HMLP is also susceptible to unforeseen pipeline releases at rivers or nature reserves. If the above events occurred or further occurred, it may adversely affect the Group's financial condition and results of operations.

CAPEX INVESTMENT

Capex investment plans for regulated business are proposed and planned based on the asset conditions, regulatory compliance and government initiative, such as net zero emission and hydrogen plan. Aggressive targets could require huge capital investment in a short period of time. That would cause concerns on: affordability of the customers for the increase in tariff; construction is constrained by the availability of labour and supplies. Excess demand would further drag up capital investment project costs, which might cause cost of funding not being able to be justified by the weighted average cost of capital (WACC) return allowed by the regulator.

A significant amount of capital expenditure is also required for the Group to maintain the assets of its existing businesses. While the relevant asset companies have their own asset management plans, there is a risk that due to unforeseen events, capital expenditure required for the replacement of assets could exceed budgeted amounts and hence affect the businesses, financial condition, results of operations or growth prospects of the Group.

CURRENCY FLUCTUATIONS

The Group is a global infrastructure group and is exposed to potential currency fluctuations in these countries and territories in which the Group operates, particularly with respect to U.S. dollars, Hong Kong dollars, Australian dollars, New Zealand dollars, British pounds sterling, Canadian dollars and Euros. The results of the Group are recorded in Hong Kong dollars but its various subsidiaries, associates and joint ventures may receive revenue and incur expenses in other currencies. Any currency fluctuations on translation of the accounts of these subsidiaries, associates and joint ventures and also on the repatriation of earnings, equity investments and loans may therefore impact the Group's financial condition or results of operations, asset values and liabilities.

To minimise currency risk exposure in respect of its investments in other countries, the Group generally hedges those investments with (i) currency swaps and (ii) an appropriate level of borrowings denominated in the local currencies. The Group has not entered into any speculative derivative transaction.

Although currency exposures have been managed by the Group, a depreciation or fluctuation of the currencies in which the Group conducts operations relative to the Hong Kong dollar could adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

CYBERSECURITY

With the rapid expansion of internet, networking, information and operational technology, coupled with swift development of artificial intelligence (AI) technology, the incidence and severity of cyber fraud, cyber attacks and security breaches are escalating globally. As the Group's businesses focus on power and infrastructure sectors, they could be particularly prone to cyber-attacks and security breaches due to their structural importance. The Group's critical utility, data and information assets are not immune from attack, damage or unauthorised access. Cybersecurity risks could significantly impact the operational and business performance, as well as the business reputation of the Group. The Group continuously strives to enhance the cybersecurity protection of its business.

There can be no assurance that the Group will be free from cyber fraud, cyber attacks or security breaches or that it will not experience any major damage to its assets or activities. Cyber fraud, cyber-attacks or security breaches suffered by the Group's systems could result in significant impact on the Group's business reputation, businesses, financial condition, results of operations or growth prospects. As threats related to cyber security develop and grow, the Group and its businesses may also find it necessary to make further investments to enhance cybersecurity, which may impact the Group's results of operations and financial condition.

LABOUR

The labour markets in which the Group operates are experiencing significant short and long term structural changes. Unemployment rates are low and people are prioritising work-life balance. There is a significant uncertainty in labour availability and cost. High turnover rates are presenting challenges in recruitment, training and development. There is no assurance that the situation will improve in the near future. The turnover of key personnel may impact the Group's businesses stability, performance and operations.

SUPPLY CHAIN DISRUPTIONS

Geopolitical tensions have disrupted supply of raw materials, transportation and port operations. This has resulted in escalating costs, unpredictable lead time and quality issues, combined with widespread shortages of shipping availability. Additionally, the increase in energy and oil prices has added complexity to the disruption. Global disruptions have impacted domestic supply chains. Specific domestic issues include shortage of labour which is particularly acute in some areas where the Group operates. There is no assurance that the situation will improve in the near future.

STRATEGIC PARTNERS

Certain Group's businesses are conducted through non wholly-owned subsidiaries, associates, internal joint ventures, and, to a lesser extent, external joint ventures in which the Group shares control and strategic alliances have been formed by the Group with strategic or business partners. There can be no assurance that any of the external strategic or business partners will maintain their relationships with the Group. The Group may not be able to pursue its stated strategies with respect to its non wholly-owned subsidiaries, associates and joint ventures. Furthermore, the joint venture partners may (a) have economic or business interests or goals that are inconsistent with those of the Group; (b) take actions contrary to the Group's policies or objectives; (c) undergo a change of control; (d) experience financial and other difficulties; or (e) be unable or unwilling to fulfill their obligations under the joint ventures, which may affect the Group's businesses, financial condition, results of operations or growth prospects.

IMPACT OF POSSIBLE ECONOMIC SANCTIONS ON BUSINESS PARTNERS, SUPPLIERS, CUSTOMERS OR BUSINESSES IN GENERAL

Governments and multinational organisations (including but not limited to the State Department and the Department of the Treasury's Office of Foreign Assets Control of the United States, His Majesty's Treasury, the Office of Financial Sanctions Implementation or other UK government agency, the European Union ("EU") or any member state thereof and the United Nations), from time to time administer certain laws and regulations that impose restrictions with respect to activities, transmission of funds or transactions with certain countries, governments, entities and individuals that are the subject of economic sanctions. There can be no assurance that such sanctions or other restrictions will not affect the jurisdictions in which the Group conducts its business, any of the Group's business partners, suppliers, customers or otherwise. To the extent that any such sanction or restriction is imposed in any jurisdictions where the Group's business operates, the Group may need to cease operations in those jurisdictions and suffer losses in that regard. If any of the Group's business partners or suppliers is impacted by sanctions or restrictions, the provision of goods, services or support by them may be disrupted or discontinued, which may affect the Group's ability to continue to operate related businesses. If any of the Group's business partners is affected by sanctions or restrictions, the discontinuation or disruption of strategic alliances with such business partners may also affect the Group's ability to continue to operate related businesses and/or may result in suspension of operations. There can be no assurance that the Group will be able to obtain alternative goods, services, support or alliance it needs for the operation of its business, in a timely manner or at competitive terms, and no assurance that any compensation recoverable from business partners or suppliers for the discontinued or disrupted supply, service, support or alliance will be available or adequate. If any of the Group's customers are affected by sanctions or restrictions, the Group may be forced to discontinue the provision of services or goods to such customers and the Group will suffer losses in that regard. If any of the Group's assets are in the possession of such customers, there can be no assurance that such assets can be repossessed by the Group especially if such assets are located in countries or regions subject to sanctions or restrictions and no assurance that any compensation recoverable from such customers or insurers for the Group's failure to repossess such assets will be available. Any of these factors could have a material adverse effect on the Group's financial condition and results of operations.

MERGERS AND ACQUISITIONS

The Group has undertaken significant merger and acquisition activities in the past, and as part of its strategic growth plans, expects to continue to do so in the future if there are appropriate acquisition opportunities in the markets. In pursuit of new business opportunities, the Group is experiencing more intense competition where competing bidders are more aggressive in the valuation of the assets on the back of abundant market liquidity and lower return requirements, and a willingness to take market risk. Although due diligence and detailed analysis are conducted before merger and acquisition activities are undertaken, there can be no assurance that these can fully expose all hidden problems, potential liabilities and unresolved disputes that the target company may have. In addition, valuations and analyses on the target company conducted by the Group and by professionals alike are based on numerous assumptions, and there can be no assurance that those assumptions are correct or appropriate or that they will receive universal recognition. Relevant facts and circumstances used in the analyses could have changed over time, and new facts and evolving circumstances may come to light as to render the previous assumptions and the valuations and analyses based thereon obsolete.

Some of these merger and acquisition activities are subject to regulatory approvals in overseas countries and there can be no assurance that such approvals will be obtained, and even if granted, there may be burdensome conditions attached to such approvals. There might be longer and more complicated foreign investment approval processes in particular for "sensitive" infrastructure assets such as electricity and gas networks. Geopolitical tensions have accelerated these trends as governments have responded with additional foreign investment regulations to protect local enterprises from foreign acquisitions and also to protect strategic assets from foreign control. The Group may not necessarily be able to successfully integrate the target business into the Group and may not be able to derive any synergy from the acquisition, leading to an increase in costs, time and resources. For merger and acquisition activities undertaken overseas, the Group may also be exposed to different and changing political, social, legal and regulatory requirements at the local, national and international level. The Group may also need to face different cultural issues when dealing with local employees, customers, governmental authorities and pressure groups.

IMPACT OF LOCAL, NATIONAL AND INTERNATIONAL REGULATIONS

The local business risks in different countries and territories in which the Group operates could have a material impact on the businesses, financial condition, results of operations or growth prospects. The Group has investments in different countries and territories around the world and the Group is, and may increasingly become, exposed to different and changing political, social, legal, tax, regulatory and environmental requirements at the local, national or international level. Also, new guidelines, directives, policies or measures by governments, whether fiscal, tax, regulatory, environmental or other competitive changes, may lead to an increase in additional or unplanned operating expenses and capital expenditures, increase in market capacity, reduction in government subsidies, may pose a risk to the overall investment return of the Group's businesses and may delay or prevent the commercial operation of a business, which may result in loss of revenue and profits and adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

Political, regulatory and media attention has increased significantly towards privatised companies in countries in which the Group operates. Regulators in some of these countries have warned of increasingly onerous regulatory resets, and some major political parties are promoting policies to bring energy, water and railways back into public ownership, which could potentially have serious and material consequences for the Group if such regulations and policies are enacted. Group companies are responding to these risks by focusing on their core strategies of delivering and outperforming regulatory outputs such as safety, reliability and customer service, at the lowest cost possible; by conveying the positive benefits to customers of the services they provide; and by engaging collaboratively with regulators and politicians to demonstrate the advantages of private ownership.

COMPLIANCE WITH PERSONAL DATA PROTECTION LEGISLATION

In the ordinary course of its operations, various businesses of the Group collect, store and use data that is protected by personal data protection laws in the different countries in which they operate. As regulatory focus on privacy issues continues to increase and worldwide laws and regulations concerning the handling of personal information expand and become more complex, potential risks related to personal data collection and use within the Group's businesses are expected to intensify.

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

HEALTH AND SAFETY LAWS OR REGULATIONS

Many aspects of the Group's businesses and their operations are inherently dangerous, such as the operation and maintenance of electricity generation and distribution businesses, and gas transmission and distribution businesses which have the potential to trigger operational hazards. In addition, certain operational aspects of the Group's businesses that are not currently regarded or proven to have adverse effects could be later found to be hazardous, such as the operations effected by electric and magnetic fields.

The Group's businesses are subject to laws and regulations governing health and safety matters to protect both the public, employees and contractors, who could potentially be harmed by these activities, as well as laws and regulations relating to pollution, the protection of the environment, and the use and disposal of hazardous substances and waste materials, which are all subject to change in the future. Any breach of these obligations, or even incidents that do not amount to a breach could adversely affect the Group's results of operations and reputation.

ENVIRONMENTAL REGULATIONS

The Group is required to comply with numerous laws and regulations relating to the protection of the environment and land use in the UK, Australia, New Zealand, Continental Europe, Canada, Hong Kong, Mainland China and elsewhere. These laws and regulations may change over time.

The Group believes that it and its businesses have obtained all material environmental approvals currently required to operate their facilities. However, the Group and its businesses may incur significant additional costs as a result of current and future environmental regulations and requirements to obtain approvals. In addition, there can be no assurance that the requirements to obtain such approvals may not become more stringent in the future and that such approvals would be renewed when they expire. Furthermore, there is a risk that some environmental agencies may seek to retroactively alter certain permitting conditions, particularly in cases where certain practices were established and agreed upon in principle but were not documented.

In addition, the Group's businesses may be significantly impacted by evolving environmental regulations and decarbonisation efforts in the countries where they operate.

Failure to comply with environmental laws and regulations could result in the imposition of civil or criminal liabilities, the imposition of liens or fines and additional expenditures to bring the facilities into compliance, which would have a material adverse effect on the Group's business, financial condition, results of operations or growth prospects.

IMPACT OF NEW ACCOUNTING STANDARDS

The International Accounting Standards Board has from time to time issued a number of new and revised IFRS Accounting Standards. The International Accounting Standards Board may in the future issue new and revised standards and interpretations. In addition, interpretations on the application of the IFRS Accounting Standards will continue to develop. These factors may require the Group to adopt new accounting policies. The adoption of new accounting policies or new IFRS Accounting Standards might or could have a significant impact on the Group's financial position or results of operations.

CONNECTED TRANSACTIONS

CK Hutchison Holdings Limited ("CK Hutchison") is also listed on The Stock Exchange of Hong Kong Limited ("HK Stock Exchange"). Although the Group believes that its relationship with CK Hutchison provides it with significant business advantages, any transactions entered into between the Group and CK Hutchison, its subsidiaries or associates are connected transactions under the Rules Governing the Listing of Securities on the HK Stock Exchange ("HK Listing Rules"), which, unless one of the exemptions is available, will be subject to compliance with the applicable requirements of the HK Listing Rules, including the issuance of announcements, the obtaining of independent shareholders' approval at general meetings and disclosure in annual reports and financial statements. Independent shareholders' approval requirements may also lead to unpredictable outcomes causing disruption to as well as increase in the risks of the Group's business activities. Independent shareholders may also take actions that are in conflict with the interests of the Group.

RISKS ARISING FROM CLIMATE CHANGE

Some of the Group's assets and businesses, and many of the Group's customers and suppliers are located in areas that would be affected in the medium to long term by climate change. Climate change may increase the frequency and intensity of extreme weather events, and some of which can result in natural disasters. It could disrupt supply chains, interrupt business operations and cause financial and physical damages. Alternation in weather patterns, such as typhoons, droughts, or rainfall amount may cause shortage of crops for food and other natural resources. The harsher temperatures in some locations may also pose an increased risk for staff working in those locations. Changes in microclimates for certain locations may render certain businesses obsolete. The Group and its businesses are also increasingly subject to regulations in relation to climate change. While the Group commits significant expenditure towards complying with these laws and regulations, the cost of future environmental obligations is often inherently difficult to estimate. If additional and more onerous requirements are imposed or the Group or its businesses are less able to recover additional costs imposed, the Group's business, results of operations and financial condition may be materially and adversely affected. Some governments are also introducing legislation or requirements to restrict emissions and other environmental protective measures. Some regulators have issued mandatory disclosure requirements in relation to climate-related financial risk disclosures. Regulations, new disclosure requirements, disruption and damage arising from climate change could have a material impact on the Group's businesses and adversely affect the Group's financial condition and results of operations.

There can be no assurance that climate change and its impact including rising sea levels, prolonged droughts, heat waves, severe storms or flooding and other extreme weather patterns will not occur and result in major disruption or damage to the Group's assets and businesses, which could materially and adversely affect the Group's business, financial condition, results of operations and growth prospects.

TRANSITION RISKS

Pressure on businesses to support the transition to low-carbon economic systems is rising. In a low-carbon economy, emissions are minimised through the use of low-carbon resources, while resource efficiency is maximised by the reduction of wasteful and high-emissions consumption. Infrastructure businesses faced significant pressure from regulatory, legal, market, technological, and reputational risks generated by the transition which could have a material impact on the Group's businesses and adversely affect the Group's financial condition and results of operations. For example, additional legal and/or regulatory measures imposing limitation on GHG emissions or efficiency improvements, may results in potential litigation, operation restriction and significant compliance cost.

NATURAL DISASTERS

Some of the Group's assets and projects, and many of the Group's customers and suppliers are located in areas at risk of damage from earthquakes, floods, storms, drought, bushfires, frost and similar disasters and the occurrence of any of these disasters could disrupt the Group's business and materially and adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

There can be no assurance that earthquakes, floods, storms, drought, bushfires, extreme weather or other natural disasters will not occur and result in major damage to the Group's infrastructure projects, utility assets or facilities, or to the general supporting infrastructure facilities in the vicinity, which could adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

REPUTATIONAL RISKS

The Group's portfolio is primarily comprised of regulated businesses, and maintaining trust in the Group is critical to its ability to maintain strong relationships with the relevant regulators as well as investors and employees. Damage to the Group's reputation can therefore cause significant harm to its business and prospects. The Group also has strategic alliances with its affiliated companies, and the Group's reputation could also be harmed by the failure of an affiliate, a vendor or other third parties with which it does business, to comply with laws or regulations.

In addition, any failure or perceived failure of any of the Group's portfolio businesses to deliver appropriate standards of service and quality or to handle or use confidential information appropriately can result in user or regulators' dissatisfaction, litigation and heightened regulatory scrutiny, all of which can lead to lost turnover, higher operating costs and harm to the Group's and its businesses' reputation. Adverse publicity or negative information posted on social media regarding the Group or its businesses, whether or not true, may result in reputational harm, and have a material adverse effect on the Group's business and prospects. Should any of these or other events or factors that can undermine the Group's reputation occur, there is no assurance that the additional costs and expenses that it may need to incur to address the issues giving rise to the reputational harm could not adversely affect its business and results of operations.

PUBLIC HEALTH EMERGENCY

Although COVID-19 no longer constitutes a public health emergency of international concern, there can be no assurance that there will not be another significant global outbreak of a severe communicable disease, and if such an outbreak were to occur, it could have an adverse impact on the operations of the Group and its results of operations might suffer. The potential impact on the Group's businesses, financial condition, results of operations or growth prospects will depend on a range of factors, including the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity globally, the possibility of resurgence and variants, and the measures adopted by governments.

POTENTIAL RISKS IN RELATION TO WITHDRAWAL OF THE UK FROM EUROPEAN UNION'S MEMBERSHIP ("BREXIT")

The UK left the EU on 31st January, 2020. The Trade and Cooperation Agreement between the UK and the EU, which was signed on 30th December, 2020 and applied provisionally as from 1st January, 2021, entered into force on 1st May, 2021. It sets out preferential arrangements in various aspects such as trade, security, areas on ongoing collaboration/cooperation and governance. Brexit may continue to create uncertainty about the new economic and social partnership between the UK and the EU, and has impacted trade intensity, labour availability, supply chain, exchange rates and gross domestic product levels in the UK.

SOCIAL INCIDENTS, TERRORIST THREATS AND GEOPOLITICAL TENSIONS

The Group is a diversified infrastructure investment company with businesses presently in Hong Kong, Mainland China, the UK, Continental Europe, Australia, New Zealand, Canada and the United States. In recent years, a series of social incidents, terrorist activities and geopolitical tensions occurred across the globe that resulted in economic losses, multiple deaths, casualties, persistent supply chain disruptions and volatility in commodity markets. There can be no assurance that countries in which the Group operates will not have any social incidents or they will be immune from terrorist threats or geopolitical tensions, and if these events occur, it may have an adverse impact on the Group's businesses, financial condition, results of operations or growth prospects.

DIVIDENDS

Since its listing on the Hong Kong Stock Exchange in 1996, the Company has grown its dividends in each of the past 28 years. However, the Company's track record of dividend payment may not continue in the future. The Company's principal assets consist of its ownership stakes in its operating portfolio businesses. The Company's ability to pay dividends and fulfil its obligations depends, among other factors, on the ability of its portfolio businesses to distribute dividends, repay intercompany loans provided by the Company or extend intercompany loans to the Company. The Group's portfolio businesses are subject to regulations that may limit the amount of dividends, loans or advances they may make to the Company.

In addition, the Company's ability to pay dividends may be constrained by business considerations, such as the impact of dividends on the Company's credit ratings or competitive position. Furthermore, as a Bermuda incorporated company and under the Bye-laws, the Company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due or (ii) the realisable value of its assets would thereby become less than the aggregate of its liabilities and its issued share capital and share premium account.

DUAL LISTING OF THE COMPANY'S SHARES

Dual listing of the Company's shares on HK Stock Exchange and the London Stock Exchange plc ("LSE") may lead to an inefficient market in the shares as it results in differences in liquidity, settlement and clearing systems, trading currencies, prices and transaction costs between HK Stock Exchange and LSE. These and other factors can hinder the transferability of the Shares between the two exchanges.

The Company's shares are quoted and traded in Hong Kong dollars on HK Stock Exchange. The shares will be quoted and traded in Pound Sterling on LSE. The market price of the shares on those exchanges may also differ due to exchange rate fluctuations.

Consequently, the trading in, and liquidity of, the Company's shares will be split between these two exchanges. The characteristics of the Hong Kong and UK capital markets are different. HK Stock Exchange and LSE have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, market regulations, and investor bases. As a result of these differences, the price of the Shares may fluctuate and may at any time be different on HK Stock Exchange and LSE, even allowing for currency differences. This could adversely affect the trading of the Shares on these exchanges and increase their price volatility and adversely affect the price and liquidity of the Shares on these exchanges.

PAST PERFORMANCE AND FORWARD LOOKING STATEMENTS

The past performance and the results of operations of the Group as contained in this Annual Report are historical in nature and past performance can be no guarantee of future results of the Group. This Annual Report may contain forward-looking statements and opinions that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. Neither the Group nor the directors, employees or agents of the Group assume (a) any obligation to correct or update the forward-looking statements or opinions contained in this Annual Report; and (b) any liability in the event that any of the forward-looking statements or opinions does not materialise or turns out to be incorrect.

BUSINESS PROFILES

BUSINESS PROFILES

- Power Assets
- Regulated utilities – electricity distribution
- Regulated utilities – other regulated utilities
- Contracted infrastructure
- Other businesses

POWER ASSETS

- Power Assets

UNITED KINGDOM

- UK Power Networks
- Northumbrian Water
- Northern Gas Networks
- Wales & West Gas Networks
- Phoenix Energy
- Seabank Power
- UK Rails (Eversholt Rail)
- UK Renewables Energy

CONTINENTAL EUROPE

- ista
- Dutch Enviro Energy (AVR)

CANADA

- Reliance Home Comfort
- Canadian Midstream Assets
- Canadian Power
- Park'N Fly

AUSTRALIA

- SA Power Networks
- Victoria Power Networks (Powercor and CitiPower)
- United Energy
- Australian Gas Networks
- Dampier Bunbury Pipeline
- Multinet Gas Networks
- Energy Developments (EDL)
- Australian Energy Operations

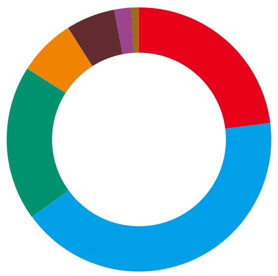
NEW ZEALAND

- Wellington Electricity
- Enviro NZ

HONG KONG AND MAINLAND CHINA

- Shen-Shan Highway (Eastern Section)
- Alliance Construction Materials
- Shantou Bay Bridge
- Green Island Cement Group

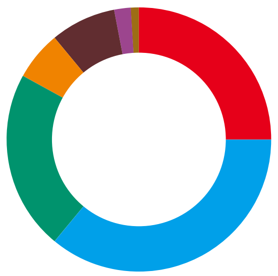
PROFIT CONTRIBUTION BY GEOGRAPHIC REGIONS (1)



2024

Power Assets	23%
United Kingdom	42%
Australia	19%
Continental Europe	7%
Canada	6%
New Zealand	2%
Hong Kong and Mainland China	1%

HK$9,416 million

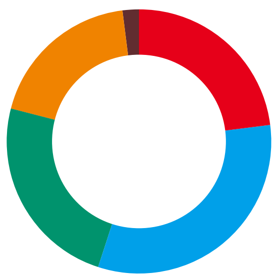


2023

Power Assets	25%
United Kingdom	36%
Australia	22%
Continental Europe	6%
Canada	8%
New Zealand	2%
Hong Kong and Mainland China	1%

HK$8,535 million

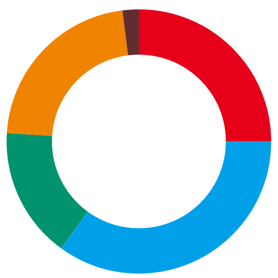
PROFIT CONTRIBUTION BY BUSINESS SEGMENT (1)



2024

Power Assets	23%
Regulated utilities – electricity distribution	32%
Regulated utilities – other regulated utilities	24%
Contracted infrastructure	19%
Other businesses	2%

HK$9,416 million

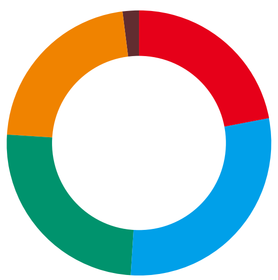


2023

Power Assets	25%
Regulated utilities – electricity distribution	35%
Regulated utilities – other regulated utilities	16%
Contracted infrastructure	22%
Other businesses	2%

HK$8,535 million

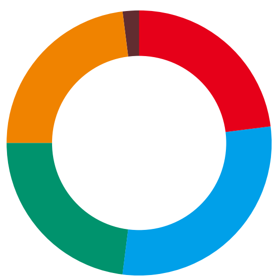
ADJUSTED EBITDA CONTRIBUTION BY BUSINESS SEGMENT (2)



2024

Power Assets	22%
Regulated utilities – electricity distribution	29%
Regulated utilities – other regulated utilities	25%
Contracted infrastructure	22%
Other businesses	2%

HK$28,822 million (3)



2023

Power Assets	23%
Regulated utilities – electricity distribution	29%
Regulated utilities – other regulated utilities	23%
Contracted infrastructure	23%
Other businesses	2%

HK$27,801 million

(1) The chart reflect breakdowns calculated based on profit attributable to shareholders of the Company before unallocated items.
(2) Adjusted EBITDA contribution, which is defined as profit attributable to shareholders of the Company before unallocated items, finance cost, taxation, depreciation and amortisation and before share of finance cost, taxation, depreciation and amortisation of joint ventures and associates.
(3) The top 5 businesses accounted for 57.4% of the adjusted EBITDA: Power Assets (22.2%), UK Power Networks (17.5%), UK Rails (6.4%), Northumbrian Water (5.8%) and Northern Gas Networks (5.5%).

Investment in

POWER ASSETS

POWER ASSETS

HONG KONG

Power Assets Holdings Limited is a global investor in power and utility-related businesses with investments in electricity generation, transmission and distribution; renewable energy; gas distribution and energy-from-waste

HONG KONG OPERATIONS

Business
Owns 33.37% HKEI which supplies electricity to Hong Kong Island and Lamma Island

Installed capacity
3,083 MW

Consumer coverage
More than 590,000 customers

OPERATIONS OUTSIDE HONG KONG

Business
Established a strong global presence with investments in the United Kingdom, Australia, New Zealand, Mainland China, the United States, Canada, Thailand and the Netherlands, bringing sustainable energy and lighting up the lives of millions around the world

CKI's ownership
36.01%

Infrastructure Investments in

UNITED KINGDOM

UK POWER NETWORKS

THE UNITED KINGDOM

Business
One of the United Kingdom's largest power distributors comprises three regional networks with a distribution area that covers London, the south east and east of England; and non-regulated business comprising commercial contracts to distribute electricity to a number of privately owned sites

Segment
Regulated utilities – electricity distribution

Electricity distribution network length
Approximately 192,000 km

Consumer coverage
Approximately 9 million customers

CKI's ownership
40%
(another 40% held by Power Assets)

NORTHUMBRIAN WATER

THE UNITED KINGDOM

Business
One of the ten regulated water and sewerage companies in England and Wales. It supplies water and sewerage services in the north east of England and supplies water services to the south east of England

Segment
Regulated utilities – other regulated utilities

Length of mains/sewers
Water mains – Approximately 26,000 km
Sewers – Approximately 30,000 km
Water treatment works – 50
Sewage treatment works – 412
Water service reservoirs – 304

Consumer coverage
Serves a total population of 4.5 million

CKI's ownership
30%

Additional economic benefits
CKI 9%; Power Assets 6%

Infrastructure Investments in

UNITED KINGDOM (CONT'D)

NORTHERN GAS NETWORKS
THE UNITED KINGDOM

Business
One of the eight major gas distribution networks in the United Kingdom

Segment
Regulated utilities – other regulated utilities

Natural gas distribution network length
Approximately 37,000 km

Consumer coverage
Serves a total population of around 6.7 million

CKI's ownership
47.1%
(another 41.3% held by Power Assets)

WALES & WEST GAS NETWORKS
THE UNITED KINGDOM

Business
A gas distribution network that serves Wales and the south west of England

Segment
Regulated utilities – other regulated utilities

Natural gas distribution network length
Over 35,000 km

Consumer coverage
Serves a total population of 7.5 million

CKI's ownership
39%
(another 36% held by Power Assets)

PHOENIX ENERGY
NORTHERN IRELAND, THE UNITED KINGDOM

Business
The largest natural gas distribution network in Northern Ireland

Segment
Regulated utilities – other regulated utilities

Natural gas distribution network length
Approximately 4,000 km

Consumer coverage
Over 260,000 consumers

CKI's ownership
40%
(another 20% held by Power Assets)

SEABANK POWER
BRISTOL, THE UNITED KINGDOM

Business
Owns and operates Seabank Power Station near Bristol. The electricity is sold under a long-term contract to a single customer

Segment
Contracted infrastructure

Generation capacity
Approximately 1,140 MW

CKI's ownership
25%
(another 25% held by Power Assets)

Infrastructure Investments in

UNITED KINGDOM (CONT'D)

UK RAILS (EVERSHOLT RAIL)
THE UNITED KINGDOM

Business
One of the major rolling stock leasing companies in the United Kingdom. It leases a diverse range of rolling stock on long term contracts

Segment
Contracted infrastructure

CKI's ownership
65%
(another 10% held by Power Assets)

UK RENEWABLES ENERGY
THE UNITED KINGDOM

Business
Owns 32 operating onshore wind farms located in England, Scotland and Wales

Segment
Contracted infrastructure

Total installed capacity
175 MW
(net attributable capacity 137 MW)

CKI's ownership
40%
(another 20% held by Power Assets)

Infrastructure Investments in

AUSTRALIA

SA POWER NETWORKS
SOUTH AUSTRALIA, AUSTRALIA

Business
Primary electricity distribution business for the state of South Australia

Segment
Regulated utilities – electricity distribution

Electricity distribution network length
Approximately 90,000 km

Consumer coverage
More than 920,000 customers

CKI's ownership
23.07%
(another 27.93% held by Power Assets)

POWERCOR
VICTORIA, AUSTRALIA

Business
Operates a major electricity distribution network, covering an area of 150,000 sq km in the state of Victoria

Segment
Regulated utilities – electricity distribution

Electricity distribution network length
Approximately 77,000 km

Consumer coverage
More than 900,000 customers

CKI's ownership
23.07%
(another 27.93% held by Power Assets)

Infrastructure Investments in

AUSTRALIA (CONT'D)

CITIPOWER
VICTORIA, AUSTRALIA

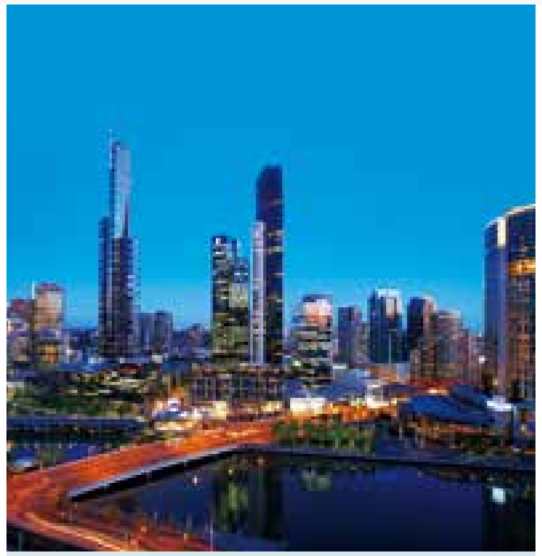
Business
Operates the electricity distribution network in the CBD and inner suburban areas of Melbourne, Victoria

Segment
Regulated utilities – electricity distribution

Electricity distribution network length
Approximately 4,600 km

Consumer coverage
Around 350,000 customers

CKI's ownership
23.07%
(another 27.93% held by Power Assets)



UNITED ENERGY
AUSTRALIA

Business
Operates a major electricity distribution network in the state of Victoria

Segment
Regulated utilities – electricity distribution

Electricity distribution network length
Approximately 13,000 km

Consumer Coverage
More than 715,000 customers

CKI's ownership
26.4%
(another 13.2% held by Power Assets)

AUSTRALIAN GAS NETWORKS
AUSTRALIA

Business
One of Australia's largest distributors of natural gas

Segment
Regulated utilities – other regulated utilities

Natural gas distribution network length
Approximately 28,000 km

Consumer coverage
Approximately 1.4 million customers

CKI's ownership
Approximately 45%
(another 27.5% held by Power Assets)

Additional economic benefits
CKI 8.25%; Power Assets 5.5%

DAMPIER BUNBURY PIPELINE
AUSTRALIA

Business
Natural gas transmission pipeline connecting the Carnarvon/Browse Basins with Perth

Segment
Regulated utilities – other regulated utilities

Natural gas pipeline length
About 4,100 km

CKI's ownership
40%
(another 20% held by Power Assets)

Infrastructure Investments in

AUSTRALIA (CONT'D)

MULTINET GAS NETWORKS
AUSTRALIA

Business
Operates a gas distribution network in the state of Victoria

Segment
Regulated utilities – other regulated utilities

Natural gas distribution network length
Approximately 10,000 km

Consumer coverage
Approximately 720,000 customers

CKI's ownership
40%
(another 20% held by Power Assets)

ENERGY DEVELOPMENTS (EDL)
AUSTRALIA

Business
Owns and operates a portfolio of power generation facilities in Australia, North America and Europe, specialising in producing electricity from safe, clean, low greenhouse gas emissions sources such as wind and solar, or landfill gas and waste coal mine gas

Segment
Contracted infrastructure

Generation capacity
Around 1,000 MW

CKI's ownership
40%
(another 20% held by Power Assets)

AUSTRALIAN ENERGY OPERATIONS
VICTORIA, AUSTRALIA

Business
Owns and operates electricity transmission assets and terminal stations, specialised in the connection of renewable energy generators to Victoria's power grid

Segment
Contracted infrastructure

Electricity transmission network length
100 km

CKI's ownership
50%
(another 50% held by Power Assets)

Infrastructure Investments in

NEW ZEALAND

WELLINGTON ELECTRICITY
WELLINGTON, NEW ZEALAND

Business
Operates the electricity distribution network in New Zealand's capital city, Wellington, and the surrounding greater Wellington area

Segment
Regulated utilities – electricity distribution

Electricity distribution network length
About 4,800 km

Consumer coverage
More than 176,000 customers

CKI's ownership
50%
(another 50% held by Power Assets)

Infrastructure Investments in

NEW ZEALAND (CONT'D)

ENVIRO NZ

NEW ZEALAND

Business
A diversified, vertically integrated waste management business that has national coverage in New Zealand

Segment
Contracted infrastructure

Facilities
A network of collection facilities at 18 locations nationwide, 26 transfer stations, eight landfills and a fleet of over 588 vehicles

Consumer coverage
More than 500,000 commercial and residential customers

CKI's ownership
100%

Infrastructure Investments in

CONTINENTAL EUROPE

ISTA

GERMANY

Business
A leading international provider of sub-metering and related services with strong market positions in European countries such as Germany, France, Denmark and the Netherlands

Segment
Contracted infrastructure

Consumer coverage
Covering over 14 million homes

CKI's ownership
35%

DUTCH ENVIRO ENERGY (AVR)

THE NETHERLANDS

Business
Owns the largest energy-from-waste player in the Netherlands, AVR, which operates five waste treatment plants in Rozenburg and Duiven; as well as four transfer stations

Segment
Contracted infrastructure

Capacity (Plants, normalised)
Energy from Waste –
2,300 kilotonnes per year
Biomass Energy – 150 kilotonnes per year
Liquid Waste – 280 kilotonnes per year
Paper Residue Incineration –
160 kilotonnes per year

Capacity (transfer stations)
1,000 kilotonnes per year

CKI's ownership
45.5%
(another 27% held by Power Assets)

Infrastructure Investments in

CANADA

RELIANCE HOME COMFORT

CANADA

Business
Principally engaged in the home and commercial services sector providing the sale and rental of water heaters, HVAC equipment, water purification, plumbing, electrical, comfort protection plans and other services to homeowners primarily in Ontario, Canada

Segment
Contracted infrastructure

Consumer coverage
Over 2 million customers

CKI's ownership
25%

CANADIAN MIDSTREAM ASSETS

CANADA

Business
This business comprises oil pipelines, storage facilities and ancillary infrastructure assets in Canada

Segment
Contracted infrastructure

Length of oil pipeline
Approximately 2,300 km

Storage facilities
2

CKI's ownership
16.25%
(another 48.75% held by Power Assets)

CANADIAN POWER

CANADA

Business
Owns 49.99% share of TransAlta Cogeneration, L.P. which operates four power plants in the provinces of Ontario and Alberta; 100% of the Meridian Cogeneration Plant in Saskatchewan; and 100% of Okanagan Wind in British Columbia

Segment
Contracted infrastructure

Generation capacity
Five power plants and two wind farms with total gross capacity of 1,314 MW

CKI's ownership
50%
(another 50% held by Power Assets)

PARK'N FLY

CANADA

Business
The leading off-airport car park provider in Canada and the only national operator. The company provides parking facilities in Vancouver, Edmonton, Winnipeg, Toronto, Ottawa, Montreal and Halifax

Segment
Other businesses

CKI's ownership
50%

Additional economic benefits
CKI 15%; Power Assets 10%

Infrastructure Investments in

HONG KONG AND MAINLAND CHINA

SHEN-SHAN HIGHWAY (EASTERN SECTION)

GUANGDONG, CHINA

Location
Lufeng/Shantou, Guangdong Province

Segment
Other businesses

Road type
Expressway

Length
140 km

No. of lanes
Dual two-lane

Joint venture contract date
1993

Joint venture expiry date
2028

CKI's interest in JV
33.5%

SHANTOU BAY BRIDGE

GUANGDONG, CHINA

Location
Shantou, Guangdong Province

Segment
Other businesses

Road type
Bridge

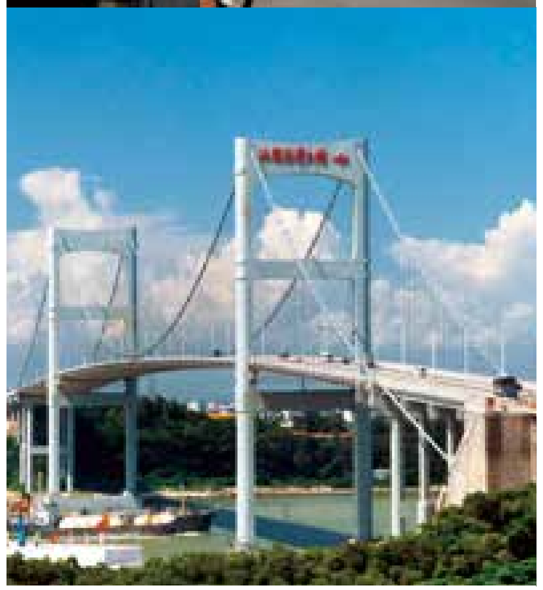
Length
6 km

No. of lanes
Dual three-lane

Joint venture contract date
1993

Joint venture expiry date
2028

CKI's interest in JV
33.5%



ALLIANCE CONSTRUCTION MATERIALS

HONG KONG

CONCRETE DIVISION

Business
Hong Kong's largest concrete producer

Segment
Other businesses

Total capacity
3.5 million cubic metres per year

CKI's ownership
50%

QUARRY DIVISION

Business
1 quarry in south central Guangdong Province, China, with exclusive distribution rights for the sales of aggregate products in Hong Kong.

Total capacity (aggregates)
7 million tonnes per year

CKI's ownership
50%

Infrastructure Investments in

HONG KONG AND MAINLAND CHINA (CONT'D)

GREEN ISLAND CEMENT

HONG KONG

Business
The only fully integrated cement producer in Hong Kong

Segment
Other businesses

Total capacity
Clinker – 1.5 million tonnes per year
Cement grinding – 2.5 million tonnes per year

CKI's ownership
100%

GREEN ISLAND CEMENT (YUNFU)

GUANGDONG, CHINA

Location
Yunfu, Guangdong Province

Business
Cement production

Segment
Other businesses

Total capacity
Clinker – 2 million tonnes per year
Cement grinding – 1.4 million tonnes per year

CKI's ownership
100%

GUANGDONG GITIC GREEN ISLAND CEMENT

GUANGDONG, CHINA

Location
Yunfu, Guangdong Province

Business
Cement production

Segment
Other businesses

Total capacity
Clinker – 0.9 million tonnes per year
Cement grinding – 1.3 million tonnes per year

CKI's ownership
67%

YUNFU XIANGLI CEMENT

GUANGDONG, CHINA

Location
Yunfu, Guangdong Province

Business
Cement Production
Jetty

Segment
Other businesses

Total capacity
Cement grinding – 0.8 million tonnes per year
Jetty – Three berths with an annual throughput capacity reaching 3 million tonnes

CKI's ownership
100%

CORPORATE INFORMATION AND KEY DATES

BOARD OF DIRECTORS

Executive Directors

LI Tzar Kuoi, Victor (Chairman)
FOK Kin Ning, Canning (Deputy Chairman)
Frank John SIXT
KAM Hing Lam (Group Managing Director)
IP Tak Chuen, Edmond (Deputy Chairman)
Andrew John HUNTER (Deputy Managing Director)
CHAN Loi Shun (Chief Financial Officer)
CHEN Tsien Hua

Independent Non-executive Directors

CHEONG Ying Chew, Henry
KWOK Eva Lee
SNG Sow-mei alias POON Sow Mei
LAN Hong Tsung, David
Paul Joseph TIGHE

Alternate Directors

MAN Ka Keung, Simon
(alternate to IP Tak Chuen, Edmond)
Eirene YEUNG
(alternate to KAM Hing Lam)

Non-executive Directors

LEE Pui Ling, Angelina
George Colin MAGNUS

AUDIT COMMITTEE

Paul Joseph TIGHE (Chairman)
CHEONG Ying Chew, Henry
SNG Sow-mei alias POON Sow Mei
LAN Hong Tsung, David

REMUNERATION COMMITTEE

CHEONG Ying Chew, Henry (Chairman)
LI Tzar Kuoi, Victor
SNG Sow-mei alias POON Sow Mei

NOMINATION COMMITTEE

KWOK Eva Lee (Chairperson)
LI Tzar Kuoi, Victor
CHEONG Ying Chew, Henry

SUSTAINABILITY COMMITTEE

IP Tak Chuen, Edmond (Chairman)
Paul Joseph TIGHE
LAN Hong Tsung, David
Eirene YEUNG

EXECUTIVE COMMITTEE

LI Tzar Kuoi, Victor (Chairman)
KAM Hing Lam
IP Tak Chuen, Edmond
Andrew John HUNTER
CHAN Loi Shun
CHEN Tsien Hua
CHAN Kee Ham, Ivan
LUN Pak Lam
LUK Sai Hong, Victor
TONG BARNES Wai Che, Wendy
Duncan Nicholas MACRAE
CHIU Yue Seng

COMPANY SECRETARY

Eirene YEUNG

AUTHORISED REPRESENTATIVES

IP Tak Chuen, Edmond
Eirene YEUNG

PRINCIPAL BANKERS

Australia and New Zealand Banking Group Limited
Bank of China (Hong Kong) Limited
Barclays Bank PLC
BNP Paribas
Canadian Imperial Bank of Commerce
Lloyds Bank plc
Mizuho Bank, Ltd.
MUFG Bank, Ltd.
National Australia Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

CORPORATE BROKERS

Barclays Bank PLC
UBS AG London Branch

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

LEGAL ADVISERS

Woo, Kwan, Lee & Lo

REGISTERED OFFICE

Clarendon House, Church Street,
Hamilton HM11, Bermuda

PRINCIPAL PLACE OF BUSINESS

12th Floor, Cheung Kong Center,
2 Queen's Road Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Investor Services (Bermuda) Limited
5 Reid Street, PO Box HM 1475,
Hamilton HM FX, Bermuda
(Location of principal register of members at Clarendon House, Church Street, Hamilton HM 11, Bermuda)

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Hong Kong

STOCK CODES

Stock Exchange of Hong Kong: 1038
London Stock Exchange: CKI
Bloomberg: 1038 HK
Reuters: 1038.HK

WEBSITE

www.cki.com.hk

INVESTOR RELATIONS

For further information about CK Infrastructure Holdings Limited, please contact:

Ivan CHAN

CK Infrastructure Holdings Limited
12th Floor, Cheung Kong Center,
2 Queen's Road Central,
Hong Kong
Telephone: (852) 2122 3986
Facsimile: (852) 2501 4550
Email: contact@cki.com.hk

KEY DATES

Annual Results Announcement	19th March, 2025
Closure of Register of Members and Record Date (for determination of shareholders who are entitled to attend and vote at Annual General Meeting)	16th May, 2025 to 21st May, 2025 *(both days inclusive, Record Date 21st May, 2025)*
Annual General Meeting	21st May, 2025
Record Date (for determination of shareholders who qualify for the Final Dividend)	27th May, 2025
Payment of Final Dividend	11th June, 2025

This annual report 2024 ("Annual Report"), which is available in both English and Chinese versions, has been published on the Company's website (https://www.cki.com.hk) and the website of Hong Kong Exchanges and Clearing Limited (https://www.hkexnews.hk) with notice of availability distributed to shareholders by email (if shareholders have provided a valid email address) or by post (if shareholders have not provided an email address or the email address is invalid). A copy of the English version has also been submitted to the National Storage Mechanism and will shortly be available for inspection at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

If a shareholder wishes to receive the Company's corporate communications (including but not limited to the Annual Report) from the Company in printed form, please follow the instructions set out in the "Dissemination of Corporate Communications" section under "Investor Information" on the Company's website, to complete the relevant Request Form and return the completed form to the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited.

Any such request from a shareholder will cease to be valid after one year, or such shorter period if the original request is revoked in writing, or superseded by a subsequent written request, by such shareholder, prior to the expiry date of the original request. A shareholder wishing to continue to receive corporate communications in printed form after expiry of the original request must complete and return a fresh Request Form.

Shareholders may at any time choose to change their choice as to the language of the Company's corporate communications (including but not limited to the Annual Report) by reasonable prior notice in writing to the Company c/o the Company's Branch Share Registrar by email to cki.ecom@computershare.com.hk or by post to 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

In order to receive actionable corporate communications by email, shareholders are also requested to follow the relevant instructions set out in the "Dissemination of Corporate Communications" section under "Investor Information" on the Company's website, to complete the relevant Request Form and return the completed form to the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited.

CK INFRASTRUCTURE HOLDINGS LIMITED

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www.cki.com.hk

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