



ANNUAL REPORT 2025

HKBN Ltd.
香港寬頻有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1310

*EMPOWERING LIVES
RESHAPING BUSINESSES
INSPIRING INNOVATIONS*

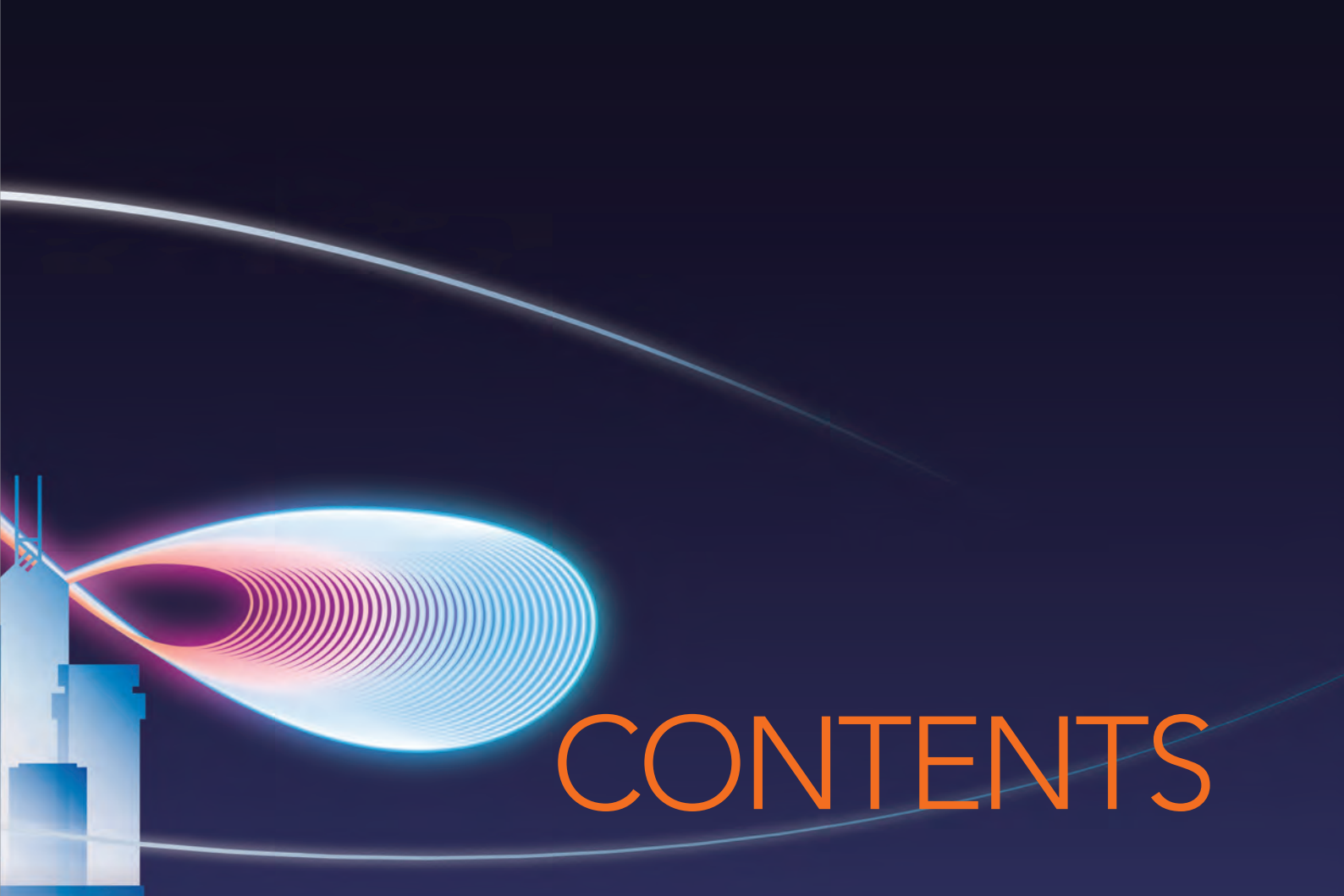


EMPOWERING LIVES RESHAPING BUSINESSES INSPIRING INNOVATIONS

This year, HKBN's efforts were defined by focused execution. We directed our energies toward creating lasting value for people, enterprises, and the communities we serve.

We empowered by using technology to create smarter, more connected lifestyles. We reshaped by challenging the status quo — helping enterprises operate with greater intelligence and ambition. We inspired by building for tomorrow — laying a cutting-edge foundation to power the next era of innovations.

Together, we are building a future where people and enterprises are equipped to lead in the AI-driven digital era.



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Financial Performance

Revenue 
\$11.1B

**EBITDA
growth** 
4%

Customers

Network covers nearly

 **2.6**
million homes

 **8,220**
**commercial buildings
and facilities**
(including 100% of Grade A & B
or above premises)

Talent Interest Alignment

Achieved a

92.86% 

cumulative success rate in
ESG-related remuneration
programmes

Digital Inclusion for Our Communities

2 years of free internet services for

1,000

underprivileged families



Market-ready ESG solutions

Launched CyberZafe, a
comprehensive
cybersecurity solution
that helps SMEs
detect risks, identify
vulnerabilities and
safeguard business
continuity



Delivered 117

pro bono engagements
for NGOs, including IT
workshops and
volunteer activities



Data Privacy & Security

Achieved

1.39% 

internal phishing assessment
average failure rate

(far below global standard of 3.8 %)*

Climate Action

Scope 1 & 2 greenhouse gas
(GHG) emissions reduced by

24.07% 

(relative to FY22)

* KnowBe4 2025 Phishing By Industry Benchmarking Report: <https://www.knowbe4.com/resources/reports/phishing-by-industry-benchmarking-report>

About HKBN Group

Since our inception in 1999, HKBN has evolved from a humble startup to a disruptive telco, and now a leading, fully integrated Information and Communication Technology (ICT) solutions provider. Throughout this transformative journey, our goal has never changed: to redefine how customers live, learn, work, and play by delivering innovative and dependable services at exceptional value.

Our position as a leading one-stop ICT provider across Hong Kong, Macao, and the Chinese Mainland is built on the capability of our diverse HKBN team. It is our broad spectrum of expertise and perspectives that fuels our success.

Every day, we serve nearly one million households and about 100,000 businesses, providing critical technologies and infrastructure that power the modern economy. We apply the same dedicated focus to our social responsibilities, undertaking initiatives to bridge the digital divide and empower marginalised communities. For HKBN, each new day represents an opportunity to fulfill our mission: to make life better through technology and innovation.

WHAT WE DO

"Infinite-Play" Services for Households



High-Speed Fibre Broadband



OTT Entertainment and Music Streaming



Managed Wi-Fi with Home Network Security and Parental Control



Household and Personal Cybersecurity



Home Telephone



Home and Travel Insurance



Mobile Services



Healthcare Services



Roaming Solutions



e-Commerce Shopping



Diverse ICT Solutions for Enterprises



Connectivity



Cloud and Data Centre



System Integration



Digital Transformation



Cybersecurity



Voice, Collaboration and
Mobile Services



IT-as-a-Service



Managed Services



Hybrid Work and Business
Continuity Solutions

Shareholder Letter

Dear Shareholders,

A New Chapter of Growth: Leading HKBN's Strategic Future

It is with a clear sense of purpose that I address you for the first time as HKBN Board Chairman. We are standing at a pivotal moment in HKBN's journey, ready to embark on an ambitious new strategic direction that marks the beginning of an exciting new chapter. We firmly believe this will unlock unprecedented value and propel the Group towards an accelerated growth trajectory.

A Strategic Blueprint for a New Era

For many years, HKBN has served as a cornerstone of Hong Kong's digital ecosystem. Our development has been made possible through the steadfast support of our shareholders, the long-standing trust of our customers, our continuous business innovation, and the unwavering dedication of our entire team. We remain committed to our customer-first philosophy, consistently delivering exceptional service and creating lasting value. Our team has built one of Hong Kong's most robust and reliable network infrastructures, while simultaneously developing future-ready capabilities in computing power, AI, information security and privacy protection.

Our new strategic direction will significantly enhance our service capabilities, accelerating both business transformation and market expansion. We are dedicated not only to supporting comprehensive digital transformation for businesses across Hong Kong — from SMEs to large enterprises — but also to helping them maintain competitive advantage and seize winning opportunities in an increasingly intense global digital landscape. We deeply believe that technology's mission is to drive social progress. Through our leadership in information technology innovation, we aspire to contribute substantially to Hong Kong's overall industrial advancement.

Building on Solid Foundations, Advancing with Momentum

Our confidence in the future is rooted in the strong growth momentum we have accumulated. While further strengthening our operational foundation, we have achieved solid progress across both our Residential and Enterprise Solutions businesses.

In Residential Solutions, we continue to deepen our "Infinite-Play" strategy and business development, moving beyond traditional network services to further expand our mature OTT streaming entertainment ecosystem and launch gerontech solutions. We are committed to becoming an indispensable partner in our customers' digital lives. With our industry-leading 25Gbps GigaFast services and diverse solutions, we comprehensively address the full spectrum of household needs — from ultra-fast connectivity to smart home living.

In Enterprise Solutions, we continue to demonstrate strong growth as a vital pillar supporting the digital transformation of numerous Hong Kong businesses. As AI reshapes the competitive landscape, we are proactively positioning ourselves with forward-looking vision to solidify our market leadership as Hong Kong's AI enabler. Through strategic technology partnerships, we are bringing together cutting-edge AI and cloud solutions, establishing ourselves as the essential partner for businesses to flourish in this technological revolution.

Our Strategy for Value Creation

The steady development of our core businesses has established a solid foundation. Our new strategic direction serves as a powerful engine for sustained future growth. All our strategic initiatives are fundamentally dedicated to creating long-term value for stakeholders. Our strategic framework is built around five core pillars:

- **Richer Product Portfolio:** Deepening 5G and fibre convergence, leveraging Group resources to expand our market footprint;
- **Elevated Customer Service:** Enhancing customer experience through innovative and personalised service solutions;
- **Stronger Profitability:** Driving sustained earnings growth through integrated solutions and strengthened network advantages;
- **Strengthened Financial Position:** Focusing on profitability improvement, optimising key financial metrics, while practising prudent debt management and interest expense control;
- **Greater Shareholder Returns:** Delivering faster, smarter, and more cost-effective services to achieve higher returns and create sustainable long-term shareholder value.

A Confident Outlook

Looking ahead, we are firmly confident in our future. Our new strategic direction, guided by a vision for national prosperity, a commitment to Hong Kong's development, and driven by technology leadership, injects powerful momentum for the Group's sustainable growth. Meanwhile, our core businesses remain firmly grounded, continuously innovative, and perfectly aligned with cutting-edge technology trends. HKBN is now fully prepared to make substantive contributions to Hong Kong's prosperity and, most importantly — to create sustained and profound value for all our stakeholders.

Sincerely yours,

Ling Hao
HKBN Board Chairman and Executive Director

Board of Directors

(as at the date of this Report)

Chairman and Executive Director



Mr. LING Hao, aged 56, has been an Executive Director of the Company and Chairman of the Board since 5 September 2025. He is the chairman of the Nomination Committee of the Company and also a director of certain subsidiaries of the Company. He is currently the Chairman of China Mobile Hong Kong Company Limited ("China Mobile Hong Kong"). Mr. Ling holds an Executive Master of Business Administration degree from Peking University and a bachelor's degree in Management Engineering from Beijing Institute of Posts and Telecommunications. He served as general manager of Engineering Management Centre, Shunde Branch Company, and Shenzhen Branch Company of China Mobile Communications Group Guangdong Co., Ltd., director & vice president of China Mobile Communications Group Guangdong Co., Ltd., chairman & president of China Mobile Communications Group Jiangxi Co., Ltd.. With over 30 years of distinguished experience in the telecommunications industry, Mr. Ling brings an extensive track record of strategic leadership and senior management expertise.

Executive Director

Mr. LI Xin, aged 47, has been an Executive Director of the Company and Chief Executive Officer of the Group since 5 September 2025. He is the chairman of the Risk Committee and a member of the Nomination Committee of the Company. He is also a director of certain subsidiaries of the Company. He is currently a Director & Executive Vice President of China Mobile Hong Kong. Mr. Li holds a master's degree in Communications and Information Systems and a bachelor's degree in Radio Technology and Information Systems from Tsinghua University. He has held management roles across technology, marketing, and innovation at China Mobile Communications Group Beijing Co., Ltd. ("Beijing Mobile"), and served as general manager of various branch companies of Beijing Mobile. With over 20 years of distinguished experience in the telecommunications industry, Mr. Li brings an extensive track record of strategic leadership and senior management expertise.



Board of Directors

(as at the date of this Report)



Mr. LEI Liquan, aged 54, has been an Executive Director of the Company and Chief Financial Officer of the Group since 5 September 2025. He is also a member of the Remuneration Committee of the Company. He is currently a Director & Executive Vice President, Chief Financial Officer of China Mobile Hong Kong. Mr. Lei holds an Executive Master of Business Administration degree from Shanghai Jiao Tong University, a master's degree in Management and a bachelor's degree in Economics from Renmin University of China. He served as assistant general manager of Capital Management Division, assistant general manager of Assets Management Division, general manager of Budget Assessment Division, and general manager of General Rules Division within the Finance Department of China Mobile Communications Group Co., Ltd., director & executive vice president, chief financial officer, general counsel of China Mobile International Limited. With over 25 years of distinguished experience in the telecommunications industry, Mr. Lei brings an extensive track record of strategic leadership and senior management expertise.

Non-executive Director

Mr. LUO Weimin, aged 49, has been a Non-executive Director of the Company since 5 September 2025. He is also a member of the Audit Committee of the Company. He is currently a Director & Executive Vice President of China Mobile Hong Kong. Mr. Luo holds a doctor's degree in Circuits and Systems from South China University of Technology and a master's degree in Business Administration from Sun Yat-sen University. He served as general manager of Planning and Technology Department, general manager of Planning and Construction Department, general manager of Guangzhou Branch Company of China Mobile Communications Group Guangdong Co., Ltd.. With over 20 years of distinguished experience in the telecommunications industry, Mr. Luo brings an extensive track record of strategic leadership and senior management expertise.



Board of Directors

(as at the date of this Report)

Independent Non-executive Directors

Ms. CHEUNG Ming Ming Anna, aged 57, has been an Independent Non-executive Director of the Company since 13 September 2023. She is also the chairman of the Environmental, Social and Governance Committee, a member of the Audit Committee, the Nomination Committee and the Risk Committee of the Company. Ms. Cheung is an independent non-executive director of Hong Kong Exchanges and Clearing Limited (stock code: 0388), a director of HKEX Foundation Limited and serves on the board of LGT Capital Partners Group Holding Ltd. She has over 20 years of experience in private equity and financial industries. Ms. Cheung has also built up extensive business strategic and operational experiences through her former role as the Chief Executive of Jardine Pacific Limited from 2015 to 2020, with the responsibility of overseeing the company's operations across a broad range of sectors in Hong Kong, mainland China, and South East Asia. Prior to her appointment at Jardine Pacific Limited, Ms. Cheung served as a senior advisor to private equity firms, FountainVest Partners and LionRock Capital. Ms. Cheung joined 3i Group Plc ("3i Group") in 2001 and became a Partner of the company in 2008. As one of the founding partners of 3i Group's China business, Ms. Cheung led consumer and technology related investment projects and served on the board of several investment portfolio companies. Prior to that, she worked at private equity and investment banking firms, including Intel Capital, J.H. Whitney, Bankers Trust Company, and Salomon Brothers in the areas of investments, corporate finance, capital markets, and mergers and acquisitions. Ms. Cheung holds a Bachelor of Arts (Computer Science) at the University of California, Berkeley, US and a Master in Business Administration (Finance) at the Wharton School, University of Pennsylvania, US.



Board of Directors

(as at the date of this Report)

Ms. CHUNG Cordelia, aged 66, has been an Independent Non-executive Director of the Company since 15 December 2023. She is also the chairman of the Remuneration Committee, a member of the Nomination Committee, the Environmental, Social and Governance Committee and the Risk Committee of the Company. Ms. Chung is an independent non-executive director, chairperson of the remuneration committee and member of the nomination committee of Hang Seng Bank Limited (stock code: 0011); an independent non-executive director, chairperson of the remuneration committee and member of the nomination committee of Hysan Development Company Limited (stock code: 0014); and an independent non-executive director of Arup Group Limited ("Arup"), a company headquartered in the UK with operations in 141 countries. Ms. Chung is the chairperson of the Asia Pacific Advisory Council and the risk committee, and member of the remuneration committee and nomination committee of Arup. Ms. Chung also serves on the board of the Hong Kong Science and Technology Park Foundation, the Court of City University Hong Kong, and is the chairperson of Maryknoll Convent School Foundation Limited, the school sponsoring body of her alma mater.

Ms. Chung had an illustrious career with IBM where she served for over 20 years. She was the first and only Asian female executive to serve on IBM Chairman and CEO's Strategy Council, setting global directions for over 140 countries. She led IBM's business as its CEO in China/Hong Kong, and in ASEAN. She also led its legal team as Vice President and General Counsel for Asia Pacific. During her IBM career, she was posted to Tokyo, Beijing, Shanghai and Singapore.

Ms. Chung was awarded the Medal of Honour in 2024 by the Hong Kong Government for her contributions in information and technology and human resources planning in Hong Kong over the years, as well as her active participation in public service. She was also awarded the Directors of the Year Award by the Hong Kong Institute of Directors in 2022 for statutory and non-profit organisations category for her distinguished service in Hong Kong Science and Technology Parks Corporation. She is a member of The Law Society of Hong Kong and was admitted as a solicitor in Hong Kong, England and Wales, Singapore and Australia.



Ms. CHUNG Kit Yi Kitty, aged 62, has been an Independent Non-executive Director of the Company since 13 September 2023. She is also the chairman of the Audit Committee, a member of the Nomination Committee, the Remuneration Committee and the Environmental, Social and Governance Committee of the Company. Ms. Chung has been an independent non-executive director and a member of the audit committee of Sands China Ltd. (stock code: 1928, listed on the Stock Exchange) since 16 October 2025. Ms. Chung is also an independent non-executive director of Goodman Logistics (HK) Limited, one of the triple stapled entities forming the Goodman Group (GMG) and the stapled securities are traded on the Australian Securities Exchange (ASX). She retired as a partner at PricewaterhouseCoopers on 1 July 2023. During her time with PricewaterhouseCoopers, she provided professional services in relation to auditing, accounting, risk assurance etc. Ms. Chung holds a bachelor in economics degree from Monash University in Australia. She is a member of the Hong Kong Institute of Certified Public Accountants and the Chartered Accountants Australia and New Zealand.



Senior Management

(as at the date of this Report)



1. Sophia YAP
Chief Legal Officer

2. Danny LI
Chief Technology Officer

3. Samuel HUI
Chief Operating Officer — Enterprise Solutions

4. Dr. Gabriel LEUNG
Chief Executive Officer — Enterprise Solutions

5. Derek YUE
Chief Financial Officer

6. LEI Liqun
Executive Director & Chief Financial Officer

Senior Management

(as at the date of this Report)



7. LI Xin
Executive Director & Group Chief Executive Officer

8. Dr. Denis YIP
President & Group Chief Operating Officer

9. Elinor SHIU
Chief Executive Officer — Residential Solutions

10. Kenneth SHE
Chief Transformation Officer

11. Catherine CHENG
Chief Human Resources Officer

Senior Management

(as at the date of this Report)

Senior Management

Mr. LI Xin, his biographical details are set out on page 8.

Mr. LEI Liqun, his biographical details are set out on page 9.

Dr. YIP Denis Shing Fai (also known as Denis YIP), aged 56, the President & Group Chief Operating Officer. Denis joined the Group in 2024. He is responsible for spearheading the Group's operations and steering innovation to elevate customer and shareholder experiences.

With over 30 years of worldwide leadership in private and public sectors, Denis has extensive business management experience and international exposure. He has worked in Hong Kong, Beijing, Guangzhou, San Francisco, Shanghai and Tokyo, and served in senior positions in a number of large enterprises.

Denis started his career in IBM in 1991 and held a variety of senior management positions in the company, including Global Vice President, General Manager of the Asia Pacific Storage Division, President of the AS/400 Business in Asia Pacific Region, etc. He was in charge of various businesses at IBM based in Guangzhou, Beijing, Tokyo and Shanghai, and was at the time the youngest Global Vice President of IBM in 2003.

He was the Global Senior VP and President, Greater China of EMC Corporation ("EMC") from 2006 to 2017, and participated in formulating and setting strategic promotion plans whilst leading the team in developing the Greater China market. Upon the merger of Dell Inc. ("DELL") and EMC, Denis continued to be appointed as the Global Senior VP of DELL and the President of Greater China of EMC.

From 2017 to early 2019, he served as President and Director of the Digital China Holdings Limited and the Fujian Start Group respectively. He steered the development of the enterprises and established their business footholds.

Denis served as the Commissioner for Belt and Road of the Commerce and Economic Development Bureau of the Hong Kong SAR Government from 2019 to 2021 and as the Chief Executive Officer of the Hong Kong Applied Science and Technology Research Institute (ASTRI) from 2021 to 2024. He is a veteran with extensive leadership experience covering technology, commerce and management.

Denis holds a bachelor's and a master's degree in Electrical Engineering and Computer Sciences from the University of California, Berkeley, alongside an MBA from Golden Gate University and a Doctor of Business Administration from the University of Management and Technology.

Denis is a member of the Hong Kong Trade Development Council Innovation & Technology Advisory Committee and its Information & Communications Technology (ICT) Services Advisory Committee. In addition, he is a member of the Civil Service Training Advisory Board, Digital Policing Advisory Panel of the Hong Kong Police Force, Council Member of the Hong Kong Computer Society, Executive Committee Member of the China Real Estate Chamber of Commerce (CRECCHKI). He also serves as the Honorary Founding Technology Advisor of the Greater Bay Area Carbon Neutrality Association, Honorary Chairman of the Hong Kong Electronics & Technologies Association.

Senior Management

(as at the date of this Report)

Ms. CHENG Wai Sze (also known as Catherine CHENG), aged 59, the Chief Human Resources Officer of the Group. Catherine joined HKBN as Chief Talent Officer in 2023. She leads the company's Talent strategy, particularly as Hong Kong Broadband Network continues its transcendence from a legacy telecommunications provider to a comprehensive one-stop ICT powerhouse.

With specialised expertise in both the HR and IT industries, Catherine brings over 25 years of experience in leadership positions. She has previously served as APAC HR Director at Atos Group, Vice President of HR & Administration at Automated Systems Hong Kong, and Human Resources Director at Computer Science Corporation. Describing herself as a change-maker, Catherine is a seasoned expert in delivering business results and driving transformation for the companies she has worked with.

Catherine holds a bachelor's degree in business administration from Pacific Western University. Her extensive knowledge and experience in HR and IT make her well-suited to drive the talent strategy and support HKBN's evolution into an ICT powerhouse.

Mr. HUI Zin Yiu (also known as Samuel HUI), aged 36, the Chief Operating Officer — Enterprise Solutions and a director of certain subsidiaries of the Group. Samuel joined the Group in 2016. Ever since, Samuel has taken on many trailblazing roles to propel the Group towards its vision of becoming an ICT powerhouse.

In 2016, Samuel spearheaded the launch of HKBN's mobile services, marking the Group's first significant venture beyond broadband. Within two years, HKBN's mobile business became the fastest-growing mobile operator in Hong Kong, gaining over 2% penetration into the competitive post-paid mobile market. In 2018, he was appointed Head of Digital, where he transformed HKBN's customer-facing digital platforms, including customer relationship management (CRM) technologies, to provide a seamless omni-channel B2C experience. These digital achievements earned Samuel the title of IDC's 2020 DX Leader of Hong Kong.

In 2020, Samuel was appointed as Chief Transformation Officer, leading HKBN's digital transformation strategy across the Group. The following year, Samuel led the integration of Jardine One Solutions (JOS) into HKBN's offerings, combining the strengths of both companies to deliver comprehensive ICT solutions to enterprise customers.

By 2023, Samuel was named as Chief Strategy Officer — Enterprise Solutions, driving the productisation and commercialisation of HKBN's technology capabilities to offer IT-as-a-Service and one-stop connectivity solutions to SMEs across the region.

In 2024, Samuel was appointed Chief Operating Officer, where he leads HKBNES in becoming the region's ICT powerhouse. As a digital and data-driven leader, Samuel is dedicated to driving transformative productivity gains through new ways of working and to fostering a culture of innovation within the organisation. His focus ensures sustainable and disciplined growth of our telecom and technology services business. He firmly believes that operations should lead the business from the frontline, and not be relegated to the backend.

Prior to HKBN, Samuel spent four years at Oliver Wyman, a top-tier management consultancy in New York, advising Fortune 500 financial services clients on business growth and transformation strategies. Samuel is an alumnus of Dartmouth College, USA, holding two bachelor's degrees in Mechanical Engineering and Liberal Arts.

Senior Management

(as at the date of this Report)

Dr. LEUNG Shing Koon (also known as Gabriel LEUNG), aged 65, the Chief Executive Officer — Enterprise Solutions of the Group. Gabriel is responsible for leading the strategic development and operations of HKBN's enterprise business. Gabriel's focus is on driving growth through innovative ICT solutions tailored to meet customer needs.

With over 30 years of deep experience in the ICT sector, Gabriel has a distinguished track record for building and leading organisations towards profitable growth through business transformation and operational excellence.

Gabriel has held significant leadership roles at prominent technology companies. He previously served as Managing Director for Hong Kong and Macau at Hewlett Packard Enterprise (HPE), where he contributed to substantial growth and the recognition of HPE with accolades in the region.

Prior to that, he was the Executive Director at HKC International Holdings Limited, successfully transforming the company from telecommunications to innovative ICT solutions, leading to notable growth and key partnerships with major tech firms. As General Manager for Hong Kong and Macau at EMC Corporation, he played a key role in establishing the company as a market leader.

Gabriel holds a Bachelor of Science degree in Electronic and Electrical Engineering from the University of Birmingham UK, and a Doctor of Business Administration degree from The Hong Kong Polytechnic University.

In addition to his corporate responsibilities, Gabriel is actively involved in community services, such as Vice Chairman of the Communications Association Hong Kong; Chairman of ICT Management Club and Executive Member of IT Management Committee of The Hong Kong Management Association; Member of the Graduate School Industry Network Committee of The Hong Kong Polytechnic University; Vice Chairman of IT Committee of the Hong Kong Scout Association; Member of Hong Kong Retail Management Association Digital Advisory Panel; Honorary Advisor of School of Continuing and Professional Studies of The Chinese University of Hong Kong. He has also been conferred as a Fellow of the Hong Kong Computer Society and appointed to the Board of Directors of the University of Birmingham Hong Kong Foundation.

Mr. LI Yau Chung (also known as Danny LI), aged 55, the Chief Technology Officer of the Group. Danny joined HKBN in 2017 and was appointed as Chief Technology Officer in 2020. With over 30 years of experience in telecom infrastructure engineering, operations, sales, and marketing, Danny is responsible for leading the Group's Network Engineering, Planning, Implementation, and Operations. He oversees the strategic development and execution of HKBN's infrastructure roadmap, including the development and deployment of Hong Kong's first 25Gbps Passive Optical Network (PON) — a milestone that reinforces HKBN's commitment to future-ready connectivity and ultra-high-speed broadband services. Danny also plays a key role in shaping the Group's cybersecurity strategy, embedding best practices to mitigate operational risks and safeguard HKBN's digital ecosystem & mission-critical infrastructure.

Before joining HKBN, Danny spent 11 years at a regional system integration company under KDDI Group. During his tenure, he safeguarded regional customers, including those involved in the Beijing 2008 Summer Olympic Games, from cyber threats. Additionally, he played a pivotal role in building the first MPLS IP VPN in the Asia Pacific back in 2001, connecting the region to the rest of the world.

Danny has a bachelor's degree in Computer Engineering and a master's degree in Electrical Engineering (majoring in telecommunications) from the University of Alberta, Canada. Since 2022, he serves as the President of Fixed Network & VAS Group of Communications Association of Hong Kong.

Senior Management

(as at the date of this Report)

Mr. SHE Chun Chi (also known as Kenneth SHE), aged 38, the Chief Transformation Officer of the Group. Kenneth joined HKBN in 2023 and is responsible for driving synergy and transformative growth across the residential and enterprise business segments. A young and dynamic C-suite executive, Kenneth brings an incredible combination of experiences as both an entrepreneur and corporate leader from industries like technology, education, healthcare, mobility and finance.

Prior to joining HKBN, he was the Chief Operating Officer at Preface, a Series A EdTech venture that evolved into a market leader in coding/AI education training. Before that, Kenneth served as CEO of Humansa, a flagship elderly care and wellness platform under New World Group. He was also Uber Hong Kong's first employee and General Manager to grow the ride-sharing platform into a ubiquitous service in Hong Kong with millions of users and drivers.

Kenneth holds a master's degree in engineering, economics, and management from the University of Oxford, with full scholarship as both the Hang Seng Overseas Scholar and Lee Shau Kee Scholar. In 2019, he was included in Tatler's list of Generation T Asia honourees. Kenneth is currently the Chairman of Selections and a Board Member of the United World Colleges Hong Kong Committee.

Ms. SHIU Yung Yin (also known as Elinor SHIU), aged 54, the Chief Executive Officer — Residential Solutions and a director of a subsidiary of the Group. A home-grown talent in every sense of the word, Elinor joined the Group in 1994 as a Marketing Trainee and was appointed as Chief Marketing Officer — Residential Solutions in March 2019 and became Chief Executive Officer — Residential Solutions in September 2020 to lead the strategic development and operations of HKBN's residential market business. Working her way up, she was one of the key individuals credited for growing HKBN from a startup of less than 100 employees to a powerhouse in the ICT industry. In 2002, Elinor left the Group for a brief two-year intermission with HGC, where she focused on corporate marketing. She rejoined HKBN in 2004.

Throughout her years with HKBN, Elinor earned wide-ranging exposure across various business areas and functional teams. Her array of experiences extended from marketing for residential and corporate sectors, all the way to overall business management for HKBN's residential business. In 2008, she was appointed as a Mini-CEO and was granted the mantle to oversee the Group's business in Kowloon East district, managing 25% of the Group's residential business revenue in Hong Kong. After five successful years of leadership under her belt, Elinor transformed from a seasoned marketer into an experienced management executive driven to become HKBN's CXO of the future. In 2018, she was appointed as Head of Residential Marketing, steering digitalisation and omni-channel customer experience, as well as the Group's highly successful transformation from a broadband provider into the quad-play provider of choice for Hong Kongers. With her appointment as CEO — Residential Solutions, Elinor is relentlessly driving HKBN's growth as a showcase of best practices for the ICT industry.

She holds an executive master of business administration degree from The Chinese University of Hong Kong.

Senior Management

(as at the date of this Report)

Ms. YAP Pei Kwun (also known as Sophia YAP), aged 55, the Chief Legal Officer of the Group. With over 25 years as a leader and strategic advisor in corporate legal, compliance, risk management, government relations and regulatory affairs to Fortune 500 companies, Sophia has multi-sector proficiencies in M&As, risk and crisis management, corporate change management, technology licensing and intellectual property.

With a background in computer science and Green Belt and Lean Six Sigma certified, Sophia helped Fortune 500 companies develop award winning Regtech solutions. She holds double degree with Bachelor of Laws and Bachelor of Commerce (majoring in accounting, information systems and data analytics) from Australia, and is admitted as a Barrister and Solicitor in Australia. Sophia started her career as a banker in Australia, and was recruited to Hong Kong by Baker & McKenzie. She served a variety of regional roles for Fortune 500 companies such as General Electric and CBRE, including as Asia Pacific Technology Counsel, Asia Pacific Senior Counsel — Litigation and Compliance, Asia Pacific General Counsel and Deputy Global Chief Ethics and Compliance Officer, overseeing matters covering over 60 countries. Sophia has also served a business and legal roles in the private equity and venture capital markets.

Sophia is a Fellow of the Hong Kong Institute of Arbitrators and served as Founding Member and Director of Knowledge Transfer & Technology Licensing of the Hong Kong O2O E-Commerce Federation, and as Founding Board Member, Executive Director of the Hong Kong Medical & Healthcare Device Industries Association and as Social Innovation and Strategic Advisor for Sheng Kung Hui Welfare Council. She currently serves as an Appeal Panel (Housing) member, and member of the Hong Kong Polytechnic University's Knowledge Transfer Committee and Entrepreneurship Investment Fund, and in the Elderly Services Management Committee of the Hong Kong Chinese Women's Club. She is professionally recognised in Legal 500's GC Powerlist with accolades from Lexology's Global Counsel Awards, Asia Pacific's Leading Women Lawyer from Asia Legal Business, Asia Pacific Innovative Lawyers Award from the Financial Times, Asia Pacific Compliance Innovator of the Year Award from the International Law Office, and others.

Mr. YUE Chung Ting (also known as Derek YUE), aged 57, the Chief Financial Officer of the Group. He is also a director and supervisor of certain subsidiaries of the Group. With over 30 years of experience in the technology, FMCG, healthcare, and logistics industries, Derek has been a go-to finance guru for MNCs and global companies like Deloitte, The Singer Company, Royal & Sun-Alliance Insurance, Dell, Walmart, China Resources Verlinvest Health Investment, and Morrison Express. A globetrotting, culture-bridging leader, Derek sees himself as a talent cultivator who's all about nurturing growth and fuelling passions.

In 2023, Derek joined HKBN as Chief Financial Officer. Embracing his role in HKBN, Derek's "aim higher" attitude has truly inspired the team with an objective to make a lasting impact on both the business world and their personal lives. On top of his mission to change the world of finance, Derek is also set on building meaningful engagement with HKBN's external stakeholders.

Derek is a Chartered Professional Accountant (CPA) and MBA holder, his professional journey has taken him around the globe to places like USA, Canada, Malaysia, Chinese Mainland, Hong Kong, and Taiwan — making him a true cultural chameleon.

ESG Strategy

Navigating today's business landscape requires proactive management of environmental, social, and governance ("ESG") challenges — a commitment that is integral to both our long-term success and our corporate culture. This report highlights our progress and reaffirms our commitment to pursue sustainable growth with innovation. Additionally, we are accelerating our digital innovation through strategic partnerships, expanding our service portfolio into artificial intelligence, cybersecurity, and energy-efficient solutions. These advancements directly reinforce our mission to provide customers with the tools and services they need.

As an ESG champion, we have achieved key milestones: obtaining Science Based Targets initiative ("SBTi") validation for our emission targets and securing a \$6.75 billion sustainability-linked loan. Furthermore, we have directly linked senior executive remuneration to these goals, a powerful mechanism ensuring accountability and driving top-down transformation.

Lead as an Innovative ESG Enabler



Our Strategy

The 3Ts of HKBN & Mapping to the SDGs*	Our 10 Priorities	Goals for FY25	FY25 Results
Talent Empowerment 	Talent interest alignment	Achieve at least 88% cumulative successful rate in ESG-related remuneration programmes	Achieved a 92.86% cumulative success rate in ESG-related remuneration programmes
	Talent-obsessed engagement & development	Reach an overall engagement score of 70% favourability in our Staff Engagement Survey	Postponed the survey to FY26 due to company transition
	Diversity & inclusion	Enhance female representation in technical roles to 27% or above	Increased female representation in technical roles to 25.79%
Technology for Good 	Market-ready ESG solutions	Launch new ESG-themed solutions every year	Launched CyberZafe, a comprehensive solution to cybersecurity that helps SMEs detect risks, identify vulnerabilities and safeguard business continuity
	Digital inclusion for our communities	Conduct social impact assessments for all digital inclusion community initiatives	Conducted social impact assessments for all digital inclusion community initiatives, with results disclosed in our annual report
Transforming Business 	Climate action	Set science-based emissions reduction targets	Secured SBTi approval for our near-term science-based emissions reduction targets in FY24
	Impactful customer experiences	Futureproof HKBN's customer services by launching new customer experience initiatives every year	Residential Solutions: Launched customer service on WhatsApp and WeChat and enhanced our chatbot Enterprise Solutions: Launched new digital self-service for contract renewals, fault reporting, connectivity testing, and payment extension/resume service requests
	Data privacy & security	Achieve less than 2% phishing assessment average failure rate among all staff	Achieved a 1.39% average failure rate in phishing assessments ¹

¹ The phishing assessment average failure rate is calculated by dividing the number of failed attempts by the number of phishing emails sent for each assessment, and then averaging the failure rates across all phishing assessments conducted during the fiscal year. A failed attempt is defined as an instance where a recipient clicks the phishing link and/or submitted data.

The 3Ts of HKBN & Mapping to the SDGs*	Our 10 Priorities	Goals for FY25	FY25 Results
	Reliable & responsible service	Reduce affected customer hours from residential network service disruptions by 14%, relative to FY22 baseline	Reduced affected customer hours by 14.6% relative to the FY22 baseline through improved maintenance processes and preventive measures
	Win-win-win partnership & value chain	Improve at least 20 SME suppliers' ESG assessment scores	20 SME suppliers recorded improved ESG scores
Corporate Governance		Over 50% female representation among the Board of Directors**	

Having reflected on FY25 outcomes, we are already defining the next set of targets to advance our strategic long-term vision.

* SDGs refer to the sustainable development goals of the United Nations.

** As of 31 August 2025.

LEADING THE INDUSTRY IN ESG



Our leadership in sustainability is consistently recognised by top-tier ESG ratings. Since 2022, HKBN has maintained a AAA from MSCI ESG Ratings, placing us in the top 20%¹ of global telecom companies. We have also maintained our AA+ rating in the Hang Seng Corporate Sustainability Index since 2023. These achievements reinforce our commitment to creating long-term value for all stakeholders.



²



Hang Seng Corporate Sustainability Index Series Member 2025-2026

AA+

¹ Based on latest report update on 4 September 2025.

² https://reg.hkbn.net/WwwCMS/upload/pdf/en/2022_disclaimer.pdf

Our Strategy

About This Report

Reporting Boundaries

This Report covers HKBN Group's performance for the financial year from 1 September 2024 to 31 August 2025. Unless specifically stated otherwise, the scope of this Report covers all aspects of HKBN Group operations in all regions, with the exclusion of business units which do not have a material impact on our Group-level performance and for business units where our shareholding interest is less than 50%.

Reporting Guidelines and Reporting Criteria

In preparing this Report, we have adhered to the reporting principles and "comply or explain" provisions set forth by the "Environmental, Social and Governance Reporting Code" (the "ESG Code") set out in Appendix C2 of the Listing Rules. We also referenced the Sustainability Accounting Standards Board's ("SASB") Telecommunication Services Standard. Indices mapping our disclosures to the requirements of the ESG Code and SASB Telecommunication Services Standard, and details of reporting criteria which are described in the footnotes of each KPI's disclosure, can be found on pages 246 and 248 of this Report.

We continue to support the United Nations' 2030 Sustainable Development Goals ("SDGs"), which are a global call to action for improving health and education, reducing inequality, and for spurring economic growth — all while tackling climate change. In this Report, we have matched the SDGs with our efforts to illustrate how we have contributed to the long-term prosperity of peoples and the planet.

Reporting Principles

In preparing this Report, we aimed to provide a rigorous, fair and transparent account of our business, and have adhered to the following reporting principles:

Materiality

On a regular basis, we conduct materiality assessments and stakeholder questionnaires to identify material issues related to ESG and our business. These activities help ensure that our entire operation is always responsive in addressing issues related to sustainability.

Quantitative

To ensure that our performance data is transparent and thorough, we provide notes (where appropriate) about the standards and methodologies used to calculate that data.

Balance

Presenting a full and fair picture is important to us. This Report discusses both the positive and negative sides of our performance to provide readers with an objective and balanced understanding.

Consistency

To allow meaningful comparison of our performance over time, we use consistent reporting guidelines and methodologies for calculating and presenting our data. Any changes in the methodologies will be explained.

Our Approach to ESG Governance & Management

Our ESG governance and management structure operates across multiple levels of the organisation, bringing together the Board, ESG Committee, and ESG Task Force. The Board serves as the highest governing body responsible for overseeing the Group's ESG strategy, and regularly evaluates and tracks progress made on our ESG objectives, with support from the Board-level ESG Committee. In addition, the Board plays a pivotal role in assessing and identifying our Group's material ESG issues and associated risks. These risks are evaluated and integrated into our company's risk register, enabling us to develop and execute targeted measures for risk mitigation.

The ESG Committee, composed of selected Board members, is responsible for evaluating and overseeing ESG strategies, risk management, policies and practices. It also assesses and provides recommendations on our Group's ESG frameworks and business models. Additionally, the ESG Committee advises the Board on stakeholder communications and ESG disclosures, including the communication channels and methods used to engage with our stakeholders and through our ESG reports. To drive our Group's ESG initiatives forward, the ESG Committee entrusts the ESG Task Force to assist in advancing our ESG development efforts.

To strengthen accountability for our ESG goals, we have tied ESG targets to the remuneration of key management personnel, including C-suite executives.



To strengthen the Board's expertise in ESG matters, our Board members undergo training to stay abreast of the latest ESG trends, regulatory requirements, and industry best practices — including climate-related matters such as Scope 3 GHG emissions and value chain management. This learning supports more informed decision-making when considering decarbonisation actions and strategic planning.

Our Strategy

Communication and Engagement with Stakeholders

Maintaining open, two-way dialogue with our stakeholders is fundamental to our success. By actively capturing their diverse perspectives and expectations, we gain valuable insights that directly inform and refine our Group's strategic direction and long-term development.

Our operations exist within a broad ecosystem, continuously interacting with and influencing a wide range of internal and external stakeholder groups. Key stakeholders groups have been identified based on the significance of their interdependence with our business. To ensure our interests remain aligned, we conduct regular, structured engagement through a variety of dedicated channels, fostering meaningful dialogue that builds mutual understanding and shared value.

Engaging Core Stakeholders

HKBN Stakeholders	Engagement Channels	
Customers	• Customer satisfaction surveys • Customer service hotlines • My HKBN App • Corporate website	• Mail/e-mail • Newsletters • Social media • Marketing events
Staff	• Staff engagement surveys • Townhall meetings • Management meetings	• Orientation and training sessions • Staff engagement digital platform
Shareholders & Investors	• Please refer to our Corporate Governance Report for details.	
Suppliers & Value Chain Partners	• Meetings • Surveys • Supplier performance assessments	• Newsletters • Corporate website • Social media
Community	• Partnership and community programmes • Community events • Volunteering works • Newsletters	• Corporate website • Social media • Check-in meetings and surveys
Environment (including environmental-related groups and partners)	• Partnership programmes • Conferences and seminars • Newsletters • Corporate website	• Social media • Green association membership
Government & Regulators	• Meetings, conferences and seminars • Focus group discussions	• Feedback programmes • Invited in-house trainings

Responding to Stakeholder Concerns

On a regular basis, we proactively engage with key stakeholder groups, identified through a regular mapping process. The feedback gathered helps us better understand expectations, refine our ESG focus, and effectively navigate the evolving business and regulatory environment.

Core Stakeholder Groups	Key Concerns	Our Responses
Customers (Residential)	Service reliability	- Actively worked with our vendors to improve the stability and reliability of network equipment, and teamed up with reputable partners to deliver high-quality and dependable services for customers. - Introduced a diverse range of device options that offer robust connectivity solutions to meet our customers' needs.
	Customer service	- Implemented a robust monitoring system in tandem with a dedicated customer support team to quickly address customer concerns. - Strengthened our internal communication channels and empowered our employees with comprehensive knowledge to better assist customers.
Customers (Enterprise)	Network stability	Continuously monitored our network to identify and address any faults or issues; promptly investigated issues and undertook measures to rectify root causes.
	Hassle-free account management	Integrated the billing systems of our Enterprise Solutions business for better workflow efficiency, and a streamlined invoicing experience for customers.
	Tailor-made and proactive end-to-end services	We proactively analysed customer needs by business segment, and collaborated with our world-class partners and specialists to deliver targeted support and solutions.
Staff	Competitive remuneration	Actively reviewed and benchmarked our remuneration packages against industry peers to enhance our ability to attract and retain employees.
	Dynamic wellness options	Empowered employees in Hong Kong to adopt healthier lifestyles by offering flexible options through our MixCare Health platform.

Our Strategy

Core Stakeholder Groups	Key Concerns	Our Responses
Shareholders & Investors	Please refer to our Corporate Governance Report for details.	
Suppliers & Value Chain Partners	Timely payments	- Continued to build trust and respect by honouring commitments, meeting payment timelines, and adhering to fair and ethical business practices. - Prioritised supplier relationships by promptly resolving issues and engaging them as key stakeholders.
Community & Environmental Partners	ICT awareness and literacy of the community	Conducted regular ICT knowledge-sharing sessions and provided pro bono digital transformation assessments for non-governmental organisations ("NGOs").
	Social impact assessment	Conducted social impact assessment on all our digital inclusion community initiatives, with results disclosed on pages 80 to 84 of this Annual Report.
	Climate resilience	Reviewed our mitigation strategy for prioritised climate-related risks and opportunities. The processes for how we manage and maintain our climate resilience are described on pages 89 to 93 of this Annual Report.
Government & Regulators	Codes of practice	Worked with the Office of Communications Authority ("OFCA") and our internal stakeholders to understand and meet any new regulatory requirements.
	Personal data privacy	Maintained our Privacy Management Programme.
	Anti-spam and anti-fraud	Worked with OFCA and the Hong Kong Police Force to support their anti-spam and anti-fraud initiatives.

Materiality Assessment

In response to the dynamic sustainability landscape, we undertook a review of our material issues in FY25. Our methodology was designed to build upon previous materiality assessments while integrating new, critical insights to ensure our strategic focus remains rigorously aligned with evolving stakeholder expectations and global trends.

This process actively incorporated the perspectives of our employees and external stakeholders. To provide a robust external context, we conducted a desktop review and analysis of global sustainability risks, opportunities, and megatrends. Our research benchmarked peer disclosures and drew upon the latest publications from leading institutions such as the World Economic Forum, the International Telecommunication Union, and the World Benchmarking Alliance. Furthermore, we analysed insights from major sustainability ratings and reporting frameworks, including those from MSCI, Sustainalytics, and the SASB.

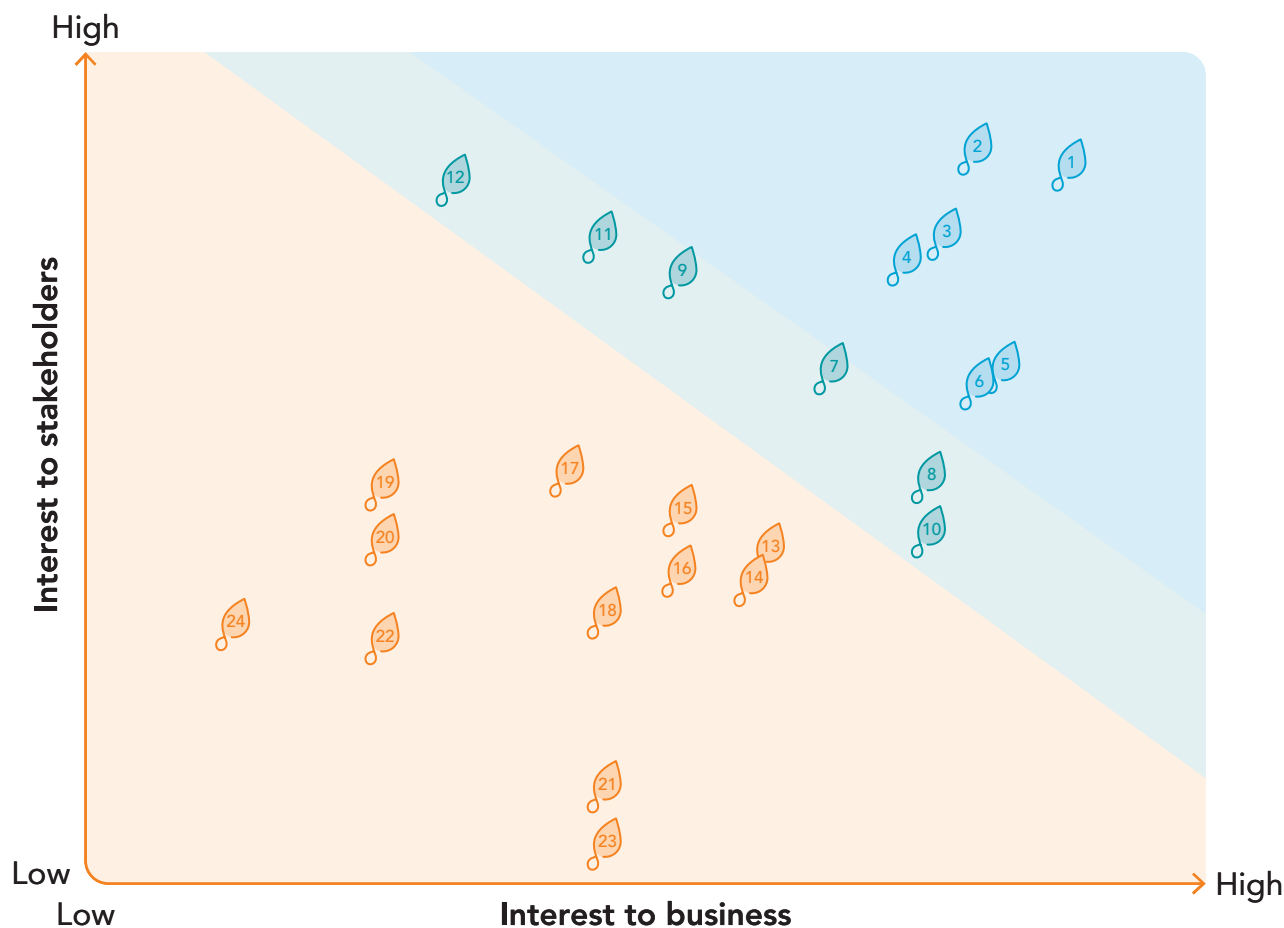
Materiality Review Process

Identification	Evaluation and Prioritisation	Validation
Reviewed the current list of material issues by considering megatrends and sector-specific standards and guidelines related to sustainability (e.g. SASB Industry Standards for Telecommunication Services) to identify any new topics requiring attention.	Based on insights gained from ongoing communication with key stakeholder groups (including our employees, Board members, investors, customers, business partners, suppliers and NGO partners), assessed whether changes to the tier of the material issues were needed.	The list of material issues was reviewed by our senior management team and adjusted where appropriate with regard to HKBN's current strategy of development.

Through this materiality review, we consider the following material issues to be relevant and well-aligned with our business circumstances and stakeholder interests. These topics continue to inform our sustainability strategy and focus areas.

Our Strategy

The following are our material issues in FY25:



Tier 1 — Top Priority

1. Customer service satisfaction
2. Customer data privacy
3. Service reliability
4. Align Talent interests
5. Service innovation
6. Cybersecurity

Tier 2 — Second Priority

7. Talent communication and feedback
8. Climate action
9. Service coverage and affordability
10. Collaboration with business partners
11. Talent development
12. Fairly rewarded remuneration

Tier 3 — Low Priority

13. Anti-corruption and business integrity
14. Enable LIFE-work priority
15. Succession planning
16. Diversity and inclusion
17. Technology for good
18. Board effectiveness
19. Encourage Talent volunteering
20. Operational efficiency
21. Supplier ESG management
22. Procurement process
23. Anti-competitive behaviour
24. Waste management

Key Financial and Operational Summary

Table 1: Financial Highlights

	For the year ended		
	31 August 2025	31 August 2024	Change YoY
Key financials (\$'000)			
Revenue	11,128,542	10,650,922	+4%
– Enterprise Solutions	5,531,272	4,828,376	+15%
– Enterprise Solutions related products	1,798,770	1,846,125	-3%
– Residential Solutions	2,332,664	2,344,060	-0%
– Handsets and other products	1,465,836	1,632,361	-10%
Profit for the year	206,864	10,277	>100%
EBITDA ^{1,2}	2,451,160	2,364,759	+4%
Adjusted Free Cash Flow ^{1,3}	677,070	620,145	+9%
Reconciliation of EBITDA & Adjusted Free Cash Flow ^{1,2,3}			
Profit for the year	206,864	10,277	>100%
Amortisation of customer acquisition and retention costs	286,773	274,222	+5%
Amortisation of intangible assets	351,337	366,258	-4%
Depreciation	822,208	840,828	-2%
Finance costs	710,435	860,236	-17%
Income tax expense	8,969	18,848	-52%
Interest income	(8,734)	(9,625)	-9%
Loss on disposal of a subsidiary	–	3,715	-100%
Transaction costs in connection with voluntary general cash offer	73,308	–	+100%
EBITDA	2,451,160	2,364,759	+4%
Capital expenditure	(510,541)	(379,336)	+35%
Changes in working capital	(41,270)	67,902	>100%
Customer acquisition and retention costs	(256,738)	(274,643)	-7%
Income tax paid	(166,080)	(215,655)	-23%
Lease payments in relation to right-of-use assets	(178,547)	(176,007)	+1%
Net interest paid	(620,914)	(766,875)	-19%
Adjusted Free Cash Flow	677,070	620,145	+9%

Key Financial and Operational Summary

Table 2: Operational Highlights

	For the year ended		
	31 August 2025	31 August 2024	Change YoY
Enterprise business			
Commercial building coverage	8,220	8,163	+1%
Subscriptions ('000)			
– Broadband	107	110	-3%
– Voice	335	357	-6%
Residential business			
Residential homes passed ('000)	2,646	2,596	+2%
Subscriptions ('000)			
– Broadband	907	907	–
– Voice	290	343	-15%
Residential ARPU ⁴	\$186	\$182	+2%
Mobile business			
Subscriptions ('000)	181	217	-17%
Total full-time permanent staff	3,670	3,863	-5%

Notes:

- (1) EBITDA, AFF and Adjusted Net Profit are not measures of performance under HKFRS Accounting Standards. These measures do not represent, and should not be used as substitutes for, net income or cash flows from operations as determined in accordance with HKFRS Accounting Standards. These measures are not necessarily an indication of whether cash flow will be sufficient to fund our cash requirements. In addition, our definitions of these measures may not be comparable to other similarly titled measures used by other companies.
- (2) EBITDA means profit for the year plus finance costs, income tax expense, depreciation, amortisation of intangible assets (net of direct cost incurred in corresponding year), amortisation of customer acquisition and retention costs, loss on disposal of a subsidiary, transactions costs in connection with voluntary general cash offer and less interest income.
- (3) AFF means EBITDA less capital expenditure, customer acquisition and retention costs, net interest paid, income tax paid, lease payments in relation to right-of-use assets and changes in working capital. Working capital includes other non-current assets, inventories, trade receivables, other receivables, deposits and prepayments, contract assets, amounts due from/to joint ventures, trade payables (including amount utilised for supply chain financing), contract liabilities, and deposits received.
- (4) ARPU means average revenue per user per month. Calculated by dividing the revenue generated in the relevant period from services subscribed by residential broadband subscribers, which include broadband services and any bundled voice, IP-TV and/or other entertainment services (excluding revenue from IDD and mobile services), by the number of average residential broadband subscriptions and further dividing by the number of months in the relevant period. Average residential broadband subscriptions are calculated by dividing the sum of such subscriptions at the beginning of the period and the end of the period by two. Our use and computation of residential ARPU may differ from the industry definition of ARPU due to our tracking of revenue generated from all services subscribed by residential broadband subscribers. We believe this gives us a better tool for observing the performance of our business as we track our residential ARPU on a bundled rather than standalone basis.

Management Discussion and Analysis

Business Review

HKBN achieved a year of strategic progress in FY25, driving a solid 4% year-on-year increase in total revenue amid a challenging macroeconomic environment. This performance underscores the exceptional strength of our business model and our proven ability to execute effectively and deliver results in dynamic market conditions.

Our Enterprise Solutions business continued to be a key growth engine, with revenue increasing 15% to \$5,531 million. A significant contributor was our wholesale IDD business, which generated approximately \$500 million in revenue, reflecting the robust demand for our solutions. Our competitive position continues to strengthen as enterprises increasingly adopt AI and automation solutions, where our specialised capabilities deliver significant value.

Building on last year's strategic launch of GigaFast broadband services — which began our push into a new era of multi-gigabit performance with speeds from 2.5Gbps to 25Gbps — we have achieved a pivotal new milestone: upgrading our dedicated private network service, MetroNet, to 100Gbps. This tenfold increase delivers the unprecedented capacity that enterprises require to power mission-critical applications like Generative AI, cloud supercomputing, and ultra-high-definition video. Together, these strategic enhancements further cement HKBN's position as the premier internet service provider, equipped to lead Hong Kong's digital future.

Hong Kong's role as a gateway to global markets expands our addressable opportunities. Our establishment of the HKBN InnoTech Ecosystem Alliance (iTEA) in January 2025 represents another strategic milestone, creating a powerful platform that unites leading technology providers to drive innovation. This initiative strengthens our position in the Greater Bay Area, while providing comprehensive support for businesses navigating cross-border expansion and digital transformation.

Further strengthening our digital enablement capabilities, we launched "Biz in Motion" — a one-stop commercial solution integrating high-performance GigaFast broadband, enterprise cybersecurity, intelligent operational systems, and digital marketing services. This flexible subscription-based offering, supported by our team of 600+ certified engineers, provides businesses with scalable resources to accelerate digital transformation without upfront investments.

Our Residential Solutions business demonstrated its resilience, with revenue remaining steady at \$2,333 million, supported by stable customer retention and strategic service enhancements. Our total residential broadband subscriptions stood at 907,000, while our network coverage footprint expanded by 2% to 2.65 million homes in Hong Kong.

Revenue stability was driven by our "Infinite-Play" strategy, which continued to focus on deepening customer engagement through premium content partnerships and value-added services. This year, Residential Solutions strengthened our entertainment ecosystem by adding leading platforms such as HBO Max to our existing roster, which includes Netflix, Disney+, myTV SUPER, and iQIYI, to drive user engagement. This contributed to a 2% increase in residential ARPU (Average Revenue Per User) to \$186.

A key highlight was the launch of Hong Kong's first smart elderly care solution, "Elder Buddy", which integrates a wireless home emergency safety bell with mmWave radar fall detection technology. This solution addresses the critical needs of Hong Kong's ageing population, enhancing safety for seniors while alleviating caregiver stress. The expansion into smart living solutions exemplifies our commitment to innovating for customers' evolving lifestyle needs.

Network costs and costs of sales increased by 6% to \$7,086 million, in line with the increase in revenue.

Management Discussion and Analysis

Finance costs decreased by 17% to \$710 million. This reduction was primarily driven by a \$189 million decrease in interest and finance charges on bank loans, attributed to the decline in HIBOR. This gain was partly offset by a \$22 million increase in fair value loss on interest-rate swaps and a \$19 million increase in loss on early retirement of banking facilities.

Income tax decreased by 52% to \$9 million, primarily due to the benefit from recognising deferred tax assets arising from unused tax losses of the Group's subsidiary.

As a result of the aforementioned factors, profit attributable to equity shareholders increased from \$10 million to \$207 million. EBITDA increased by 4% to \$2,451 million, due to strong operational performance and strategic initiatives undertaken to drive growth.

Adjusted Free Cash Flow ("AFF") increased by 9% to \$677 million, mainly due to a higher EBITDA of \$86 million, a decrease in net interest paid by \$146 million, a decrease in customer acquisition and retention costs of \$18 million, and a decrease in income tax paid of \$50 million. These increases were partly offset by higher capital expenditure of \$131 million, an increase in lease payments in relation to right-of-use assets of \$3 million, and an increase in working capital outflow of \$109 million.

Outlook

Entering FY26, HKBN is strategically positioned to convert our substantial infrastructure investments and strategic partnerships into sustainable, high-quality growth. We will move forward with confidence, buoyed by a favourable interest rate environment and the financial flexibility of our Sustainability-Linked Loan, which together are expected to reduce our financing costs and enhance profitability.

The accelerating adoption of AI is fuelling demand for advanced connectivity and digital solutions. Our network infrastructure and service capabilities — including our up to 25Gbps GigaFast FTNS services and our 100Gbps MetroNet service — are strategically positioned to support this technological shift, providing a solid platform for growth in both enterprise and residential segments. In FY26, we will aggressively leverage our infrastructure advantage to capture demand from enterprises implementing AI, cloud supercomputing, and other data-intensive applications. Our GigaFast portfolio, ranging from 2Gbps to 25Gbps, will serve as a key differentiator in winning high-value contracts.

Our landmark partnership with the Jiangsu Future Networks Innovation Institute (FNII), established in August 2025, is a strategic game-changer. By connecting to the China Environment for Network Innovations (CENI) via the China (Qianhai) Internet Exchange, we have established a secure, high-speed data corridor between Hong Kong and the Chinese Mainland. In FY26 and beyond, we will focus on commercialising this unique asset to serve the following areas:

- Chinese enterprises seeking global expansion: Providing seamless, low-latency access to international markets.
- Multinational corporations entering the Chinese Mainland: Offering a trusted, high-performance gateway into the mainland market.

Management Discussion and Analysis

- Research and education institutions: Enabling groundbreaking cross-border collaborations that require massive data transfer.
- Unleashing Hong Kong's AI and innovation capabilities by empowering companies to tap into Western China's massive, energy-efficient computing power.

For our enterprise customers, we will continue to evolve from a service provider into a true strategic partner. By bundling our core connectivity with advanced offerings in cybersecurity, cloud, and AI-ready solutions through initiatives like iTEA, we provide the end-to-end digital transformation that businesses need to compete.

For our residential customers, our "Infinite-Play" strategy will continue to expand into new areas, such as insurance, healthcare, and smart living solutions, deepening our integration into their daily lives and increasing customer lifetime value.

The strategic leadership of China Mobile Hong Kong will allow us to expand our portfolio with more innovative and competitive solutions that strengthen our market position and deliver greater value to customers.

Mindful of the intense competition and macroeconomic uncertainties shaping the business landscape, we will continue to prioritise operational efficiency, optimising our cost structure while maintaining the agility to navigate market dynamics.

Liquidity and Capital Resources

As at 31 August 2025, the Group had total cash and cash equivalents of \$1,192 million (31 August 2024: \$1,217 million) and gross debt of \$11,416 million (31 August 2024: \$11,528 million), which led to a net debt position of \$10,224 million (31 August 2024: \$10,311 million). Lease liabilities of \$392 million (31 August 2024: \$494 million) were included as debt as at 31 August 2025 in accordance with the term of the Group's various loan facilities. The Group's gearing ratio, which was expressed as a ratio of the gross debt over total equity, was 5.0x as at 31 August 2025 (31 August 2024: 4.5x).

The Group's net debt to EBITDA ratio as computed in accordance with the term of the Group's various loan facilities was approximately 4.7x as at 31 August 2025 (31 August 2024: 4.9x). The average finance cost calculated as the interest and coupon charges over the average borrowing balance was 6.2% (31 August 2024: 7.2%). The average weighted maturity of the Group's borrowings was 3.0 years as at 31 August 2025 (31 August 2024: 1.4 years).

Cash and cash equivalents consisted of cash at bank and in hand. There was no pledged bank deposit as at 31 August 2025 and 31 August 2024. As at 31 August 2025, the Group had an undrawn revolving credit facility of \$1,470 million (31 August 2024: \$1,349 million).

Under the liquidity and capital resources condition as at 31 August 2025, the Group can fund its capital expenditures and working capital requirements for the year with internal resources and the available banking facilities.

Management Discussion and Analysis

Hedging

The Group's policy is to partially hedge the interest rate risk arising from the variable interest rates of the debt instruments and facilities by entering into interest-rate swaps. The Group Chief Executive Officer and Chief Financial Officer are primarily responsible for overseeing the hedging activities. Under their guidance, the Group's finance team is responsible for planning, executing and monitoring the hedging activities.

The Group would not enter into hedging arrangements for speculative purposes. The Group entered into an interest-rate swap arrangement in the principal amount of \$5,250 million with an international financial institution for a term of 2.5 years from 1 June 2023 to 24 November 2025. Benefiting from the hedging arrangement, the Group fixed the HIBOR interest rate exposure at 3.95% per annum.

The interest-rate swap arrangement is recognised initially at fair value and remeasured at the end of each reporting period. Neither of the financial instruments qualify for hedge accounting under HKFRS 9, *Financial instruments*, and therefore, it is accounted for as held for trading and measured at fair value through profit or loss.

Charge on Group Assets

As at 31 August 2025, the Group pledged assets to secure the other borrowings of \$38 million (31 August 2024: \$37 million).

Contingent Liabilities

As at 31 August 2025, the Group had total contingent liabilities of \$271 million (31 August 2024: \$297 million) in respect of bank guarantees provided to suppliers and customers and utility vendors in lieu of payment of utility deposits. The decrease of \$26 million was mainly due to a decrease in performance guarantee issued to the Group's suppliers and customers.

Exchange Rates

All the Group's monetary assets and liabilities are primarily denominated in either Hong Kong dollars ("HKD") or United States dollars ("USD"). Given that the exchange rate of the HKD to the USD has remained close to the current pegged rate of HKD7.80 = USD1.00 since 1983, management does not expect significant foreign exchange gains or losses between the two currencies. The Group is also exposed to a certain amount of foreign exchange risk based on fluctuations between the HKD and the Renminbi arising from its operations. In order to limit this foreign currency risk exposure, the Group ensures that the net exposure is kept to an acceptable level of buying or selling foreign currencies at spot rates where necessary to address it.

Significant Investments, Acquisitions and Disposals

The Group did not make any significant investments, acquisitions or disposals in relation to its subsidiaries and associated companies during the year ended 31 August 2025.

Staff Remuneration

As at 31 August 2025, the Group had 3,670 permanent full-time staff (31 August 2024: 3,863 staff). The Group provides a remuneration package consisting of basic salary, bonus and other benefits. Bonus payments are discretionary and dependent on both the Group's and individual performances. The Group also provides comprehensive medical insurance coverage, competitive retirement benefits schemes, and staff training programmes.

Report of the Directors

The Board is pleased to present their report for the year ended 31 August 2025.

Principal Activities

HKBN Ltd. (the “Company”, together with its subsidiaries, the “Group”) is an investment holding company. Headquartered in Hong Kong with operations spanning across Hong Kong, Macao and Chinese Mainland, the Group is a leading integrated telecom and technology solutions provider. Operating through three core brands, Hong Kong Broadband Network, HKBN Enterprise Solutions and HKBN JOS, the Group offers a comprehensive range of solutions that include broadband, data connectivity, cloud and data centre, managed Wi-Fi, business continuity services, system integration, cybersecurity, mobile services, roaming solutions, digital solutions, voice and collaboration, stationery and supplies that are cumulative to our one-stop-shop offering of Transformation as a Service (TaaS) and OTT entertainment.

Business Review

A fair review of the Group’s business and a discussion and analysis of the Group’s performance as required under Schedule 5 to the Companies Ordinance (Cap. 622) are set out in the chapter headed “Management Discussion and Analysis” on pages 31 to 34 of this Report.

All the following discussions form part of the Report of the Directors:

- (1) **Principal Risks and Uncertainties** (pages 129 to 134)
- (2) **Future Development in the Group’s Business** (pages 32 to 33)
- (3) **Analysis Using Financial Key Performance Indicators** (pages 29 to 34)
- (4) **Environmental Policies and Performance** (pages 86 to 98)
- (5) **Relationship with Employees** (pages 62 to 75)
- (6) **Relationship with Customers** (pages 99 to 109)
- (7) **Relationship with Suppliers** (pages 110 to 111)
- (8) **Important Events Affecting the Group**

Subsequent to the reporting period and as at 31 October 2025, China Mobile Hong Kong Company Limited (“CMHK”) owned 74.84% of the issued share capital of the Company.

(9) Compliance with Applicable Laws and Regulations which have a Significant Impact on the Group

To ensure that the Group complies with relevant laws and regulations, the Group continuously reviews its practices to keep up to date with the latest developments in regard to all relevant laws and regulations. The Group and its activities are subject to requirements under various laws and regulations. These include, among others, Telecommunications Ordinance (Cap. 106), Trade Descriptions Ordinance (Cap. 362), Personal Data (Privacy) Ordinance (Cap. 486), Unsolicited Electronic Messages Ordinance (Cap. 593), Competition Ordinance (Cap. 619), Employment Ordinance (Cap. 57) and the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company seeks to ensure compliance with these requirements through various measures such as internal controls and approval procedures and appropriate in-house trainings provided to different units within the Group. We place a high value on ensuring adherence to applicable legal and regulatory standards.

Report of the Directors

Telecommunications Ordinance ("TO")

As licensees under the TO, the Group is required to operate in compliance with the TO and licence conditions including providing satisfactory level of service, ensuring interconnection with other telecommunications networks and sharing of facilities owned by them. If licensees fail to comply with the TO or relevant licence conditions, fines may be imposed by the Communications Authority.

Trade Descriptions Ordinance ("TDO")

False trade descriptions of goods and services, misleading omissions, bait advertising, etc., are prohibited under the TDO. If any of the aforesaid offences are committed, it may result in criminal prosecution, fines and imprisonment. To ensure compliance with the TDO, all sales and marketing materials are reviewed to ensure compliance and training sessions are provided to sales and marketing units from time to time.

Personal Data Privacy Ordinance ("PDPO")

The Group's collection, retention, processing or use of personal data in its ordinary course of business must comply with relevant requirements of PDPO. In order to comply with PDPO, security measures were implemented, training sessions and meetings with relevant business and operation units were held, to ensure that the Group is securely equipped and compliant with the law.

Competition Ordinance ("CO")

Under the CO, agreements or concerted practices between undertakings that have the object or effect of preventing, restricting or distorting competition in Hong Kong are prohibited. In addition, an undertaking that has a substantial degree of market power is also prohibited from abusing that power through engaging in conduct that has the object or effect of preventing, restricting or distorting competition in Hong Kong. Furthermore, our key subsidiaries, as telecommunications carrier licensees, are subject to the merger rule under the CO which prohibits mergers between businesses which substantially lessen competition in Hong Kong. Failure to comply with these competition rules could result in the Competition Tribunal imposing a fine and disqualification of Directors. All of our staff must comply with the detailed guidelines prescribed under the Group's Competition Law Policy.

Consolidated Financial Statements

The financial performance of the Group and the financial position of the Group for the year ended 31 August 2025 are set out in the consolidated financial statements on pages 144 to 234 of this Report.

Recommended Dividend

The Company seeks to provide stable and sustainable returns to the Shareholders. In determining the dividend amount, the Board will take into account the Group's financial performance, investment and funding requirements, early debt repayment, prevailing economic and market conditions, and other factors that the Board may consider relevant and appropriate. In general, the Company targets to pay dividends in an amount of not less than 75% of the adjusted free cash flow. The Board will review the dividend policy and payout ratio as appropriate from time to time.

Consistent with the Company's dividend policy stated above, the Directors recommended the payment of a final dividend of 18.9 cents per share for the year ended 31 August 2025 (31 August 2024: 16.5 cents per share) to the Shareholders whose names appear on the register of members of the Company on Tuesday, 30 December 2025. Subject to the approval by the Shareholders at the 2025 annual general meeting of the Company (the "2025 AGM"), the proposed final dividend is expected to be paid in cash on or around Tuesday, 6 January 2026.

Share Capital

Details of the movements in share capital of the Company during the year ended 31 August 2025 are set out in note 28 to the “Notes to the Financial Statements”. No Company shares were issued during the year ended 31 August 2025 except the issuance and allotment of conversion shares (the “Conversion Shares”) pursuant to the terms and conditions of the vendor loan notes issued by the Company on 30 April 2019 (the “Vendor Loan Notes”). Following receipt of a notice of conversion of Vendor Loan Notes from Twin Holding Ltd (“Twin Holding”) and TPG Wireman, L.P. (“TPG”) respectively, all of the Vendor Loan Notes held by Twin Holding and TPG with a total principal amount of \$970,468,828 each had been converted into 83,661,106 shares (based on the conversion price of \$11.60 per share) on each case pursuant to the terms and conditions of the Vendor Loan Notes and the issuance and allotment of the Conversion Shares by the Company to Twin Holding and TPG were completed on 14 March 2025 and 22 April 2025 respectively.

Financial Summary

A summary of the results and of the assets, equity and liabilities of the Group for the last five financial years is set out on pages 235 and 236 of this Report.

Distributable Reserves

As at 31 August 2025, the Company’s reserves available for distribution to shareholders were \$4,335,689,000 (2024: \$4,802,950,000).

Bank Loan

Particulars of bank loan of the Group as at 31 August 2025 are set out in note 20 to the “Notes to the Financial Statements”.

Donations

During the year ended 31 August 2025, the Group did not make any charitable and other donations (2024: Nil).

Directors

The Directors of the Company during the year ended 31 August 2025 and up to the date of this Report are:

Position	Name	Date of Appointment	Date of Cessation
Chairman and Independent Non-executive Directors	Mr. Bradley Jay HORWITZ	6 February 2015	12 December 2024
Chairman	Ms. CHUNG Cordelia	12 December 2024	5 September 2025
Chairman and Executive Director	Mr. LING Hao	5 September 2025*	–
Executive Directors	Mr. YEUNG Chu Kwong	15 December 2014	5 September 2025
	Mr. LI Xin	5 September 2025*	–
	Mr. LEI Liqun	5 September 2025*	–

Report of the Directors

Position	Name	Date of Appointment	Date of Cessation
Non-executive Directors	Ms. YU Shengping	14 December 2021	8 August 2025
	Mr. ZHANG Liyang	15 June 2023	12 December 2024
	Mr. Zubin Jamshed IRANI (Alternate Director to Mr. Liyang ZHANG)	27 November 2024	12 December 2024
	Mr. Zubin Jamshed IRANI	12 December 2024 [^]	13 May 2025
	Mr. LUO Weimin	5 September 2025 [*]	–
Independent Non-executive Directors	Ms. CHEUNG Ming Ming Anna	13 September 2023	–
	Ms. CHUNG Kit Yi Kitty	13 September 2023	–
	Ms. CHUNG Cordelia	15 December 2023	–

[^] On 25 November 2024, Mr. IRANI obtained the legal advice pursuant to Rule 3.09D of the Listing Rules, and confirmed he understood his obligations as a director of a listed issuer.

^{*} On 4 September 2025, each of Mr. Ling, Mr. Li, Mr. Lei and Mr. Luo obtained legal advice pursuant to Rule 3.09D of the Listing Rules, and confirmed that each of them understood his obligations as a director of a listed issuer respectively.

A full list of names of the directors of the Group's subsidiaries can be found in the Company's website at www.hkbnltd.net under "Our Story/Corporate Governance".

Update on Directors' Information under Rule 13.51B(1) of the Listing Rules

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of the Directors of the Company since the publication of the Company's 2025 interim report and up to the date of this report is set out below:

Mr. LING Hao has been a director of certain subsidiaries of the Company since 13 October 2025.

Mr. LI Xin has been a director of certain subsidiaries of the Company since 13 October 2025.

Ms. CHUNG Cordelia has stepped down from her roles as the Chairman of the Board and the chairman of the Nomination Committee, has ceased to be a member of the Audit Committee and has been appointed as a member of the ESG Committee, all with effect from 5 September 2025.

Ms. CHEUNG Ming Ming Anna has stepped down from her role as the chairman of the Risk Committee and has ceased to be a member of the Remuneration Committee with effect from 5 September 2025.

Ms. CHUNG Kit Yi Kitty has ceased to be a member of the Risk Committee with effect from 5 September 2025. She has been an independent non-executive director and a member of the audit committee of Sands China Ltd. (stock code: 1928, listed on the Stock Exchange) since 16 October 2025.

Confirmation of Independence from Independent Non-executive Directors

The Company has received a written confirmation of independence from each Independent Non-executive Director pursuant to Rule 3.13 of the Listing Rules which has been reviewed by the Nomination Committee. Both the Nomination Committee and the Board consider all Independent Non-executive Directors to be independent during the year ended 31 August 2025 and that they remain so as at the date of this Report.

Directors' Service Contracts

None of the Directors proposed for re-election at the 2025 annual general meeting 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.

Remuneration of Directors

The remuneration of Directors is determined based on their letter of appointment, which represents the Directors' base salary with reference to their duties and responsibilities with the Company, and is subject to review by the Remuneration Committee from time to time. The Remuneration Committee shall periodically undertake a review of Directors' remuneration relative to the Company's peers.

Interests in Competing Business

None of the Directors are considered to have an interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group during the year ended 31 August 2025.

Directors' and Chief Executives' Interests in Securities

As at 31 August 2025, the Directors and chief executives of the Company had the following interests and short positions in the shares, underlying shares (in respect of positions held pursuant to equity derivatives), and debentures of the Company and its associated corporations (within the meaning of Part XV of the "Securities and Futures Ordinance" (the "SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein; or (c) were otherwise required to be notified to the Company and the Stock Exchange pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") set out in Appendix C3 of the Listing Rules:

Long Position in Shares and Underlying Shares of the Company

Director	Note	Number of issued shares held	Interests in issued shares and underlying shares held	Approximate percentage of issued shares held to the total issued share capital of the Company	Approximate percentage of interests in issued shares and underlying shares held to the total issued share capital of the Company
Mr. YEUNG Chu Kwong	(a)	29,717,212	29,717,212	2.01%	2.01%

Note:

(a) Mr. YEUNG Chu Kwong held 29,717,212 shares in the Company.

Other than the interests disclosed above, none of the Directors, the chief executives of the Company nor their associates had any interests or short positions in any shares, underlying shares (in respect of positions held pursuant to equity derivatives) or debentures of the Company or any of its associated corporations as at 31 August 2025.

Substantial Shareholders' Interests

As at 31 August 2025, to the best knowledge of the Directors and chief executives of the Company, the following persons (other than any Directors or chief executives of the Company) were substantial shareholders, representing 5% or more of the issued share capital of the Company, who had interests in shares and underlying shares of the Company (in respect of positions held pursuant to equity derivatives) which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO:

Report of the Directors

Long Position in Shares and Underlying Shares of the Company

Name of shareholder	Note	Number of issued shares held	Approximate percentage of issued shares held to the total issued share capital of the Company (Note (e))
China Mobile Communications Group Co., Ltd.	(a)	442,197,548	29.90%
China Mobile Limited	(a)	442,197,548	29.90%
TPG Asia Advisors VI, Inc.	(b)	228,627,451	17.43%
Canada Pension Plan Investment Board	(c)	182,405,000	12.33%
GIC Private Limited	(d)	92,823,260	6.65%

Notes:

- (a) China Mobile Communications Group Co., Ltd. (through corporations directly and indirectly controlled by it, namely China Mobile (Hong Kong) Group Limited, China Mobile Hong Kong (BVI) Limited, China Mobile Limited, and Fit Best Limited), was interested in 442,197,548 issued shares directly held by China Mobile Hong Kong Company Limited.
- (b) TPG Asia Advisors VI, Inc. through TPG Wireman, L.P. indirectly held 228,627,451 issued shares in the Company.
- (c) Canada Pension Plan Investment Board held 182,405,000 issued shares in the Company.
- (d) GIC Private Limited held 92,823,260 issued shares in the Company.
- (e) The approximate percentage of issued shares is calculated based on the total number of issued shares of the Company as at 31 August 2025 (i.e. 1,478,921,568 shares, and rounded off to two decimal places).

Other than the interests disclosed above, the Company was not notified of any other relevant interests or short positions in the shares or underlying shares (in respect of positions held pursuant to equity derivatives) of the Company as at 31 August 2025.

Restricted Share Unit Schemes

To attract, retain and motivate skilled and experienced staff, the Company adopted four Co-Ownership plans since its listing, namely Co-Ownership Plan II (naturally expired in March 2025), Co-Ownership Plan III (was terminated and replaced by Co-Ownership Plan III Plus), Co-Ownership Plan III Plus (naturally expired in October 2023) and Co-Ownership Plan IV (was amended and replaced by the amended and restated Co-Ownership Plan IV (the "Amended and Restated Co-Ownership Plan IV") on 11 May 2023) which was terminated in August 2025.

As at 31 August 2025, no restricted share unit ("RSU") scheme was held by the Company.

Co-Ownership Plan II

The Co-Ownership Plan II was adopted by the Company in 2015 as an incentive arrangement to attract, retain and motivate skilled and experienced staff for the development of the Group. The RSUs are acquired by the independent trustee at the cost of the Company and are held by the trustee until the end of each vesting period. The shares will be transferred to the participants upon vesting. The Co-Ownership Plan II naturally expired in March 2025.

Purpose

The purpose of the Co-Ownership Plan II is to attract skilled and experienced staff, to incentivise them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company, while encouraging them to be long-term holders of the Company's shares.

Participant

The Board may, at its discretion, invite any Director, director of subsidiaries of the Group or staff who the Board considers, have contributed or will contribute to the Group to participate in the Co-Ownership Plan II. An eligible staff will receive an invitation from the Board during the relevant invitation period, and such person will become a participant upon the acceptance of an invitation to participate in the Co-Ownership Plan II (the "CO2 Participants").

Administration

The Co-Ownership Plan II is subject to the administration of the Board and the trustee in accordance with the scheme rules and the trust deed.

Remaining life

The Co-Ownership Plan II was valid and effective for the period commencing on 12 March 2015 (the "Listing Date"), and expired in March 2025.

Total number of shares available for issue

- (i) The total number of shares that may underlie the RSUs granted pursuant to the Co-Ownership Plan II shall be (i) 10% of the shares in issue on the Listing Date or (ii) 10% or less of the shares in issue as at the date following the date of approval of the renewed limit (as the case may be).

In order to enable the Co-Ownership Plan II trustee to release shares to the CO2 Participants upon vesting of each RSU, the Company allotted and issued, on the Listing Date, by way of capitalisation issue 5,666,666 shares to the Co-Ownership Plan II trustee. Such shares represented approximately 0.43% of the total issued share capital of the Company as at 31 August 2025. The Co-Ownership Plan II trustee will hold such shares on trust until their release to the CO2 Participants upon vesting of the RSUs and the termination of the scheme.

- (ii) Since the commencement date of the Co-Ownership Plan II, a total of 5,251,862 award shares had been granted under the Co-Ownership Plan II.
- (iii) As the Co-Ownership Plan II expired in March 2025, no shares would be available for issue under this plan.

Report of the Directors

Maximum entitlement

The Co-Ownership Plan II has a matching ratio of 7:3 (i.e. 3 RSUs would be granted for every 7 purchased shares). The maximum investment amount is limited to one year of the annual compensation package of each CO2 Participant.

Time of exercising RSU

Not applicable.

Vesting period and condition

The CO2 Participants shall be entitled to receive the awarded shares vested in him/her in accordance with the vesting schedule and the vesting conditions specified by the Board. The vesting schedule would be 25%-25%-50% upon each anniversary over 3 years after the date of grant.

Consideration on acceptance of RSU

No consideration.

Basis of determining the purchase price of shares awarded

Not applicable.

Voting, dividend, transfer and other rights

The RSUs do not carry any right to vote at general meetings of the Company, or any dividend, transfer or other rights (the award shares underlying the RSUs granted including those arising on the winding-up of the Company) were attached to the RSUs. No grantee shall enjoy any of the rights of a shareholder by virtue of the grant of an RSU pursuant to the Co-Ownership Plan II, unless and until the legal and beneficial title of the award share underlying the RSU had been allotted and issued to the grantee.

Movement of RSU

Co-Ownership Plan II expired in March 2025 and no RSUs were granted, cancelled, forfeited, vested and lapsed, and accordingly, no new shares were allotted and issued during the year ended 31 August 2025.

The Amended and Restated Co-Ownership Plan IV

Co-Ownership Plan IV was originally adopted on 19 August 2021 (the "Adoption Date") to incentivise participating staff to achieve a cumulative performance target over the 2022-2024 financial years of the Company. Due to macroeconomic downturn caused by the COVID-19 pandemic, and exacerbated by geopolitics and rising interest rates, the Company changed the company-wide performance targets from being based on adjusted free cash flow to focusing on earnings and revenue. Accordingly, the Company adopted the Amended and Restated Co-Ownership Plan IV in 2023. The commencement date of the Amended and Restated Co-Ownership Plan IV was on 11 May 2023. Details of the scheme are contained in the circular of the Company dated 6 April 2023. The Amended and Restated Co-Ownership Plan IV was terminated August 2025.

Purpose

The purposes of the Amended and Restated Co-Ownership Plan IV are to (i) incentivise skilled and experienced staff to remain with the Group and to motivate them to strive for the future development and expansion of the Group in the post COVID-19 time in order to create value for the shareholders, by providing them with a co-investment opportunity to acquire equity interests in the Company, while encouraging them to be long term holders of the Shares; and (ii) adjust the basis upon which award shares will be granted under the Amended and Restated Co-Ownership Plan IV by reference to the changing business environment and circumstances of the Company and the changing performance targets of the Company.

Participant

The eligible staff who are entitled to participate in the Amended and Restated Co-Ownership Plan IV include: (i) staff who were participants of Co-Ownership Plan IV, (ii) any Executive Director, (iii) any staff of the Company or any member of the Group that is of point 3 grade (supervisory level or equivalent) or above and who has not given a notice of resignation to any member of the Group or who has not been given a notice of termination of employment by any member of the Group, and (iv) any individual who the Company reasonably contemplates would fall within class (iii) (provided that his/her participation is conditional upon him/her falling within class (iii) during the relevant invitation period). An eligible staff would receive an invitation from the Board during the relevant invitation period, and such person would become a participant upon the acceptance of an invitation to participate in the Amended and Restated Co-Ownership Plan IV (the "Amended CO4 Participants").

Administration

The Amended and Restated Co-Ownership Plan IV is subject to the administration of the Board and the trustee in accordance with the scheme rules and the trust deed.

Remaining life

The Amended and Restated Co-Ownership Plan IV was valid and effective for the period commencing on the commencement date and was terminated in August 2025.

Total number of shares available for issue

- (i) The total maximum number of shares that may underlie the RSUs to be granted pursuant to the Amended and Restated Co-Ownership Plan IV is 36,973,039 shares (being approximately 2.50% of the shares in Issue (on a fully diluted and as-converted basis) on the day of the general meeting of the Company approving the amendments and restatements of the Amended and Restated Co-Ownership Plan IV (as may be adjusted in the event of a subdivision or consolidation of the shares) (the "CO4 Scheme Mandate Limit").
- (ii) Since the commencement date and up to 31 August 2025, a total of 16,679,892 RSUs (entitling the grantees (the "Grantee") to receive 16,679,892 award shares) have been granted under the Amended and Restated Co-Ownership Plan IV.
- (iii) During the year ended 31 August 2025, 902,537 RSUs had been cancelled. Since the commencement date and up to the termination date on 4 August 2025, a total of 5,185,791 RSUs had been cancelled.
- (iv) On the plan termination date, a total of 11,494,101 RSUs had been lapsed.
- (v) As the Amended and Restated Co-Ownership Plan IV was terminated in August 2025, no shares would be available for issue under this plan.

Report of the Directors

Maximum entitlement

The maximum entitlement for the award shares is determined on a 1:1 basis. One share purchased for an Amended CO4 Participant will entitle him/her to one RSU and one RSU will potentially entitle a Grantee to receive one award share under the Amended and Restated Co-Ownership Plan IV (assuming that all of the vesting conditions are satisfied).

The total investment amount of an eligible staff comprising of (i) the total investment value of his/her rollover shares (determined according to the average closing price per share based on the daily closing prices of the shares as quoted on the Stock Exchange for the five (5) trading days immediately preceding the commencement date) together with (ii) the new investment amount which such eligible staff will pay for making purchases of additional shares under the Amended and Restated Co-Ownership Plan IV (in each case, if any), must in aggregate be: (A) equal to or exceed one-sixth (1/6th) of the annual remuneration package of such eligible staff; and (B) not more than two times of the annual remuneration package of such eligible staff.

Time of exercising RSU

Not applicable.

Vesting period and condition

On the basis that the shares purchased for and on behalf of the Grantees under the Amended and Restated Co-Ownership Plan IV are continued to be held by the plan trustee until a vesting date, vesting of RSUs granted to each Grantee should occur on each of the following vesting dates upon the satisfaction of the corresponding vesting conditions:

Vesting Date	Vesting Condition	Portion of an RSU Becoming Vested
The date which is 12 months from the date of grant after the first invitation period	(1) EBITDA for 2023 financial year is not less than \$2,615,000,000; and (2) capital expenditure for 2023 financial year is not more than \$550,000,000	0.15 (or 15%)
The date within 10 business days from the date of publication of the Company's annual results for 2024 financial year	(1) EBITDA for 2024 financial year is not less than \$2,746,000,000; and (2) capital expenditure for 2023 financial year and 2024 financial year in aggregate is not more than \$1,100,000,000	0.35 (or 35%)
The date within 10 business days from the date of publication of the Company's annual results for 2025 financial year	(1) EBITDA for 2025 financial year represents not less than \$2,801,000,000 (being a compound annual growth rate of approximately 3.5% from the EBITDA target of \$2,615,000,000 for 2023 financial year); and (2) capital expenditure for 2023 financial year, 2024 financial year and 2025 financial year in aggregate is not more than \$1,650,000,000	$A = 0.5 \times (B - \$2,801,000,000) / C$ A — the portion of an RSU becoming vested B — actual EBITDA for 2025 financial year and capped at \$2,883,000,000 C — equals to \$82,000,000, which is the difference of \$2,883,000,000 and \$2,801,000,000

Consideration on acceptance of RSU

No consideration.

Basis of determining the purchase price of shares awarded

Not applicable.

Voting, dividend, transfer and other rights

The RSUs do not carry any right to vote at general meetings of the Company, or any dividend, transfer or other rights (the award shares underlying the RSUs granted including those arising on the winding-up of the Company) is attached to the RSUs. No Grantee shall enjoy any of the rights of a shareholder by virtue of the grant of an RSU pursuant to the Amended and Restated Co-Ownership Plan IV, unless and until the legal and beneficial title of the award share underlying the RSU have been allotted and issued to the Grantee.

Movement of RSU

Details of the movements of the RSUs granted under the Amended and Restated Co-Ownership Plan IV during the year ended 31 August 2025 are as follows:

Participant	Date of grant	Overview of RSUs								
		Granted	Unvested as at 1 September 2024	Granted during the period	Cancelled/ forfeited during the period	Vested during the period	Lapsed during the period	Unvested as at 31 August 2025	Aggregate of number of RSUs as % to the issued share capital of the Company	Aggregate of number of RSUs as % to the CO4 Scheme Mandate Limit
Five highest paid individuals										
YEUNG Chu Kwong, Executive Director	30 August 2023	2,760,785	2,760,785	0	0	0	2,760,785	0	0.00%	0.00%
Four highest paid individuals	30 August 2023	877,586	877,586	0	0	0	877,586	0	0.00%	0.00%
Directors of the Company's subsidiaries	30 August 2023	1,395,810	1,395,810	0	0	0	1,395,810	0	0.00%	0.00%
Other Participants	30 August 2023	11,645,711	7,362,457	0	902,537	0	6,459,920	0	0.00%	0.00%
Total		16,679,892	12,396,638	0	902,537	0	11,494,101	0	0.00%	0.00%

The closing price of the shares of the Company immediately before the date on which the RSUs were granted on 30 August 2023 under the Amended and Restated Co-Ownership Plan IV was \$4 per share.

The fair value of the RSUs granted on 30 August 2023 under the Amended and Restated Co-Ownership Plan IV was \$0 at the date of grant. The fair value of the RSUs granted was measured based on a binomial lattice model, taking into account the terms and conditions upon which the RSUs were granted.

During the year ended 31 August 2025, a total of 902,537 RSUs were cancelled. No purchase price was applicable to the cancelled RSUs and no RSUs were granted or vested.

Report of the Directors

On 1 September 2024, the number of award shares available for grant under the scheme mandate limit of the Amended and Restated Co-Ownership Plan IV was 24,576,401 shares. As the Amended and Restated Co-Ownership Plan IV was terminated in August 2025, no shares would be available for issue under this plan.

Directors' Rights to Acquire Shares or Debentures

Saved as disclosed in the "Restricted Share Unit Schemes" above, at no time during the year ended 31 August 2025 was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

Equity-linked Agreements

Save for the "Restricted Share Unit Schemes" as set out on pages 40 to 45 of this Report, no equity-linked agreements were entered into by the Company during the year ended 31 August 2025 or subsisted as at 31 August 2025.

Related Party Transactions

Related party transactions as disclosed in note 33 to the "Notes to the Financial Statements" did not constitute connected transaction or continuing connected transaction as defined under the Listing Rules.

Connected Transactions

CMHK acquired 15.46% of the total issued share capital of the Company on 7 May 2025. China Mobile Limited and its subsidiaries (the "China Mobile Group") became connected persons of the Company on the same date under Chapter 14A of the Listing Rules. The transactions in respect of the provision and receipt of certain services by the Group to and from the China Mobile Group in the ordinary and usual course of business (including, without limitation: (1) the Group's purchase of bulk international voice call minutes from the China Mobile Group; (2) the Group's sale of bulk international voice call minutes to the China Mobile Group; (3) the Group's sale of broadband internet to the China Mobile Group (for resale to end customers); and (4) the Group's provision of fixed telecommunications network services to the China Mobile Group (the "Partially-exempt CCTs")), since 7 May 2025, constituted connected transactions of the Company.

The historical transaction amounts in respect of items (1), (2), (3) and (4) of the Partially-exempt CCTs for the period from 1 May 2025 to 31 August 2025 are \$36,743,000, \$54,544,000, \$10,493,000 and \$10,293,000, respectively.

The respective highest applicable percentage ratio in respect of the total transaction amount from 7 May 2025 (the date on which China Mobile Group became connected persons) until 29 October 2025 (the date immediately prior to the date on which the Group issued the announcement on Continuing Connected Transactions on 30 October 2025 ("CCT Announcement")) of each of the Partially-exempt CCTs, in respect of which there were written agreements although no framework agreement had been entered into prior to the date of the CCT Announcement, was not less than 0.1% but all applicable ratios were less than 5% as at the date of the CCT Announcement.

The Partially-exempt CCTs were subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules and were exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Due to an unintentional omission, the Company had not announced the Partially-exempt CCTs when the China Mobile Group first became connected persons of the Company under Chapter 14A of the Listing Rules. An announcement was made by the Company on 30 October 2025 in respect of, among other things, the Partially-exempt CCTs. Please refer to CCT Announcement for further details.

Directors' Material Interests in Transactions, Arrangements or Contracts

No transaction, arrangement, or contract that is significant in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted during the year ended 31 August 2025 or as at 31 August 2025.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 August 2025.

Major Customers and Suppliers

For the year ended 31 August 2025, the aggregate amount of revenue attributable to the Group's five largest customers were approximately 19% of the Group's total revenue and the revenue attributable to the Group's largest customer were approximately 12% of the Group's total revenue. For the year ended 31 August 2025, the aggregate amount of purchases and costs incurred attributable to the Group's five largest suppliers were approximately 30% of the Group's total purchases and costs incurred, and purchases and costs incurred from the largest supplier accounted for approximately 21% of the total purchases and costs incurred.

At no time during the year, did a Director, an associate of a Director or a shareholder of the Company, which to the knowledge of the Directors own more than 5% of the Company's issued share capital, have an interest in the share capital of any of the five largest customers or suppliers of the Group.

Subsidiaries and Joint Ventures

Details of the principal subsidiaries and joint ventures of the Group as at 31 August 2025 are set out in notes 12 and 13 to the "Notes to the Financial Statements", respectively.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the year ended 31 August 2025 except as disclosed under the section headed "Share Capital" of this Report (page 37).

Disclosure under Rule 13.21 of the Listing Rules

On 31 October 2025, certain wholly-owned subsidiaries of the Company, each as borrower (the "Borrowers"), the Company, the Borrowers and certain other wholly-owned subsidiaries of the Company each as guarantor, among others, entered into a facility agreement (the "Facility Agreement") with a syndicate of banks as lenders (each a "Lender") in respect of a term loan facility in an aggregate amount of \$10,750,000,000 (the "Facility"). The Facility will mature on the date falling 364 days after the initial drawdown of the Facility (or if such date is not a business day under the Facility Agreement, the immediately preceding business day), which may at the Company's option, subject to satisfaction of certain conditions, be extended twice by a period of 24 months each without any lender's consent. Pursuant to the terms of the Facility Agreement, in the event the controlling shareholder of the Company, CMHK together with its affiliates (in aggregate) cease to beneficially hold, directly or indirectly, more than 50% of the issued voting ordinary shares in the Company, any Lender may by written notice to the facility agent cancel the available commitment of such Lender and require the mandatory prepayment by the Borrowers of such amount of the outstanding loans (together with all accrued but unpaid interest) that represents such Lender's participation in all outstanding loans under the Facility Agreement and all other accrued or outstanding amounts owing to such Lender under the related finance documents. As at 31 October 2025, CMHK is beneficially interested in approximately 74.84% of the total issued share capital of the Company.

Report of the Directors

Pre-emptive Right

There are no provisions for pre-emptive rights under the articles of association of the Company (the "Articles"), or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Permitted Indemnity Provision

Pursuant to the Articles, Directors shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour, or in which he/she is acquitted. The Directors and Officers Liability Insurance ("D&O Insurance") undertaken by the Company provides such indemnities to the Directors of the Company and its subsidiaries. The relevant provisions in the Articles and the D&O Insurance were in force during the year ended 31 August 2025 and as at the date of this Report.

Sufficiency of Public Float

On the basis of information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the year ended 31 August 2025. Since 17 September 2025 and up to the date of this Report, the Company did not satisfy the minimum public float requirement, and the Stock Exchange has granted a waiver in this regard. For details, please refer to the Company's announcements dated 17 September 2025, 21 September 2025 and 30 September 2025.

Subsequent Event

No significant events occurred after the end of the reporting period.

Auditors

The financial statements have been audited by KPMG who shall retire and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

The Company has not changed its auditors since the Listing Date.

On behalf of the Board

Mr. LING Hao

Chairman and Executive Director
Hong Kong, 31 October 2025

Innovating for Customers

In a world being reinvented by digital transformation, innovation is our engine for winning, retaining and empowering customers. By deeply understanding needs and pushing the boundaries of what's next, we deliver services and solutions that solve real problems for businesses, communities, and individuals.

Here are some examples of how we brought innovation to life for our customers in FY25:

Partnership with Information2 Software

This year, HKBNES formed a strategic alliance with Information2 Software, the Chinese Mainland's leading disaster recovery solutions provider, establishing ourselves as their first Hong Kong distributor. This partnership enables us to deliver comprehensive data protection services backed by industry-leading technology and local implementation expertise. As a result, Hong Kong businesses gain access to Information2 Software's robust suite of database backup, replication, synchronisation, migration and security solutions — empowering them to break down information silos, achieve true data interoperability, and build a strong foundation for operational agility and continuity.

// Information2 Software not only solidifies our position in the local market but is also actively expanding into international markets, further strengthening our role in global data replication and protection. Leveraging our outstanding technological capabilities and deep industry experience, Information2 Software is a leader in delivering diverse, multi-level data protection and management solutions for overseas government agencies, financial services, telecommunications, energy, and automotive sectors.

Justin Hu

Chairman and General Manager, Information2 Software

// Our partnership with Information2 Software will further strengthen our support capabilities, providing enterprise customers with industry-leading seamless data protection, real-time data migration, database synchronisation, and copy data management, helping enhance their operational resilience and maintain a competitive edge in a rapidly changing market environment.

Dr Denis Yip

HKBN President and Group Chief Operating Officer



Innovating for Customers

CyberZafe: Enterprise-grade Cybersecurity for SMEs

As AI enables cybercriminals to launch more complex and targeted attacks, SMEs are facing unprecedented risks. To combat these growing threats, HKBNES launched CyberZafe, a proprietary end-to-end solution that provides precision diagnosis of unique vulnerabilities and delivers a clear, actionable roadmap to fortify defences. From initial assessment and penetration testing to managed firewalls and employee training, CyberZafe is powered by best-in-class technology from partners like Check Point and Palo Alto Networks, providing enterprise-grade protection built for SMEs.



//

Cyber threats are everywhere. Small, medium and large enterprises should always have a robust incident response mechanism and tools in place to effectively combat and quickly address cyber threats. HKBN is committed to providing enterprise-level and tailor-made response solutions, including network health checks, incident response guidance, and trend analysis, so that even amidst a shortage of IT professionals, organisations from all industries can still be empowered with the support to enjoy a strong foundation for network security.

//

Wilson Tang

HKBN Chief Information Security Officer

Biz in Motion — The Complete Digital Growth Platform

Today's businesses require more than just connectivity — they need a solution that can power their digital ecosystem. Our proprietary "Biz in Motion" delivers precisely that: an integrated suite that combines GigaFast broadband with enterprise-grade cybersecurity, smart office solutions, and digital marketing services in one seamless package — giving customers everything they need to operate securely, enhance efficiency, and accelerate growth. Backed by HKBN's certified experts and global partnerships with leaders like Cisco and Microsoft, "Biz in Motion" delivers reliable, scalable performance with dedicated end-to-end support and flexible subscriptions tailored to match each business's unique needs.



Business Innovation Platform: Powering Hong Kong's SMEs

This year, HKBNES formed an exclusive partnership with Yonyou Hong Kong to bring its next-generation "Business Innovation Platform" (BIP) to the local market. This alliance empowers SMEs with a suite of advanced tools designed to streamline operations, enhance efficiency, and unlock new growth opportunities. Unifying critical functions — including financial management, HR, supply chain, and office automation — into a single platform, BIP eliminates data silos and operational inefficiencies, creating a powerful digital foundation for intelligent decision-making and scalable growth. As founding members of the HKBN InnoTech Ecosystem Alliance (iTEA), our collaboration with Yonyou delivers robust business management capabilities that offer more than just automation; it provides the strategic tools SMEs need to optimise processes, boost productivity, and compete in today's digital economy.

"In the wave of digital transformation, enterprises need comprehensive business solutions. "Biz in Motion" combines ultra-fast networks, intelligent operational solutions, and digital marketing services to help enterprises reach new heights."

Samuel Hui

HKBN Enterprise Solutions Chief Operating Officer



"Yonyou BIP represents our latest generation of business innovation platforms. Leveraging HKBNES's deep market expertise and extensive customer network, this partnership will drive the adoption of Yonyou BIP in Hong Kong and empower enterprises to lead in today's highly competitive market through digital transformation."

Dr Bowen Guo

*Vice President of Yonyou Network and
General Manager Yonyou Overseas*

Innovating for Customers

eMPF Bridging Solution

In a strategic move to empower Hong Kong's SMEs, we partnered with Achiever Technology, making them a member of iTEA. Through this collaboration, HKBNES now exclusively offers Achiever's innovative eMPF Bridging Solution, enabling a more convenient transition to the Mandatory Provident Fund Schemes Authority's digital eMPF platform. Our solution automates integration of complex MPF tasks — including contributions and employee data — eliminating error-prone manual processes. When integrated with Achiever's HR Management System, our solution provides unified MPF and HR operations that save time, reduce costs, and accelerate digital transformation for local businesses.

Cross-border Partnership with Jiangsu Future Networks Innovation Institute

As the world becomes fundamentally transformed by AI, the demand for computational power (compute) will be insatiable. This new era necessitates parallel breakthroughs in networking and connectivity infrastructure, which must serve as the intelligent backbone for innovation — efficiently transferring vast datasets, compute tasks, and the very tokens that power the next-generation AI workflows.

In this context, our landmark partnership forged in August 2025 with the Jiangsu Future Networks Innovation Institute (FNII) is a critical strategic advancement. This collaboration grants us access to the China Environment for Network Innovations (CENI) — the nation's most advanced large-scale network research platform — creating a powerful engine to fast-track the development and real-world application of next-generation technologies.

A cornerstone of this initiative is a groundbreaking high-speed interconnection via the China (Qianhai) Internet Exchange, pioneering secure and seamless cross-border data flow between Hong Kong and the Chinese Mainland. More than a technical achievement, this breakthrough unlocks unprecedented opportunities for transformative collaborations for business, education, science, research, cybersecurity, and the future of the internet across Hong Kong, the Greater Bay Area, and Jiangsu.



By integrating CENI's advanced capabilities, we are fundamentally enhancing our infrastructure's security, efficiency, and global reach. This is crucial for supporting the global expansion of Chinese Mainland enterprises and, more importantly, establishes the foundational backbone for the "Hong Kong Data, Western Computing" model. By tapping into Western China's massive, energy-efficient computing power, we unlock Hong Kong's ability to process vast datasets far beyond current limitations. The result is a sustainable, long-term advantage that will solidify Hong Kong's position as a world-leading hub for AI, big data, and R&D innovation.

HKBN InnoTech Ecosystem Alliance: Powering Innovation

This year, the UN's World Intellectual Property Organization (WIPO) identified the Shenzhen-Hong Kong-Guangzhou cluster as the world's top hub for innovation — a recognition that underscores both the region's transformative potential and Hong Kong's promising role within it.

This moment presents a clear opportunity: for Hong Kong to reinforce its position as the connective core of the Greater Bay Area (GBA) — the gateway where global opportunities meet regional capability.

That is the mission driving HKBN InnoTech Ecosystem Alliance (iTEA). We established iTEA in January 2025 to empower Hong Kong businesses by uniting leading technology providers, specialised expertise, and strategic resources on a single integrated platform. iTEA enables companies to commercialise and channel the GBA's innovation to the world, while simultaneously attracting global opportunities back to the region — creating a powerful flywheel of growth for the entire region.

For businesses in the GBA, the biggest obstacle to growth is no longer a lack of innovative technology, but the sheer complexity of harnessing it. The process is fragmented — a maze of vendors, compatibility issues, and implementation challenges that stifle progress.

iTEA cuts through this complexity by pre-integrating top technology providers and specialised expertise into a cohesive ecosystem. This gives organisations streamlined access to the tools they need.

The iTEA Advantage

iTEA is built on core strategic advantages that leverage Hong Kong's unique position and HKBN's established strengths:

Gateway Amplification

We deepen Hong Kong's role as a global hub, offering market access, insights, and de-risked pathways into the Chinese Mainland and ASEAN markets — all supported by HKBN's secure and reliable infrastructure.

Hub Magnetism

iTEA provides direct access to the GBA's innovation and manufacturing power. We connect businesses to Shenzhen's vibrant tech scene and enable rapid scaling through HKBN's high-performance data centres and high-speed connectivity.

Expertise Integration

iTEA brings together specialists in AI, big data, cybersecurity, and digital transformation, fostering cross-sector collaboration. This integration of knowledge delivers end-to-end, future-proof solutions that help businesses stay ahead of technological shifts.

Building Momentum

Since its launch, iTEA has continuously expanded its portfolio of capabilities to address the evolving needs of the market. In recent months, we have welcomed new members specialising in cutting-edge technologies, including:

Big Data & AI Infrastructure

Expanding our strength in advanced analytics and intelligent automation

Digital Transformation Tools

Delivering integrated platforms for business process and workflow optimisation

With more industry-shaping partners soon to be announced, iTEA continues to grow as a dynamic engine of innovation focused on strengthening Hong Kong's role as the essential launchpad for business transformation and the most dynamic gateway to tomorrow's opportunities.



Innovating for Customers

Seminars and Workshops for Customers

Throughout the year, our Enterprise team hosts events both on our own and in collaboration with top technology partners. These events are designed to help our enterprise customers master the latest technologies, and apply them effectively across their operations. From workshops on the impact of AI and cloud in FSI to deep-dive seminars on private cloud cyber resilience, these sessions provide clients with actionable insights and valuable connections. Ultimately, our goal is to empower clients to master new technologies and apply them effectively to drive their business forward.

Health Empowerment, Direct to Your Door

This year, we partnered with INDICAID, a leader in at-home health testing, to introduce Hong Kong's first monthly home testing packages. This groundbreaking subscription service empowers individuals and families to conveniently take proactive action in managing their wellness. Each month, subscribers can select two self-testing kits from a wide range covering key areas such as respiratory, gastrointestinal, and reproductive health. For a more comprehensive health overview, an enhanced option includes a cancer screening panel designed for early detection of risks related to cervical, stomach, and colorectal cancer.

Evercare Home Care Solution

Modern life shouldn't mean compromising on care for loved ones. Our partnership with Evercare delivers professional, flexible home care solutions that bridge the gap for busy families. Our service ensures expert professional support — from medical wound care and trusted escort services to personalised home assistance — is there when family members can't be. With Evercare, our customers gain a helpful partner, guaranteeing attentive care and peace of mind.

“As public healthcare is increasingly burdened and the general public becomes more aware of the importance of self-health management, at-home testing has rapidly gained acceptance. As a leading scientific brand in Hong Kong with patented core technology, INDICAID offers a wide range of convenient and accurate at-home tests, making health protection easier for everyone. By partnering with HKBN, which boasts a solid customer base, we are well-positioned to bring our innovative health management approach to more households.”

Ricky Chiu

Chairman and CEO, Phase Scientific

Upgraded Priority Plus Solution

Recognising that today's homes need more than just speed — they need intelligent reliability — we partnered with TP-Link to launch an upgraded version of our Priority Plus plans.

This upgraded solution harnesses the power of Wi-Fi 7 and TP-Link's Aginet cloud platform to proactively manage customers' network health in real-time. It automatically detects and remotely fixes common issues before they disrupt work, streaming, or gaming. This means fewer interruptions and no more waiting for technician visits — all powered by our GigaFast broadband and backed by 24/7 hassle-free support.



// Our TP-Link Aginet Unified Cloud platform was developed in anticipation of users' growing demand for greater stability and reliability. By integrating TAUC with HKBN's advanced network, users can now enjoy an unparalleled network experience that's smarter and easier to manage than ever before. We look forward to this collaboration to drive internet service in Hong Kong to all new heights. //

Raymond Chan

General Manager, TP-Link Hong Kong and Macau

Entertainment to the Max

HKBN doesn't just connect customers to the internet — we connect them to the world's best entertainment. This year, we again expanded our "Infinite-Play" ecosystem by forging a partnership with Warner Bros. Discovery, bringing their HBO Max streaming service to our customers.

This partnership means HKBN now stands alone as the only carrier in Hong Kong to offer all five premier streaming platforms: HBO Max, myTV SUPER, Netflix, Disney+, and iQIYI. From the award-winning HBO originals and cinematic blockbusters on HBO Max to the vast, beloved libraries of our OTT partners, we deliver a truly unrivalled entertainment universe direct to our customers — anytime, anywhere.

Innovating for Customers

HKBN SmartTraveller Plus

True freedom to explore comes from knowing you and your family are protected. That's why, in our latest partnership with AXA Hong Kong and Macau, we created HKBN SmartTraveller Plus — a travel insurance solution designed to keep pace with each customer's life, not hold it back.

// We are delighted to expand our partnership with HKBN through this travel insurance collaboration. By leveraging HKBN's extensive customer base and distribution network, we aim to generate synergies and enhance the customer experience through more convenient purchasing channels. Our commitment remains steadfast in providing our customers with exceptional protection during their travels.

Kenneth Lai

*Chief General Insurance Officer,
AXA Hong Kong and Macau*

Built for the real-world needs of today's families and frequent travellers, SmartTraveller Plus offers disruptive features like:

Family coverage — children traveling with parents enjoy free coverage under the same Single Journey policy, regardless of the number¹

Comprehensive annual plan — covering for unlimited number of journeys within a year by a single payment

Optional mainland China coverage — featuring hospital deposit guarantee benefit, enabling inpatient treatment at designated mainland China hospital network without requiring upfront deposits²

¹ Children must be between 30 days to 18 years old, subject to lower benefit limits on medical expenses and personal accident.

² Presenting mainland China hospital deposit guarantee card is required. Applicable to annual cover only.

The above information is for reference only. For details on product features, content, terms and exclusions, please refer to the Product Brochure and Policy Wording.

Terms and conditions apply.

HKBN Elder Buddy

HKBN stepped into gerontechnology through a meaningful collaboration with FamilyGuard Association to launch Elder Buddy — our smart care brand designed to address the needs of Hong Kong's growing elderly population. Elder Buddy's inaugural solution features an advanced mmWave radar fall detection system that automatically identifies falls and instantly triggers alerts to a 24-hour emergency response centre — ensuring help is dispatched even when the user is unable to call for assistance. For seniors, it means preserving independence with confidence; for families, it brings irreplaceable peace of mind. This solution — which also includes support services like medical appointment scheduling, medication follow-up reminders, and regular check-in calls — reflects HKBN's deeper commitment of using innovation to deliver real-world social impact where it matters.



//

We understand the vital role of home safety bells in safeguarding the elderly. This collaboration with HKBN combines our deep care expertise with innovative technology, raising the bar for home safety. We're thrilled to seize this opportunity to further enhance our emergency safety bell, ensuring more elderly people can live securely and independently at home.

//

Nicola Chan

Director and Chief Operating Officer,
Familyguard Association Limited

//

HKBN believes that technology should benefit not just businesses but also communities. By partnering with more like-minded organisations and integrating elderly health management components, we can address societal needs and build a smarter elderly care ecosystem.

//

Rex Hui

HKBN Vice President, Product Development & Management – Residential Solutions



MetroNet: Supercharging Hong Kong's Businesses for the AI Era

The first chapter of the digital age began with an *internet of information*. It started with simple connections — dial-up modems that brought text and basic web pages into our homes and offices, creating our first digital library and a revolutionary portal to a new world of knowledge.

The next chapter was defined by an *internet of interaction*. The arrival of fibre-optic broadband turned that library into a dynamic, global bazaar, enabling video streaming, e-commerce, social media, and cloud computing. It didn't just give us information; it connected us, entertained us, and forged entirely new economies.

The Next Digital Chapter is Here

Today, we are on the cusp of the next great evolution: the *internet of intelligence*. This shift goes beyond connecting people to information. It is about connecting systems, machines, and AI agents in a transformation that promises to redefine every industry. Powering this new era demands a new class of foundational resources: immense energy to run advanced systems, massive compute power to process vast data, and a sophisticated infrastructure to move all that data at lightning speeds.

To meet this demand, HKBN supercharged our **MetroNet service** with a 10X upgrade to **100Gbps**, transforming it into the definitive private network for an AI-defined business world.

MetroNet: the Cutting-edge Foundation for Enterprise AI

For years, MetroNet has been the trusted, dedicated network for Hong Kong's leading enterprises. Now, we are elevating it into the hyper-performance foundation required to power the AI era.

The 100Gbps upgrade represents a major leap in performance, delivering the massive bandwidth, near-zero latency, and absolute security which AI and data-intensive computing require. This infrastructure is engineered to ensure critical workloads perform at their peak, free from the bottlenecks and vulnerabilities of the public internet.



This enhancement delivers a 10X increase in bandwidth, seamlessly connecting major business districts and data centres. However, in today's AI-driven economy, speed is only the beginning. MetroNet is architected for a higher standard, combining uncompromising security, unwavering reliability, and intelligent management:

Unmatched Performance

Symmetric 100Gbps upload and download speeds eliminate bottlenecks for petabyte-scale data transfers, AI model training, and real-time analytics.

Near-Zero Latency

When microseconds translate into millions in value, MetroNet's ultra-low latency ensures real-time responsiveness for high-frequency trading, remote diagnostics, and smart manufacturing.

Ironclad Security

As a dedicated private network, it ensures complete isolation from the public internet. Sensitive data travels shielded from external threats, guaranteeing absolute privacy and integrity.

Agile Architecture

With a flexible topology supporting point-to-point, point-to-multipoint, or any-to-any mesh connections, businesses can adapt their connectivity effortlessly as they scale.

Powering Transformations Across Industries

Our upgraded 100Gbps MetroNet can deliver a tangible impact as a catalyst for transformation across Hong Kong's key sectors:

- **Financial Services**
Gain a measurable edge with near-zero latency, where every microsecond counts in high-frequency trading.
- **Healthcare**
Achieve breakthrough efficiency by enabling real-time collaboration on complex medical imaging and diagnostics.
- **Smart Manufacturing**
Unlock unprecedented precision through seamless AI coordination and automation across production lines.
- **Logistics and Retail**
Enable perfectly synchronised, AI-driven supply chains that respond instantly to market demands.

The internet of information gave us access to knowledge. The internet of interaction forged global connections. Now, the internet of intelligence demands unprecedented speed. Our upgraded MetroNet service delivers the accelerated foundation Hong Kong's industries need to automate at scale, deploy AI in real-time, and seize opportunities faster.



“ Just as the world's great cities were built around ports, railways, and highways, the next era of economic leadership will be defined by digital infrastructure. Through our upgraded 100Gbps MetroNet, we are providing a private super-network that will carry Hong Kong into the AI-driven future. This is the essential connectivity which allows enterprises to harness AI, unlock new possibilities, and turn ambition into reality. ”

Dr. Denis Yip,
HKBN President and Group Chief Operating Officer

Harnessing AI as a Growth Driver

Artificial intelligence has evolved from a disruptive force to the very engine of global business strategy. According to market research firm IDC*, global AI spending is projected to surge from US\$227 billion in 2025 to US\$749 billion by 2028. At HKBN, we have progressed from recognising this shift to architecting the pathways that connect our customers to its tremendous tangible value. Through strategic alliances and our own digital transformation, we are turning AI's vast promise into practical, powerful advantages for enterprises and households alike.

Forging an AI Ecosystem Advantage

In the complex and rapidly evolving world of AI, mastery requires collaboration. This year, we advanced our plan of building strategic alliances with best-in-class specialists. These carefully selected partnerships are the foundation of a powerful, future-proof ecosystem, delivering a comprehensive suite of AI solutions that give our enterprise customers access to the toolkit they need to win today and build for the future.

Our collaboration with **Suanova Technology** propels us to the apex of computational prowess. As their inaugural distributor in Hong Kong, we now provide our enterprise customers with a key to AI computing resources on an unprecedented scale. This partnership delivers the essential fuel — the raw, immense processing power required to train sophisticated algorithms and massive language models — empowering businesses to launch their most ambitious digital transformation initiatives.



Simultaneously, our alliance with **Futong Technology** confronts a paramount business imperative: security and operational simplicity. By introducing their revolutionary "Private AI Cloud-in-a-Box" solution to the Hong Kong market, we enable businesses to deploy robust AI capabilities within their own secure on-premise environments. This innovation radically simplifies adoption, offering an integrated hardware and software stack that fortifies sensitive data while accelerating operational efficiency.



Further expanding the frontiers of our ecosystem, our partnership with **Transwarp** brings sophisticated data intelligence to the forefront. As the first network operator in Hong Kong to distribute their enterprise-grade big data software stack, HKBNEs now offers clients an unparalleled end-to-end platform. This collaboration transforms the entire data lifecycle — from seamlessly integrating complex, disparate data sets to building, training, and deploying powerful AI models — turning raw information into a decisive competitive weapon and accelerating AI adoption across the Greater Bay Area.

* IDC Unveils 2025 FutureScapes: Worldwide IT Industry Predictions. Retrieved from <https://www.idc.com/getdoc.jsp?containerId=prUS52691924>

// In an AI marketplace defined by fragmentation and complexity, we offer enterprise customers a more intelligent path. Our curated ecosystem replaces the burden of managing multiple vendors with a single, strategic partnership. This provides a unified gateway to an interoperable and future-proof AI architecture, translating directly into faster ROI, reduced operational overhead, and seamless access to specialised innovation. //

Samuel Hui,
Chief Operating Officer — HKBN Enterprise Solutions

Transformation Within

To transform our entire organisation into a powerhouse for the AI era, earlier this year we mobilised our team at a company-wide AI Townhall. This was a catalytic event, uniting our teams around a shared conviction: that AI is our ultimate value-creation engine. Our leaders brought this vision to life, moving beyond theoretical potential to demonstrate tangible applications. A centerpiece was the unveiling of our soon-to-launch internal DeepSeek AI platform — a powerful tool to supercharge employee productivity and arm our customer-facing teams with razor-sharp precision. This internal mobilisation is the critical first step in fueling our ability to meet soaring enterprise demand with a scaled, sophisticated portfolio of AI infrastructure and solutions.

Bringing AI to the Home

While enterprise transformation is one frontier, we believe AI's most personal applications will happen at home. Our vision pushes past the paradigm of mere speed, evolving the home from a connected space into an intuitive partner in well-being.

We are pioneering use cases where AI serves as a discreet guardian, enhancing safety, comfort, and peace of mind. A core example is fusing AI with gerontechnology to empower Hong Kong's silver generation. Imagine discreet sensors that learn daily rhythms and can proactively alert loved ones to subtle anomalies that may indicate a fall or health concern. Envision voice-assisted smart hubs that help elderly residents effortlessly control their environment, manage medications, and bridge the distance to family with a simple command.

We see a future where AI provides predictive home maintenance, diagnosing issues before they disrupt, and delivers hyper-personalised entertainment that adapts to the moment. Our mission is to make advanced intelligence feel simple, thoughtful and smart — weaving it seamlessly into each residential customers' daily life.

TALENT EMPOWERMENT

HKBN's success is powered by our people. We view every employee as a strategic partner — a talented colleague whose unique insights and expertise fuel our innovation and growth. In the fast-paced ICT sector, our inclusive and dynamic culture is the foundation that enables our teams to thrive and deliver outstanding results.

Talent Interest Alignment

At HKBN, we believe that when personal and company interests are united, extraordinary results follow. "Skin-in-the-game" initiatives such as our ESG-related remuneration programmes are designed to do precisely that: provide eligible employees with real agency and a tangible stake in our long-term success. This transforms our team from participants into owners, empowering them to actively shape and drive HKBN's future, because our employees' success is inextricably linked to our company's success.

FY25 Goal



Achieve at least

88%

cumulative success rate in
ESG-related remuneration
programmes

FY25 Result



Achieved a

92.86%

cumulative success rate in
ESG-related remuneration
programmes

Fair Remuneration to Recognise Excellence

At HKBN, we attract and retain top talent with competitive, market-aligned compensation and a broad range of non-statutory benefits. This includes base salary, discretionary performance bonuses, and a suite of benefits like the Mandatory Provident Fund (retirement plan or equivalent), insurance, and health & wellness benefits for all our full-time staff.

Performance is evaluated through a rigorous multi-layered process — including self-assessments, managerial reviews, and company-wide calibrations — which directly informs salary adjustments, bonus awards, and promotion opportunities. We conduct annual reviews of all compensation packages to ensure they remain fair, competitive, and appropriately aligned with individual performance and market trends.

Talent-Obsessed Engagement & Development

We know that an inspired, engaged workforce is the key to professional excellence, employee loyalty, and our Group's long-term success. That's why our Human Resources and Administration Team is dedicated to championing holistic well-being — physical, emotional, and psychological — and cultivating a truly fulfilling workplace culture defined by happiness and mutual respect.

Workplace Culture by Design

Creating a FUN culture for our employees

Providing comprehensive support for the mental well-being of our employees

Showing appreciation to employees for their individual achievements and contributions

FY25 Goal



Reach an overall engagement score of
70%
favourability in our Staff Engagement Survey

FY25 Result



Postponed the survey to FY26 due to company transition

LIFE-work Priority

At HKBN, we believe that prioritising LIFE and holistic well-being isn't just good for our employees — it's fundamental to our business success. When our people feel supported and fulfilled, they bring greater creativity, motivation, and loyalty to everything they do. By championing true LIFE-work balance, we fuel excellence and set a higher standard for what a high-achieving, people-first workplace can be.

Creating a FUN Work Environment

Genuine connections are the heart of a vibrant culture, transforming a workplace into a community where everyone belongs. This principle comes alive through our multidimensional approach to employee experience — emphasising celebration, connection, diversity, well-being, and social impact. Here are some of the initiatives we implemented in FY25, reflecting our commitment to sustaining a collaborative, supportive, and vibrant work culture year-round:

Celebration Dinners and Festive Gatherings

Throughout the year, HKBN prioritised building team unity by organising memorable gatherings for our staff across all regions. In December 2024, over 1,800 colleagues in Hong Kong and 1,700 colleagues in Guangzhou attended year-end celebration dinners to celebrate shared achievements and foster momentum for the new year.

The festive spirit continued with Christmas activities designed for well-being and connection. Highlights included a pet nest DIY workshop in Guangzhou, festive treats for colleagues in Hong Kong, and a Christmas Bazaar featuring health-focused gifts and Chinese sweets.

We welcomed the Lunar New Year with equal excitement. New Year Bazaars, DIY booths, and vibrant lion dance ceremonies in Hong Kong and Guangzhou filled our offices with positive energy. Across all regions, our colleagues shared creative Spring Festival couplets virtually and exchanged good luck tokens, bringing a real sense of togetherness and good fortune.



Family Celebrations

Strong teams are built on a supportive culture, celebrated through engaging activities for our colleagues and their families.

Honouring Motherhood

To celebrate Mother's Day, we hosted DIY Twisted Flower Workshops that attracted over 100 colleagues to participate across Hong Kong and Guangzhou. Participants created beautiful, handmade floral gifts as unique tokens of appreciation for the mothers in their lives. In a thoughtful touch, our Guangzhou event also featured a special wellness tea, celebrating and supporting the well-being of HKBN's working mothers.

Celebrating Fathers

This year, we marked Father's Day with office-specific events that sparked creativity and competition. In Hong Kong, our employees participated in a cocktail workshop, mastering mixology skills to create special drinks to share with their fathers and families. In Guangzhou, the energy was filled with lively competition during our "Dad Power Challenge", a Nintendo Switch-powered fitness contest that blended fun, exercise, and the chance to win prizes for their loved ones.



A Summer of Family Fun

Our annual Family Day in August was a resounding success, bringing together over 75 HKBN families across Hong Kong and Guangzhou. Our Hong Kong offices transformed into a playground with crafts, treasure hunts, storytelling, and DIY dim sum workshops. At the same time, our Guangzhou families enjoyed a double feature of fun — a lively office carnival and a cheerful movie hours, all designed to bring our HKBN families closer together.

Connecting Wellness, Nature, and Social Responsibility

HKBN is committed to enhancing staff well-being and environmental stewardship through meaningful activities that connect colleagues, families, and the wider community. This spring, we brought this mission to life through outdoor events across our offices. In Hong Kong, our employees and their families joined a company hike for a day of discovery and connection. In Guangzhou, our employees and their loved ones took part in an eco-hike, covering 8.45 kilometres while collecting nearly 55 pounds of litter to protect local trails.

Our community engagement continued with an inspiring Braille Workshop, held in partnership with visually impaired instructors from 手心咖啡, a Guangzhou-based coffee organisation that empowers the visually impaired through barista vocational training. Guided by instructors, our team learned braille and co-created an inclusive "barrier-free" board game and tactile poetry, which were warmly received by our participants and partner institutions.



Creating a Vibrant Workplace

We reimaged the daily grind across our six Guangzhou offices by launching the BreakFun Bazaar. The event transformed our workspaces into bustling hubs where employees could browse vendor stalls, get health check-ups, enjoy snacks, games, exclusive discounts, and free gifts.



Our occupational health and safety system is

ISO 45001

certified, which covers the Group's operations
in Hong Kong



Number of fatalities:

0



Work-related injury rate¹:

0.25



Lost days² due to work-related
injury:

1,116

Open Communication

Transparent and open dialogue is essential for ensuring every employee's voice is heard and valued. To strengthen this commitment, we have introduced new initiatives and channels that help promote active listening and timely responses, helping us stay attuned to the views and needs of our employees.

A key initiative is the introduction of roundtable discussions for new hires during their onboarding in Guangzhou. These sessions create a dedicated forum for new employees to directly share their initial experiences and feedback with our Human Resources team. This proactive approach allows us to identify improvement opportunities early, address challenges in real-time, and demonstrate our commitment to valuing employee input from the very first day.

Furthermore, we continued to leverage "Your Voice", our digital feedback platform that empowers employees to share ideas, concerns, and suggestions. This channel provides us or our leadership with real-time insights into staff sentiment and priorities, enabling more timely and meaningful responses. By reinforcing open communication, we foster deeper engagement.

Life-long Staff Development

In an era of relentless technological change, continuous learning is essential. It's how we equip our employees to lead and shape the future of our industry. At HKBN, learning journey begins day one: all new hires are required to complete an immersive onboarding programme, gaining a critical foundation in our unique culture, IT fundamentals, cybersecurity protocols, and ESG commitments. We build upon this foundation with mandatory annual refreshers in key areas like ethical conduct and customer engagement, ensuring every team member remains aligned with HKBN's highest values and professional standards.

¹ The work-related injury rate represents the number of reported injuries per 100 full-time employees per year. This figure is calculated using the formula: "Total number of work-related injuries multiplied by 200,000, divided by total hours worked." The 200,000 factor represents the combined annual hours worked by 100 full-time employees, based on a 40-hour work week over 50 weeks a year.

² "Lost days" refers to the total calendar days (consecutive or otherwise) for the days on which the work-related injuries and work-related ill health occurred. For Hong Kong, a "Lost Day" occurs when, in the opinion of a physician, an employee cannot work. "Lost day" is calculated based on the total number of calendar days (consecutive or otherwise) starting from the lost day occurs. While for Chinese Mainland, the figure is calculated based on the total of calendar days (consecutive or otherwise) for the days on which the work-related injuries and work-related ill health occurred.

This commitment to growth continued throughout FY25, as we delivered targeted development programmes for all career stages. Below is a snapshot of our year in learning:

Type of Training/Initiative	Training Programme/Initiative	Objective
Development programme	Be a Pioneer	Cultivate future leaders through mission-driven design thinking, equipping them with the necessary skills and mindset to seamlessly transition into managerial roles.
	Be a STAR Leader	Develop leadership skills, empowering employees to elevate team performance, and drive team growth through effective delegation.
	Be a People's Leader	Empower emerging leaders to master core competencies for inspiring high-performing teams, driving operational excellence, and fostering inclusive work environments where team members can thrive.
	Be a Team Champion	Empower high-potential employees to excel in team management, implement effective collaboration strategies, and drive tangible business development.
	Selfidence	Equip employees with foundational soft skills by providing training in self-awareness, personal goal-setting, and emotional intelligence to enhance personal and professional effectiveness.
	Competency-based Training Programme	Empower employees to excel personally and professionally through a diverse portfolio of soft skills courses, all designed for flexible learning.
	Uplifting	A fully online curriculum designed to provide flexible learning modalities for employees nationwide. Participants gain critical workplace soft skills through elective courses, fostering holistic growth in personal competencies and team management capabilities.
Job skills training	Consultative Selling Workshop and Successful Selling Workshop	Consultative Selling Workshop is a mandatory training to equip our newly joined Sales in Enterprise Solutions division with questioning skills by CASH model, pitching skills and objection handling tactics. Successful Selling Workshop is designed for promoters in Residential Solutions division to strengthen their core selling competencies and drive performance.
	Online Communication Course	Equip sales teams to master digital communication, deliver tailored service, and capitalise on sales opportunities in any business environment through scenario-based learning.

ESG | Talent Empowerment

Type of Training/Initiative	Training Programme/Initiative	Objective
Job skills training	Service Excellence Workshop	Sharpen service acumen by equipping sales teams with adaptive engagement strategies and a deep understanding of each service's role in the sales cycle, using interactive exercises like case studies and role-playing.
	Premium Customer Service Workshop	This program equips employees with advanced techniques and practical tools to resolve customer inquiries with greater efficiency and ease, thereby enhancing customer satisfaction and elevating the professional service standards of our workforce.
ESG-related	ESG 101	Provide all employees with foundational ESG knowledge — including key areas like environmental protection and diversity — as well as an understanding of our corporate strategy and how sustainability creates value for HKBN and our stakeholders.
Professional development	Knowledge Pop-Up Booth	Deliver online video learning complemented by Q&A activities to help employees practice and apply new skills in sales and customer psychology.
Ethics and compliance	Annual refresher training	Empower our team with mandatory training on essential customer service protocols and key ethical practice, from anti-corruption to whistleblowing policies, through our annual Anti-Corruption and Anti-Bribery Seminar.
Continuous learning sponsorship	Learning & Development Sponsorship	Support staff in their educational journeys by funding professional courses, ensuring our teams acquire essential skills to enhance their work quality in line with evolving organisational needs.

In FY25, our employees engaged in total of 72,160 hours of training, averaging 19.2 hours of structured development per person.

In FY25, we introduced new training elements to develop our next generation of leaders:

Executive Masterclass Series

For the first time, our Management Committee — including our Chief Financial Officer and CEO of Enterprise Solutions — personally mentored participants. These sessions bridged the gap between C-suite strategy and frontline execution, giving our Pioneers direct access to our top leaders.

“Blue & Orange Kitchen” Innovation Challenge

This cross-departmental simulation challenged our teams with managing a full, large-scale banquet under pressure, from ingredient procurement to banquet design. This simulation honed their skills in resource optimisation by stretching limited budgets, inclusive leadership by harmonising diverse viewpoints, and agile decision-making by tackling surprise challenges.

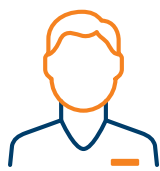
HKBN Academy

In the fast-moving ICT industry, staying ahead requires non-stop learning. HKBN Academy is our digital learning hub, designed to empower every employee with a vast library of on-demand learning resources. Built for busy schedules, our platform enables employees to learn at their own pace with short, bite-sized courses covering specialised job skills, as well as practical tips to enhance individual and team productivity.

Recognising AI's transformative power, we took proactive steps in FY25 to future-proof our workforce. HKBN Academy was expanded to include AI-focused e-learning courses, ensuring our people remain agile and ready for emerging challenges.

Breakdown of training provided during FY25:

Gender



Male

99.45%

18.32 hours per employee



Female

99.27%

20.83 hours per employee

Employee grading

Managerial-or-above

100%

13.79 hours per employee

Supervisory level

100%

19.39 hours per employee

All other employees

99.22%

19.96 hours per employee

ESG | Talent Empowerment

Staff Wellness

Our commitment to employee physical and mental wellness is brought to life through a curated calendar of well-being programmes. These initiatives are designed to cultivate a supportive environment that encourages recharging, strengthens connections, and ensures every individual feels appreciated.

Building a Culture of Mental Wellness

Acknowledging that a healthy mind is essential to a healthy life, we introduced meaningful activities designed to nurture mental resilience and elevate spirits.

Supporting Mental Wellness and Resilience

At HKBN, we believe a healthy team is a resilient team. From the therapeutic tranquillity of our Mindful Labyrinth Workshop in Hong Kong to popping popcorn with a bicycle-powered generator in Guangzhou, we're creating spaces for employees to recharge both mentally and physically. This hands-on approach is backed by a framework for lasting improvements. By joining the Hong Kong Department of Health's JOYFUL@ Healthy Workplace initiative and adopting the Mental Health Workplace Charter, we've made a deep commitment to foster mental health as a part of inclusivity.



Promoting Healthier Lifestyles

Our commitment to well-being extends beyond traditional insurance. With our MixCare Health digital platform, we empower employees to take control of their health by tailoring a benefits package that works for them. As a result, our teams enjoy access to a vast marketplace featuring everything from fitness classes and yoga to prescription eyewear and medications, all with effortless, streamlined reimbursements. We also share practical health tips with our colleagues through the monthly email bulletins to encourage healthy living and raise health awareness.

Encouraging Active Lifestyles Through Team Challenges

Throughout the year, we encouraged our employees to participate in team-based fitness activities. In addition to events like our Healthy Spinning Challenge, we launched a region-wide fitness challenge in late 2024. 33 cross-location teams embraced the opportunity, committing to a daily exercise regimen — either independently or in groups.

The results were impressive: with about 60% of participants sustaining their routines for at least 14 days, and over half reaching the 21-day mark. More than just physical activity, the challenge cultivated a powerful culture of mutual support, turning individual goals into shared successes and embedding healthier habits across our workplace.

Health Check-ups and Workplace Wellness Services

Mindful that health is multidimensional, we offer initiatives that support our employees' holistic well-being. This includes providing regular health check-ups, along with services like shoulder and neck massages to alleviate workplace stress.

In a meaningful partnership with the Guangzhou Hemu Center, our massage sessions there were provided by visually impaired therapists. This initiative not only provided our employees with therapeutic relief, but also actively promoted inclusive employment.

Staff Health and Safety

A safe workplace is the foundation of everything we do. Our comprehensive approach includes mandatory regular safety training for employees and sub-contractors to ensure a consistently secure environment. In FY25, we enhanced our occupational health and safety measures by implementing a series of new initiatives, further safeguarding our workforce.

Safety Awareness Engagement

To make workplace safety education more engaging, we launched the Workplace Safety Fun Challenge. This innovative platform transformed essential safety protocols into an interactive experience, attracting over 180 participants and significantly strengthening safety awareness across our company.

Mandatory Training for Frontline Teams

We implemented a mandatory 100-minute safety training programme for all frontline staff, ensuring every team member is adequately equipped to identify hazards and respond effectively to maintain a secure work environment.



Improved Subcontractor Management

Accountability is reinforced through annual performance reviews for all subcontractors, ensuring strict compliance with our safety standards. We also provide ongoing training to foster a collaborative culture where every individual — HKBN employees and subcontractors — takes shared ownership of safety.

Strengthened Escalation Procedures

Our Incident and Accident Investigation Procedure has been rigorously updated to ensure timely and effective responses. Following any incident, our Safety Officer now conducts a comprehensive root cause investigation within 72 hours, providing clear, actionable recommendations to prevent its recurrence.

ESG | Talent Empowerment

Diversity & Inclusion

At HKBN, we are a mosaic of unique backgrounds, skills, and thoughts. This rich diversity isn't just celebrated — it's strategically harnessed to enable us to challenge conventional thinking, spark creativity, and come up with the market-centric solutions that customers desire.

FY25 Goal



Enhance female representation
in technical roles to

27% or above

FY25 Result



Increased female representation in
technical roles to

25.79%

Building a Diverse Workforce

HKBN employs a holistic diversity strategy that spans the entire employee lifecycle, from recruitment to lifelong career development. We believe that embracing diversity strengthens our teams, fuels innovation, and enables us to make a lasting impact in the communities we serve. To drive initiatives and track progress, our Management Committee provides strategic oversight and accountability, empowering our Human Resources team. This disciplined approach ensures continuous leadership engagement and alignment.

In FY25, HKBN achieved 25.79% female representation in technical roles, reflecting steady progress while falling slightly short of the year's goal. Despite this, the HKBN Women's Network — established in 2022 — has continued to foster female empowerment across the company, offering mentorship, connection, advocacy, and peer support. Initiatives aimed at strengthening career advancement for women remain an ongoing priority.

Looking ahead, we are deepening our partnerships with universities, schools, and NGOs to engage with and hire from the broadest possible range of backgrounds.

EmpowerHER2B

This year, HKBN joined the EmpowerHER2B — Inclusive Workstyle Drive programme, supporting career re-entry for working mothers and other returning professionals. Through mentorship from HKBN leaders who have navigated similar journeys, programme participants can gain practical insights via job-shadowing opportunities, interview coaching, and a supportive community to rebuild professional confidence.





Building a Future-ready Talent Pipeline

To cultivate a future-ready talent pipeline, we proactively collaborate with universities, secondary schools, and NGOs. Our FY25 initiatives were designed to engage individuals from all walks of life, via:

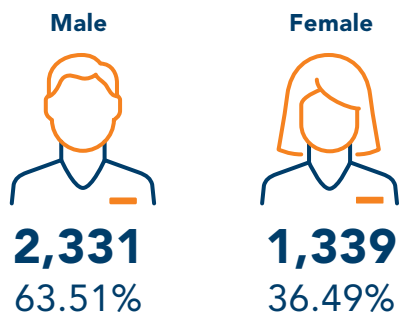
- Expanding reach at career fairs for both early-career and seasoned professionals.
- Offering a structured Summer Internship Programme, mentorship, and job shadowing to provide highly critical real-world workplace experiences.
- Inspiring students through interactive career talks led by our own technical experts.

This end-to-end commitment to inclusion — from first contact to career growth — underpins HKBN's reputation as a leading employer of choice and champion of sustainable, equitable opportunity.

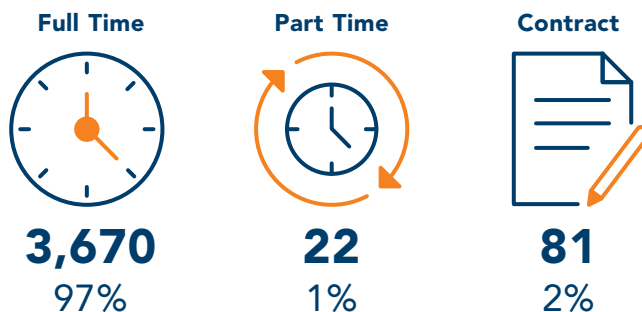
To Special HER

This International Women's Day, we empowered our female colleagues through the "To Special HER" campaign. Our campaign featured an "About HER" quiz to spark dialogue on gender representation, and "HER Power" fitness sessions, which included kickboxing and Pilates classes, to enhance mind and body resilience.

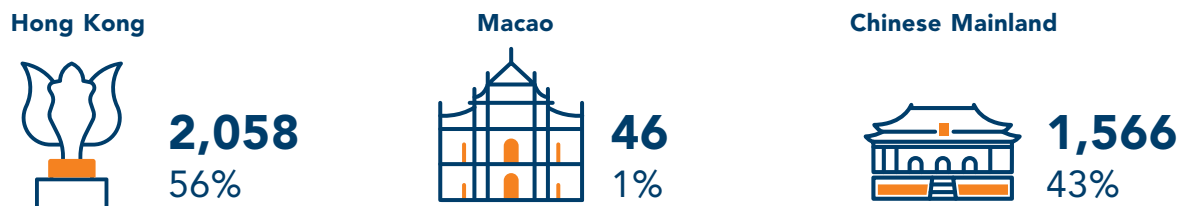
Total workforce by gender*



Total workforce by employment type



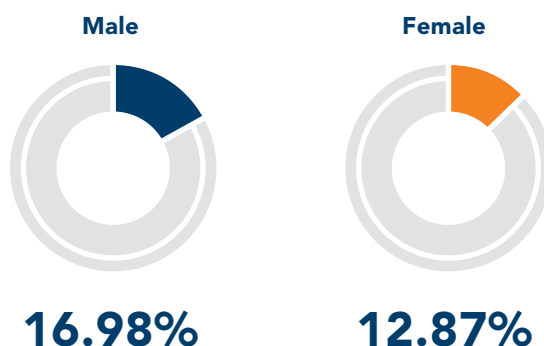
Total workforce by geographical location*



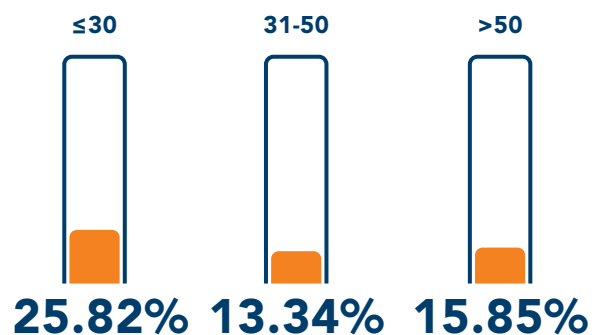
Total workforce by age group*



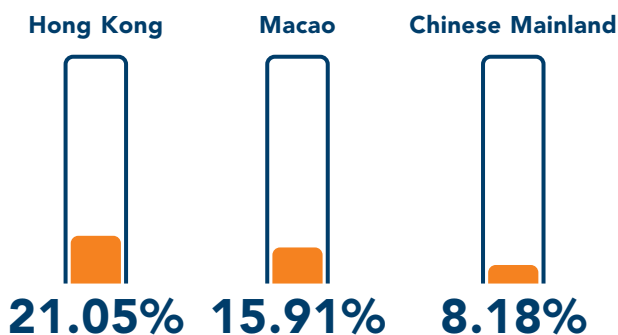
Employee turnover rate by gender*



Employee turnover rate by age group*



Employee turnover rate by geographical location*



* Calculation based solely on full-time employees

Respect for Human Rights and Labour Practices

As stated in our Staff Handbook, we are committed to upholding all internationally recognised human rights in line with the principles and guidance outlined in the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the International Labour Organization's ("ILO") Declaration on Fundamental Principles and Rights at Work.

Workplace Diversity and Prevention of Harassment and Discrimination

HKBN is an equal opportunity employer that prohibits discrimination and harassment of any kind. By embracing diversity in the workplace, we uphold the principle of equal employment opportunities for all staff members and strive to offer a work environment that is devoid of discrimination and harassment. All employment decisions at HKBN are based on business needs, occupational requirements and individual qualifications, without regard to race, religion, colour, cultural background, politics, national origin, gender, sexual orientation, gender identity, gender expression, age, status as a protected veteran, status as an individual with a disability, or any other applicable legally protected characteristics. We strive to foster a professional and inclusive environment where all employees are respected, valued and enabled to thrive. We treat all acts of discrimination seriously and will not tolerate any forms of discrimination.

Whenever employees suspect they are being discriminated against or suspect other colleagues of violating the above policies, complaints can be made directly to a department head or head of Human Resources team. If the complaint is found valid after investigation, disciplinary actions will be taken, including summary dismissal without notice or payment in lieu of notice.

Prevention of Forced Labour and Protection of Children

Our Company strictly forbids forced labour and child labour, which also extends to our suppliers as specified in our Supplier Code of Conduct. We only employ young employees in accordance with the Employment of Children Regulations and the Employment of Young Persons (Industry) Regulations. We treat all illegal employment seriously and will not tolerate such acts.

Freedom of Association and Collective Bargaining

We respect our employees' freedom to negotiate with the Company regarding their working conditions. We observe the right of association, and respect our employees' freedom to form or join trade unions or labour unions in accordance with local laws. While there is no formal labour union at HKBN's offices, we have established robust channels for direct and open communication between employees and management to facilitate discussion on all workplace matters.

Employee Transition and Retirement Planning

We understand the importance of social responsibility during an organisational restructuring. For employees approaching retirement age, we encourage open discussions with the department head and our Human Resources team to explore options and plans for retirement. When necessary, we also offer post-retirement arrangements, such as helping colleagues transition from full-time to contract or part-time employment. In the case of major team restructurings or merger activities, our Human Resources team provides departing employees with additional support, including outplacement and career transition services, employee assistance programmes, resume workshops, assistance with medical insurance conversion, and more.

TECHNOLOGY FOR GOOD



Technology possesses the transformative power to generate lasting positive change for both society and the environment. By applying our ICT expertise with purpose and innovation, we at HKBN strive to build resilient communities and elevate the well-being for all.

ESG Enabler

A single company can only do so much. True sustainability is systems-wide, requiring the efforts of an entire connected ecosystem. HKBN harnesses our deep ICT expertise as a catalyst for ESG progress. We deliver solutions that create a ripple effect of positive impacts, enabling our network of enterprise customers, business partners, suppliers, NGOs, and the wider communities to achieve transformative sustainable growth.

FY25 Goal



Launch new ESG-themed solutions every year

FY25 Result



Launched CyberZafe, a comprehensive solution to cybersecurity that helps SMEs detect risks, identify vulnerabilities and safeguard business continuity

Market-ready ESG Solutions

HKBN enables enterprise customers to transform their growth trajectories. By deploying our market-ready solutions, we help customers simultaneously achieve environmental progress, strengthen governance, and realise gains in operational efficiency and productivity.

Energy Efficient AI Compute Services

AI is revolutionising industries, but its immense potential is powered by immense energy demands. HKBN is meeting this challenge head-on. This year, our partnership with Global Switch exemplifies this commitment. Together, we're providing customers access to one of Hong Kong's most advanced data centres, featuring innovative direct-to-chip liquid cooling technology. This solution dramatically improves power efficiency, enabling high-performance AI without compromising sustainability — ensuring that customers can gain an AI advantage that is both powerful and responsible.

Cybersecurity Solutions Aligned with ESG Principles

In today's digital economy, robust cybersecurity isn't just an IT issue, it is fundamental to corporate sustainability and resilience. This is especially critical for SMEs, who are increasingly targeted yet often lack adequate protection. HKBNES's proprietary CyberZafe meets this urgent need by delivering enterprise-grade, customised network security solutions developed in partnership with the world's leading cybersecurity companies. CyberZafe's comprehensive suite — comprising managed firewalls, endpoint security, penetration testing, vulnerability assessments, and phishing awareness training — enables customers to proactively safeguard their digital assets from external threats.

Digital Inclusion for our Communities

As a leader, HKBN is closing the digital divide to build a more equitable society. We go beyond traditional philanthropy by leveraging Corporate Social Investment (“CSI”) to create long-term, sustainable social impact for local communities. Our targeted strategies empower disadvantaged communities through eliminating the barriers to digital access, nurturing digital literacy, promoting awareness of cyber wellness, and educating our communities, including NGOs.

To maximise our impacts, we employ an evidence-based Theory of Change (“TOC”) framework. This rigorous approach, with precise metrics and feedback loops, ensures our strategies deliver measurable, deep, and lasting community benefits.

Fostering Sustainable and Inclusive Development

Driven by purpose, HKBN provides accessible, reliable, and responsible ICT services for everyone. We prioritise digital empowerment where it matters most: empowering marginalised groups most left behind in the digital age, including the elderly, youth, persons with disabilities, and low-income households. Our impact is fueled by the dedication of our diverse team, the strength of our resources, and the depth of our expertise.

FY25 Goal



Conduct social impact assessments for all digital inclusion community initiatives

FY25 Result



Conducted social impact assessments for all digital inclusion community initiatives, with results disclosed in our annual report

To ensure our work creates lasting change, we are guided by a rigorous Theory of Change framework. With the implementation of our HKBN Theory of Change, this enables us to meticulously track progress, learn, and adapt in real time, measuring real outcomes. It holds us accountable to those we serve and ensures every initiative delivers tangible, scalable, and sustainable impact.

HKBN THEORY OF CHANGE



Goal

Improve digital inclusion for our communities



Impact

Access	Skills		Use
Reduce the obstacles that prevent marginalised groups and NGOs from accessing technology	Improve marginalised groups' quality of life and capability by helping them apply ICT skills	Improve NGOs' efficiency and work quality by helping them apply ICT skills	Help marginalised groups and NGOs use technology in safer and healthier ways

Outcomes

Access	Skills		Use
- Marginalised groups gain improved access to the Internet and ICT devices - NGOs enhance their access to the Internet, and address the shortage of IT expertise	Marginalised groups see improvements in social connectivity, leading to greater economic and education possibilities	NGOs improve their IT project management skills, leading to more efficient service delivery	- Marginalised groups develop a better understanding of how to use technology with cyber wellness and safety in mind - NGOs improve their cybersecurity governance, best practices and knowledge

ESG | Technology for Good

Quantifying Impact of Digital Inclusion Initiatives

Committed to delivering long-term, meaningful change, we continue to collaborate with an independent consultant to monitor, analyse, and evaluate the outcomes of our initiatives rigorously. In FY25, our nine initiatives reached over 600 beneficiaries, and provided 117 pro bono engagements to NGOs, demonstrating the scale and reach of our digital inclusion efforts.

Aligned with our established Theory of Change, these efforts have driven measurable improvements spanning academic performance, ICT skills, cybersecurity awareness, quality of life, ICT usage frequency, and organisational capabilities. Among marginalised communities, across all initiatives, at least 70% of participants reported or agreed that they experienced a positive change after joining the initiatives. For NGOs, nearly 80% of respondents observed improvements in their organisations' digital transformation capabilities, underlining the tangible impact of our support.

Building upon these measurable outcomes, FY25 witnessed remarkable achievements in our community-focused initiatives. Through systematic impact assessment and continuous engagement with beneficiaries, we have quantified the transformative effects of our digital inclusion programmes across multiple dimensions of community development.

Empower NGO's Digital Transformation

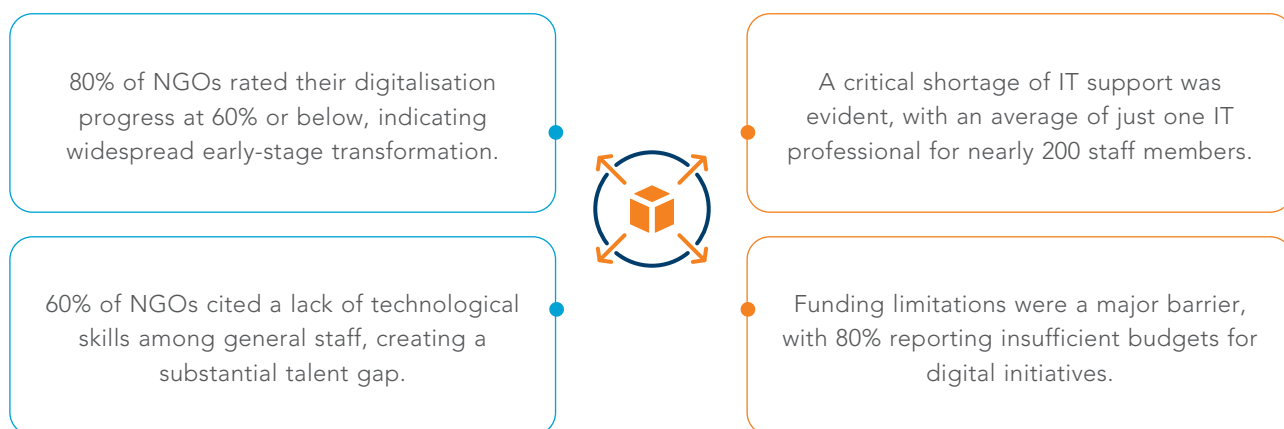
HKBN is taking action to build a more digitally inclusive Hong Kong. Through our complimentary NGO IT Club, we empower NGOs with essential technology and expertise. Open to all, our NGO IT Club provides year-round curated activities that strengthen digital access, enhance technical skills, and fortify cybersecurity — enabling a sector that powers our communities.

Key initiatives undertaken in FY25 include:

Digital Transformation Survey for NGOs

In a strategic move to better understand and address the digital barriers facing Hong Kong's social service sector, HKBN partnered with The Social Investment Consultancy ("TSIC") to conduct an in-depth survey of ten major NGOs. This research was designed to move beyond assumptions and objectively evaluate the sector's state of digital adoption, pinpoint critical challenges, and uncover future needs to guide effective support.

The findings revealed a sector facing significant headwinds:



Despite these challenges, the survey identified a clear path forward. NGOs expressed strong interest in digitising administrative workflows — such as financial processes, approvals, and reporting — to improve operational efficiency and appeal to younger demographics. Upgrading core systems for accounting and human resources with integrated features like real-time dashboards and analytics was also a high priority.

These insights are invaluable as they provide us with a framework to tailor future initiatives from HKBN, ensuring our resources and expertise are strategically deployed to overcome the most pressing obstacles and accelerate meaningful digital progress for NGOs.

Pro-bono ICT Workshops

Throughout FY25, our NGO IT Club delivered a series of pro-bono workshops focused on critical digital needs: digital transformation strategy, budget-friendly technology solutions, and the practical application of AI. We further supported NGOs with customised IT consultations and exclusive discounts on our ICT solutions, empowering them to address operational challenges and build long-term resilience.

Budgeting Tools Trial Workshop

By empowering NGOs with technology, HKBN helps them focus on what matters most: serving the community. Recognising that many NGOs lack dedicated finance and IT resources, we launched initiatives like our FY25 Budgeting Tools Trial Workshop to directly address this gap. Guided by volunteers from our Enterprise Solutions team, 15 representatives from four NGOs received hands-on, practical training in digital financial tools. This equipped them to streamline budgeting, improve fiscal accuracy, and strengthen operational transparency.



AI Solution Workshop

This year, HKBN hosted an AI workshop for NGOs to explore the technology's transformative potential. The session explored cutting-edge trends — from foundational Large Language Models ("LLMs") to advanced knowledge base assistants and agentic AI — while providing hands-on training in prompt engineering, sector-specific use cases, and AI-powered workflow automation.

Our support for NGOs has yielded measurable improvements in institutional performance. Nearly two-thirds of supported organisations reported enhanced

project management capabilities within their IT teams. Digital transformation planning saw widespread enhancement, with nearly 70% of NGOs reporting improved management capabilities in their digital initiatives. Most significantly, 80% of organisations demonstrated better identification of digital capability gaps following HKBN's involvement.

ESG | Technology for Good

Promoting Safe and Healthy Use of Technology with HKBN Talent CSI Fund

In FY25, our powerful collaboration with the HKBN Talent CSI Fund ignited more than just digital awareness — it ignited opportunity. Our flagship initiative, “Dr. X’s Mysterious Paint: The Internet Hunt” transformed vital cyber wellness and AI literacy into an adventurous, creative mission for primary students. By equipping participants with future-ready skills, our initiatives did more than enhance digital literacy; they opened doors to new career pathways for participants.

Dr. X’s Mysterious Paint: The Internet Hunt

Dr. X’s Mysterious Paint: The Internet Hunt is an innovative cyber wellness programme that transforms digital education into an engaging adventure for primary school students. By blending creative tie-dye art with immersive group activities, our programme helped young learners build a positive digital mindset, develop foundational AI literacy, and sharpen their ability to identify cyber scams while protecting personal information. This year, our initiative empowers nearly 500 students with digital safety knowledge and confidence — proving that learning to navigate the online world can be both engaging and transformative.



// The workshop effectively enhanced primary students’ awareness of online safety and their ability to respond to cyber risks. Through interactive activities and gamified learning, it boosted their engagement and helped solidify their understanding of these essential concepts.

//

Ms. Chan

ELCHK Hung Hom Lutheran Primary School



Throughout the year, HKBN delivered targeted workshops to prepare both youth and seniors with core digital skills — from recognising online scams to protecting personal data — enabling safer online engagement for all ages.

Spreading Lunar New Year Joy with the Elderly

HKBN volunteers brought festive cheer and critical online safety skills to the Ngau Tau Kok Caritas Centre, blending festive celebrations with practical cyber wellness education — teaching elderly participants how to safely navigate the digital world.



Cybersecurity Workshop for Children

During the summer, a group of underprivileged students immersed themselves in hands-on learning at HKBN's office, where our expert volunteers guided them through the essentials of password security and personal data protection. This interactive experience helped cultivate a new generation of confident, responsible digital citizens.



Our cybersecurity awareness initiatives achieved exceptional results in building community digital resilience, with post-workshop assessments revealing that an overwhelming 94% of participants gained enhanced confidence in identifying online safety risks. The broader life impact of our ICT skills programmes extends well beyond technical competencies. 71% of participants reported an enhanced quality of life following skills acquisition.

ESG | Technology for Good

Narrowing Digital Divides with Technology Access

In FY25, HKBN joined forces with eight leading NGOs to launch the Digital Inclusion Broadband Gift Programme, providing 1,000 eligible underprivileged individuals and families with two years of complimentary 1Gbps home broadband service. This initiative reflects our ongoing commitment to bridging the digital divide and fostering social inclusion through equitable access to high-speed internet.



In FY25, volunteered a
total of **783.5** hours
to benefit our communities.

Beyond Hong Kong, we are committed to advancing digital inclusion in the Chinese Mainland. Since FY23, we have cumulatively donated 293 units of refurbished computer equipment to remote schools in Guangdong, China. Our efforts ensure that primary and secondary students have the technology tools needed to pursue quality education and digital literacy.

Sharing Tech Skills

Through our TEENgineer programme in Guangzhou — launched in FY20 — HKBN's dedicated IT volunteers have mentored more than 140 students, equipping them with essential IT skills and an engaging first introduction to computer science, helping young learners build technical capabilities while inspiring future educational and career pathways in the digital economy.



TRANSFORMING *BUSINESS*

At HKBN, we see true progress as a continuous journey — one that demands excellence and improvements not just in a few areas, but across every facet of our business. We’re reducing our environmental footprint, strengthening information security, elevating customer experiences, and delivering the fast, reliable services our customers count on. It’s this unwavering, end-to-end commitment that drives meaningful results and creates lasting value for all our stakeholders.

Climate Action

Building a sustainable future is one of the defining challenges of our time. At HKBN, we’re pursuing smarter ways to minimise our environmental impact, and, whenever feasible, partner with our employees, customers, business partners, and communities to drive change for the benefit of our planet.

FY25 Goal



Set science-based emissions reduction targets

FY25 Result



Secured SBTi approval for our near-term science-based emissions reduction targets in FY24

Our Approach to Environmental Management

Framework to reducing our environmental impact

 Guiding Principles	Global Standards SBTi, TCFD, ISO 14001		HKBN Policy & Management System	
 Focus Area	Climate Action	Energy Management	Resources Management	
 Approach	Governance	Operational Excellence	Partnership	Awareness Building

Our operations are guided by an ISO14001-aligned Environmental Management System (“EMS”). This framework is supported by clear guidelines embedded in our Staff Handbook, ensuring company-wide engagement in our sustainability efforts. To ensure continuous improvement, we conduct rigorous annual internal and external audits. These audits provide critical insights, highlighting both our progress and the specific areas we must focus on to advance.

A core element of our strategy is on the reduction of GHG emissions across our operations and our entire value chain. Specifically, we have ambitiously committed to achieve the following:

Reduce absolute scope 1 and 2 GHG emissions **50.65%** by FY2030 from a FY2022 base year*.



Reduce absolute scope 3 GHG emissions from purchased goods and services and use of sold products **25.00%** within the same timeframe.

Our near-term science-based targets are in line with climate science, as validated by the SBTi in 2024. To ensure accountability, these environmental targets are directly linked to the remuneration of our key management personnel, including C-suite executives.

Financing a Sustainable Future

In FY25, HKBN secured a \$6.75 billion sustainability-linked loan (“SLL”), a deal subsequently recognised as Telecom Refinancing Deal of the Year for Hong Kong by The Asset Triple A Sustainable Infrastructure Awards 2025. This innovative facility features a greenshoe option for future expansion, and directly ties our cost of capital to achieving third-party-validated performance targets, creating powerful accountability in three critical areas:

Climate Action

Achieve our SBTi-validated targets for reducing Scope 1 and 2 GHG emissions.

Cyber Resilience

Lower employee susceptibility to phishing threats through impromptu simulated email testing.

Value Chain

Decarbonisation

Meet our SBTi-validated targets for reducing Scope 3 GHG emissions.

Meeting these targets will trigger lower borrowing costs through an interest rate incentive adjustment mechanism, driving our Group’s financial agility and ESG excellence.

During the reporting period, our operations were fully compliant with the environmental laws, and there were no substantiated cases of non-compliance.

* Our FY2022 baseline GHG emissions are reported as follows: 4,073.64 tCO₂e (Scope 1 GHG emissions), 44,989.42 tCO₂e (Scope 2 GHG emissions), and 323,305.50 tCO₂e (Scope 3 GHG emissions from purchased goods and services and use of sold products).

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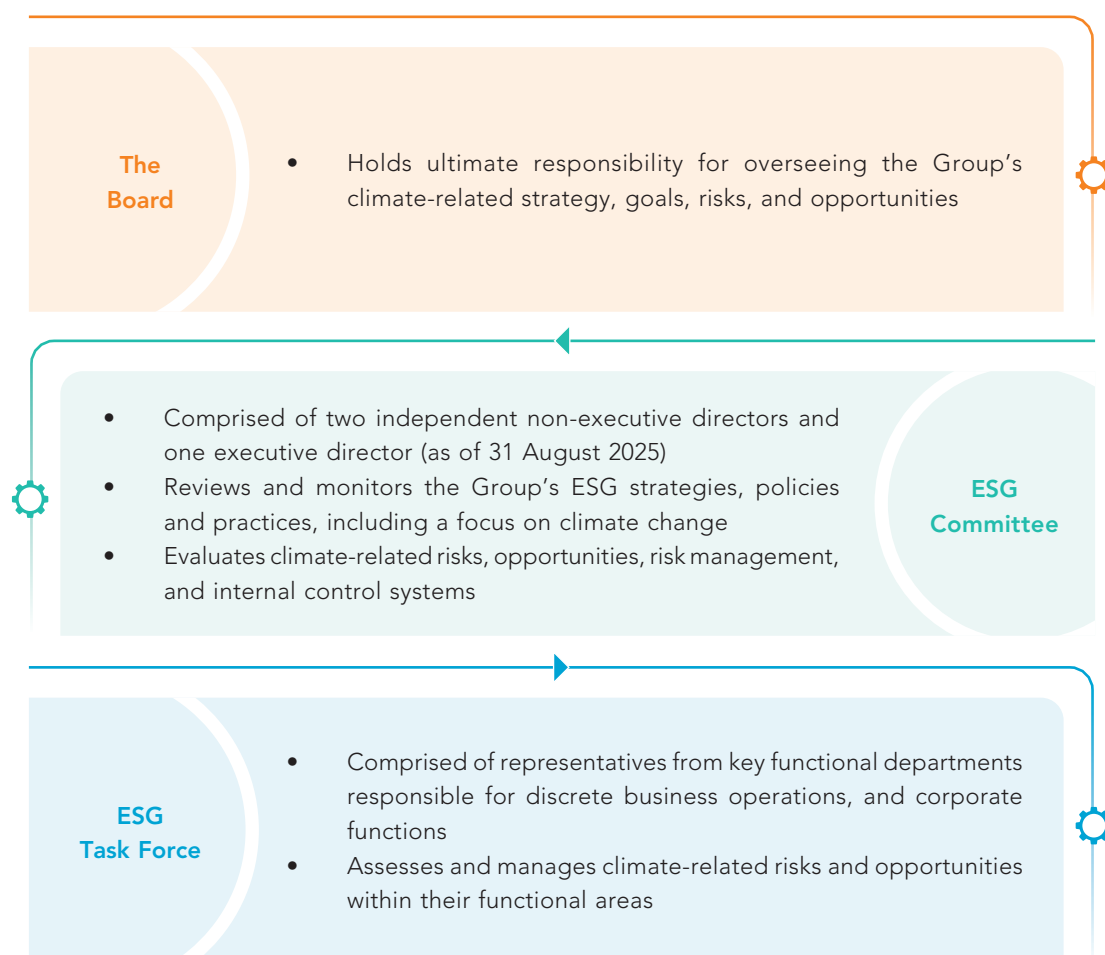
Preparing for a Climate-resilient Future

Climate change has the potential to cause significant disruption to all businesses. This includes risks to our business due to operational and supply chain disruptions, as well as impacts on our customers. Climate change also creates opportunities for HKBN to support our customers in their journey to reduce emissions and build resilience.

Guided by the Task Force on Climate-related Financial Disclosure (“TCFD”) framework, we began our reporting journey in our 2022 Annual Report. Since then, we have expanded on that foundation with detailed climate-related disclosures across four core areas: Climate Governance, Strategy, Risk Management, and Metrics and Targets. This structure provides stakeholders with a clear view of our progress and dedication to implementing more sustainable business practices.

Climate Governance

The integration of climate-related risks and opportunities into our core ESG governance structure is detailed in the section “Our Approach to ESG Governance & Management.” The summary below highlights how our governance bodies explicitly oversee these climate-related matters:



Strategy

Over the past year, HKBN has continued to monitor climate-related risks and opportunities in line with TCFD recommendations and through ongoing engagement with internal stakeholders. Our assessment indicates that our material climate priorities have remained consistent, reinforcing the strategic relevance of our existing approach. We remain committed to a regular review process to ensure our strategy evolves alongside changing climate policies, industry developments, and emerging opportunities for innovative sustainable products, services, and solutions.

List of Climate-related Risks and Opportunities Considered

(Prioritised risks and opportunities are bolded below)

Physical Risks

Acute

- **Flooding/water damage**
- **Typhoon/extreme wind**
- **Heatwave/extreme heat**
- Landslide

Chronic

- **Rising mean temperatures**
- **Rising sea levels**

Transition Risks

Policy & Legal

- **Changing climate regulations and policies**

Technology

- **Transition to lower emissions technologies**

Market

- **Changing customer behaviour**
- Access to new markets

Reputation

- Increased stakeholder concerns or negative stakeholder feedback

Opportunity

- **Use of new technologies/lower-emission energy sources**
- **Development of new products and services**
- Relocate to more efficient buildings

Our assessment of climate-related risks and opportunities is structured across strategic time horizons. This ensures our approach is aligned with operational, financial, and investment cycles: **short-term** (0-3 years) for immediate business risks, **medium-term** (3-5 years) for financial stability, and **long-term** (5-25 years) for capital planning across the full lifespan of critical network assets.



Time Horizons

Short-term

Within 3 years

Medium-term

3-5 years

Long-term

Beyond 5 years

The table below provides a concise overview of the key climate-related risks and opportunities we have identified across short, medium, and long-term timeframes, along with our strategies for managing and mitigating them:

Prioritised Climate-related Risks and Opportunities

Category	Time Horizon	Implication to HKBN	Our Mitigation Strategy
Physical Risks			
Typhoon/extreme wind	Short-term	More frequent and intense typhoons accompanied by strong winds, heavy rainfall, and storm surges can cause extensive damage to infrastructure and buildings. This will lead to increased insurance costs and disrupt operations and supply chain.	- Disaster Recovery Plan is in place, including a split office arrangement for core function teams, enabling employees to work seamlessly from alternative locations. Cross-border teams are also arranged to provide mutual support when needed. - To bolster the resilience of our Network Operations Centre (NOC), we are automating key processes to reduce on-site staffing needs during severe weather. Additionally, our Guangzhou NOC serves as a designated Disaster Continuity Plan (DCP) site, ensuring continuous support for Hong Kong operations during extreme weather. - We are exploring the need to conduct risk assessments to identify suppliers in flood-prone areas. This will enable us to implement proactive measures and develop contingency plans. These plans include establishing effective communication platforms and securing alternative supplier options to mitigate challenges from adverse weather.
Flooding/water damage	Short-term	Heavy precipitation poses the risk of flooding and water damage, which has the potential to damage low-lying buildings and infrastructure, leading to significant disruptions in network continuity, office, retail, and warehouse operations.	- We perform routine preventive maintenance on all drainage systems in our offices and data centres. This proactive approach ensures optimal functionality and significantly reduces the risk of water-related issues. - Various measures are in place for efficient fault reporting and emergency response. - Whenever network deployments and upgrades occur, we prioritise routes with reduced flood risk, including those utilising waterproofed manholes. Detailed reviews of all hubs and Telecommunications and Broadcasting Equipment (TBE) rooms are conducted to assess vulnerabilities and initiate relocation where necessary. - Ensure all critical sites, such as Central Offices (CO) and hub sites, are strategically situated above sea level and positioned on the first floor or higher to mitigate flood exposure. - A dual procurement sourcing strategy is implemented to reduce reliance on single suppliers in flood-prone areas, ensuring operational continuity.

Category	Time Horizon	Implication to HKBN	Our Mitigation Strategy
Heatwave/extreme heat	Short-term	Heatwaves drive up the demand for cooling and air conditioning, resulting in a substantial rise in energy consumption and costs. Higher temperatures can also negatively affect the performance of assets, potentially causing power outages and equipment malfunction. Prolonged exposure to extreme heat poses health and safety risks, leading to heat-related stress among employees, increased absenteeism, and reduced productivity.	- Upgrades have been made to the chiller and air conditioning systems at our data centres using IoT API for better real-time control of zone temperatures. - Promote sustainability and employee well-being through e-learning and implementing flexible work arrangements during extreme heat waves, such as work-from-home options and flexible hours. - A systematic heat stress management plan is being developed that will introduce structured work/rest schedules and provide specialised personal protective equipment to minimise heat stress for employees.
Rising mean temperature	Long-term	Higher ambient temperatures will result in increased demand for air conditioning and cooling systems raising energy costs.	- Equipment with higher temperature tolerance and ambient heat cooling technology is being introduced to enhance heat management. - We are prioritising energy efficiency by exploring the use of energy-efficient cooling systems and implementing smart monitors to control cooling demand, resulting in cost savings. - User racks have been consolidated at our data centres to improve efficiency. We have also completed a strategic migration from Metro Ethernet (ME) to Gigabit Passive Optical Network (GPON), which reduces heat dissipation in our hub and switching rooms. - Air-conditioning units have been installed at our hub sites, backed up by additional equipment to prevent heat-induced failures. - An assessment of office design is being conducted to explore implementation of upgrades such as the use of shading, improved insulation, ventilation, and reflective roofing. Additionally, we are gradually phasing out inefficient equipment as part of our systematic strategy for energy efficiency.

Category	Time Horizon	Implication to HKBN	Our Mitigation Strategy
Transition Risks			
Changing climate regulations and policies	Medium-term	Governments are introducing different policies and regulations to drive the transition to a low carbon economy, which may lead to extra compliance costs for companies.	- Our near-term science-based targets were approved by SBTi in FY24. Our commitment includes achieving a 50.65% reduction in absolute scope 1 and 2 GHG emissions by FY2030 from our FY2022 baseline. Additionally, we pledged to reduce absolute scope 3 GHG emissions stemming from purchased goods and services, as well as the use of sold products, by 25.00% within the same timeframe. - We proactively monitor evolving climate-related regulations and standards to ensure timely compliance and alignment. We engage external sustainability experts to enhance our regulatory interpretation and ensure reporting accuracy.
Transition to lower emissions technology	Medium-term	Transitioning to lower emissions technology can require significant investment in research and development, which may not pay off in the short term.	- Energy Performance Contracting has been implemented in Hong Kong, enabling the adoption of energy-efficient initiatives that reduce carbon emissions without requiring upfront costs. - Sustainability is key factor in our assessment of product specifications, ensuring environmentally friendly choices are prioritised. - Regular reviews of idle equipment and capacity optimisation are in place, and legacy equipment in our networks is being phased out and replaced with more efficient alternatives. - Our ME-GPON migration programme continues to progress, enabling the gradual decommissioning of active ME devices for improved network stability and efficiency.
Changing customer behaviour	Long-term	Changing customer behaviour can lead to reduced demand for the company's products or services, particularly if customers switch to competitors (e.g., offering low-carbon products and services that meet the changing preferences of customers) or reduce their purchases due to changing preference.	- We develop and source a wide range of low-carbon solutions to meet growing customer demand for carbon reduction. For enterprise customers, we offer low-carbon hardware equipment, Software-as-a-Service, and cloud-based managed IoT solutions. For residential customers, we provide all-in-one hardware equipment, a cloud-based platform for remote service support, IoT gadgets to optimise household energy consumption, and device take-back programmes. - Our Product, Marketing, and Sales teams work together to understand customer requirements. We employ customer segmentation based on ESG-sensitive user groups as a strategy to guide our solutions deployment.

Category	Time Horizon	Implication to HKBN	Our Mitigation Strategy
Opportunities			
Use of new technologies/ lower-emission sources of energy	Medium-term	In addition to cost savings, the use of new technologies/ lower-emission sources of energy can enhance sustainability performance as it demonstrates a commitment to reducing GHG emissions and mitigating climate change.	Identify energy consumption hotspots and collaborate with vendors to implement new technologies and lower-emission energy sources. Concurrently, our business units actively engage their industry networks to explore and adopt energy-efficient initiatives.
Development of new products or services	Medium-term	Offering low emission goods and services can help customers reach their climate targets, potentially leading to increased revenues and market share for early adopters and keeping businesses competitive in the market.	Introduce solutions and new product lines that help customers manage their climate-related impacts. These include deploying infrastructure solutions with vendor partners, implementing virtualisation to reduce energy consumption, and promoting cloud initiatives to transition on-premises infrastructure to a more energy-efficient cloud infrastructure.

Climate Scenario Analysis

In FY24, we conducted a climate scenario analysis to evaluate our strategic resilience across multiple future states. The analysis considered the short (2025), medium (2030), and long-term (2050) impacts using both a high-emission (4°C) and a stringent/aggressive mitigation (below 2°C) scenario.

We modelled physical risks using the Intergovernmental Panel on Climate Change (IPCC) RCP 2.6 and RCP 8.5 scenarios, and analysed transition risks and opportunities using the Network for Greening the Financial System (NGFS) Hot House World — Current Policies and Disorderly — Delay Transition scenarios.

Key Findings and Actions

Physical Risks

Financial exposure remains limited due to our assets being located outside flood-prone zones. However, the risk of operational disruption from extreme heat is growing. In response, we are evaluating HVAC upgrades, cloud migration, and other measures to bolster operational resilience.

Transition Risks

These present a greater potential financial impact, stemming from rising carbon costs and shifting customer preferences. To mitigate this, we are engaging our supply chain on emissions reduction and developing new solutions to help customers achieve their climate goals.

For more details of our climate scenario analysis, please refer to pages 93-96 of our FY24 Annual Report.

Overall, while direct risks to our assets are minimal, enhancing operational resilience and preparing for the low-carbon transition are critical strategic priorities. The approach and assumptions underlying our climate scenario analysis remain applicable to our current planning and decision-making. We intend to review this assessment annually and update it to reflect material changes in our business or the external climate landscape.

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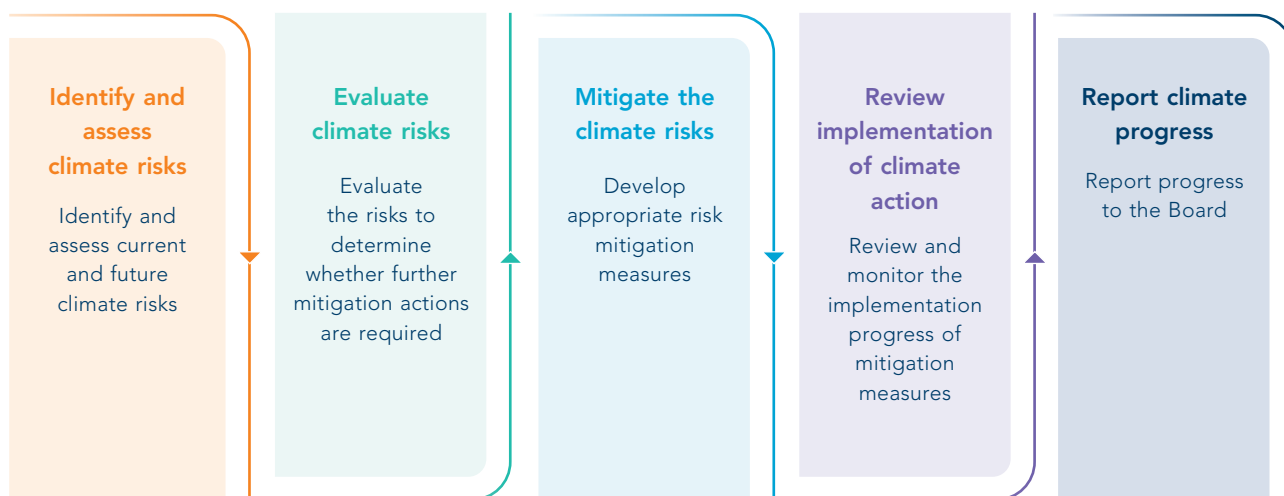
Climate Risk Management

HKBN recognises the significant risks that climate change poses to our business operations and the global environment. In response, we have integrated a climate-aware risk management framework into our strategic decision-making processes. This proactive approach enables us to effectively anticipate, adapt to, and address environmental uncertainties.

Our climate risk management process is led by the ESG Task Force, in collaboration with representatives from key departments including Enterprise and Residential Solutions, Network Operations, Administration, Human Resources, Procurement, and the ESG team. Working together, this cross-functional group assesses the potential operational impacts and likelihood of physical and transition climate-related risks. This structured evaluation allows us to identify, prioritise, and address HKBN's most material climate-related risks and opportunities. For a detailed overview of these risks and opportunities, please refer to the preceding section.

Once strategic responses are developed, they are operationalised by the relevant business units. Progress is monitored continuously, and regular updates are provided to our Board to ensure robust oversight and maintain transparency across our climate risk management activities.

Our Climate Risk Management Process

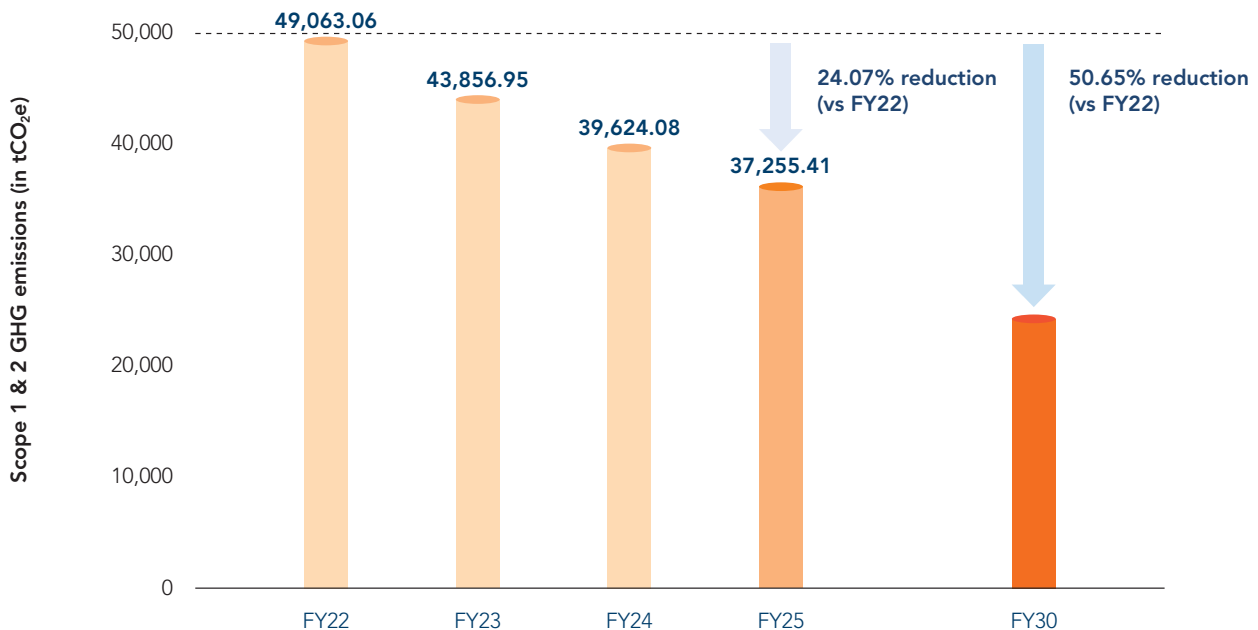


Our processes for identifying, assessing, prioritising, and monitoring climate-related risks are fully integrated into our Group's overarching risk management framework. This systematic approach ensures climate considerations directly inform our strategic planning and operational decision-making. Climate risk is managed within our broader sustainability risk category, alongside other critical enterprise risks including network availability, cybersecurity and data protection, talent management, and technology advancement.

We maintain ongoing monitoring and mitigation of these risks through dedicated risk management strategies and strengthened internal controls. For more details regarding our principal risks and corresponding mitigation measures, please refer to the Corporate Governance Report on pages 112 to 136 of this Annual Report.

Metrics and Targets

We have set near-term science-based targets approved by the SBTi and remain committed to advancing our climate strategy to enable long-term decarbonisation success. Our annual sustainability reporting demonstrates our ongoing dedication to measurable progress and continuous improvement.

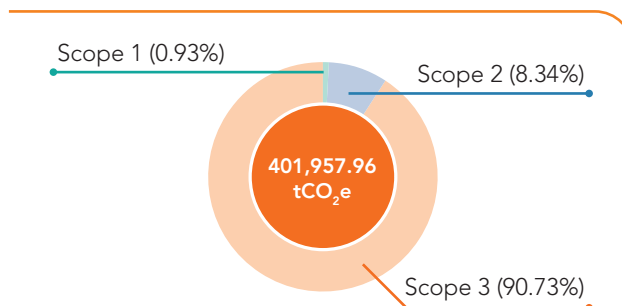


As an active member of the Business Environment Council's Climate Change Business Forum Advisory Group, we recognise our influential role in Hong Kong's transition to a low-carbon economy. A core component of our climate strategy is reducing electricity consumption — a primary source of our operational emissions — through initiatives such as network optimisation, phasing out inefficient equipment, and enhancing cooling systems in our data centres. In FY25, we reduced electricity consumption by 22.50% compared to our FY22 baseline, alongside a 24.07% reduction in Scope 1 and 2 GHG emissions.

To sustain this momentum, we closely monitor progress with monthly reporting to senior management. For more detailed information on our energy efficiency efforts, please refer to the subsequent "Improving Energy Efficiency" section.

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Beyond our operational boundaries, we recognise that Scope 3 GHG emissions constitute a significant portion of our carbon footprint. Our latest emissions inventory indicates that Scope 3 accounted for nearly 91% of our total emissions in FY25, underscoring the importance of engaging our value chain in future decarbonisation efforts.



The majority of HKBN's Scope 3 GHG emissions originate from two primary sources: purchased goods and services (Category 1) and the use of sold products (Category 11). Together, these categories account for about 89% of our total Scope 3 footprint. To meet our science-based targets, we are actively pursuing emissions reductions throughout our value chain, with a strong emphasis on enhancing supplier engagement.

Since November 2024, all procurement tender participants are required to complete an ESG questionnaire, covering climate risk management and decarbonisation strategies. This was expanded in February 2025 with a carbon footprint tracking questionnaire for select suppliers with higher emissions profiles. Our enhanced assessment now evaluates three key criteria: carbon footprint disclosure, development of decarbonisation pathways, and availability of low-carbon products. These measures are designed to integrate sustainability deeper into our procurement decisions and encourage greener supply chain practices.

Recognising that meaningful decarbonisation requires cross-value chain collaboration, we actively partner with external stakeholders — including enterprise clients through customer-led initiatives — to accelerate climate action at scale.

While Scope 3 GHG emissions present significant methodological and engagement challenges, we remain committed to reducing them in line with our science-based targets. We continue to work closely with supplier partners to improve data accuracy, increase transparency, and accelerate tangible climate action across our value chain.

Improving Energy Efficiency

We believe efficiency is engineered through intelligence and insight. HKBN regularly evaluates energy performance across all our operations through annual internal energy audits and participation with CLP Power's professional energy audit programme. These initiatives help identify specific efficiency opportunities and guide targeted facility improvements. By acting on the findings of these assessments, we continue to lower operational energy consumption and support reductions in GHG emissions.

Engineering a Greener Network

Network operations demand substantial energy, particularly for heating, ventilation, and air conditioning (HVAC) systems. This year, we piloted innovative energy-saving technologies to tackle this challenge. For example, optimisations made to our Kwai Chung Building Management System have enabled more precise controls over our HVAC and lighting systems, significantly reducing energy use. Trials of a smart filtration system have further enhanced HVAC efficiency. We also introduced a Smart Fleet Management System, enabling optimised vehicle routing for field teams that has reduced travel time, shortened service response cycles, and cut our GHG emissions.

Sustainable Waste Management

Following our office relocation in FY24, we embedded the 4 R's — reduce, reuse, recycle, and responsible disposal — into our daily operations. A key behavioural change was the removal of individual trash bins in our Hong Kong offices, a successful initiative that has raised awareness and promoted better waste habits. This practice has since been extended to our Chinese Mainland and Macao offices, creating a consistent standard across our operations.

In FY25, we extended these circular principles to our supply chain. By collaborating with suppliers and logistics providers to reduce packaging and reuse wooden pallets, we significantly reduced operational waste, improving resource efficiency across our entire value chain.

Improving Resource Management

Effective management and reduction of resources underpin HKBN's sustainability strategy.

Waste Audit

In FY25, we conducted a comprehensive waste audit to evaluate and refine our waste management practices. The audit provided key insights — including a rise in recovered food waste and tissue paper as a major non-recyclable stream — that are now guiding the next phase of our recycling strategy and our shift toward more sustainable alternatives.

Expanded Donation Programmes

Building on last year's success, we expanded our "Take Home Programme," enabling employees to give new life to unneeded furniture and functional items from office renovations. In FY25, this initiative diverted 420 kg of materials from landfills.

We also deepened partnerships with GOODS-CO and FOOD-CO — trusted platforms that connect surplus resources with community needs. This year, over 1,680 items including furniture, stationery, and surplus festive food were donated, strengthening our support for local communities while reducing waste.

In FY25, our targeted initiatives helped increase waste diversion from 41.59% in FY24 to 44.31% in FY25.

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Staff Engagement and Environmental Awareness

HKBN empowers our staff to be stewards of environmental change. Through a focused strategy of education, hands-on participation, and company-wide recognition, we embed responsible best practices to make sustainability a core part of our daily culture and operations.

Promoting Biodiversity

In February 2025, we deepened our commitment to biodiversity by hosting WWF-Hong Kong for a dedicated “Nature Conservation in Business” session. Engaging our staff and key suppliers, the event showcased Hong Kong’s rich biodiversity and local conservation initiatives, and inspired participants to apply these principles into their daily decision-making.

Complementing this educational effort, our Chief Technology Officer led a volunteer team to the Mai Po Nature Reserve, a critical sanctuary for over 100,000 migratory birds. In a knowledge-sharing session, our team offered expertise on how innovative network and AI solutions could be leveraged to enhance habitats and protect vulnerable bird species.

Gamified Recycling Challenge

HKBN launched the Sorting and Recycling Challenge, an interactive initiative designed to increase employee engagement and competency in recycling practices. Using gamification, our activity helped employees correctly identify and sort recyclable office materials in a practical way. The challenge not only served as an effective educational tool but also led to measurably improved recycling rates across our offices.



Coffee Grounds Mosquito Coil Workshop

As part of our commitment to circular innovation, we hosted a hands-on workshop where employees transformed used coffee grounds into all-natural mosquito coils. This engaging session demonstrated practical waste valorization, turning everyday materials into functional products while raising awareness about sustainable resource use. Participants gained firsthand experience in creative recycling, strengthening both engagement and environmental consciousness within our workplace community.



Impactful Customer Experiences

Every customer touchpoint represents an opportunity to deliver on our promise of excellence. Central to this promise is creating digital experiences so seamless that finding assistance or information feels effortless. This focus on intuitive design and effortless navigation turns routine tasks into moments of satisfaction.

FY25 Goal



Futureproof HKBN's customer services by launching new customer experience initiatives each year

FY25 Result



Residential Solutions:

Launched customer service on WhatsApp and WeChat and enhanced our chatbot

Enterprise Solutions:

Launched new digital self-service for contract renewals, fault reporting, connectivity testing, and payment extension/resume service requests

Improving Customer Experiences and Satisfaction

Throughout FY25, our Residential Solutions and Enterprise Solutions divisions have implemented targeted measures to improve the customer journey experience. By leveraging digital innovations, our goal is to streamline each customer's user experiences and foster outstanding customer engagement.

Residential Solutions

As a customer-oriented business, we recognise that prompt and effective support is essential when customers seek assistance. Customers can reach us through a variety of channels, including our hotline, online platforms, email, and social media. Our focus on operational speed ensures reliability at every stage, from initial installation to ongoing maintenance.

Accessible Support

We maintained strong responsiveness in FY25, achieving an 83% combined answer rate across our primary channels during business hours.

Rapid Installation

Our Customer Premises Engineering (CPE) team consistently meets swift installation targets, completing customer requests in an average of 1.5 days — far exceeding our three calendar days target.

Timely Maintenance

Recognising that quick resolutions are key factors in driving customer satisfaction, we prioritise rapid response. In FY25, 99% of maintenance appointments were scheduled within two calendar days* of a customer's request.

* Repairs in buildings without HKBN wiring or those affected by circumstances beyond our control may require additional time. In such cases, the standard repair target will not apply, particularly if a customer prefers a later appointment.

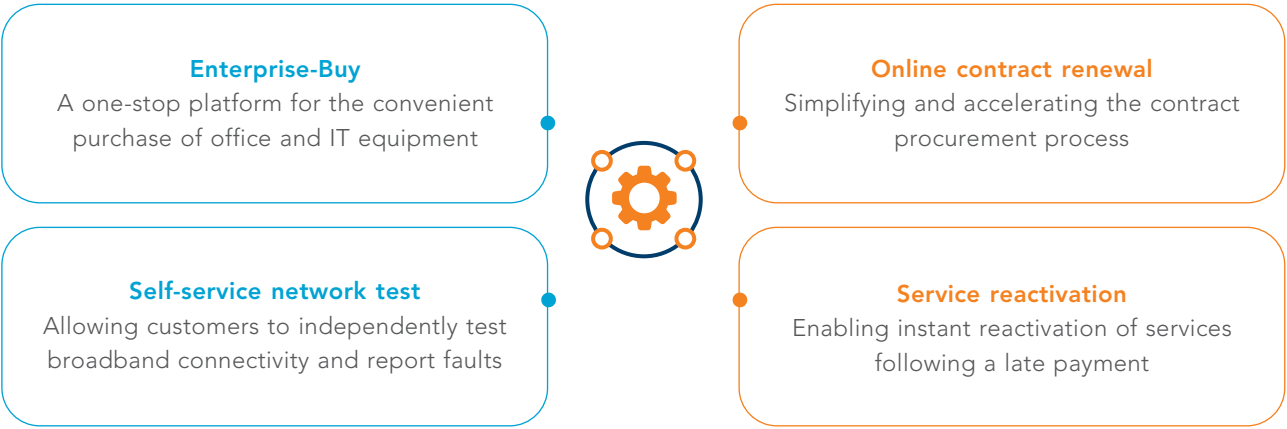
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Enterprise Solutions

As a partner dedicated to empowering businesses, we recognise that efficiency and self-sufficiency are critical. We are committed to enhancing the enterprise customer experience by providing intuitive digital tools that streamline user experiences and save valuable time. Our focus is on enabling customers to manage their services with greater control and convenience.

Digital-first efficiency: In FY25, we demonstrated our commitment to streamlined processes by handling 75% of all general service contracts, including new applications and renewals, through our digital e-form platform.

Enhanced self-service capabilities: To further elevate the customer experience, we launched several new key functions in the Enterprise MyAccount portal:



Listening to Customers

On a daily basis, we maintain active engagement with our customers and use their feedback to drive continuous improvement across our residential and enterprise businesses. The following highlights the many ways we gather constructive feedback.

Residential Solutions

Our quality enhancement programmes, including mystery shopper and promoter booth assessments, are key to driving sales team performance. In FY25, we achieved scores of 78.5 and 91.1 out of 100.

In FY25, we achieved average satisfaction scores of



5.82

out of 6 for
our customer service
channels



4.66

out of 6 for
new broadband service



5.71

out of 6 for
our installation and
maintenance services

Our customers' own words are the strongest proof of our service quality. The consistent praise we receive isn't just feedback — it's validation of our commitment to exceeding expectations every day.

In FY25, we received



1,134

complimentary notes
for CPE team



4,002

complimentary notes for
Customer Services

Enterprise Solutions

Our relentless focus on customer-centric innovation continues to produce great results. In FY25, Enterprise Solutions achieved an average satisfaction score of 4.95 out of 6.

In FY25, we achieved an
average satisfaction score of



4.95

out of 6 for
Enterprise Solutions in
Hong Kong

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Responding to Customers

By maintaining an open dialogue with our customers, we gain a deep understanding of their needs. This insight allows us to proactively improve our services, resolve complaints efficiently, and consistently deliver superior experiences.

Residential Solutions

User satisfaction is the true measure of our award-winning customer service. Our dedicated Resolution Service team is the human heart of our award-winning support, treating every inquiry not as a ticket, but as a priority. The team conducts systematic investigations to ensure every response is well-informed and empathetic. We aim to resolve issues within six calendar days and only close a case once the customer acknowledges satisfaction.

To ensure no issue is overlooked, we employ a sophisticated categorisation system that prioritises cases by severity. Every interaction is tracked in our management system, enabling both effective solutions and proactive improvements to prevent future problems.

Enterprise Solutions

Exceptional service doesn't happen by chance — it's architected. Our Enterprise Solutions division proactively drives service quality by systematically analysing customer feedback. Through monthly reviews of complaint data, we identify and address root causes of issues — not just individual incidents — to drive meaningful, lasting improvements across our entire service delivery.

To ensure accountability and transparency, monthly complaint summaries are distributed to relevant department heads, facilitating effective case tracking and departmental ownership of resolution efforts. Additionally, our Quality Management team supports this process by conducting regular training sessions for account managers, ensuring they maintain the knowledge and skills necessary to deliver consistent, high-quality service.

Our service delivery framework is built on internationally recognised benchmarks for quality. We adhere to ISO 10002 for complaint handling and have integrated ISO 9001 into our after-sales operations, creating a foundation for accountability and continuous improvement throughout the customer lifecycle.

Customer Complaints

During the reporting period, 2,529 complaints were logged across our Residential and Enterprise Solutions divisions. Each case provides critical data that directly informs and enhances our quality improvement processes.

Data Privacy & Security

At HKBN, we view the protection of our customers' personal information as a foundational promise. Safeguarding data privacy is a core ethical commitment — reflected in our continuously evolving security frameworks and how we handle all personal information with care, safety, integrity, and total confidentiality across every level of our organisation. This disciplined approach to data stewardship ensures we uphold the trust that defines our relationship with every customer.

FY25 Goal



Achieve less than **2%** average failure rate among employees in phishing assessments

FY25 Result



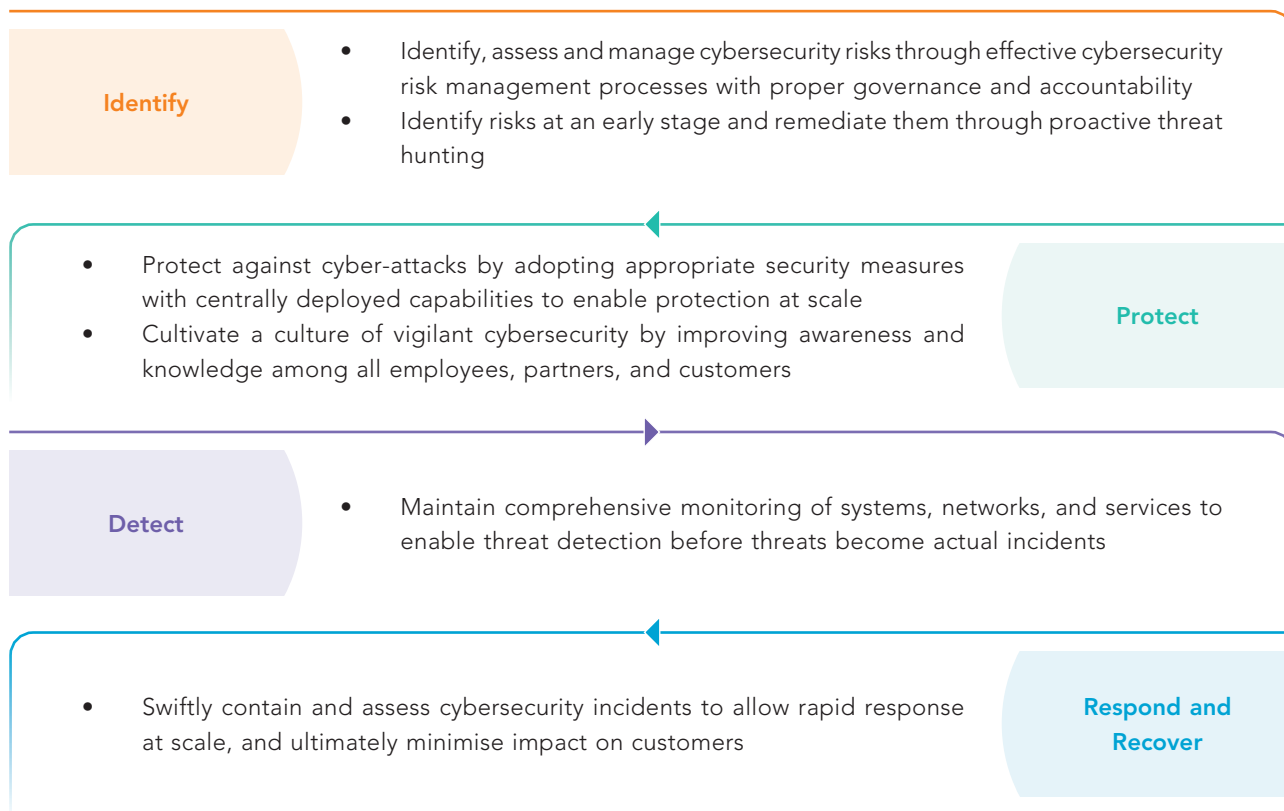
Achieved a **1.39%** average failure rate in phishing assessments

Our Approach to Information Security

HKBN has established a formal governance framework to oversee data privacy and security efforts across our organisation. Central to this is the Information Security Management Committee, chaired by the Chief Information Security Officer, and comprising senior leaders from IT, Network Technology, Audit, and Risk functions. Our Information Security Management Committee is responsible for leading and maintaining oversight of our data privacy and security efforts, with the goal of ensuring adherence to the cybersecurity risk management strategy provided below. The Information Security Management Committee meets quarterly to assess our Group's security posture, monitor emerging threats, and evaluate the effectiveness of existing controls. This collaborative forum enables strategic decision-making and drives continuous improvement of our security framework.

Our Board also provides active oversight of cybersecurity risks, with focused attention on data protection and privacy. Through regular reporting, our senior management team and Information Security Management Committee keeps the Board informed on critical areas including data collection practices, internal audit results, compliance with the Privacy Management Programme, and the implementation of new controls and metrics to mitigate emerging risks.

HKBN's Cybersecurity Risk Management Strategy



Our Information Security Policy and practices are anchored in internationally recognised standards, ensuring the ongoing safety, integrity, and confidentiality of all our data. We conduct regular internal and external audits — tailored to system criticality and regulatory requirements — to continuously monitor operational integrity.

To further strengthen our defences, we perform vulnerability assessments twice a year across all systems, products, and user data processes. These are complemented by regular penetration tests that simulate actual cyberattacks to evaluate the robustness of our systems. This proactive approach allows us to swiftly identify and remediate vulnerabilities, ensuring our security posture remains agile and responsive.

Additionally, we conduct annual reviews of all security tools and compliance controls to maintain ongoing alignment with changing regulations and evolving threat landscape. This rigorous process continuously refines our cybersecurity technologies and governance practices, ensuring that our posture can anticipate and respond to new challenges.

Commitment to Best Practices and Transparency

HKBN's cybersecurity practices are built on globally recognised standards, including the ISO 27000-series, providing a robust framework for information risk management. This foundation supports continuous improvement and alignment with industry best practices, reinforcing trust and operational integrity.

In the event of a data breach or significant policy update, we engage in clear, timely communication with affected stakeholders and implement immediate measures to protect personal information.

Throughout FY25, our proactive threat-hunting initiatives successfully identified and mitigated 518 potential risks, demonstrating the effectiveness of our cybersecurity measures. HKBN also maintains a strict data retention policy, guaranteeing the secure deletion of sensitive customer information once patronage of service is terminated, pending balances settled, and no complaints remain unresolved — reflecting our unwavering commitment to accountability and ethical data stewardship.



HKBNES and HKBN JOS data centres and security operations centres are certified to
ISO 27001
standard

These disciplined practices in cybersecurity and data governance were powerfully validated when our Group — comprising HKBN, HKBNES, and HKBN JOS — was awarded a Gold Award in the 2025 Privacy-Friendly Awards. This prestigious honour, conferred by the Office of the Privacy Commissioner for Personal Data (PCPD), elevates our commitment beyond mere compliance, recognising our culture of proactive protection and ethical data stewardship as a gold-standard benchmark for the industry.

During the reporting period, there were no substantiated cases of non-compliance with respect to customer privacy.

Strengthening our Information Security

Our employees play a crucial role as the essential first line of defence against cyber threats. Their vigilance and security awareness directly defines HKBN's overall resilience. To enhance our defence posture, we instill a pervasive cybersecurity culture and embed stringent data protection practices across the entire organisation.

In FY25, we undertook the following initiatives to reinforce our information security framework:

- **Phishing Resilience Program:** Conducted 11 unannounced phishing simulations, implementing disciplinary measures for employees failing three or more tests. This accountability-driven approach continues to strengthen our security culture and vigilance.
- **Comprehensive Security Education:** Delivered 12 advanced training modules covering critical topics including Identity Theft, Social Engineering, Generative AI security risks, Malicious Mobile Applications, and Emerging Threat Landscapes, ensuring our employees remain prepared against evolving cyber threats.
- **Proactive Threat Awareness:** Issued 28 cybersecurity alerts addressing both professional and personal security guidance, including responsible AI usage, physical security protocols, and real-time phishing scheme notifications, keeping security at the forefront of our organisational consciousness.

Participation in Cyber Security and Technology Crime Bureau Initiatives

In FY25, HKBN actively participated in initiatives led by the Hong Kong Police Force's Cyber Security and Technology Crime Bureau to advance our cybersecurity posture. These efforts included several key programs that rigorously tested and strengthened our defences.

Ethical Phishing Email Campaign 2024

In the 2024 Ethical Phishing Email Campaign, a total of 216 organisations and over 37,000 participants. Our phishing click rate was significantly lower than the industry average. This result is a direct validation of our continuous security training and the robust cybersecurity culture we have cultivated.

BugHunting Campaign 2024

We were awarded the BugHunting Digital Badge 2024. This badge recognises organizations that actively remediate system vulnerabilities during cybersecurity testing or demonstrate strong cybersecurity awareness. It acknowledges our efforts and contributions to building a secure network environment, directly contributing to a more secure digital environment for Hong Kong.

Cyber Attack and Defence Elite Training

Our team gained hands-on experience through real-world simulations, vulnerability identification, defense strengthening, and incident response exercises. This year, the programme also introduced content related to AI security for the first time. This elite training further enhanced our ability to anticipate, detect, and respond swiftly to evolving cyber threats.

Our high standard defines HKBN entire security posture. We mandate comprehensive data security and privacy training for all outsourced personnel, ensuring consistent protection standards across all touchpoints of our business and operations.

We also actively promote cybersecurity awareness among our customers through various educational initiatives. These include instructional videos and engaging social media content that equip users with practical tools to safeguard their digital lives. Topics range from creating strong passwords and enhancing data security to recognising and responding to phishing attempts. By fostering informed digital practices, we help build a safer online environment for our customers and the wider community.

Reliable and Responsible Service

At HKBN, being the best is a never-ending journey. By broadening our coverage and reinforcing our network infrastructure, we're not just winning over customers, we're keeping them hooked for the long term. Fueled by our passion for enhancing the user experience, we embrace the latest digital innovations to deliver world-class flexibility, convenience, and value that customers desire.

FY25 Goal



Reduce affected customer hours from residential network service disruptions by **14%**, relative to FY22 baseline

FY25 Result



Reduced affected customer hours by **14.6%** relative to the FY22 baseline through improved maintenance processes and preventive measures

Delivering Better Network Experiences

To maintain our position as a leading fibre broadband provider, we are relentlessly expanding coverage and enhancing our network's capabilities. This commitment was demonstrated through targeted infrastructure and technology investments during the reporting period, all aimed at upholding our stringent performance, reliability, and coverage standards.

Network Performance

Residential Customers



Availability of core network*
100%
Availability of access network*
99.9954%

Enterprise Customers



Availability of core network
100%
Availability of access network*
99.9998%

* Not including events or circumstances beyond HKBN's control ("force majeure events"). Force majeure events include acts of God, war, civil disobedience, explosions, fires, typhoons, floods, government action, restraints imposed by government or any other regulatory authorities, labour disputes, trade disputes or delays caused by third parties over which HKBN has no control.

Network Coverage and Affordability

HKBN's network strategy proactively builds comprehensive coverage that supports both customer needs and Hong Kong's long-term development objectives. We prioritise establishing fibre-ready infrastructure in new commercial and residential buildings, ensuring immediate service availability upon occupancy. This approach provides seamless connectivity for new developments, and also strengthens our market position in emerging high growth residential areas.

A key strategic focus is alignment with the Hong Kong Government's Northern Metropolis Development, which aims to transform northern Hong Kong into a thriving metropolitan area by 2033. This major initiative, which includes the Hong Kong-Shenzhen Innovation and Technology Park, is projected to supply over 500,000 new homes and eventually house approximately 2.5 million people — about one-third of Hong Kong's current population. By building ahead of demand, HKBN will be well positioned to serve this future metropolis from day one.

During the reporting period, our strategic expansion connected our network to over 51,513 new homes, which included about 48,129 homes in urban areas and about 3,384 households in rural areas, bringing our total coverage to over 2.6 million homes or 88% of Hong Kong. This growth reflects our commitment to accessibility, ensuring even remote villages can enjoy using our high-value network services.

In FY25, our fibre network reached over



2.6 million

homes in Hong Kong



8,220

commercial buildings and facilities
in Hong Kong

Network Improvements and Upgrades

Our commitment to network excellence is driven by continuous, strategic investment. Throughout FY25, we targeted platform enhancements specifically designed to boost operability, scale capacity, and elevate performance across our entire infrastructure. Key implementations included:

- Upgraded Cloud Voice/Cloud Voice S platforms
- Enhanced network platform hardware and software to ensure service sustainability, e.g., GPON Access, DWDM Transmission, Metro Ethernet, and IP Routing
- Adapted network infrastructure for emerging service demands, including 10G Broadband Service and n x 100G Network Core
- Improved power supply capabilities at essential hub site facilities
- Upgraded HKEX SDNet WAN platform for financial telecommunications
- Implemented HKBN GPON network upgrade to 10G PON for up to 10GE broadband service
- Launched Nokia 25G PON for high-end broadband service
- Initiated network plan for ETSI Fifth Generation Fixed Network Advanced (F5G-A) to expand network capabilities
- Continued deployment of advanced technologies, including 50G PON and above

Responsible Marketing

At HKBN, we are proactively enhancing our telesales operations to ensure fair, transparent, and ethical sales practices. We have implemented key initiatives such as refining sales scripts to ensure that service plan details are communicated with clarity, to help customers make fully informed decisions. This is supported by rigorous compliance training that emphasises transparency, ensuring customers are completely aware of all terms before consenting to any contract.

To solidify these improvements, our Quality Enhancement Department delivers comprehensive, year-round training programmes for all frontline teams. These programmes equip our employees with up-to-date product knowledge, customer-centric skills, and a firm grounding in critical regulations like the Personal Data (Privacy) Ordinance and the Trade Descriptions Ordinance. This ongoing investment ensures consistent service standards and prepares our teams to meet customer needs effectively and ethically.

During the reporting period, there were no substantiated cases of non-compliance with relevant advertising regulations.

Ensuring Customer Health and Product Safety

At HKBN, customer safety is a non-negotiable priority, proactively managed through a structured product governance framework. This means that from the earliest concept stage, we engage in rigorous collaboration with our suppliers, establishing clear specifications for quality, health, and safety that are integrated into the entire development process. We conduct systematic reviews and risk assessments to ensure every product not only meets but exceeds relevant safety regulations before it reaches our customers.

During the reporting period, there were no substantiated non-compliance lawsuits or product recalls relating to product health and safety.

Win-win-win Partnership & Value Chain

Strong, trust-based partnerships are the cornerstone of how we create value for HKBN, our partners, suppliers, and customers. By collaborating closely, we unlock new opportunities, accelerate innovation, and deliver sustainable growth across our entire value chain. This year, we worked closely with key suppliers to address critical gaps and strengthen their ESG performance, building a more resilient and responsible supply chain.

FY25 Goal



Improve at least **20** SME suppliers' ESG assessment scores

FY25 Result



20 SME suppliers recorded improved ESG scores

Supply Chain Management and Risk Assessment

We recognise that delivering sustainable value extends beyond our direct operations to our entire supply chain. To manage this, we employ a systematic process for assessing supplier performance and risk. For key projects exceeding \$300,000, our digitised criticality assessment tool enables business units to evaluate supplier criticality on a project-specific basis. Our system streamlines evaluations, ensures consistent reporting, and gives our Procurement team greater visibility into supply chain risks. For projects flagged as “high-risk”, suppliers are required to implement business continuity plans and undergo more frequent performance reviews to improve resilience and accountability.

In FY25, HKBN sourced products and services from



3,205

suppliers, with

68.5%

of suppliers sourced locally within our operating regions

In parallel, we maintain vigilant oversight of supplier performance against pre-agreed service levels. Our procurement process mandates annual performance assessments for all key suppliers, covering the full lifecycle from tender to contract renewal. When gaps are identified, our Procurement team analyses the risks and drives corrective action, which can range from targeted improvement plans and scope adjustments to, in serious cases, termination of the relationship.

Moreover, our commitment to sustainable procurement is upheld through an annual review process, where we evaluate supply chain management practices and track progress against ESG goals. These results are reported directly to our senior management and the Board, ensuring strategic oversight and accountability.

To deepen this commitment, this year we integrated an ESG assessment into our supplier registration process. Initial findings have pinpointed key vulnerability areas: climate change and emissions, environmental management systems, and human rights practices. We have begun engaging selected high-emission suppliers to complete detailed carbon footprint tracking.



Over 90%

of our suppliers have either accepted our Supplier Code of Conduct (SCoC) terms or have their own CoC

Enhancing Communication with Suppliers

Strong supply chain partnerships are built on open communication. To ensure candid feedback, we conduct regular anonymous satisfaction surveys that specifically solicit insights on our procurement processes and ESG performance. This direct input is vital for driving continuous improvement and creating shared value.



Over 39%

of our suppliers have had 10+ year relationships with HKBN



Our suppliers said they like working with HKBN, giving a score of

9 out of 10

This year's survey revealed that 30% of suppliers see "understanding our business requirements" as a challenge — an increase from previous years. In direct response, our Procurement team is working closely with our business units to enhance the clarity of our ordering and tendering processes. By tackling this feedback head-on, we are setting clearer expectations, boosting operational efficiency, and reinforcing a collaborative culture — strengthening both supplier relationships and the resilience of our entire value chain.

Corporate Governance Report

The Board is pleased to present the Corporate Governance Report for the year ended 31 August 2025.

Corporate Governance Practices

The Company is committed to the establishment of a good standard of corporate governance practices by emphasising transparency, accountability and responsibility to our stakeholders, which are considered essential to safeguard the integrity of the Group's operations and maintain stakeholder trust in the Company. The Board actively seeks opportunities for continuous improvement in the area of corporate governance and takes prompt action in responding to identified improvement opportunities.

Compliance with Corporate Governance Code

The Company has complied with all the code provisions contained in the Corporate Governance Code (the "CG Code") set out in Appendix C1 to the Listing Rules on the Stock Exchange during the year ended 31 August 2025.

Corporate Purpose, Values, Culture and Corporate Strategy

From humble beginnings, HKBN started with an ambition to disrupt — for the benefit of consumers and businesses. Today, headquartered in Hong Kong with operations spanning Hong Kong, Macao and the Chinese Mainland, HKBN Group is a leading integrated telecom and IT system integration solutions provider.

At HKBN, we are proud to lead the charge in driving progress. Our robust infrastructure and innovative technology solutions serve as the foundations for advancements that are reshaping society, both now and in the future.

As the world approaches the dawn of unprecedented change driven by digitalisation, AI, automation, and more, HKBN is working harder than ever to help customers navigate the shifting landscape. With incredible excitement for what's to come, we aim to accomplish this by leveraging our expertise in technology and telecommunications, while being guided by a vision centred on: "Empowering Lives, Reshaping Businesses, Inspiring Innovations".

Board of Directors

Roles and Responsibilities

The Board plays a critical role in ensuring that our corporate governance best serves the Company's interest in building a sustainable business. The Board takes responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems, and monitoring the performance of the senior management. The Directors make decisions objectively in the interests of the Company. Directors may seek independent professional advice when performing their duties at the Company's expenses and Directors are also encouraged to independently consult the Company's senior management.

The day-to-day management, administration and operation of the Company are delegated to the Group Chief Executive Officer and the senior management of the Group. The delegated functions and work tasks are periodically reviewed.



Board Process

The Board and its committees meet regularly. The dates and time of meetings are planned usually in the year before to allow sufficient time for the Directors to schedule their activities.

Directors may participate in person or through electronic communication. Matters which are immaterial and may not cause potential conflicts of interest will be dealt with by way of written resolutions.

The formal notice of Board and its committees meetings are finalised by the chairmen of the Board and its committees and are usually sent to the Directors at least 14 days before each regular meeting. All Directors are given opportunities to comment on the agenda and bring up additional matters for consideration at the meetings.

Meeting materials are usually sent to the Directors 3 days in advance of each meeting to ensure that the Directors have full and timely access to relevant information. With a view to becoming more environmental-friendly by reducing paper consumption, meeting materials are distributed in electronic form and Directors are encouraged to read the electronic version.

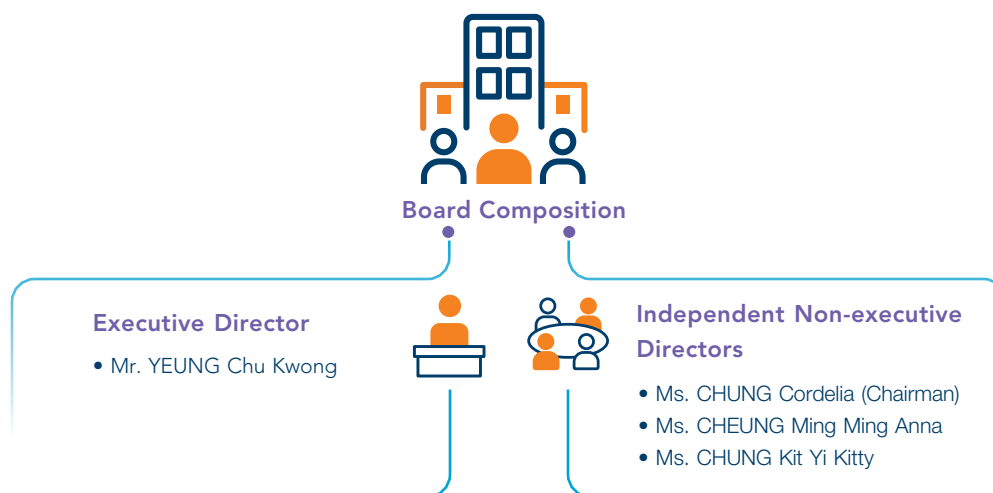
All Directors are kept informed on a timely basis of major changes that may affect the Group's businesses, including relevant rules and regulations. Directors can also seek independent professional advice in performing their duties at the Company's expense, if necessary.

Draft minutes recording substantive matters discussed and decisions resolved at the meetings are circulated to all Directors for their review and comments within a reasonable time of each meeting. The final version of the minutes is formally approved at the next meeting. The final executed version is placed on record and made available for inspection.

Corporate Governance Report

Board Composition

As at 31 August 2025, the Board comprised four Directors, including one Executive Director and three Independent Non-executive Directors. The Directors' biographical details are set out in the "Board of Directors" on pages 8 to 11. None of the members of the Board are related to one another.



Independence

We have a strong element of independence on the Board, providing independent and objective oversight on strategic issues and performance matters. As at 31 August 2025, each of the Board committees has been chaired by an Independent Non-executive Director and comprised a majority of Independent Non-executive Directors.

During the year ended 31 August 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors with at least one Independent Non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise, and appointed Independent Non-executive Directors representing at least one-third of the Board.

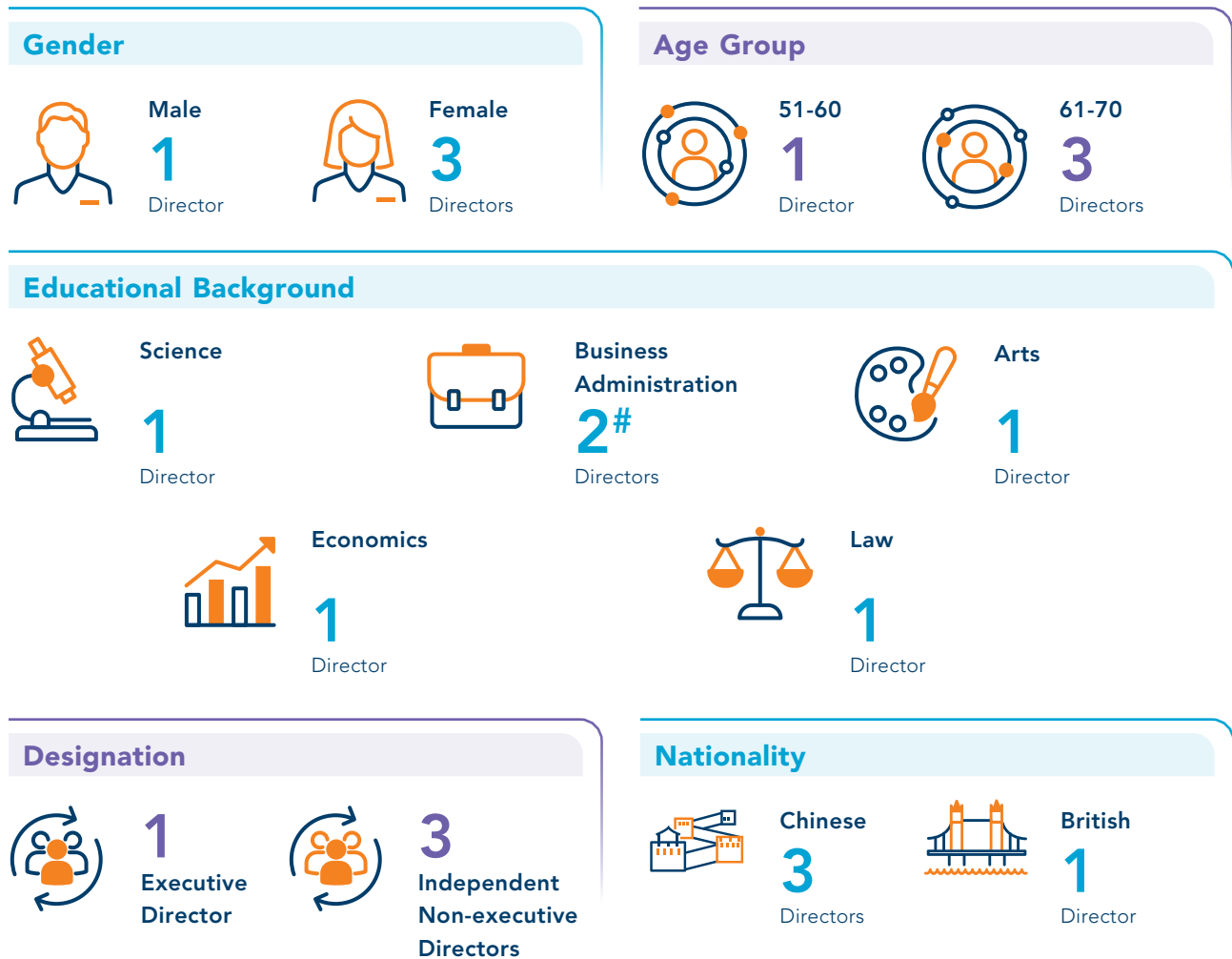
The Board has established effective mechanisms to ensure that independent views and input are available to the Board. These mechanisms include (i) reviewing the structure, size, and composition of the Board annually; (ii) assessing the independence of the Independent Non-executive Directors annually; (iii) conducting board evaluations; (iv) allowing all Directors to seek advice from the Company Secretary of the Company and, when necessary, obtain independent advice from external professional advisers at the Company's expense; and (v) conducting private meetings for the chairman of the Board to meet with Independent Non-executive Directors at least once a year. The implementation and effectiveness of these mechanisms are reviewed by the Board annually.

In addition, the Company has received from each of the Independent Non-executive Directors a confirmation of their independence for the year ended 31 August 2025 pursuant to Rule 3.13 of the Listing Rules, and considered all of them to be independent.

Board Diversity

The Company recognises the benefit and value of diversity across the organisation, and endorses the view that a diverse board, with a breadth of perspective, is one of the key drivers of an effective board.

As at 31 August 2025, the Board's composition was based on the measurable objectives set out below:



[#] 2 Directors possess multiple educational backgrounds.

Corporate Governance Report

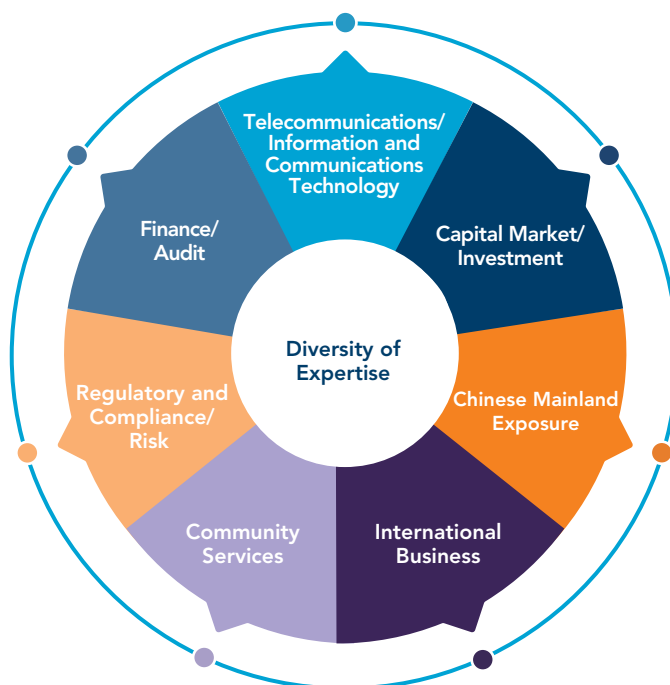
The Company values gender diversity. As at 31 August 2025, the Board has over 50% female Directors (three females out of four Directors). The Board has achieved the gender diversity target of at least 30% female Directors, and the Board will continue to maintain gender diversity at Board level.

The Group is also committed to achieving gender diversity across the workforce. The details of gender ratio in the workforce for the year ended 31 August 2025 are shown on page 115 of this Report. As at the date of this Report, female representation in the Company's senior management was 27%, consisting of three women out of a total of eleven members.

During the year ended 31 August 2025, the Nomination Committee and the Board considered that the composition of the Board was balanced and diversified.

Board Skills Matrix

The Board possesses experience and expertise as shown in the chart below:



Board Diversity Policy

In considering and reviewing board composition, both the Nomination Committee and the Board will consider the benefits of all aspects of diversity, including but not limited to age, gender, skills, knowledge, ethnicity, experience, cultural background, expertise, professional and educational background, length of service, and any other factors that the Board may consider relevant and applicable from time to time. While the ultimate decision on all board appointments would be based on meritocracy and the contributions that the director candidate is expected to bring, considerable weight would be given to ensuring a diverse board with balanced composition.

The policy will be reviewed periodically to ensure it remains relevant to the Company's needs and reflects both regulatory requirements and good corporate governance practices.

Appointment and Re-election of Directors

The Non-executive Directors and Independent Non-executive Directors are appointed for no specific term. Their appointment may be terminated by either the Company or the Director with reasonable written notice in accordance with the terms outlined in their respective appointment letters. The Directors shall retire by rotation at least once every three years and be eligible for re-election in accordance with the Articles.

The appointment of a new Director is made on the recommendation of the Nomination Committee and approved by the Board. Any Director who is appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the next annual general meeting and their further appointment is subject to the approval by the shareholders at the general meeting of the Company.

Pursuant to article 16.18 of the Articles, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Accordingly, Ms. CHUNG Kit Yi Kitty, Ms. CHEUNG Ming Ming Anna and Ms. CHUNG Cordelia, the Independent Non-executive Directors, shall retire from office at the 2025 AGM and will seek re-election after retirement by rotation.

Pursuant to article 16.2 of the Articles, any Director so appointed shall hold office only until the next annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at that meeting. Accordingly, Mr. LING Hao, Mr. LI Xin and Mr. LEI Liqun, the Executive Directors, and Mr. LUO Weimin, the Non-executive Director, shall retire from office at the 2025 AGM and shall be eligible for re-election.

Nomination Policy

The policy sets out the criteria, procedures and process adopted by the Company when considering candidates to be appointed or re-appointed as directors. The main provision of the policy is set out below:

Nomination Criteria

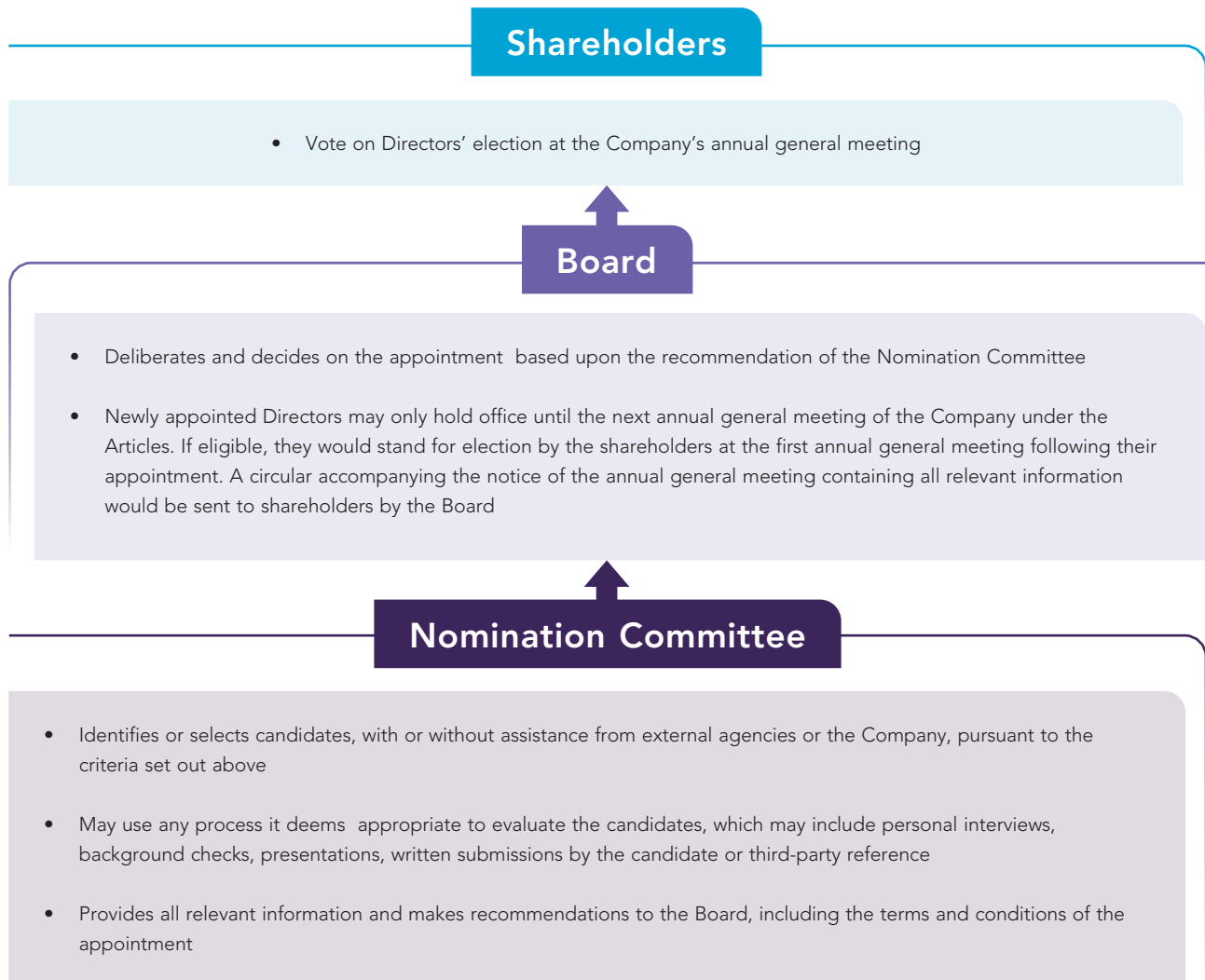
When selecting a candidate to be nominated for directorship or re-appointment, considerations will be given to the following:

- (a) age, gender, skills, knowledge, ethnicity, experience, cultural background, expertise, professional and educational background, length of service, and any other factors that the Board may consider relevant and applicable from time to time;
- (b) effect on the Board's composition and diversity;
- (c) ability and commitment of the candidate to devote sufficient time to effectively carry out his/her duties. In this regard, the number and nature of offices held by the candidate in public companies or organisations, and other executive appointments or significant commitments should be considered;
- (d) potential/actual conflicts of interest that may arise if the candidate is selected;
- (e) the contributions that the candidate is expected to bring;
- (f) independence of the candidate; and
- (g) other factors considered to be relevant on a case by case basis.

Corporate Governance Report

Nomination Procedures and Process

The following is a summary of the nomination procedures and process adopted by the Company based on the criteria mentioned previously.



Chairman and Chief Executive Officer

The roles of chairman of the Board and chief executive officer are held separately to ensure a balance of power and authority. As at 31 August 2025, the roles of the chairman of the Board and the chief executive officer of the Group (the "Group Chief Executive Officer") are served by Ms. CHUNG Cordelia and Mr. YEUNG Chu Kwong respectively. The Directors do not have any relationship with the chairman of the Board and the Group Chief Executive Officer during the year ended 31 August 2025.

The chairman of the Board is responsible for leadership of the Board and for ensuring that the Board functions effectively and acts in the best interests of the Company. In performing the role of the chairman of the Board, responsibilities mainly include:

- (a) providing leadership and ensuring effective performance by the Board of its responsibilities, including that it acts in the Company's best interests;
- (b) ensuring that all key and appropriate issues are discussed by the Board in a timely manner;
- (c) leading the Board in establishing good corporate governance practices and procedures for the Group;
- (d) encouraging constructive and timely communication between the Board and the management;
- (e) ensuring effective communication with shareholders and ensuring that their views are communicated to the Board; and
- (f) promoting a culture of openness and debate by facilitating the effective contribution of non-executive directors in particular and ensuring constructive relations between executive and non-executive directors.

Subject to specific delegations by the Board from time to time, in performing the role of the Group Chief Executive Officer, responsibilities include:

- (a) leading the management in the daily operations of the Group;
- (b) recommending policies, business plans and strategic directions for Board's approval;
- (c) ensuring the strategies and policies approved by the Board are effectively implemented; and
- (d) keeping the Board informed of material developments in the Group's business.

Corporate Governance Report

Meetings

The Board meets regularly at least four times per year at approximately quarterly intervals and on an ad hoc basis, as required by business needs. The attendance of each Director at the Board meetings, Board committee meetings and general meeting during the year ended 31 August 2025 is set out in the following table:

	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	ESG Committee Meeting	Risk Committee Meeting	General Meeting
	Number of Meetings Attended/Held ⁽¹⁾						
Chairman and Independent Non-executive Directors							
Mr. Bradley Jay HORWITZ ⁽³⁾	3/3	1/1	1/1	1/1	N/A	N/A	0/1
Ms. CHUNG Cordelia ⁽⁴⁾	9/9	2/2	1/1	2/2	N/A	2/2	1/1
Executive Director							
Mr. YEUNG Chu Kwong	9/9	2/3 ⁽²⁾	N/A	1/2 ⁽²⁾	2/2	2/2 ⁽²⁾	1/1
Non-executive Directors							
Ms. YU Shengping ⁽⁵⁾	6/6	N/A	1/1	N/A	N/A	N/A	0/1
Mr. ZHANG Liyang ⁽⁶⁾	3/3	1/1	N/A	1/1	N/A	N/A	1/1
Mr. Zubin Jamshed IRANI ⁽⁷⁾	1/2	0/1	N/A	1/1	N/A	N/A	N/A
Independent Non-executive Directors							
Ms. CHEUNG Ming Ming Anna	9/9	1/1	N/A	2/2	2/2	2/2	1/1
Ms. CHUNG Kit Yi Kitty	9/9	3/3	1/1	1/1	2/2	2/2	1/1

Notes:

- (1) Directors may attend meetings in person, or by means of telephone or video conference in accordance with the Articles. The figures exclude resolutions in writing signed by all Directors.
- (2) By invitation.
- (3) Resigned on 12 December 2024.
- (4) Appointed as Chairman on 12 December 2024.
- (5) Resigned on 8 August 2025.
- (6) Appointed on 15 June 2023 and retired on 12 December 2024.
- (7) Appointed as Alternate director to Mr. ZHANG Liyang from 27 November 2024 to 12 December 2024, appointed as Non-executive director on 12 December 2024 and resigned on 13 May 2025.

The Company held the annual general meeting on 12 December 2024 (the “2024 AGM”), Mr. Bradley Jay HORWITZ, the Chairman and Independent Non-executive Director, and Ms. YU Shengping, the Non-executive Director, were unable to attend 2024 AGM due to other business engagements. Mr. YEUNG Chu Kwong, the Executive Director, was elected as the chairman of the 2024 AGM to ensure effective communication with shareholders of the Company at the meeting.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiries with the Directors, they confirmed that they had complied with the Model Code for the year ended 31 August 2025.

Directors' Liability Insurance

The Company maintains appropriate liability insurance to indemnify its Directors for their liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis. During the year ended 31 August 2025, no claim was made against the Directors.

Induction, Continuous Professional Development and Training

The Company provides induction training to the newly appointed Directors and directors' training to all Directors.

Upon appointment to the Board, Directors are provided with comprehensive induction training conducted by senior executives and external legal advisers to ensure that they have a thorough understanding of the roles and responsibilities as a director under the Listing Rules and other relevant regulatory requirements, as well as a proper understanding of the Group's operations and business.

The Company encourages Directors to participate in continuous professional development and training to develop and refresh their knowledge and skills for a proper understanding of the Company's business, operations and governance policies and full awareness of their responsibilities under the relevant laws and rules and regulations. During the year ended 31 August 2025, the Company has arranged training and provided written training materials to the Directors.

Corporate Governance Report

The Directors have provided a record of training they received during the year ended 31 August 2025 to the Company with details as follows:

Name	Areas					
	The roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness	The Company's obligations and directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments	Corporate governance and ESG matters	Risk Management and Internal Controls	Industry-specific developments, business trends and strategies	Others
Executive Director						
Mr. YEUNG Chu Kwong ⁽¹⁾	✓	✓	✓	✓	✓	✓
Non-executive Directors						
Ms. YU Shengping ⁽²⁾	—	—	✓	✓	✓	✓
Mr. ZHANG Liyang ⁽³⁾	—	—	—	—	—	✓
Mr. Zubin Jamshed IRANI ⁽⁴⁾	—	—	✓	✓	—	✓
Independent Non-executive Directors						
Mr. Bradley Jay HORWITZ ⁽³⁾	—	—	—	—	—	✓
Ms. CHEUNG Ming Ming Anna	✓	✓	✓	✓	✓	✓
Ms. CHUNG Cordelia	✓	✓	✓	✓	✓	✓
Ms. CHUNG Kit Yi Kitty	✓	✓	✓	✓	✓	✓

Notes:

- (1) Resigned on 5 September 2025.
- (2) Resigned on 8 August 2025.
- (3) Retired on 12 December 2024.
- (4) Appointed as Alternate director to Mr. ZHANG Liyang from 27 November 2024 to 12 December 2024, appointed as Non-executive director on 12 December 2024 and resigned on 13 May 2025.

Time Commitment of Directors

The Directors have demonstrated a strong commitment to the Board affairs, and they are well aware that they are expected to have a sufficient time commitment to the Board. The Directors have given certain confirmations and made disclosures about their other commitments.

Sufficient time and attention

The Directors confirmed that they had given sufficient time and attention to the affairs of the Group during the year ended 31 August 2025.

Other offices and commitments

The Directors disclose to the Company annually the number, identity and nature of offices held in Hong Kong or overseas listed public companies and organisations and other significant commitments.

Board Evaluation

A Board Performance Review had been conducted internally for the year ended 31 August 2025. Each Director has completed a Board Performance Review Questionnaire covering the following scope of review relating to the Board and its committees by providing ratings and comments (if any):

- Overall impression of the Board, organization of the Board, Board effectiveness on key issues, roles and duties of the Board members, Board composition, Committee's organization, and areas for enhancement.

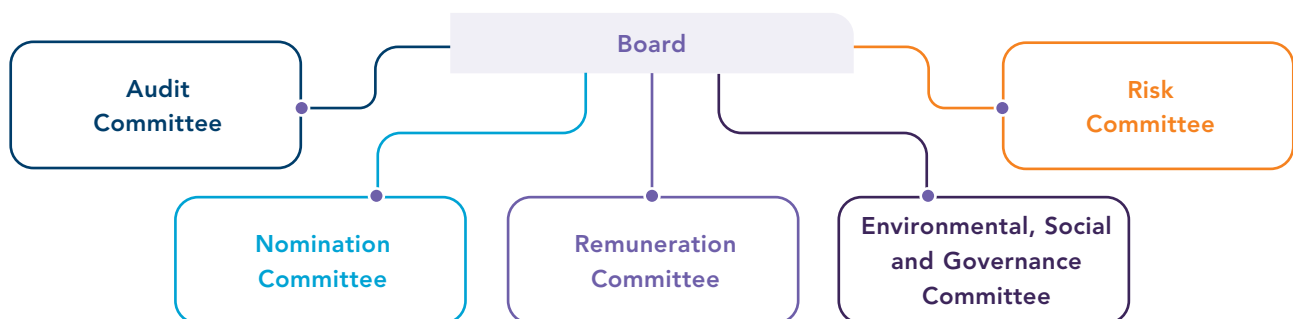
Details of findings:

The results of the Board Performance Review reveal that the Board has strong confidence in the effectiveness and contributions of the Committees to Board decision-making. The scope on the roles and duties of the Board members got the 2nd highest score while overall impression of Board received 3rd highest score as all Board members are satisfied that the boardroom is an inviting and open space where ideas can be shared and discussed.

While Board composition, size and diversity are the concerns for improvement to enhance overall effectiveness, as at the date of this Report, the Board size is enlarged with new directors. They possess distinguished experience in the telecommunications industry; strategic leadership and senior management expertise leveraging synergies and aligning with the business goals of the Company. Looking forward, the Board members would like to strengthen their Telecom and ICT knowledge. The Company will provide training to Board members on industry-specific developments, business trends and strategies in alignment with the Company's strategies.

Board Committees

As an integral part of good corporate governance and to enhance the function of the Board, the Board has established five Board committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee, the Environmental, Social and Governance Committee, and the Risk Committee to assume responsibilities for and to oversee particular aspects of the Group's affairs. The written terms of reference of all Board committees are disclosed in full on the websites of the Company and the Stock Exchange.



Corporate Governance Report

As at 31 August 2025, the composition of the five Board committees of the Company is as follows:

Audit Committee 	Nomination Committee 	Remuneration Committee 	Environmental, Social and Governance Committee 	Risk Committee 
Chairman Ms. CHUNG Kit Yi Kitty (Independent Non-executive Director)	Chairman Ms. CHUNG Cordelia (Independent Non-executive Director)	Chairman Ms. CHUNG Cordelia (Independent Non-executive Director)	Chairman Ms. CHEUNG Ming Ming Anna (Independent Non-executive Director)	Chairman Ms. CHEUNG Ming Ming Anna (Independent Non-executive Director)
Members Ms. CHEUNG Ming Ming Anna (Independent Non-executive Director) Ms. CHUNG Cordelia (Independent Non-executive Director)	Members Ms. CHEUNG Ming Ming Anna (Independent Non-executive Director) Ms. CHUNG Kit Yi Kitty (Independent Non-executive Director) Mr. YEUNG Chu Kwong (Executive Director)	Members Ms. CHEUNG Ming Ming Anna (Independent Non-executive Director) Ms. CHUNG Kit Yi Kitty (Independent Non-executive Director)	Members Ms. CHUNG Kit Yi Kitty (Independent Non-executive Director) Mr. YEUNG Chu Kwong (Executive Director)	Members Ms. CHUNG Cordelia (Independent Non-executive Director) Ms. CHUNG Kit Yi Kitty (Independent Non-executive Director)

Please refer to Corporate Information in this Report for the composition of the Board Committees during the year ended 31 August 2025 and as at the date of this Report.

Audit Committee

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor and any questions of its resignation or dismissal, review of the Company's financial information and oversight of the Company's financial reporting system, risk management (prior to the establishment of the Risk Committee) and internal control systems. It is also responsible for reviewing the interim and annual results of the Company.

The majority of the Audit Committee members are Independent Non-executive Directors. None of the members of the Audit Committee are a former partner of the Company's existing external auditor.

The Audit Committee meets, at least twice a year, with the external auditor to discuss their audit plan and any area of major audit and internal control concern during the audit or review. At least twice a year the Audit Committee meets with the external auditor without the presence of any Executive Director.

During the year ended 31 August 2025, the Audit Committee held three meetings with the following summary of work performed, including:

- reviewed the audited consolidated financial statements, the annual report and the annual results announcement for the year ended 31 August 2024 and made recommendation for the Board's approval;
- reviewed and agreed with the re-appointment of KPMG as the Company's auditor, and made recommendation for the Board's approval;
- reviewed the adequacy and effectiveness of the risk management and internal control systems of the Group for the year ended 31 August 2024;
- reviewed the unaudited consolidated financial statements, the draft interim results announcement and the draft interim report of the Group for the six months ended 28 February 2025 and made recommendation for the Board's approval;

- reviewed the terms of reference of the Audit Committee;
- reviewed and discussed the external audit plan and strategy with the external auditor;
- reviewed and approved the non-audit services provided by the external auditor and considered the auditor's independence;
- reviewed and approved the audit and non-audit fees; and
- reviewed the internal audit reports and audit plan.

The audited consolidated financial statements for the year ended 31 August 2025 have been reviewed by the Audit Committee.

Nomination Committee

The Nomination Committee is delegated with authority by the Board with written terms of reference in compliance with the CG Code.

The principal duties of the Nomination Committee are to review the structure, size and composition of the Board and the Board committees, review the Nomination Policy and the Board Diversity Policy on a regular basis to ensure their continual effectiveness, make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identify individuals suitably qualified to become directors and select or make recommendations to the Board on the selection of individuals nominated for directorships, assess the independence of Independent Non-executive Directors, and make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

During the year ended 31 August 2025, the Nomination Committee passed four sets of written resolutions and held one meeting with the following summary of work performed, including:

- reviewed the Terms of Reference of the Nomination Committee and made recommendations for the Board's approval;
- reviewed and monitored training of Directors and Senior Management;
- reviewed and assessed the independence of the Independent Non-executive Directors;
- considered the re-election of the retiring Directors at the forthcoming annual general meeting of the Company and made recommendation for the Board's approval;
- reviewed the Nomination Policy and Board Diversity Policy of the Company and made recommendation for the Board's approval;
- reviewed the structure, size and composition of the Board and its committees; and
- considered the succession planning for Directors.

Corporate Governance Report

Remuneration Committee

The primary responsibilities of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration, make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management, make recommendations to the Board on the remuneration of Non-executive Director(s) and Independent Non-executive Directors and the Company's Co-Ownership Plan(s), and review and approve the compensation arrangement for Directors and senior management in the event of loss or termination of office.

During the year ended 31 August 2025, the Remuneration Committee held two meetings with the following summary of work performed, including:

- reviewed the annual remuneration package and discretionary bonus for employees and made recommendations for the Board's approval;
- reviewed the annual remuneration package and discretionary bonus of top management and designed executives and made recommendations for the Board's approval;
- reviewed the remuneration package of INEDs and made recommendations for the Board's approval;
- reviewed the Remuneration Policy of the Group and made recommendations for the Board's approval;
- reviewed the Terms of Reference of the Remuneration Committee; and
- considered the long-term incentive plan of the Company.

Pursuant to Code Provision E.1.5 of the CG Code, the remuneration of the members of the senior management by band for the year ended 31 August 2025 is set out in note 6 to the "Notes to the Financial Statements".

Environmental, Social and Governance ("ESG") Committee

The primary responsibilities of the ESG Committee include but are not limited to reviewing and monitoring the Company's ESG strategies, policies and practices in order to ensure that they align with the Company's needs and comply with the applicable laws, regulations and regulatory requirements and international standards, reviewing the Company's ESG report and making recommendations to the Board for approval, and reviewing the Company's ESG performance against targets.

During the year ended 31 August 2025, the ESG Committee held two meetings with the following summary of work performed, including:

- reviewed the ESG performance in FY24;
- reviewed the ESG Report of the Company for the year ended 31 August 2024 and made recommendation for the Board's approval;
- reviewed the Terms of Reference of the ESG Committee;
- reviewed ESG material risks and FY24 ESG planning;

- reviewed taskforce of climate-related financial disclosure;
- reviewed ESG KPIs and materiality assessment;
- reviewed ESG KPIs in new remuneration structure;
- reviewed FY24 ESG electricity reduction pain/gain scheme; and
- reviewed FY25 ESG project scope.

Risk Committee

The Risk Committee was established in January 2025 as a separate entity from the Audit Committee in recognition of the growing importance of risk management. The primary responsibilities of the Risk Committee include but are not limited to reviewing the Group's overall risk appetite tolerance; enterprise risk management framework and related policies and making recommendations to the Board for approval; conducting risk assessment and monitoring; and performing risk management framework.

During the year ended 31 August 2025, the Risk Committee held two meetings with the following summary of work performed, including:

- reviewed the Terms of Reference of the Risk Committee;
- reviewed the Group's enterprise risk management structure;
- reviewed the principal risks of the Group and their respective mitigation;
- reviewed the enterprise risk management policy and made recommendations for the Board's approval; and
- reviewed and confirmed the Company's policies for further review.

Company Secretary

Ms. NG Yuk Yee Feona ("Ms. NG"), the Company Secretary, is an employee of the Company and is appointed by the Board. She is responsible for ensuring good information flow within the board and that board policy and procedures are followed. She also advises the Board on governance matters and facilitates induction and professional development of Directors. All Directors have access to the advice and services of the Company Secretary.

Ms. NG has complied with the requirement to take not less than 15 hours of professional training for the year ended 31 August 2025.

Auditor

The Company continues to engage KPMG as the external auditor for the year ended 31 August 2025. KPMG has confirmed to the Company of its independence, and there are no relationships between KPMG and the Company that are likely to impair its independence.

The statement of the Directors' responsibility and auditor's statement of reporting responsibilities in respect of the financial statements of the Group for the year ended 31 August 2025 are set out on pages 141 to 143 of this Report.

Corporate Governance Report

Auditor's Remuneration

During the year ended 31 August 2025, the remuneration paid or payable to the Company's external auditor, KPMG, is set out as follows:

	\$'000
Audit services	3,598
Other services ^(Note)	1,379
	4,977

Note: Other service fee includes the review of the Group's interim financial report amounting to \$400,000, tax advisory service amounting to \$660,000 and other services amounting to \$319,000.

Governance Beyond Just Compliance

Our commitment to uphold a higher standard of governance and integrity is not something that we simply aspire for, but rather it is deeply ingrained in our everyday culture. In a very unique way, the role our staff play — together with the governance policies we have in place — help take our culture of integrity beyond mere compliance of laws and regulations.



Calculated risk

While we embrace risk in our operation for faster and more agile decision-making, we also examine the risk and weigh its impact based on the opportunity outcome before taking action. In addition, sound procurement policies and other controls are in place as a baseline to empower our decision making.



Trustworthy

Trust plays a vital role in ensuring that we can operate with agility. As such, we actively encourage our staff to adopt a "Sunshine test" and "Newspaper test" when making decisions. Our rule is simple: we ask our staff "would you be proud of your action or decision if it was shared with the entire company?" or "would you be content if it was reported in a newspaper?" If the answer is yes to both, we ask our staff to proceed. When in doubt, members of Internal Audit and Staff Management are available to provide advice. However, under any circumstance, we adopt zero tolerance for dishonesty and unethical behaviour, with the Management Committee of the Company responsible for overseeing business ethics and corruption related issues.

The Three-Line of Defence and Enterprise Risk Management

Apart from our culture-related governance methodology, our risk management structure is also based on the “Three Lines of Defence” model. This framework and its process are designed to manage and mitigate risks rather than eliminate all risks. As such, it does not provide absolute protection against unpredictable risk or uncontrollable events such as natural catastrophes, fraud, and errors of judgment.



Corporate Governance Report

Risk Management Framework

First Line of Defence

Internal Control

The Group adopted an integrated framework of internal controls in consistence with the “Committee of Sponsoring Organisations of the Treadway Commission” framework (the “framework”). Under this framework, management is responsible for the design, implementation and maintenance of internal controls to ensure appropriate policies and control procedures have been designed and established to safeguard our assets against improper use or disposal, ensuring that relevant laws, rules and regulations are adhered to and complied with; and that reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements. Departmental Operating Procedures are established for major operations.

The Company is aware of its obligations under the SFO and the Listing Rules. The Group has in place an inside information escalation system and disclosure of inside information policy setting out controls with regard to the handling and disclosure of such inside information. The policy provides examples and illustrations to facilitate understanding and compliance.

Risk Register and Control Self-Assessment

Business units are at the forefront of our risk management. While there is change in our operations, leaders from different departments are responsible to identify business and operation risk and perform risk assessments, risk ranking, establishing and implementing mitigating actions and reporting to the internal Risk Management Committee (“RMC”) on a yearly basis through the Departmental Risk Register. By processing the “control self-assessment” (“CSA”), we allow operations to evaluate the effectiveness of control related to identified risks.

Company Policies

All staff are required to comply with multiple company policies which align with our core values. These policies regulate the behaviour of our staff which permeate the Group’s integrity and ethical values as fundamental principles. All staff are required to follow our Code of Business Conduct which details our expectations for responsible business conduct.

Anti-bribery, Anti-corruption, Anti-fraud and Conflict of Interest Policy

This outlines our expected conduct to ensure we are always in compliance with anti-corruption laws, such as the Prevention of Bribery Ordinance (Cap. 201) (the “Ordinance”). This includes compliance with all laws, domestic and foreign, prohibiting improper payment, gifts or inducements of any kind to and received from any person, including officials in the private or public sector, customers and suppliers. The policy is available on the Company’s website and intranet.

Training is carried out in the format of self-learning or attend training provided by Independent Commission Against Corruption (“ICAC”) or local specialist in Hong Kong, Macao and Chinese Mainland to strengthen our understanding of anti-corruption laws and enhance our alertness to corruption, conflict of interest and integrity issues.

Materials covered in the anti-bribery and anti-corruption trainings include location and country specific prevention of bribery ordinance, conflict of interest and company policies including Anti-Bribery, Anti-Corruption, Conflict of Interest Policy and No Business Gift Policy.

In FY2025, training summary as follow:

Category	Number of staff	Format	Location
Directors	8	Self-reading materials and declaration	Hong Kong
New hires and existing staff	1,281	Training by ICAC and local specialist	Hong Kong, Macao and Chinese Mainland
New hires and existing staff	30	Self-reading materials and declaration	Hong Kong and Macao

Whistleblowing Policy and Complaint handling

The Whistleblowing Policy facilitates staff and other stakeholders (e.g. vendors, contractors and all that we have business relationships etc.) to report concerns to us about suspected unethical behaviour or malpractice in confidence and without fear of reprisal, victimisation, subsequent discrimination, disadvantage or dismissal.

Complaints or concerns filed via email or online portal reporting are received by HKBN Speakup, an independent speakup service managed by Deloitte on behalf of the HKBN Group. A Deloitte speakup analyst will review the information the Informer have given, summarise the information provided, suggest specific follow-up action and submit a report to a designated representative(s) of the Group for follow-up which includes any corrective action(s) as appropriate. The HKBN Speakup online portal provides an anonymity function should the Informer choose to remain anonymous. During FY2025, no substantiated court cases or complaints related to corruption, bribery or conflict of interest occurred.

Intellectual Property Rights Policy

As a technology Group that develops our own products, solutions and applications, as well as partners with many different companies, we embrace our responsibility to respect and protect everyone's intellectual property ("IP") rights. The Intellectual Property Rights Policy requires our staff to protect the Company's intellectual property rights ("IPRs") and to respect the IPRs of third parties to avoid potential legal liabilities from IPR infringement. In our agreements with suppliers, we seek their representations/warranties that their products do not infringe on third party IPRs and will indemnify us against any third party's claims for such infringements.

Information Security Policy

Information Security Policy establishes a comprehensive framework of rules, responsibilities, and best practices to safeguard the confidentiality, integrity, and availability of corporate information. The policy applies to all staff, contractors, and third-party users, and is aligned with internationally recognized standards such as ISO/IEC 27002 and NIST SP 800-53. It serves as a cornerstone for maintaining a secure and resilient information environment across the organization.

Throughout the year, we advanced our cyber defense capabilities through proactive and collaborative efforts. We continued our subscription to a threat intelligence service to detect phishing websites and impersonation attempts targeting HKBN brands. Additionally, our team participated in the Cyber Attack and Defence Elite Training and Tournament organized by the Hong Kong Police Force, Cyber Security and Technology Crime Bureau (CSTCB). These engagements provided practical exposure to real-world cyber threats and reinforced our focus on cultivating a strong culture of cyber awareness and operational readiness.

Corporate Governance Report

Data Privacy Personal Data Protection Policy

Data Privacy Personal Data Protection Policy is established by our Company to set out how our Company protects personal data and ensures ongoing compliance with Personal Data (Privacy) Ordinance. We implement accountability by appointing a Data Protection Officer and have established reporting mechanisms in place on data privacy within our Company. We also perform annual assessments and revisions in order to stay effective and relevant.

Risk Governance

Second Line of Defence

The second line of defence is overseen by the RMC whose composition comprises nominated department heads and executives. RMC is responsible for overseeing and managing risks that could impact the Group's operations, reputation, and financial performance, including risk identification assessment and formulate strategies to mitigate identified risk. The RMC meets twice a year and from time to time when needed. The Company Risk Register is the result of a top-down risk assessment at the corporate level and is complemented by a bottom-up approach of separate risk registers reported by different departments.

Third Line of Defence — Independent Assurance

The Internal Audit Department (IA) serves as the Group's third line of defense, independently evaluating the adequacy and effectiveness of internal control. The IA conducts reviews and audits to assess key risk areas, including fraud, corruption, ethics, conduct, and legal compliance, providing reasonable assurance that robust governance and controls are in place. The IA reports to the President and Chief Operating Officer and has direct access to the Audit Committee Chairman.

Internal audit reports on control design and effectiveness are submitted to the Audit Committee based on an annual audit plan. This annual audit plan, developed from major risks identified during the latest risk assessment, rotates audit coverage across operations on a five-year cycle, including controls for business ethics such as corruption, fraud and other misconduct. The audit plan is subject to changes according to the outcome of continuous risk assessment processes, and any proposed changes to the audit plan will be communicated to and approved by the Audit Committee.

Apart from the IA, an independent Quality Enhancement team performs comprehensive training programs and conducts certain quality enhancement activities to ensure compliance and deliver outstanding service quality. New frontline customer service and sales representatives must undergo training on product knowledge, service standards, and relevant regulations such as the Personal Data (Privacy) Ordinance, Trade Descriptions Ordinance, and Code of Practice on Person-to-Person Marketing Calls. These training sessions lay the foundation for staff to deliver high-quality service while remaining compliant with regulations.

In addition to training, the team conducts regular quality monitoring to evaluate performance and maintain quality standards. Regular call monitoring and promoter booth assessments are carried out to assess the performance of telemarketing and direct sales teams. Mystery customers are assigned to visit outdoor sales representatives, ensuring accurate information delivery. Any identified discrepancies are addressed through refresher training programs, allowing individual performance to align with quality standards.

Recognizing and responding to customer expectations and feedback is vital to the team's endeavors. We conduct customer satisfaction surveys for both new customers and post-service interactions. Customers are invited to share their feedback after utilizing our comprehensive omni-customer services. The insights gained from these surveys provide valuable information about customer expectations, requirements, and areas for improvement. The findings are reviewed by management and relevant departments, who take action to continuously improve frontline performance and enhance the service journey, aiming to exceed customer expectations.

External Assurance and Consultation

External auditor and consultants further supplement the third line of defence by providing independent assessment on the Group's processes, especially with respect to the significant risks and control issues identified over the financial reporting process.

Risk Management and Principal Risks

It is our commitment to launch service quickly and meet market demands at a fast pace to pursue long-term growth in our business. Because we embrace risk as an inherent component in our daily operation, HKBN takes an "enterprisewide approach" for the management of key business risks. This approach provides consistent processes to identify, assess, treat, monitor and communicate key risks.



Corporate Governance Report

Principal Risks and Uncertainties

The Group is exposed to a broad range of risks. The following table details the main areas of focus. Significant risks specific to the operations are included in their risk registers.

Area of Focus	Mitigation
Market Risk	• Monitor market trends and adjust pricing/promotions proactively to sustain competitiveness • Develop innovative, value-driven product/service bundles to enhance customer stickiness and reduce reliance on price competition • Conduct responsive project management to allow flexible allocation of resources for strategy changes
Interest Rate Risk	• Work with relationship banks and investors to optimize capital structure and cost of funding • Refinance loan syndicates to improve financing costs • Continue to monitor interest rate trend and market conditions devising hedging strategy accordingly • Utilize interest-rate swaps to hedge against the interest rate exposure
Network Availability	• Prioritize resources to recover incident according to customer affected number • Speed up UPS battery replacement • Deploy monitoring and forecast tools to take pre-emptive maintenance • Implemented a multi-vendor approach • Continuously monitor of network status
People Risk	• A succession planning strategy is in place for key management positions
Cybersecurity Risk	• Provide regular security awareness training and phishing simulation assessments for all employees. • Continuously monitor, detect, analyze, respond to, and prevent cybersecurity threats. • Develop and update guidelines to educate staff on new cybersecurity challenges.
Legal and Regulatory Risk	• Review (by senior level staff and/or Legal and Regulatory) contracts and external communications (including promotional materials) before their execution/launch • On-going trainings on legal and regulatory compliance will be provided to employees to promote awareness and ensure compliance • Enhance Proactive Risk Review: Enhance mitigation of key risks related to Residential Solutions business (by RS Management) • Use of Data Analytics as Early Warning Signal: Conduct data monitoring to proactively identify early warning red flag trends on any complaints from regulating authorities for Residential Solutions business (by RS Customer Service) • Measure and Monitor Effectiveness: Drive accountability of sales team leaders/supervisors in monitoring risks by telesales and monitor effectiveness for Residential Solutions business (by RS Management) • Resource Review: Review and enhance the resourcing and structure of quality engagement function for Residential Solutions business (by RS Management)
Technology Risk	• Explore emerging network technologies, and recent rollout of market leading 10GPON, 25GPON, MetroNet 400G upgrade • New service is provided to customers by partnering with industry leaders (at least two suppliers for essential infrastructure such as DWDM, MetroNet, GPON and Internet transit.)
Climate Risk	• Please refer to environmental section of this Annual Report on pages 89 – 95

Board Confirmation

The Board has overall responsibility for risk management and internal control systems and for reviewing their effectiveness at least annually through the Risk Committee and the Audit Committee. The Board conducts an annual review on the effectiveness of the processes for financial reporting and Listing Rules compliance, and the adequacy of resources, qualifications and experience of staff, training programs and budget of the Group's accounting, financial reporting and internal audit functions, as well as those relating to ESG performance and reporting.

The Board has considered and endorsed the Risk Committee's and Audit Committee's assessment of the effectiveness of risk management and internal control systems of the Group respectively. During the year ended 31 August 2025, there was no area of concern identified which might materially affect the operational, financial reporting and compliance controls of the Group, and that the existing risk management and internal control systems remain effective and adequate.

Shareholders and Investors

Dividend Policy

The Company's dividend policy is set out in the "Recommended Dividend" section on page 36 of this Report. The Board will review the dividend policy and payout ratio as appropriate from time to time.

Shareholder Communication Policy

The Company has adopted a Shareholder Communication Policy (which is available on the Company's website) to set out the Company's procedures in providing shareholders and the investment community with ready, equal and timely access to balanced and understandable information about the Company, in order to help shareholders exercise their rights in an informed manner, and to allow shareholders and the investment community to engage actively with the Company. The Company has considered the current Shareholder Communication Policy remains effective and adequate.

Shareholder Engagement

The general meetings of the Company provide a communication channel between the shareholders and the Board. An annual general meeting of the Company is held each year at a location as may be determined by the Board. Each general meeting, other than an annual general meeting, is called an extraordinary general meeting. The Board may, whenever it deems fit, convene an extraordinary general meeting. Any vote of the shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands.

Corporate Governance Report

Shareholders' Rights

General meetings may be convened on the written requisition of any one member which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting on a one vote per share basis, at general meetings of the Company.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene a physical meeting at only one location which will be the principal meeting place provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Investor Relations Enquiries and Communication

The enquiries must be in writing with the detailed contact information of the requisitionists and deposited with the Company at the Company's principal place of business in Hong Kong as below:

HKBN Ltd.

19/F, Tower 1, The Quayside
77 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Procedures for Shareholders to Put Forward Proposals at Shareholders' Meetings

Shareholders who wish to put forward a new resolution may request the Company to convene a general meeting in accordance with the procedures set out on page 136 in the paragraph under "Shareholders' Rights". Detailed procedure for shareholders to propose a person for election as a Director is available under the Corporate Governance section of the Company's website.

Information Disclosure and Investor Relations

The Board and the Company maintain an on-going dialogue with the Company's shareholders and the investment community mainly through the Company's financial reports, annual general meeting and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on the Company's website.

Constitutional Document

There was no change made to the Second Amended and Restated Memorandum and Articles of Association of the Company during the year ended 31 August 2025.



Independent auditor's report to the shareholders of HKBN Ltd.

(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of HKBN Ltd. ("the Company") and its subsidiaries ("the Group") set out on pages 144 to 234, which comprise the consolidated statement of financial position as at 31 August 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 August 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the 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") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report to the shareholders of HKBN Ltd. (continued)

(Incorporated in the Cayman Islands with limited liability)

Key audit matters (continued)

Assessing of potential impairment of goodwill, intangible assets, property, plant and equipment ("PP&E") and right-of-use assets

Refer to notes 9, 10 and 11 and accounting policies in notes 1(f), 1(h) and 1(i) to the consolidated financial statements.

The Key Audit Matter

How the matter was addressed in our audit

The carrying values of the Group's goodwill, intangible assets, PP&E and right-of-use assets as at 31 August 2025, which amounted to HK\$7,817 million, HK\$2,012 million, HK\$3,154 million and HK\$534 million, respectively, were mainly contained in three cash-generating units ("CGUs").

Management performs an annual impairment assessment of its goodwill and the associated intangible assets, PP&E and right-of-use assets. Management compares the carrying value of each of the CGUs to which the goodwill, intangible assets, PP&E and right-of-use assets have been allocated against discounted cashflow forecast of each of the CGUs to determine the amount of impairment loss which should be recognised, if any.

The preparation of discounted cashflow forecasts involves the exercise of significant management judgement, particularly in estimating the long term revenue growth rates and the discount rates applied.

We identified assessing the potential impairment of goodwill, intangible assets, PP&E and right-of-use assets as a key audit matter because the impairment assessment prepared by management is complex and contains judgemental assumptions, particularly the long term revenue growth rate and discount rate applied, which could be subject to management bias in their selection.

Our audit procedures to assess potential impairment of goodwill, intangible assets, PP&E and right-of-use assets included the following:

- evaluating the Group's identification of CGUs and the value of goodwill, intangible assets, PP&E and right-of-use assets allocated to each of the CGUs and assessing the methodology applied by management in the preparation of the discounted cashflow forecasts with reference to the requirements of the prevailing accounting standards;
- evaluating the discounted cashflow forecasts prepared by management by examining specific data and significant assumptions in the discounted cashflow forecasts. Our evaluation has taken into account our understanding of the Group's future business plans and the observable market data of the industry;
- comparing the revenue and operating costs included in prior year's discounted cashflow forecasts with the current year's performance in order to assess the reasonableness of prior year's forecast and making enquiries of management as to the reasons for any significant variation identified;
- comparing the long term revenue growth rate and discount rate adopted in the discounted cashflow forecasts with that of comparable companies and external market data; and
- obtaining from management sensitivity analysis of long term revenue growth rate and the discount rate adopted in the discounted cashflow forecasts and assessing the impact of changes in these key assumptions to the conclusions reached in the impairment assessments and whether there were any indicators of management bias.

Independent auditor's report to the shareholders of HKBN Ltd. (continued)

(Incorporated in the Cayman Islands with limited liability)

Key audit matters (continued)

Accuracy of revenue due to complex billing systems

Refer to note 2 and accounting policies in note 1(u) to the consolidated financial statements.

The Key Audit Matter

The Group's revenue from fixed telecommunications network services, international telecommunications services and other services totalled HK\$6,589 million, which accounted for 59% of the total revenue for the year ended 31 August 2025. The accuracy of such revenue recorded in the consolidated financial statements is an inherent risk because the Group's billing systems are complex, and process large volumes of data including a variety of service packages with price changes in the year.

How the matter was addressed in our audit

Our audit procedures to assess the recognition of revenue included the following:

- with the assistance of our information technology specialists, evaluating the design, implementation and operating effectiveness of key internal controls with particular emphasis on:
 - the capturing and recording of data usage;
 - authorising rate changes; and
 - calculating amounts billed to customers.
- assessing the design, implementation and operating effectiveness of key non-automated internal controls over the revenue recognition process;
- reconciling revenue recognised in the telecom billing system to the general ledger and assessing whether the reconciling items were properly supported by underlying documentation, on a sample basis;

Independent auditor's report to the shareholders of HKBN Ltd. (continued)

(Incorporated in the Cayman Islands with limited liability)

Key audit matters (continued)

Accuracy of revenue due to complex billing systems

Refer to note 2 and accounting policies in note 1(u) to the consolidated financial statements.

The Key Audit Matter

How the matter was addressed in our audit

Significant management judgement can be required in determining the appropriate measurement and timing of recognition of different elements of revenue within bundled sales packages, which may include telecommunication services and telecommunication products, and complex settings are required in the Group's information technology ("IT") systems to achieve the appropriate allocation of prices for the different elements of revenue.

We identified revenue recognition as a key audit matter because it involves management judgement and complex IT systems, both of which give rise to an inherent risk that revenue could be recorded in the incorrect period or could be subject to manipulation to meet targets or expectations.

- assessing, on a sample basis, the standalone selling prices determined by management for each distinct service and product offered in bundled sales packages, by comparison with the observable prices for such services or products when the Group sells such services or products separately in similar circumstances and to similar customers;
- evaluating journal entries posted to revenue accounts, on a specific risk-based sample basis, and comparing the details of these journals entries with relevant underlying documentation, which included reports generated from the telecom billing system; and
- comparing cash receipts from customers during the year and subsequent to the financial year end with invoices issued to customers during the year, on a sample basis.

Independent auditor's report to the shareholders of HKBN Ltd. (continued)

(Incorporated in the Cayman Islands with limited liability)

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

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Independent auditor's report to the shareholders of HKBN Ltd. (continued)

(Incorporated in the Cayman Islands with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditor's report to the shareholders of HKBN Ltd. (continued)

(Incorporated in the Cayman Islands with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- 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 the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lee Ka Nang (Practising Certificate Number: P05456).

KPMG

Certified Public Accountants

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

31 October 2025

Consolidated Income Statement

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

	Note	2025 \$'000	2024 \$'000
Revenue	2	11,128,542	10,650,922
Other net income	3(a)	8,783	24,609
Network costs and costs of sales		(7,085,617)	(6,661,678)
Other operating expenses	3(b)	(3,125,440)	(3,124,364)
Finance costs	3(d)	(710,435)	(860,236)
Share of losses of joint ventures	13(b)	–	(128)
Profit before taxation	3	215,833	29,125
Income tax expense	4	(8,969)	(18,848)
Profit for the year attributable to equity shareholders of the Company		206,864	10,277
Earnings per share	7		
Basic		15.0 cents	0.8 cent
Diluted		14.0 cents	0.7 cent

The notes on pages 151 to 234 form part of these financial statements. Details of dividend payable to equity shareholders of the Company attributable to the profit for the year are set out in note 28(b).

Consolidated Statement of Comprehensive Income

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

	2025 \$'000	2024 \$'000
Profit for the year	206,864	10,277
Other comprehensive income for the year		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong, with nil tax effect	(2,122)	10,422
Share of other comprehensive income of associates	–	106
Other comprehensive income for the year	(2,122)	10,528
Total comprehensive income for the year attributable to equity shareholders of the Company	204,742	20,805

The notes on pages 151 to 234 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 August 2025 (Expressed in Hong Kong dollars)

	Note	2025 \$'000	2024 \$'000
Non-current assets			
Goodwill	9	7,816,507	7,816,507
Intangible assets	10	2,012,209	2,367,621
Property, plant and equipment	11	3,154,104	3,132,945
Right-of-use assets	11(b)	534,464	628,457
Customer acquisition and retention costs	15(b)	434,919	464,954
Interests in joint ventures	13	–	–
Deferred tax assets	26	181,437	137,853
Other non-current assets	14	52,585	56,023
		14,186,225	14,604,360
Current assets			
Inventories	15(a)	92,861	106,197
Trade receivables	17	976,438	969,297
Other receivables, deposits and prepayments	17	440,253	516,316
Contract assets	16(a)	364,580	255,073
Amounts due from a joint venture	22	230	183
Cash and cash equivalents	18	1,192,160	1,217,406
		3,066,522	3,064,472

Consolidated Statement of Financial Position

At 31 August 2025 (Expressed in Hong Kong dollars)

	Note	2025 \$'000	2024 \$'000
Current liabilities			
Trade payables	19	952,963	945,879
Other payables and accrued charges — current portion	19	1,125,782	950,361
Contract liabilities — current portion	16(b)	583,301	606,612
Deposits received		136,796	99,178
Amounts due to a joint venture	22	15,744	14,877
Bank and other borrowings	20	4,239,769	272,601
Lease liabilities — current portion	21	144,813	145,580
Tax payable	25	124,942	159,662
Other current liabilities	23	—	10,588
Financial liabilities at fair value through profit or loss	27	14,071	29,990
		7,338,181	3,235,328
Net current liabilities		(4,271,659)	(170,856)
Total assets less current liabilities		9,914,566	14,433,504
Non-current liabilities			
Contract liabilities — long-term portion	16(b)	153,583	177,301
Deferred tax liabilities	26	514,418	593,204
Lease liabilities — long-term portion	21	246,897	348,542
Provision for reinstatement costs		67,997	55,191
Bank and other borrowings	20	6,645,920	10,705,002
		7,628,815	11,879,240
NET ASSETS		2,285,751	2,554,264
CAPITAL AND RESERVES			
Share capital	28	149	132
Reserves		2,285,602	2,554,132
TOTAL EQUITY		2,285,751	2,554,264

Approved and authorised for issue by the board of directors on 31 October 2025.

	)	
	)	
Li Xin	)	Directors
	)	
	)	
Lei Liqun	)	

The notes on pages 151 to 234 form part of these financial statements.

Consolidated Statement of Changes in Equity

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

	Note	Attributable to equity shareholders of the Company							Total \$'000
		Share capital \$'000	Share premium \$'000	Vendor Loan Notes \$'000	Capital reserve \$'000	Other reserve \$'000	Retained profits/ (accumulated losses) \$'000	Exchange reserve \$'000	
Balance at 1 September 2023		132	–	2,349,204	40,803	596,420	96,428	(31,905)	3,051,082
Changes in equity for the year ended 31 August 2024:									
Profit for the year		–	–	–	–	–	10,277	–	10,277
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong, with nil tax effect		–	–	–	–	–	–	10,422	10,422
Share of other comprehensive income of associates		–	–	–	–	–	–	106	106
Total comprehensive income		–	–	–	–	–	10,277	10,528	20,805
Dividend approved in respect of the previous year	28(b)(ii)	–	–	–	–	–	(262,320)	–	(262,320)
Dividend declared to equity shareholders of the Company in respect of the current year	28(b)(i)	–	–	–	–	–	(196,740)	–	(196,740)
Distribution to holders of Vendor Loan Notes		–	–	–	–	–	(58,563)	–	(58,563)
Balance at 31 August 2024		132	–	2,349,204	40,803	596,420	(410,918)	(21,377)	2,554,264

The notes on pages 151 to 234 form part of these financial statements.

Consolidated Statement of Changes in Equity

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

	Note	Attributable to equity shareholders of the Company							
		Share capital \$'000	Share premium \$'000	Vendor Loan Notes \$'000	Capital reserve \$'000	Other reserve \$'000	Retained profits/	Exchange reserve \$'000	Total \$'000
							(accumulated losses) \$'000		
Balance at 1 September 2024		132	–	2,349,204	40,803	596,420	(410,918)	(21,377)	2,554,264
Changes in equity for the year ended 31 August 2025:									
Profit for the year		–	–	–	–	–	206,864	–	206,864
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong, with nil tax effect		–	–	–	–	–	–	(2,122)	(2,122)
Total comprehensive income		–	–	–	–	–	206,864	(2,122)	204,742
Issue of shares for conversion of Vendor Loan Notes	29	17	2,349,187	(2,349,204)	–	–	–	–	–
Dividend approved in respect of the previous year	28(b)(ii)	–	–	–	–	–	(216,414)	–	(216,414)
Dividend declared to equity shareholders of the Company in respect of the current year	28(b)(i)	–	–	–	–	–	(229,233)	–	(229,233)
Distribution to holders of Vendor Loan Notes		–	–	–	–	–	(27,608)	–	(27,608)
Balance at 31 August 2025		149	2,349,187	–	40,803	596,420	(677,309)	(23,499)	2,285,751

The notes on pages 151 to 234 form part of these financial statements.

Consolidated Cash Flow Statement

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

	Note	2025 \$'000	2024 \$'000
Operating activities			
Cash generated from operations	18(b)	2,076,918	2,274,122
Tax paid:			
— Hong Kong Profits Tax paid		(156,972)	(207,768)
— Tax paid outside Hong Kong		(10,132)	(8,328)
— Tax refunded outside Hong Kong		1,024	441
Net cash generated from operating activities		1,910,838	2,058,467
Investing activities			
Payment for the purchase of property, plant and equipment		(493,575)	(362,711)
Payment for the purchase of intangible assets		(16,966)	(157)
Proceeds from sale of property, plant and equipment		10,538	781
Net cash outflow in respect of deemed disposal of a subsidiary		—	(155)
Interest received		8,734	9,625
Net cash used in investing activities		(491,269)	(352,617)
Financing activities			
Capital element of lease rentals paid	18(c)	(155,161)	(153,146)
Interest element of lease rentals paid	18(c)	(23,386)	(22,861)
Proceeds from bank loans	18(c)	6,844,081	247,074
Proceeds from other borrowings	18(c)	29,752	17,925
Repayment of bank loans	18(c)	(6,997,074)	(253,809)
Repayment of other borrowings	18(c)	(28,835)	(30,080)
Repayment of other liabilities	18(c)	(10,608)	(14,043)
Payment of originating fee for banking facilities amendment	18(c)	—	(25,470)
Interest paid on bank and other borrowings and interest-rate swap	18(c)	(629,648)	(751,030)
Dividend paid to the equity shareholders of the Company		(445,647)	(459,060)
Dividend paid to the holders of Vendor Loan Notes		(27,608)	(58,563)
Net cash used in financing activities		(1,444,134)	(1,503,063)
Net (decrease)/increase in cash and cash equivalents		(24,565)	202,787
Cash and cash equivalents at the beginning of the year	18(a)	1,217,406	1,016,769
Effect of foreign exchange rate changes		(681)	(2,150)
Cash and cash equivalents at the end of the year	18(a)	1,192,160	1,217,406

The notes on pages 151 to 234 form part of these financial statements.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies

(a) Statement of compliance

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

The HKICPA has issued certain new and amended HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 August 2025 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities as explained in the accounting policies set out as below:

- financial assets at fair value through profit or loss and derivative financial instruments (see note 1(g)); and
- share-based payments (see note 1(r)(iv)).

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 35.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(b) Basis of preparation of the financial statements (continued)

Going concern assumption

As at 31 August 2025, the current liabilities of the Group exceeded their current assets by approximately \$4,272 million. Included in the current liabilities were (i) current portion of bank loan of \$3,991 million that will be due on 9 April 2026 and the Group is currently in the process of refinancing the bank loan (ii) current portion of contract liabilities of \$583 million recognised under HKFRS 15 which will be gradually reduced through performance obligations being satisfied over the contract terms and (iii) current portion of lease liabilities of \$145 million recognised under HKFRS 16 relating to leases with a lease term of more than 12 months and with a corresponding asset recorded in the non-current assets as right-of-use assets. Management of the Group anticipates the net cash inflows from their operations, together with the ability to draw down from available bank loan facilities, would be sufficient to enable the Group to meet its liabilities as and when they fall due. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

(c) Change in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, Presentation of financial statements — *Classification of liabilities as current or non-current* ("2020 amendments") and amendments to HKAS 1, Presentation of financial statements — *Non-current liabilities with covenants* ("2022 amendments")
- Amendments to HKFRS 16, Leases — Lease liability in a sale and leaseback
- Amendments to HKAS 7, Statement of cash flows and HKFRS 7, *Financial instruments: Disclosures* — *Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKAS 1, Presentation of financial statements (the 2020 and 2022 amendments, collectively the "HKAS 1 amendments")

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

The amendments have no effect on the Group's consolidated statement of profit or loss, cash flows and earnings per share.

1 Material accounting policies (continued)

(c) Change in accounting policies (continued)

Amendments to HKFRS 16, Leases — Lease liability in a sale and leaseback

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendment do not have material impact on these financial statements as the Group applied the same amounting requirements for its sales and leaseback transactions.

Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: disclosures — Supplier finance arrangements

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The Group has provided the new disclosures in note 30(b).

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when 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. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(d) Subsidiaries and non-controlling interests (continued)

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in a joint venture or an associate (see note 1(e)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(k)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Joint ventures

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 1(f) and (k)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the joint venture.

Unrealised profits and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

1 Material accounting policies (continued)

(f) Business combination and goodwill

The Group applies the acquisition method to account for business combination. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(k)).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(f) Business combination and goodwill (continued)

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(g) Derivative financial instruments and other investments in debt and equity securities

(i) *Derivative financial instruments*

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(ii) *Investments other than equity investments*

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

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 1(u)(vi)).
- fair value through other comprehensive income (FVOCI) — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- fair value at profit or loss (FVPL) if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

1 Material accounting policies (continued)

(h) Property, plant and equipment

Property, plant and equipment, comprising leasehold improvements, furniture, fixtures and fittings, cable, telecommunications, computer and office equipment, motor vehicles and right-of-use assets arising from (i) leases over leasehold properties where the Group is not the registered owner of the property interest, (ii) interests in leasehold land where the Group is the registered owner of the property interest, and (iii) telecommunication facilities and computer equipment, are stated at cost less accumulated depreciation and accumulated impairment losses (see note 1(k)(iii)).

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

- The Group's interests in buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion
- Leasehold improvements are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives
- Leasehold land is depreciated over the unexpired term of lease
- Furniture, fixtures and fittings 4–5 years
- Cable, telecommunications, computer and office equipment 4–25 years
- Motor vehicles 4 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Major costs incurred in restoring property, plant and equipment to their normal working condition are charged to profit or loss. Major improvements are capitalised and depreciated over their expected useful lives to the Group.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(i) Intangible assets (other than goodwill)

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 1(k)(iii)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis or diminishing balance method or unit of production method over the assets' estimated useful lives. The major intangible assets with finite useful lives are amortised from the date of acquisition and their estimated useful lives are as follows:

— Customer relationship — FTNS business	14–18 years
— Customer relationship — International telecommunications services ("IDD") business	14 years
— Customer relationship — Broadband wireless ("Wi-Fi") connectivity business	18 years
— Customers relationship — Cloud services	7 years
— Customers relationship — IT business	7–18 years
— Brand and trademark — "HKBN" & "WTT" for FTNS business	11–20 years
— Brand and trademark — "IDD0030", "IDD1666", "IDD007" & "IDD1507" for IDD business	11–14 years
— Brand and trademark — "Y5Zone" for Wi-Fi business	20 years
— Brand and trademark — "ICG" for Cloud services	11 years
— Brand and trademark — "WTT" for IT business	11 years
— Brand and trademark — "JOS" for IT business	11 years
— Backlog	1.5–6 years
— Self-developed software and system	4 years

Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

Self-developed software and system

Costs incurred to acquire, develop or enhance scientific or technical knowledge, and design and implement new process or systems, are capitalised as intangible assets if they are identifiable and the Groups have power to obtain future economic benefits flowing from the underlying resource.

Development costs that are directly attributable to the design and testing of the identifiable software are capitalised as intangible assets if the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- adequate technical, financial and other resources are available to complete the development and to use the software;

1 Material accounting policies (continued)

(i) Intangible assets (other than goodwill) (continued)

Self-developed software and system (continued)

- the costs attributable to acquisition, development and enhancement of the software can be reliably measured; and
- the Groups have power to obtain future economic benefits flowing from the underlying resource.

Development costs that do not meet the above criteria are expensed in the consolidated income statement as incurred.

(j) Leased assets

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

(i) *As a lessee*

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

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

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(h) and 1(k)(iii)).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(j) Leased assets (continued)

(i) *As a lessee (continued)*

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

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

The Group presents right-of-use assets and lease liabilities separately in the statement of financial position.

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

(ii) *As a lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 1(u).

1 Material accounting policies (continued)

(j) Leased assets (continued)

(iii) Sale and leaseback transactions

A sale and leaseback transaction involves the sale of an asset by the Group and the leasing of the same asset back to the Group. The lease payments and the sale price are usually interdependent as they are negotiated as a package. Sale and leaseback arrangements that result in substantially all of the risks and rewards of ownership of assets being transferred to the lessor are accounted for as operating leases. Any excess of sales proceeds over the carrying amount is recognised in profit or loss as gain on disposal, if the sales prices and lease back arrangements for these transactions are determined based on the prevailing market prices. Payments made under operating leases are charged to profit or loss on a straight-line basis over the lease periods.

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, deposits and prepayments), contract assets as defined in HKFRS 15 (see note 1(m)) and lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

- trade receivables, other receivables, deposits and prepayments and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable.

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

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

1 Material accounting policies (continued)

(k) Credit losses and impairment of assets (continued)

(i) *Credit losses from financial instruments, contract assets and lease receivables (continued)*

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or the financial asset is 90 days past due. 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.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

1 Material accounting policies (continued)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (continued)

Basis of calculation of interest income

Interest income recognised in accordance with note 1(u)(vi) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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

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

- significant financial difficulties of the debtor;
- a breach of contract such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
or
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

Write-off policy

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

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

1 Material accounting policies (continued)

(k) Credit losses and impairment of assets (continued)

(ii) *Credit losses from financial guarantees issued*

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised within “trade and other payables” at fair value, which is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than the amount carried in “trade and other payables” in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation).

To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in note 1(k)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected (payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

1 Material accounting policies (continued)

(k) Credit losses and impairment of assets (continued)

(iii) *Impairment of other non-current assets*

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets;
- intangible assets;
- customer acquisition and retention costs;
- goodwill;
- investment in joint ventures; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— *Recognition of impairment losses*

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. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(k) Credit losses and impairment of assets (continued)

(iii) Impairment of other non-current assets (continued)

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iv) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(k)(i) and (ii)).

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

(l) Inventories and other contract costs

(i) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first in, first out cost formula and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1 Material accounting policies (continued)

(l) Inventories and other contract costs (continued)

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see note 1(l)(i)), other property, plant and equipment (see note 1(h)) or intangible assets (see note 1(i)).

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract (for example, payments to sub-contractors). Other costs of fulfilling a contract, which are not capitalised as inventory, other property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised. The accounting policy for revenue recognition is set out in note 1(u).

(m) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 1(u)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs in accordance with the policy set out in note 1(k)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 1(n)).

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 1(u)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 1(n)).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(m) Contract assets and contract liabilities (continued)

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 1(k)(i)).

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 1(m)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 1(k)(i)).

(o) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 1(x)).

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 1(k)(ii), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amount.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 1(k)(i).

1 Material accounting policies (continued)

(r) Staff benefits

(i) Short term staff benefits

Salaries, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by staff. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Profit sharing and bonus plans

Provisions for profit sharing and bonus plans are recognised when the Group has a present legal or constructive obligation as a result of services rendered by staff and a reliable estimate of the obligation can be made.

(iii) Retirement benefit costs

The Group contributes to defined contribution retirement schemes which are available to certain staff. Contributions to the schemes by the Group are calculated as a percentage of staff's basic salaries and charged to profit or loss. The Group's contributions are reduced by contributions forfeited by those staff who leave the scheme prior to vesting fully in the contributions.

The assets of the scheme are held in an independently administered fund that is separated from the Group's assets.

(iv) Share-based payments

(a) Equity-settled share-based payments

The fair value of Restricted Share Units ("RSUs") granted to staff of the Group in Hong Kong under the Co-Ownership Plan II is recognised as a staff cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the RSUs were granted. Where the staff have to meet vesting conditions before becoming unconditionally entitled to the RSUs, the total estimated fair value of the RSUs is spread over the vesting period, taking into account the probability that the RSUs will vest.

During the vesting period, the number of RSUs that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original staff expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of RSUs that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the service condition. The equity amount is recognised in the capital reserve until the RSUs are vested (when it is included in the amount recognised in share premium for the shares vested).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(r) Staff benefits (continued)

(iv) Share-based payments (continued)

(b) Cash-settled share-based payments

The fair value of the amount payable to staff of the Group in the People's Republic of China (the "PRC") in respect of RSUs under the Co-Ownership Plan II, which are to be settled in cash and based on the price of the equity instruments of the Company, is recognised as a staff cost with a corresponding increase in liabilities. Where the staff have to meet vesting conditions before becoming unconditionally entitled to payment, the total estimated fair value of the RSUs is spread over the vesting period, taking into account the probability that the RSUs will vest. The liability is remeasured at the end of each reporting period and at settlement date. Any changes in the fair value of the liability are recognised as staff costs in profit or loss.

(c) Share-based payments among group entities

In the Company's statement of financial position, the Company recognises the fair value of the RSUs granted by the Company to the subsidiaries as a capital contribution to the subsidiaries with an increase in its investments in the subsidiaries. The Company recognises the reimbursement by the subsidiaries of this capital contribution by recognising a recharge asset and a corresponding adjustment (credit) to the carrying amount of the investments in the subsidiaries.

(s) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

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

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

1 Material accounting policies (continued)

(s) Income tax (continued)

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

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(s) Income tax (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(t) Provisions, contingent liabilities and onerous contracts

(i) *Contingent liabilities assumed in business combinations*

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 1(t)(ii).

(ii) *Provisions and contingent liabilities*

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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

1 Material accounting policies (continued)

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) *Revenue for the provision of international telecommunications and fixed telecommunications network service*

Revenue is recognised over time on the basis of units of traffic/data processed and/or contracted fees for telecommunications services that have been provided and based on the relative fair value of the services rendered. Tariff-free period granted to customers are recognised in profit or loss rateably over the term of the service subscription agreement. Amount received in advance for the provision of services is deferred and included under contract liabilities and subsequently recognised as revenue over the related service period.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(u) Revenue and other income (continued)

(ii) *Product revenue*

Revenue is recognised when the customer takes possession of and accepts the goods. If the goods are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

(iii) *Revenue from system integration services*

Revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract. When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent that it is probable the contract costs incurred will be recoverable. Accumulated experience is used to estimate the variable consideration to the extent that it is highly probable that a significant reversal will not occur, using the expected value method, to be included in the transaction price.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised in accordance with the policy set out in note 1(t)(ii).

(iv) *Rental income from operating leases*

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(v) *Dividends*

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

(vi) *Interest income*

Interest income is recognised as it accrues using the effective interest method.

(v) Research and development costs

Research and development costs of new services and enhancements to existing services are charged to profit or loss as incurred.

1 Material accounting policies (continued)

(w) Translation of foreign currencies

Transactions in foreign currencies are translated into respective functional currencies of group companies at the exchange rates at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill and fair value adjustments arising from acquisition, are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(x) Borrowing costs

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

(y) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(y) Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

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

(z) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position where there is a legally enforceable right to set off the recognised amount and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 Revenue and segment reporting

The principal activities of the Group are (i) provision of fixed telecommunications network services, international telecommunications services and mobile services to residential and enterprise customers in Hong Kong, (ii) system integration services, (iii) product sales and (iv) marketing and distribution of computer hardware and software, telecommunication products, office automation products and the provision of related services.

(a) Disaggregation of revenue

Revenue represents revenue from (i) fixed telecommunications network services, international telecommunications services and mobile services to residential and enterprise customers in Hong Kong, (ii) system integration services, (iii) product sales and (iv) marketing and distribution of computer hardware and software, telecommunication products, office automation products and the provision of related services.

(i) Disaggregation of revenue from contracts with customers by major categories is as follows:

	2025 \$'000	2024 \$'000
Disaggregated by major products or service lines:		
Fixed telecommunications network services	4,687,385	4,574,694
International telecommunications services	1,599,495	1,071,683
Other services	301,693	350,362
Fees from provision of telecommunications services	6,588,573	5,996,739
Product revenue	3,264,606	3,478,486
Technology solution and consultancy services	1,275,363	1,175,697
Revenue from contracts with customers within the scope of HKFRS 15	11,128,542	10,650,922
Disaggregated by major categories:		
Residential Solutions revenue	2,332,664	2,344,060
Enterprise Solutions revenue	5,531,272	4,828,376
Enterprise Solutions related products revenue	1,798,770	1,846,125
Handsets and other products revenue	1,465,836	1,632,361
	11,128,542	10,650,922

During the years ended 31 August 2025 and 2024, product revenue is recognised at a point in time and revenue from the provision of telecommunications services is substantially recognised over time.

One customer of the Group contributed 12.4% of the Group's total revenue for the year ended 31 August 2025 (2024: 14.5%).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Revenue and segment reporting (continued)

(a) Disaggregation of revenue (continued)

(ii) *Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date*

As at 31 August 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is \$5,314,292,000 (2024: \$5,263,589,000). This amount represents revenue expected to be recognised in the future from contracts for products or services entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the service is performed or as the work is completed, which is expected to occur over the next 1 to 24 years (2024: 1 to 25 years).

(b) Segment reporting

The Group's most senior executive management reviews the Group's internal reporting for the purposes of assessing the performance and allocates the resources of the Group by geographical location. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resources allocation and performance assessment for the purposes of resources allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

(i) *Telecom and technology solutions (Hong Kong)*

Include provision of fixed telecommunications network services, international telecommunications services, mobile services to residential and enterprise customers and technology-related services in Hong Kong.

(ii) *Telecom and technology solutions (non-Hong Kong)*

Include the provision of telecommunications and technology solutions and consultancy services in Chinese Mainland and Macao.

2 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(iii) *Segment results, assets and liabilities*

The Group's senior executive management monitors the performance attributable to each reportable segment on the following basis:

The segment revenue of the Group is based on geographical location of customers. Income and expenses are allocated to the reportable segments with reference to revenue generated by those segments and expenses incurred by those segments or which otherwise arisen from the depreciation or amortisation of assets attributable to those segments. The inter-segment transactions are conducted on normal commercial terms and are priced with reference to prevailing market prices and in the ordinary course of business.

The performance measure used for reportable segment profit is earnings before finance costs, interest income, income tax, depreciation, amortisation of intangibles assets (net of direct cost incurred), amortisation of customer acquisition and retention costs and transaction costs in connection with voluntary general cash offer.

In addition to receiving segment information concerning the reportable segment profit, management is provided with segment information concerning inter segment sales, interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation, capital expenditures and income tax.

Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Segment assets and liabilities of the Group are not reported to the Group's chief operating decision makers regularly. As a result, reportable assets and liabilities have not been presented in these financial statements.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(iii) Segment results, assets and liabilities (continued)

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 August 2025 and 2024 is set out below.

	Telecom and technology solutions (Hong Kong)		Telecom and technology solutions (non-Hong Kong)		Total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Reportable segment revenue	10,107,064	9,663,382	1,297,398	1,318,075	11,404,462	10,981,457
Inter-segment revenue	(42,062)	(33,459)	(233,858)	(297,076)	(275,920)	(330,535)
Revenue from external customers	10,065,002	9,629,923	1,063,540	1,020,999	11,128,542	10,650,922
Disaggregated by timing of revenue recognition						
Point in time	2,413,487	2,645,384	851,119	833,102	3,264,606	3,478,486
Over time	7,651,515	6,984,539	212,421	187,897	7,863,936	7,172,436
Revenue from external customers	10,065,002	9,629,923	1,063,540	1,020,999	11,128,542	10,650,922
Reportable segment profit	2,385,386	2,286,894	65,774	74,150	2,451,160	2,361,044
Interest income	6,887	8,057	1,847	1,568	8,734	9,625
Finance costs	709,400	858,661	1,035	1,575	710,435	860,236
Depreciation and amortization during the year	1,462,219	1,500,071	19,139	23,318	1,481,358	1,523,389
Addition to property, plant and equipment	679,799	387,468	8,103	3,535	687,902	391,003
Income tax (credit)/expense	(1,977)	9,166	10,946	9,682	8,969	18,848

2 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(iv) Reconciliation between segment profit derived from Group's external customers and consolidated profit before taxation

	2025 \$'000	2024 \$'000
Reportable segment profit derived from		
Group's external customers	2,451,160	2,361,044
Finance costs	(710,435)	(860,236)
Interest income	8,734	9,625
Depreciation	(822,208)	(840,828)
Amortisation of intangible assets	(351,337)	(366,258)
Amortisation of customer acquisition and retention costs	(286,773)	(274,222)
Transaction costs in connection with voluntary general cash offer	(73,308)	–
Consolidated profit before taxation	215,833	29,125

(v) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, right-of-use assets, intangible assets, goodwill, customer acquisition and retention costs, contract assets, interests in joint ventures and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of right-of-use assets, intangible assets, goodwill, customer acquisition and retention costs, contract assets and other non-current assets and the location of operations, in the case of interests in joint ventures.

	Revenues from external customers	
	2025 \$'000	2024 \$'000
Hong Kong (place of domicile)	10,065,002	9,629,923
Chinese Mainland	598,420	590,620
Macao	465,120	430,379
	1,063,540	1,020,999
	11,128,542	10,650,922

The majority of the specified non-current assets were located in Hong Kong.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Profit before taxation

Profit before taxation is arrived at after (crediting)/charging:

	2025 \$'000	2024 \$'000
(a) Other net income		
Interest income	(8,734)	(9,625)
Net foreign exchange loss	12,011	7,117
Gain on disposal of property, plant and equipment, net	(3,595)	(22,381)
Gain on disposal of right-of-use assets, net	(174)	–
Loss on disposal of a subsidiary	–	3,715
Other income	(8,291)	(3,435)
	(8,783)	(24,609)
(b) Other operating expenses		
Advertising and marketing expenses	36,614	26,870
Depreciation		
— Property, plant and equipment	664,924	676,389
— Right-of-use assets	157,197	163,843
Recognition of loss allowance on trade receivables and contract assets (note 30(a))	67,045	56,765
Staff costs (note 3(c))	974,667	1,066,852
Amortisation of intangible assets	351,337	366,258
Amortisation of customer acquisition and retention costs (note 15(b))	286,773	274,222
Transaction costs in connection with voluntary general cash offer	73,308	–
Others	513,575	493,165
— Rental and utilities	56,600	50,884
— Site expenses	90,399	75,061
— Bank handling charges	34,333	36,123
— Maintenance	68,486	85,269
— Subscription and license fees	103,457	106,527
— Legal and professional fees	43,344	36,378
— Printing, telecommunication and logistics expenses	35,781	34,032
— Others	81,175	68,891
	3,125,440	3,124,364

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Profit before taxation (continued)

Profit before taxation is arrived at after (crediting)/charging: (continued)

	2025 \$'000	2024 \$'000
(c) Staff costs		
Salaries, wages and other benefits	1,330,384	1,414,433
Contributions to defined contribution retirement plan	124,507	128,205
	1,454,891	1,542,638
Less: Staff costs capitalised as property, plant and equipment	(76,424)	(48,414)
Staff costs capitalised as intangible assets	(16,966)	–
Staff costs capitalised as customer acquisition and retention costs	(176,748)	(188,227)
Staff costs included in network costs and costs of sales	(210,086)	(239,145)
	974,667	1,066,852
(d) Finance costs		
Interest and finance charges on bank loans	644,438	833,130
Interest on other borrowings	1,022	2,709
Interest on lease liabilities	23,386	22,861
Interest on other liabilities	20	468
Loss on early retirement of banking facilities	18,968	–
Fair value loss on interest-rate swaps	22,601	1,068
	710,435	860,236
(e) Other items		
Amortisation of intangible assets (note 10)	372,377	408,339
Depreciation		
— Property, plant and equipment (note 11(a))	664,924	676,389
— Right-of-use assets (note 11(b))	157,284	164,439
Rental charges on telecommunications facilities and computer equipment	563,429	472,427
Expenses relating to short-term leases and leases of low-value assets		
— Land and buildings	8,572	16,317
Auditor's remuneration		
— Audit services	3,598	3,598
— Review services	400	400
— Tax services	660	540
— Other services	319	1,001
Recognition of loss allowance on trade receivables and contract assets	67,045	56,765
Cost of inventories (note 15)	3,123,126	3,334,002
Write down of inventories (note 15)	5,755	7,464

Network costs and costs of sales includes \$210,086,000, \$87,000 and \$21,040,000 for the year ended 31 August 2025 (2024: \$239,145,000, \$595,000 and \$42,081,000), relating to staff costs, and depreciation of right-of-use assets and amortisation of intangible assets respectively which amount is also included in the respective total amounts disclosed separately above or in notes 3(b) and 3(c) for each of these types of expenses.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

4 Income tax in the consolidated income statement

(a) Taxation in the consolidated income statement represents:

	2025 \$'000	2024 \$'000
Current tax — Hong Kong Profits Tax		
Provision for the year	120,039	172,612
Under/(over)-provision in respect of prior years	361	(763)
Current tax — Outside Hong Kong		
Provision for the year	9,894	10,777
Under/(over)-provision in respect of prior years	1,054	(1,163)
Deferred tax		
Origination and reversal of temporary differences (note 26)	(122,379)	(162,615)
Tax expense	8,969	18,848

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first \$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024.

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

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

	2025 \$'000	2024 \$'000
Profit before taxation	215,833	29,125
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	37,069	3,047
Tax effect of non-deductible expenses	118,358	145,178
Tax effect of non-taxable income	(3,918)	(2,789)
Adjustment to deferred tax assets previously not recognised	(144,259)	(125,128)
Tax effect of unused tax losses not recognised	(217)	(222)
Under/(over)-provision in respect of prior years	1,415	(1,926)
Others	521	688
Actual tax expense	8,969	18,848

4 Income tax in the consolidated income statement (continued)

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

Pillar two income taxes

In December 2021, the Organisation for Economic Co-operation and Development ("OECD") released the Pillar Two model rules, also known as the Global Anti-Base Erosion Proposal ("GloBE"), to reform international corporate taxation.

The Group is within the scope of the OECD Pillar Two model rules. The Pillar Two legislation in Hong Kong was gazetted on 6 June 2025 and came into effect retrospectively from 1 January 2025, which is applicable to the Group from the financial year ending 31 August 2026 onwards.

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion effective tax rate for each jurisdiction and the 15% minimum rate. The Group is currently assessing the Pillar Two tax exposure and the potential impacts on the consolidated financial statements for the year ending 31 August 2026.

The Groups have applied the temporary mandatory exception provided in the amendments to HKAS 12 Income Taxes issued by the HKICPA in July 2023, thereby not recognising or disclosing information about deferred income tax assets and liabilities associated with Pillar Two Income Taxes.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

5 Directors' emoluments

The Executive Directors' emoluments were for their services in connection with the management of the affairs of the Group. The Independent Non-Executive Directors' emoluments were for their services as directors of the Company.

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2025				
	Directors' fees \$'000	Salaries \$'000	Discretionary bonuses \$'000	Retirement scheme contributions \$'000	Total \$'000
Executive directors					
Mr. Chu Kwong YEUNG (resigned on 5 September 2025)	-	10,535	-	1,096	11,631
Non-executive directors					
Mr. Liyang ZHANG (resigned on 12 December 2024)	-	-	-	-	-
Ms. Shengping Yu (resigned on 8 August 2025)	-	-	-	-	-
Zubin Jamshed IRANI (resigned on 13 May 2025)	-	-	-	-	-
Independent non-executive directors					
Mr. Bradley Jay HORWITZ (resigned on 12 December 2024)	184	-	-	-	184
Ms. Ming Ming Anna CHEUNG	781	-	-	-	781
Ms. Cordelia CHUNG	841	-	-	-	841
Ms. Kit Yi Kitty CHUNG	751	-	-	-	751
	2,557	10,535	-	1,096	14,188

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

5 Directors' emoluments (continued)

	2024				
	Directors' fees \$'000	Salaries \$'000	Discretionary bonuses \$'000	Retirement scheme contributions \$'000	Total \$'000
Executive directors					
Mr. Chu Kwong YEUNG	–	8,290	–	821	9,111
Mr. Ni Quiaque LAI (resigned on 28 February 2024)	–	10,680	–	290	10,970
Non-executive directors					
Mr. Liyang ZHANG (appointed on 15 June 2023)	–	–	–	–	–
Mr. Zubin Jamshed IRANI (resigned on 15 June 2023)	–	–	–	–	–
Mr. Agus TANDIONO (resigned on 13 September 2023)	–	–	–	–	–
Ms. Shengping Yu	–	–	–	–	–
Independent non-executive directors					
Mr. Bradley Jay HORWITZ	653	–	–	–	653
Ms. Ming Ming Anna CHEUNG (appointed on 13 September 2023)	631	–	–	–	631
Ms. Cordelia CHUNG (appointed on 15 December 2023)	465	–	–	–	465
Ms. Kit Yi Kitty CHUNG (appointed on 13 September 2023)	631	–	–	–	631
Mr. Stanley CHOW (resigned on 15 December 2023)	190	–	–	–	190
Mr. Yee Kwan Quinn LAW (resigned on 15 December 2023)	190	–	–	–	190
Ms. Edith Manling NGAN (appointed on 1 September 2022 and resigned on 13 September 2023)	22	–	–	–	22
	2,782	18,970	–	1,111	22,863

During the year ended 31 August 2025, salaries included. No amount paid to a director as a compensation for loss of office (2024: \$7.3 million). There were no amounts paid or payable to the directors as an inducement to join or upon joining the Group (2024: \$Nil). There was no arrangement under which a director waived or agreed to waive any remuneration during the year ended 31 August 2025 (2024: \$Nil).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

6 Individuals with highest emoluments

Of the five individuals with the highest emoluments, one (2024: two) is a director whose emoluments are disclosed in note 5. Except for disclosed in note 5, there was no amount paid or payable to the remaining four individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 August 2025 (2024: nil). The aggregate of the emoluments in respect of the other four (2024: three) individuals are as follows:

	2025 \$'000	2024 \$'000
Salaries and other emoluments	13,895	11,020
Performance bonuses	1,171	2,865
Retirement scheme contributions	1,151	1,038
	16,217	14,923

The emoluments of the four (2024: three) individuals with the highest emoluments are within the following bands:

	2025 Number of individuals	2024 Number of individuals
\$3,500,001–\$4,000,000	1	1
\$4,000,001–\$4,500,000	2	1
\$4,500,001–\$5,000,000	1	–
\$6,500,001–\$7,500,000	–	1
	4	3

7 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$206,864,000 (2024: \$10,277,000) and the weighted average number of ordinary shares in issue calculated as follows:

	2025 '000	2024 '000
Issued ordinary shares at 1 September	1,311,599	1,311,599
Add: unvested shares held for the Co-Ownership Plan II Restricted Share Units	(760)	(760)
	1,310,839	1,310,839
Add: effect of the conversion of Vendor Loan Notes	69,680	–
Weighted average number of ordinary shares in issue during the year	1,380,519	1,310,839

(b) Diluted earnings per share

During the year ended 31 August 2025, the calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$206,864,000 (2024: \$10,277,000) and the weighted average number of ordinary shares in issue less shares held for the Co-Ownership Plan II after adjusting for the dilutive effect of the Vendor Loan Notes, calculated as follows:

	2025 '000	2024 '000
Weighted average number of ordinary shares less shares held for the Co-Ownership Plan II	1,380,519	1,310,839
Add: effect of the Vendor Loan Notes	97,642	167,322
Weighted average number of ordinary shares (diluted)	1,478,161	1,478,161

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

8 Retirement benefit costs

The Group contributes to an Occupational Retirement Scheme (the "ORSO Scheme"), a defined contribution retirement scheme, which is available to some of its staff in Hong Kong. Under the ORSO Scheme, the staff are required to contribute 5% of their monthly salaries, while the Group's contributions are calculated at 10% and 5% of the monthly salaries of senior staff and other staff respectively. The staff are entitled to 100% of the employer's contributions after 10 years of completed service, or at a reduced scale after completion of 3 to 9 years' service. Contributions to the ORSO Scheme are reduced by contributions forfeited by those staff who leave the ORSO Scheme prior to vesting fully in the Group's contributions.

A mandatory provident fund scheme (the "MPF Scheme") has been established under the Hong Kong Mandatory Provident Fund Scheme Ordinance in December 2000. The existing staff of the Group in Hong Kong could elect to join the MPF Scheme, while all new staff joining the Group in Hong Kong from then onwards are required to join the MPF Scheme. Both the Group and the staff are required to contribute 5% of each individual's relevant income with a maximum amount of \$1,250 per month before 1 June 2014, and commenced from 1 June 2014, the maximum amount has been increased to \$1,500, as a mandatory contribution. Employer's mandatory contributions are 100% vested in the staff as soon as they are paid to the MPF Scheme. Senior staff may also elect to join a Mutual Voluntary Plan (the "Mutual Plan") in which both the Group and senior staff, on top of the MPF Scheme mandatory contributions, make a voluntary contribution to the extent of contributions that would have been made under the ORSO Scheme. During the year, forfeited contributions totalling \$Nil (2024: \$122,000) were used to reduce the current year's level of contributions and \$Nil was available at 31 August 2025 (2024: \$Nil) to reduce future year's contributions.

Pursuant to the relevant regulations in the PRC, the Group contributes to a defined contribution retirement scheme organised by the local social security bureau for each staff of the subsidiary in the PRC at the rate of 20% of a standard salary base as determined by the local social security bureau, the rate has been decreased to 14% effective from 1 January 2015. The Group has no other obligation to make payments in respect of retirement benefits of these staff.

Retirement benefits for employees in Chinese Mainland and other locations are based primarily on local mandatory requirements.

9 Goodwill

	\$'000
Cost:	
At 1 September 2023, 31 August 2024, 1 September 2024 and 31 August 2025	9,016,507
Accumulated impairment losses:	
At 31 August 2024, 1 September 2024 and 31 August 2025	1,200,000
Carrying amount:	
At 31 August 2025	7,816,507
At 31 August 2024	7,816,507

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to operating segments as follows:

	2025 \$'000	2024 \$'000
Telecom and technology solutions (Hong Kong)		
— fixed telecommunications network service (residential solutions and enterprise solutions)	7,733,317	7,733,317
— technology related services	83,190	83,190
	7,816,507	7,816,507

The recoverable amount of the CGUs is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a period of five years except for the enterprise solutions and technology related services CGU covering ten years because of the longer period to revamp the business, assumptions reflective of the prevailing market conditions, and are discounted appropriately.

The key assumptions used in the value-in-use calculation are (i) the average annual growth rate of revenue of the fixed telecommunications network services (including Wi-Fi connectivity services) and technology solutions and consultancy services, (ii) terminal growth rates and (iii) discount rates, which are determined based on the past performance and management's expectation for market development. The discount rate used is pre-tax and reflects specific risks relating to the relative segment. Any adverse change in the key assumptions could result in further impairment loss.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

9 Goodwill (continued)

Key assumptions adopted in the cash flow projections for impairment reviews are as follows:

	2025	2024
Telecom and technology solutions (Hong Kong)		
— fixed telecommunications network service (residential solutions and enterprise solutions)		
Revenue growth rate	2%	2%
Long-term growth rate	2%	2–3%
Pre-tax discount rate	11%	12%
	2025	2024
Telecom and technology solutions (Hong Kong)		
— technology related services		
Revenue growth rate	2%	2%
Long-term growth rate	3%	3%
Pre-tax discount rate	17%	17%

No impairment loss was recognised based on the impairment assessment. There were no material changes in the methodology and sources of market data applied in the valuation between 2025 and 2024.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

10 Intangible assets

	Customer relationship					Brand and trademark					Self-developed				Other intangible assets	Total
	For FTNS business	For IDD business	For Wi-Fi business	For Cloud business	For IT business	For FTNS business	For IDD business	For Wi-Fi business	For Cloud business	For IT business	Backlog	Computer software	software and system			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Cost:																
At 1 September 2023	2,886,029	164,000	9,296	1,229	513,316	1,461,205	48,819	7,721	12,228	205,461	213,977	27,851	-	549,778	6,100,910	
Addition	-	-	-	-	-	-	-	-	-	-	-	159	-	-	159	
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	13	-	-	13	
At 31 August 2024	2,886,029	164,000	9,296	1,229	513,316	1,461,205	48,819	7,721	12,228	205,461	213,977	28,023	-	549,778	6,101,082	
At 1 September 2024	2,886,029	164,000	9,296	1,229	513,316	1,461,205	48,819	7,721	12,228	205,461	213,977	28,023	-	549,778	6,101,082	
Addition	-	-	-	-	-	-	-	-	-	-	-	-	16,966	-	16,966	
Write-off	-	-	-	-	-	-	-	-	-	-	-	-	-	(549,778)	(549,778)	
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	(7)	-	-	(7)	
At 31 August 2025	2,886,029	164,000	9,296	1,229	513,316	1,461,205	48,819	7,721	12,228	205,461	213,977	28,016	16,966	-	5,568,263	
Accumulated amortisation:																
At 1 September 2023	1,331,432	131,782	5,504	1,128	134,533	854,623	31,328	4,117	5,633	96,767	213,977	27,628	-	486,657	3,325,109	
Charge for the year	181,786	11,718	517	101	31,588	115,697	4,368	386	1,112	18,906	-	79	-	42,081	408,339	
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	13	-	-	13	
At 31 August 2024	1,513,218	143,500	6,021	1,229	166,121	970,320	35,696	4,503	6,745	115,673	213,977	27,720	-	528,738	3,733,461	
At 1 September 2024	1,513,218	143,500	6,021	1,229	166,121	970,320	35,696	4,503	6,745	115,673	213,977	27,720	-	528,738	3,733,461	
Charge for the year	181,786	11,714	516	-	31,588	102,450	3,824	386	1,112	17,488	-	82	391	21,040	372,377	
Write-off	-	-	-	-	-	-	-	-	-	-	-	-	-	(549,778)	(549,778)	
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	(6)	-	-	(6)	
At 31 August 2025	1,695,004	155,214	6,537	1,229	197,709	1,072,770	39,520	4,889	7,857	133,161	213,977	27,796	391	-	3,556,054	
Net book value:																
At 31 August 2025	1,191,025	8,786	2,759	-	315,607	388,435	9,299	2,832	4,371	72,300	-	220	16,575	-	2,012,209	
At 31 August 2024	1,372,811	20,500	3,275	-	347,195	490,885	13,123	3,218	5,483	89,788	-	303	-	21,040	2,367,621	

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

10 Intangible assets (continued)

The identifiable intangible assets recognised by the Group upon the business combinations completed on 30 May 2012, 4 January 2013, 31 March 2016, 30 May 2018, 30 April 2019 and 13 December 2019 include:

- Customer relationship of FTNS and IDD business
- Brand and trademark of FTNS and IDD business, including "HKBN", "WTT", "IDD1666", "IDD0030", "IDD007", "IDD1507"
- Customer relationship of Wi-Fi business
- Brand and trademark of Wi-Fi business
- Customer relationship of Cloud business
- Brand and trademark of Cloud business
- Customer relationship of IT business
- Brand and trademark of IT business
- Backlog of FTNS business

The fair value of the intangible assets at the dates of completion of the business combinations were appraised by independent valuers.

Other intangible assets include contractual right to receive future benefits and licences.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

11 Property, plant and equipment

(a) Reconciliation of carrying amount

	Buildings \$'000	Leasehold improvements \$'000	Furniture, fixtures and fittings \$'000	Cable, telecommunications, computer and office equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost:						
At 1 September 2023	111,195	105,339	12,379	8,448,702	5,673	8,683,288
Exchange adjustments	–	1,523	410	1,649	–	3,582
Additions	–	18,864	142	371,997	–	391,003
Disposals	–	(7,249)	(2,555)	(15,221)	(777)	(25,802)
Disposals of a subsidiary	–	(22)	(58)	(707)	–	(787)
At 31 August 2024	111,195	118,455	10,318	8,806,420	4,896	9,051,284
At 1 September 2024	111,195	118,455	10,318	8,806,420	4,896	9,051,284
Exchange adjustments	–	(88)	495	(88)	75	394
Additions	–	6,235	79	681,330	258	687,902
Disposals	–	–	(38)	(79,098)	(459)	(79,595)
At 31 August 2025	111,195	124,602	10,854	9,408,564	4,770	9,659,985
Accumulated depreciation:						
At 1 September 2023	20,220	85,035	7,951	5,146,811	4,279	5,264,296
Exchange adjustments	–	1,442	404	1,424	–	3,270
Charge for the year	4,137	8,650	1,739	661,274	589	676,389
Written back on disposals	–	(7,249)	(2,528)	(14,633)	(777)	(25,187)
Disposals of a subsidiary	–	(1)	(13)	(415)	–	(429)
At 31 August 2024	24,357	87,877	7,553	5,794,461	4,091	5,918,339
At 1 September 2024	24,357	87,877	7,553	5,794,461	4,091	5,918,339
Exchange adjustments	–	(73)	501	(49)	75	454
Charge for the year	3,946	9,876	1,440	649,173	489	664,924
Written back on disposals	–	–	(38)	(77,347)	(451)	(77,836)
At 31 August 2025	28,303	97,680	9,456	6,366,238	4,204	6,505,881
Net book value:						
At 31 August 2025	82,892	26,922	1,398	3,042,326	566	3,154,104
At 31 August 2024	86,838	30,578	2,765	3,011,959	805	3,132,945

At 31 August 2025 and 2024, the Group has certain agreements with third parties (the “Contract Parties”) in which the Group would provide its network capacity to the Contract Parties in certain period, and in exchange, the Contract Parties would provide the Group the right to use the network capacity of the Contract Parties in the same period. The directors of the Group consider that since the arrangements involve exchange of a similar nature and value, the exchange is not recognised as a transaction which generates revenue, and accordingly, the network capacity of the Contract Parties under the agreements have not been recognised as an asset and no revenue or deferred revenue have been recognised in the financial statements of the Group.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

11 Property, plant and equipment (continued)

(b) Right-of-use assets

The analysis of net book values of right-of-use assets by class of underlying asset of the Group is as follows:

	Note	2025 \$'000	2024 \$'000
Interests in leasehold land held for own use, carried at depreciated cost, with remaining lease term of:			
— 10 years or less	(i)	3,010	3,242
— between 10 and 50 years		197,923	207,187
— 50 years or more		4,993	4,587
		205,926	215,016
Other properties leased for own used, carried at depreciated cost	(ii)	303,618	377,139
Telecommunication facilities and computer equipment	(iii)	24,920	36,302
		534,464	628,457

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 \$'000	2024 \$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Interests in leasehold land held for own use	9,090	9,357
Other properties leased for own used	136,813	143,191
Telecommunication facilities and computer equipment	11,381	11,891
	157,284	164,439

During the year, additions to right-of-use assets were \$54,171,000 (2024: \$113,705,000). This amount primarily related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 18(e) and 21 respectively.

11 Property, plant and equipment (continued)

(b) Right-of-use assets (continued)

(i) *Interests in leasehold land held for own use*

The Group holds several commercial buildings, industrial buildings, hub sites and car park space for its business and is the registered owner of these property interests. Lump sum payments were made upfront to acquire these property interests from their previous registered owners.

(ii) *Properties leased for own use*

The Group has obtained the right to use other properties as its office, data centre, server rooms, warehouse and retail stores through tenancy agreements. The leases typically run for an initial period of 2 to 10 years (2024: 2 to 10 years).

The Group leased a number of retail stores which contain variable lease payment terms that are based on 1%-5% of sales generated from the retail stores and minimum fixed lease payment terms. No variable lease payment occurred during the years ended 31 August 2025 and 2024.

(iii) *Telecommunications facilities and computer equipment*

The Group leases telecommunications facilities and computer equipment under leases expiring from 2 to 9 years (2024: 2 to 9 years). None of the leases includes variable lease payments.

(c) Sales and leaseback arrangement contracts

The Group entered into sale and leaseback arrangement contracts with third-party leasing companies, with contract terms of three years. The substance of the arrangement is that the lessors provide finance to the Group with the asset as security. The Group continues to account for the assets in its consolidated statement of financial position. The sales proceeds are recorded as other borrowings in the consolidated statement of financial position (note 20(b)(vi)).

(d) Security

At 31 August 2024, certain telecommunications, computer and office equipment with carrying amount of \$56,806,000 were pledged against the other loan (note 20(b)(viii)).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

12 Investments in subsidiaries

The following is a list of principal subsidiaries of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation/ establishment	Particulars of issued and paid up share capital	Percentage of ownership interest held	Principal activities and place of operation
COL LIMITED	Hong Kong	40,000 shares	100	Provision of data processing services in Hong Kong
COSMO TRUE LIMITED	British Virgin Islands ("BVI")	US\$1	100	Property investment in Hong Kong
DYNAMIC FUTURE INVESTMENTS LIMITED	Hong Kong	1 share	100	Property holding in Hong Kong
EC TELECOM LIMITED	Hong Kong	2 shares	100	Provision of telecommunication services in Hong Kong
Guangzhou Cangxun Electron Technology Service Limited Company*	PRC [#]	\$1,000,000	100	Provision of telecommunication services in the PRC
Guangzhou City Telecom Customer Services Co. Ltd.*	PRC [#]	\$8,000,000	100	Provision of administrative support services in the PRC
HKBN Corporate Limited	Hong Kong	100 shares	100	Office administration, office support activities in Hong Kong
HKBN Enterprise Solutions Cayman Corp ("HKBNESCC")	Cayman Islands	US\$1	100	Investment holding in Hong Kong
HKBN Enterprise Solutions Cloud Services Limited	Hong Kong	100 shares	100	Provision of consulting services in Hong Kong
HKBN Enterprise Solutions Development Limited ("HKBNESDL")	Cayman Islands	US\$0.01	100	Investment holding in Hong Kong

12 Investments in subsidiaries (continued)

Name of company	Place of incorporation/ establishment	Particulars of issued and paid up share capital	Percentage of ownership interest held	Principal activities and place of operation
HKBN Enterprise Solutions HK Limited ("HKBNEHKL")	Hong Kong	1,752,079,583 shares	100	Investment holding and provision of telecommunication services in Hong Kong
HKBN Enterprise Solutions Limited ("HKBNES")	Hong Kong	10,000,000 shares	100	Provision of telecommunication services in Hong Kong
HKBN Enterprise Solutions Net Limited	Hong Kong	2 shares	100	Provision of telecommunication services in Hong Kong
HKBN Group Limited ("HKBNGL")	BVI	US\$5,294	100	Investment holding in Hong Kong
HKBN JOS Limited ("HKBNJL")	Hong Kong	33,000,000 shares	100	Enterprise systems technical services and distribution and logistics services in Hong Kong
HKBN JOS (MACAU) LIMITED	Macao	MOP\$25,000	100	Enterprise systems in Macao
HKBN JOS (Shanghai) Company Limited*	PRC [#]	\$30,000,000	100	Technical services and product sales in the PRC
HKBN JOS (Zhuhai) Company Limited*	PRC [#]	\$2,500,000	100	Technical services and product sales in the PRC
Hong Kong Broadband Network Limited ("HKBN")	Hong Kong	383,049 shares	100	Provision of internet, telecommunications and security devices installation services in Hong Kong
Jiuxin (Guangzhou) Electron Technology Service Limited Company*	PRC [#]	\$1,300,000	100	Provision of telecommunication services in the PRC
Metropolitan Light Company Limited ("MLCL")	Cayman Islands	US\$1,000	100	Investment holding in Hong Kong

* The English names are translated for reference only. The official names of these entities are in Chinese.

[#] Wholly owned foreign enterprise registered under the PRC law.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

13 Interests in joint ventures

- (a) Details of the Group's interests in the joint ventures, which are accounted for using the equity method in the consolidated financial statements, are as follows:

Name of joint venture	Form of business structure	Place of incorporation/ establishment	Particulars of issued and paid up capital	Percentage of ownership interest held by a subsidiary	Principal activities and place of operation
TGgo Company Limited ("TGgo")	Limited liability company	Hong Kong	100 shares	40	Provision of cloud computing services in Hong Kong

TGgo is unlisted corporate entities whose quoted market prices are not available. In the opinion of the directors, these are arrangements whereby the Group and other parties contractually agree to share control of the arrangements, and have rights to the net assets of the arrangements. Accordingly, the investment has been accounted for as a joint venture.

- (b) Aggregate information of joint venture that are not individually material:

	2025 \$'000	2024 \$'000
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	—	—
Aggregate amounts of the Group's share of those joint ventures'		
— Loss and other comprehensive income for the year	—	(128)
— Total comprehensive income	—	(128)

14 Other non-current assets

Other non-current assets mainly comprise prepayments and deposits for purchase of property, plant and equipment. The amounts are neither past due nor impaired.

	2025 \$'000	2024 \$'000
Prepayments	50,181	48,652
Deposits	2,404	7,371
	52,585	56,023

15 Inventories and customer acquisition and retention costs

(a) Inventories

Inventories in the consolidated statement of financial position comprise finished goods.

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025 \$'000	2024 \$'000
Carrying amount of inventories sold	3,123,126	3,334,002
Write down of inventories	5,755	7,464
	3,128,881	3,341,466

The write-down of inventories made due to the decrease in net realisable value of goods for resale.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

15 Inventories and customer acquisition and retention costs (continued)

(b) Customer acquisition and retention costs

	\$'000
Cost:	
At 1 September 2023	1,861,592
Additions	274,643
At 31 August 2024 and 1 September 2024	2,136,235
Additions	256,738
At 31 August 2025	2,392,973
Accumulated amortisation:	
At 1 September 2023	1,397,059
Charge for the year	274,222
At 31 August 2024 and 1 September 2024	1,671,281
Charge for the year	286,773
At 31 August 2025	1,958,054
Carrying amount:	
At 31 August 2025	434,919
At 31 August 2024	464,954

Customer acquisition and retention costs capitalised as at 31 August 2025 and 2024 relate to the (i) customer acquisition costs paid to staff or agents whose selling activities resulted in customers entering into contracts for the provision of telecommunications services which the contract periods are over 12 months at the reporting date and (ii) customer retention costs incurred in fulfilling a contract with a customer which the contract periods are over 12 months at the reporting date to generate or enhance resources of the Group that will be used in satisfying performance obligations in the future.

Customer acquisition costs and customer retention costs are recognised as part of "other operating expenses" in the consolidated income statement in the period in which revenue from the related contracts is recognised.

There was no impairment in relation to the customer acquisition and retention costs capitalised during the year.

16 Contract assets and contract liabilities

(a) Contract assets

	2025 \$'000	2024 \$'000
Arising from international telecommunications services	115,610	62,937
Arising from product revenue bundled with telecommunication services	50,440	76,288
Arising from system integration services contracts with conditional payment terms	198,530	115,848
	364,580	255,073

Typical payment terms which impact on the amount of contract assets recognised are as follows:

— **International telecommunications services**

The Group provides international telecommunications services to telecommunications operators. The Group and certain telecommunications operators enter into contracts with minimum commitments on either transaction amount or unit of traffic to be processed and contract term would usually last for over three months. Such contracts involve large amount of transactions and both parties are required to verify and reconcile the transactions details received from counter party against their own records. Once the verification and reconciliation work have been completed, the Group will issue an invoice to the telecommunications operator. The Group's right to the consideration is generally unconditional upon the completion of verification and reconciliation work from both parties as well as the issuance of invoice.

— **Sales of products bundled with services**

The Group offers packages to the customer which include the bundle sales of products and provision of services. In this situation, the customer pays to the Group in accordance with the predetermined payment schedule. If the performance obligations fulfilled by the Group exceed the total payments received to date, a contract asset is recognised. The contract assets are transferred to receivables when the Group's rights to the contract consideration become unconditional.

— **System integration services with conditional payment terms**

System integration services is one of the services to enterprise customers. The Group's project based system integration services include payment schedules which require stage payments over the project period once milestones are reached. This gives rise to contract assets when the revenue recognised on the project exceeds the amount of the payment made by customer.

All of the current contract assets are expected to be recovered within one year.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

16 Contract assets and contract liabilities (continued)

(b) Contract liabilities

	2025 \$'000	2024 \$'000
Indefeasible right of use ("IRU") arrangement		
— Billing in advance of performance	36,602	46,176
Telecom and technology solutions services		
— Billing in advance of performance	700,282	737,737
	736,884	783,913
Represented by:		
— Non-current portion	153,583	177,301
— Current portion	583,301	606,612
	736,884	783,913

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

IRU arrangements

The Group received 100% of the contract value when they sign the IRU arrangement contract with customer. This consideration is recognised as contract liabilities upon receipt.

Telecom and technology solutions services — Billing in advance of performance

The Group's telecom and technology solutions services normally include payment schedules which require advance payments from customers for the services. This gives rise to contract liabilities until revenue recognised on the services are provided.

During the year ended 31 August 2025, the amount of \$606,612,000 (2024: \$573,977,000) recognised in contract liabilities at beginning of the year has substantially been recognised as revenue during the year.

The amount of billings in advance of performance and upfront service fees received in advance expected to be recognised as income after more than one year is \$153,583,000 (2024: \$177,301,000).

Included in the Group's contract liabilities as at 31 August 2025 is an amount of \$6,515,000 due to fellow subsidiaries, arising from transactions carried out in the ordinary course of business of the Group.

17 Trade receivables, other receivables, deposits and prepayments

Trade receivables, other receivables, deposits and prepayments

	2025 \$'000	2024 \$'000
Trade debtors, net of loss allowances	976,438	969,297
Other receivables, deposits and prepayments	440,253	516,316
	1,416,691	1,485,613

All of the other receivables, deposits and prepayments are expected to be recovered or recognised as expense within one year.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	2025 \$'000	2024 \$'000
Within 30 days	425,766	404,816
31 to 60 days	229,529	263,951
61 to 90 days	98,551	109,524
Over 90 days	222,592	191,006
	976,438	969,297

The majority of the Group's trade receivables is due within 30-90 days from the date of billing. Further details on the Group's credit policy are set out in note 30(a).

Included in the Group's trade and other receivables as at 31 August 2025 are aggregate amounts of \$23,218,000 and \$38,315,000 due from immediate holding company and fellow subsidiaries, respectively, arising from transactions carried out in the ordinary course of business of the Group. The balances are unsecured and are repayable within credit periods similar to those offered by the Group to its independent third party customers.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

18 Cash and cash equivalents

(a) Cash and cash equivalents comprise:

	2025 \$'000	2024 \$'000
Cash and cash equivalents in the consolidated cash flow statement	1,192,160	1,217,406

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

	Note	2025 \$'000	2024 \$'000
Profit before taxation		215,833	29,125
Adjustments for:			
Amortisation of intangible assets	10	372,377	408,339
Depreciation	3(e)	822,208	840,828
Interest income	3(a)	(8,734)	(9,625)
Finance costs	3(d)	710,435	860,236
Gain on disposal of property, plant and equipment, net	3(a)	(3,595)	(22,381)
Gain on disposal of right-of-use assets, net	3(a)	(174)	–
Foreign exchange (gain)/loss		(1,437)	12,122
Share of losses of joint ventures	13(b)	–	128
Loss on disposal of a subsidiary	3(a)	–	3,715
Changes in working capital:			
Decrease in other non-current assets		2,934	8,089
Decrease/(increase) in inventories		13,415	(738)
Increase in trade receivables		(7,969)	(58,020)
Decrease/(increase) in other receivables, deposits and prepayments		70,738	(39,278)
Decrease/(increase) in customer acquisition and retention costs		30,035	(421)
(Increase)/decrease in contract assets		(109,507)	60,347
Decrease in amounts due from joint ventures		821	16,513
Increase in trade payables		7,975	15,485
(Decrease)/increase in other payables and accrued charges		(29,105)	77,419
Increase in deposits received		37,619	15,901
(Decrease)/increase in contract liabilities		(46,951)	56,338
Cash generated from operations		2,076,918	2,274,122

18 Cash and cash equivalents (continued)

(c) Reconciliation of liabilities arising from financing activities:

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

	Interest- rate swap \$'000	Bank and other borrowings (Note 20) \$'000	Other non-current and current liabilities (Note 23) \$'000	Accrued borrowing costs ⁽¹⁾ \$'000	Lease liabilities (Note 21) \$'000	Total \$'000
At 1 September 2023	(13,777)	10,956,714	24,163	26,061	536,015	11,529,176
Changes from financing cash flows:						
Proceeds from bank loans, net of transaction costs	–	247,074	–	–	–	247,074
Proceeds from other borrowings	–	17,925	–	–	–	17,925
Repayment of bank loans	–	(253,809)	–	–	–	(253,809)
Repayment of other borrowings and other liabilities	–	(30,080)	(14,043)	–	–	(44,123)
Payment of originating fee for banking facilities amendment	–	–	–	(25,470)	–	(25,470)
Capital element of lease rentals paid	–	–	–	–	(153,146)	(153,146)
Interest element of lease rentals paid	–	–	–	–	(22,861)	(22,861)
Interest received/(paid)	42,699	(2,709)	–	(791,020)	–	(751,030)
Total changes from financing cash flows	42,699	(21,599)	(14,043)	(816,490)	(176,007)	(985,440)
Changes in fair value	1,068	–	–	–	–	1,068
Exchange adjustments	–	–	–	–	205	205
Other changes:						
Increase in lease liabilities from entering into new leases during the year	–	–	–	–	114,001	114,001
Interest and finance charges	–	42,488	468	793,351	22,861	859,168
Disposal of a subsidiary	–	–	–	–	(2,953)	(2,953)
Total other charges	–	42,488	468	793,351	133,909	970,216
At 31 August 2024	29,990	10,977,603	10,588	2,922	494,122	11,515,225

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

18 Cash and cash equivalents (continued)

(c) Reconciliation of liabilities arising from financing activities: (continued)

	Interest- rate swap \$'000	Bank and other borrowings (Note 20) \$'000	Other non-current and current liabilities (Note 23) \$'000	Accrued borrowing costs ^(*) \$'000	Lease liabilities (Note 21) \$'000	Total \$'000
At 1 September 2024	29,990	10,977,603	10,588	2,922	494,122	11,515,225
Changes from financing cash flows:						
Proceeds from bank loans, net of transaction costs	-	6,844,081	-	-	-	6,844,081
Proceeds from other borrowings	-	29,752	-	-	-	29,752
Repayment of bank loans	-	(6,997,074)	-	-	-	(6,997,074)
Repayment of other borrowings and other liabilities	-	(28,835)	(10,608)	-	-	(39,443)
Capital element of lease rentals paid	-	-	-	-	(155,161)	(155,161)
Interest element of lease rentals paid	-	-	-	-	(23,386)	(23,386)
Interest paid	(38,520)	(1,022)	-	(590,106)	-	(629,648)
Total changes from financing cash flows	(38,520)	(153,098)	(10,608)	(590,106)	(178,547)	(970,879)
Changes in fair value	22,601	-	-	-	-	22,601
Exchange adjustments	-	-	-	-	(92)	(92)
Other changes:						
Increase in lease liabilities from entering into new leases during the year	-	-	-	-	52,841	52,841
Interest and finance charges	-	42,216	20	603,244	23,386	668,866
Loss on early retirement of banking facilities	-	18,968	-	-	-	18,968
Total other changes	-	61,184	20	603,244	76,227	740,675
At 31 August 2025	14,071	10,885,689	-	16,060	391,710	11,307,530

(*) Accrued borrowing costs are included in "Other payables and accrued charges — current portion" in the consolidated statement of financial position.

18 Cash and cash equivalents (continued)

(d) Material non-cash transactions:

- (i) During the year ended 31 August 2025, additions to certain property, plant and equipment of the Group financed by other borrowings and other liabilities were \$29,752,000 (2024: \$17,925,000).

(e) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2025 \$'000	2024 \$'000
Within operating cash flows	8,572	16,317
Within financing cash flows	178,547	176,007
	187,119	192,324

These amounts relate to the following:

	2025 \$'000	2024 \$'000
Lease rentals paid	187,119	192,324

19 Trade payables, other payables and accrued charges

	2025 \$'000	2024 \$'000
Trade payables	952,963	945,879
Other payables and accrued charges — Current portion	1,125,782	950,361
	2,078,745	1,896,240

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	2025 \$'000	2024 \$'000
Within 30 days	445,477	449,928
31 to 60 days	184,870	140,924
61 to 90 days	145,713	122,060
Over 90 days	176,903	232,967
	952,963	945,879

Included in the Group's trade payables as at 31 August 2025 is an aggregate amount of \$7,000,000 and \$6,142,000 due to immediate holding company and fellow subsidiaries respectively, arising from transactions carried out in the ordinary course of business of the Group. The balances are unsecured, interest-free and are repayable within credit periods similar to those offered by its independent third party suppliers.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

20 Bank and other borrowings

(a) The analysis of the carrying amount of bank and other borrowings is as follows:

	2025 \$'000	2024 \$'000
Bank borrowings — unsecured	10,847,982	10,940,812
Other borrowings — secured	37,707	36,791
	10,885,689	10,977,603
Amounts due within one year included in current liabilities	(4,239,769)	(272,601)
	6,645,920	10,705,002

(b) As at 31 August 2025, the bank and other borrowings were repayable as follows:

	2025 \$'000	2024 \$'000
Bank borrowings (unsecured)		
Within 1 year on demand	4,228,060	247,074
After 1 year but within 2 years	—	10,693,738
After 2 years but within 5 years	6,619,922	—
	10,847,982	10,940,812
Other borrowings (secured)		
Within 1 year on demand	11,709	25,527
After 1 year but within 2 years	10,558	6,503
After 2 years but within 5 years	15,440	4,761
	37,707	36,791
Bank and other borrowings	10,885,689	10,977,603
Amounts due within one year included in current liabilities	(4,239,769)	(272,601)
	6,645,920	10,705,002

- (i) On 23 December 2024, the Group entered into term loan facility of \$6,750,000,000 in aggregate with various international banks. The Group has drawn down a bank loan with a principal amount of \$5,250,000,000 and \$1,500,000,000 at HIBOR plus a margin of 1.50% per annum on 18 March 2025 and 17 April 2025 respectively. The loan was unsecured and covered by a cross guarantee arrangement issued by the Company, MLCL, HKBNG, HKBN, HKBNES, HKBNJL, HKBNESDL, HKBNESCC, HKBNESHKL and COL Limited, and will be repayable in full upon maturity on 18 March 2030.

20 Bank and other borrowings (continued)

(b) As at 31 August 2025, the bank and other borrowings were repayable as follows: (continued)

- (ii) On 31 March 2021, the Group entered into a term loan facility of \$5,500,000,000 in aggregate with various international banks. The Group has drawn down a bank loan with principal amount of \$5,000,000,000 and \$500,000,000 at HIBOR plus a margin 1.50% per annum on 9 April 2021 and 24 May 2021 respectively. The loan was unsecured and covered by a cross guarantee arrangement issued by the Company, MLCL, HKBNGI, HKBN, HKBNESDL, HKBNESCC, HKBNESHKL and Col Limited, and will be repayable in full upon maturity on 9 April 2026. The interest loan rate was renewed to HIBOR plus a margin of 2.20% (2024: 2.75%) per annum from 31 December 2024. The outstanding principal amount of the term loan facility was \$4,000,000,000 (2024: \$5,500,000,000) at 31 August 2025.
- (iii) On 9 December 2021, HKBN entered into a master buyer agreement for supply chain financing from a bank in Hong Kong. An aggregate amount of \$161,857,000 (2024: \$160,252,000) was utilised as of 31 August 2025, \$161,857,000 (2024: \$159,213,000) of which suppliers have received payments from the banks. The bank charges a handling fee based on the amount of supplier's invoices applied. The facility was unsecured and covered by a guarantee arrangement issued by the Company. The extended credit term ranged from 60 to 180 days from the date of utilisation.
- (iv) On 11 April 2022, HKBN entered into an import invoice financing agreement for supply chain financing from a bank in Hong Kong. An aggregate amount of \$74,872,000 (2024: \$86,822,000) was utilised as of 31 August 2025, \$74,872,000 (2024: \$86,822,000) of which suppliers have received payments from the banks. The bank charges at HIBOR plus a margin of 1.15% per annum on the amount of supplier's invoices applied. The facility was unsecured and covered by a guarantee arrangement issued by the Company. The agreement grants up to 120 days of payment term from the date of utilisation.
- (v) The bank loans mentioned in note (i), (ii), (iii) and (iv) are recognised initially at fair value less attributable transactions costs. Subsequent to initial recognition, the bank loans are stated at amortised cost with any difference between the amount initially recognised and interest payable using the effective interest method.

The bank loans mentioned in note (i) and (ii) above are subject to the fulfilment of covenants relating to certain balance sheet ratios of the Group. As at 31 August 2025 and 2024, the Group complied with all of the covenants relating to bank loans.

Under the arrangements mentioned in note (iii) and (iv) above, the banks pay suppliers the amounts owed by the Group on the original due dates, which are normally 30 to 90 days after the invoice date. The Group then settles with the banks between 30 to 120 days after the original due dates with the suppliers, with interest.

To calculate the effective interest in each reporting period, the effective interest rate is applied to the amortised cost of the bank loan at the end of the previous reporting period.

The effective interest rate of the bank loans as of 31 August 2025 is 5.48% per annum (2024: 5.53%).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

20 Bank and other borrowings (continued)

(b) As at 31 August 2025, the bank and other borrowings were repayable as follows: (continued)

- (vi) The Group entered into sale and leaseback arrangement contracts with third-party leasing companies, with contract terms of three years. The substance of the arrangement was that the lessors provide finance to the Group with the assets as security. The Group accounted for the assets in its consolidated statement of financial position. The sales proceeds are recorded as other borrowings in the consolidated statement of financial position. As at 31 August 2025, the aggregate book value of the assets was \$Nil (2024: \$5,289,000) and the balance of other borrowings amounting to \$452,000 (2024: \$586,000) was recorded as a current liability and \$39,000 (2024: \$491,000) was recorded as a non-current liability on the Group's consolidated statement of financial position. The effective interest rate of the other loans is 4.66% (2024: 0% to 4.70%).
- (vii) The Group entered into financing arrangement contracts with third-party company, with contract terms of three years to five years during the year ended 31 August 2025. The Group has obtained other loans with aggregate principal amount of \$47,677,000 at effective interest rate 3.87% per annum. The loan was secured by assets of the Group amounting to \$35,482,000. As at 31 August 2025, the balance of other borrowings amounting to \$11,257,000 was recorded as a current liability and \$25,959,000 was recorded as a non-current liability on the Group's consolidated statement of financial position.
- (viii) The Group entered into financing arrangement contracts with third-party company, with contract terms of three years and four months during the year ended 31 August 2022. The Group has obtained a other loan with principal amount of \$100,160,000 at effective interest rate of 6% per annum. The loan was secured by assets of the Group amounting to \$56,806,000. The Group shall repay the interest and principal of the loan in 40 monthly instalments. As at 31 August 2024, the balance of other borrowings amounting to \$19,219,000 was recorded as a current liability on the Group's consolidated statement of financial position the balance was fully repaid during the current year.

21 Lease liabilities

As at 31 August 2025, the lease liabilities were repayable as follows:

	2025 Present value of the minimum lease payments \$'000	2024 Present value of the minimum lease payments \$'000
Within 1 year	144,813	145,580
After 1 year but within 2 years	118,584	123,389
After 2 years but within 5 years	128,313	202,745
After 5 years	—	22,408
	246,897	348,542
	391,710	494,122

22 Amounts due from/to a joint venture

The amounts due from/to a joint venture are unsecured, interest free and recoverable/repayable on demand.

23 Other non-current and other current liabilities

As of 31 August 2024, the balance represented the interest free payable to a specific supplier.

24 Share-based transactions

The Amended and Restated Co-Ownership Plan IV

The Co-Ownership Plan IV was originally adopted on 19 August 2021 (the "Adoption Date") to incentivise Participants to achieve a cumulative performance target over the 2022-2024 financial years of the Group. Due to macroeconomic downturn caused by the COVID-19 pandemic, and exacerbated by geopolitics and rising interest rates, the Company has changed the company-wide performance targets from being based on adjusted free cash flow to focusing on earnings and revenue. Accordingly, the Company considered it appropriate to extend the performance targets to cover the 2023-2025 financial years of the Company and better align the incentives of its staff to the Company's overall performance targets. The Amended and Restated Co-Ownership Plan IV became effective on 11 May 2023 (the "Commencement Date").

The total maximum number of Shares that may underlie the RSUs to be granted pursuant to the Amended and Restated Co-Ownership Plan IV is 36,973,039 Shares (being approximately 2.50% of the Shares in Issue (on a fully diluted and as-converted basis) on the day of the general meeting of the Company approving the amendments and restatements of the Amended and Restated Co-Ownership Plan IV (as may be adjusted in the event of a subdivision or consolidation of the Shares). Since the Commencement Date and up to 31 August 2025, a total of 16,679,892 award shares have been granted under the Amended and Restated Co-Ownership Plan IV. During the year ended 31 August 2025, 902,537 RSUs had been cancelled. Since the commencement date and up to the plan termination date on 4 August 2025, a total of 5,185,791 RSUs had been cancelled. On the plan termination date, a total of 11,494,101 RSUs had been lapsed. As the Amended and Restated Co-Ownership Plan IV was terminated in August 2025, no shares would be available for issue under this plan.

The directors estimated the fair value of the RSU at the service periods commencing date to be \$0.

The fair value of the RSUs granted on 30 August 2023 under the Amended and Restated Co-Ownership Plan IV was \$0 at the date of grant. The fair value of the RSUs granted was measured based on a binomial lattice model, taking into account the terms and conditions upon which the RSUs were granted. Please refer to note 1 to the consolidated financial statements contained in this Report for the accounting policies adopted in relation to the staff benefits which are also applicable to the Amended and Restated Co-Ownership Plan IV.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

25 Current taxation in the consolidated statement of financial position

Current taxation in the consolidated statement of financial position represents:

	2025 \$'000	2024 \$'000
Provision for Hong Kong Profits Tax for the year	120,039	172,612
Balance of Profits Tax provision relating to prior years	(2,375)	(19,396)
	117,664	153,216
Provision for tax outside Hong Kong	7,278	6,446
	124,942	159,662

26 Deferred tax in the consolidated statement of financial position

(a) **Deferred tax liabilities and assets recognised:**

The components of deferred tax (liabilities)/assets recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Depreciation allowances in excess of the related depreciation \$'000	Amortisation of intangible assets \$'000	Contract costs \$'000	Credit loss allowance \$'000	Tax losses \$'000	Others \$'000	Total \$'000
Deferred tax arising from:							
At 1 September 2023	(266,082)	(447,590)	(1,319)	19,420	76,128	1,445	(617,998)
Credited/(charged) to profit or loss	34,851	60,429	1,319	(5,189)	71,205	–	162,615
Exchange difference	–	–	–	–	–	32	32
At 31 August 2024 and 1 September 2024	(231,231)	(387,161)	–	14,231	147,333	1,477	(455,351)
Credited/(charged) to profit or loss	9,824	40,465	–	(2,717)	74,807	–	122,379
Exchange difference	–	–	–	–	–	(9)	(9)
At 31 August 2025	(221,407)	(346,696)	–	11,514	222,140	1,468	(332,981)

(i) **Reconciliation to the consolidated statement of financial position**

	2025 \$'000	2024 \$'000
Net deferred tax asset recognised in the consolidated statement of financial position	181,437	137,853
Net deferred tax liability recognised in the consolidated statement of financial position	(514,418)	(593,204)
	(332,981)	(455,351)

26 Deferred tax in the consolidated statement of financial position (continued)

(b) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 1(s), the Group had not recognised deferred tax assets in respect of cumulative tax losses of \$47,152,000 (2024: \$586,504,000) as it was not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses did not expire under current tax legislation.

At 31 August 2025, temporary differences relating to the undistributed profits of the Group's PRC subsidiaries amounted to RMB226,975,000 (equivalent to \$249,719,000) (2024: RMB209,701,000 (equivalent to \$232,098,000)). Deferred tax liabilities amounted to 10% (or 5% if tax treaty is available) of the undistributed profits have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of the subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

27 Financial assets at fair value through profit or loss

	2025 \$'000	2024 \$'000
Current liabilities		
Interest-rate swap	14,071	29,990

In June 2023, the Group entered into another interest-rate swap ("the 2023 interest-rate swap"), to hedge the floating interest rate. The 2023 interest-rate swap has a notional amount of \$5,250,000,000 and with a maturity date on 24 November 2025.

Under these arrangements, the Group pays a fixed rate interest on the notional amount on a monthly basis, net of a floating rate interest at 1-month Hong Kong Inter-bank Offered Rate ("HIBOR") in the corresponding period.

These derivative financial instruments are recognised initially at fair value and remeasured at the end of each reporting period. These derivative financial instruments do not qualify for hedge accounting under HKFRS 9, *Financial instruments*, and therefore, it is accounted for as FVPL and measured at fair value.

As at 31 August 2025, the fair value of the interest-rate swap was \$14,071,000 (2024: \$29,990,000).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

28 Capital, reserves and dividends

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Note	Share capital \$'000	Share premium \$'000	Vendor Loan Notes \$'000	Capital reserve \$'000	Retained profits \$'000	Total \$'000
Balance at 1 September 2023		132	–	2,349,204	40,803	4,870,698	7,260,837
Changes in equity for the year ended 31 August 2024:							
Profit and total comprehensive income for the year		–	–	–	–	449,875	449,875
Dividend approved to equity shareholders of the Company in respect of the previous year	28(b)(ii)	–	–	–	–	(262,320)	(262,320)
Dividend declared to equity shareholders of the Company in respect of the current year	28(b)(i)	–	–	–	–	(196,740)	(196,740)
Distribution to holders of Vendor Loan Notes		–	–	–	–	(58,563)	(58,563)
Balance at 31 August 2024 and 1 September 2024		132	–	2,349,204	40,803	4,802,950	7,193,089
Changes in equity for the year ended 31 August 2025:							
Profit and total comprehensive income for the year		–	–	–	–	5,994	5,994
Issue of shares for conversion of Vendor Loan Notes	29	17	2,349,187	(2,349,204)	–	–	–
Dividend approved to equity shareholders of the Company in respect of the previous year	28(b)(ii)	–	–	–	–	(216,414)	(216,414)
Dividend declared to equity shareholders of the Company in respect of the current year	28(b)(i)	–	–	–	–	(229,233)	(229,233)
Distribution to holders of Vendor Loan Notes		–	–	–	–	(27,608)	(27,608)
Balance at 31 August 2025		149	2,349,187	–	40,803	4,335,689	6,725,828

28 Capital, reserves and dividends (continued)

(b) Dividends

(i) Dividend payable to equity shareholders of the Company attributable to the year

	2025 \$'000	2024 \$'000
Interim dividend declared and paid of 15.5 cents per ordinary share (2024: 15 cents per ordinary share)	229,233	196,740
Final dividend proposed after the end of the reporting period of 18.9 cents per ordinary share (2024: 16.5 cents per ordinary share)	279,516	216,414
	508,749	413,154

Note: The amount of 2025 interim dividend and 2025 proposed final dividend is based on the 1,478,921,568 (2024: 1,311,599,356) ordinary shares in issue as at the date of this annual report.

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividend payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2025 \$'000	2024 \$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of 16.5 cents per ordinary share (2024: 20 cents per ordinary share)	216,414	262,320

(c) Share capital

	No. of shares (‘000)	\$'000
Authorised:		
At 1 September 2023, 31 August 2024, 1 September 2024 and 31 August 2025	3,800,000	380
Ordinary shares, issued and fully paid:		
At 31 August 2024 and 1 September 2024	1,311,599	132
Issue of share for conversion of Vendor Loan Notes	167,322	17
At 31 August 2025	1,478,921	149

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

28 Capital, reserves and dividends (continued)

(d) Nature and purpose of reserves

(i) *Share premium*

The application of the share premium account is governed by Section 34(2) of the Companies Law (2013 Revision) of the Cayman Islands. Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of the business.

(ii) *Capital reserve*

The capital reserve represents the portion of the grant date fair value of RSUs granted to the directors and staff of the Group in Hong Kong that has been recognised in accordance with the accounting policy adopted for share-based payments in note 1(r)(iv)(a).

(iii) *Other reserve*

The entire issued share capital of MLCL was transferred to the Company in consideration for an issue of the Company's share to Metropolitan Light Holdings Limited on 17 February 2015 (the "Share Transfer"). Upon completion of the Share Transfer, the Company became the holding company of the Group, and the combined share capital and share premium prior to the Share Transfer, amounting to \$8,000 and \$1,757,197,000 respectively, were eliminated against the investment in MLCL with a carrying amount of \$1,160,785,000. The remaining balance of \$596,420,000 was recorded in the other reserve.

(iv) *Exchange reserve*

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong.

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of a gearing ratio. For this purpose, gearing ratio is calculated as gross debt divided by total equity.

28 Capital, reserves and dividends (continued)

(e) Capital management (continued)

The gearing ratio at 31 August 2025 and 2024 was as follows:

	Note	2025 \$'000	2024 \$'000
Bank borrowings (principal amount)	20	10,986,729	10,997,074
Other borrowings	20	37,707	36,791
Lease liabilities	21	391,710	494,122
Gross debt		11,416,146	11,527,987
Total equity		2,285,751	2,554,264
Gearing ratio		499%	451%

Neither the Company nor any of its subsidiaries were subject to externally imposed capital requirements during the years presented.

29 Vendor Loan Notes

On 30 April 2019, the Company issued the Vendor Loan Notes with a nominal amount of \$1,940,937,656 as part of the consideration of the WTT Acquisition. The Vendor Loan Notes are zero coupon convertible notes which may be converted into new ordinary shares to be issued by the Company at the initial conversion price of \$11.60 per share pursuant to the terms and conditions of the Vendor Loan Notes. The Vendor Loan Notes has no maturity date and the holders of the Vendor Loan Notes have the right to receive an amount equal to any dividends made by the Company on an as-converted basis. Therefore, the Vendor Loan Notes are classified as equity instruments and recorded in equity in the consolidated statement of financial position.

Following receipt of a notice of conversion of Vendor Loan Notes from Twin Holding Ltd ("Twin Holding") and TPG Wireman, L.P. ("TPG") respectively, all of the Vendor Loan Notes held by Twin Holding and TPG with a total principal amount of \$970,468,828 each had been converted into 83,661,106 shares (based on the conversion price of \$11.60 per share) on each case pursuant to the terms and conditions of the Vendor Loan Notes and the issuance and allotment of the conversion shares by the Company to Twin Holding and TPG were completed on 14 March 2025 and 22 April 2025 respectively.

30 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

30 Financial risk management and fair values of financial instruments (continued)

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and contract assets. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with sound credit rating, for which the Group considers to have low credit risk.

Except for the financial guarantees given by the Group as set out in note 32, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in note 32.

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Concentrations of credit risk with trade receivables and contract assets are limited due to Group's customer being large and unrelated.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30-90 days from the date of billing. Subscribers with receivables that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets as at 31 August 2025 and 31 August 2024:

	2025		
	Expected loss rate %	Gross carrying amount \$'000	Loss allowance \$'000
Current (not past due)	1.0%	798,485	7,955
Less than 30 days past due	1.6%	233,256	3,804
31 to 60 days past due	3.6%	102,211	3,654
Over 60 days past due	22.9%	288,533	66,054
		1,422,485	81,467

30 Financial risk management and fair values of financial instruments (continued)

(a) Credit risk (continued)

Trade receivables and contract assets (continued)

	2024		
	Expected loss rate %	Gross carrying amount \$'000	Loss allowance \$'000
Current (not past due)	1.0%	744,602	7,144
Less than 30 days past due	1.3%	217,725	2,887
31 to 60 days past due	3.0%	100,140	3,003
Over 60 days past due	28.9%	246,031	71,094
		1,308,498	84,128

Expected loss rates are based on actual loss experience over the past year. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables and contract assets during the year is as follows:

	2025 \$'000	2024 \$'000
Balance at the beginning of the year	84,128	118,622
Amounts written off during the year	(69,706)	(91,259)
Impairment losses recognised during the year (note 3(b))	67,045	56,765
Balance at the end of the year	81,467	84,128

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

30 Financial risk management and fair values of financial instruments (continued)

(b) Liquidity risk

The Group has a cash management policy, which includes the short term investment of cash surpluses and the raising of loans and other borrowings to cover expected cash demands. The Group's policy is to regularly monitor its current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates) and the earliest date the Group is required to pay.

	2025					
	Contractual undiscounted cash outflow					Carrying amount at 31 August \$'000
	Within 1 year or on demand \$'000	More than 1 year but less than 2 years \$'000	More than 2 years but less than 5 years \$'000	More than 5 years \$'000	Total \$'000	
Trade payables	952,963	–	–	–	952,963	952,963
Other payables and accrued charges	1,125,782	–	–	–	1,125,782	1,125,782
Deposits received	136,796	–	–	–	136,796	136,796
Amounts due to a joint venture	15,744	–	–	–	15,744	15,744
Bank and other borrowings	4,705,903	350,887	7,615,797	–	12,672,587	10,885,689
Lease liabilities	163,108	128,063	137,087	–	428,258	391,710
	7,100,296	478,950	7,752,884	–	15,332,130	13,508,684

As at 31 August 2025, as shown in the above analysis, bank loans with principal amount of totalling \$4,000,000,000 are due to be repaid within 1 year. The Group has engaged an external consultant to arrange for the refinancing of bank loans with a detailed action plan targeting to complete by the end of November 2025. The Group will continue to monitor its compliance with the financial covenants of its bank loans.

30 Financial risk management and fair values of financial instruments (continued)

(b) Liquidity risk (continued)

As disclosed in note 20(b), some of the Group's banking facilities are subject to the fulfilment of covenants. Some of those relating to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the related loans would become payable on demand, The Group did not identify any difficulties complying with the covenants. Information about the covenants for those bank loans at the end of the reporting period is set out below:

Loans	Carrying amount		Covenants	Timing to comply with the covenants
	2025 \$'000	2024 \$'000		
Loan A	6,619,922	–	(i) The ratio of Consolidated EBITDA to Consolidated Total Interest Expense is not less than 2.15:1 (ii) The ratio of Total Net Debt to Consolidated EBITDA is not more than 5.50:1	Semi-annually in February and August
Loan B	3,991,331	5,468,306	(i) The ratio of Consolidated EBITDA to Consolidated Total Interest Expense is not less than 2.15:1 (ii) The ratio of Total Net Debt to Consolidated EBITDA is not more than 5.00:1	Semi-annually in February and August
Loan C	–	5,225,432	(i) The ratio of Consolidated EBITDA to Consolidated Total Interest Expense is not less than 2.15:1 (ii) The ratio of Total Net Debt to Consolidated EBITDA is not more than 5.00:1	Semi-annually in February and August

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

30 Financial risk management and fair values of financial instruments (continued)

(b) Liquidity risk (continued)

	2024					
	Contractual undiscounted cash outflow					Carrying amount at 31 August \$'000
	Within 1 year or on demand \$'000	More than 1 year but less than 2 years \$'000	More than 2 years but less than 5 years \$'000	More than 5 years \$'000	Total \$'000	
Trade payables	945,879	–	–	–	945,879	945,879
Other payables and accrued charges	950,361	–	–	–	950,361	950,361
Deposits received	99,178	–	–	–	99,178	99,178
Amounts due to a joint venture	14,877	–	–	–	14,877	14,877
Bank and other borrowings	1,069,691	11,055,401	–	–	12,125,092	10,977,603
Lease liabilities	168,118	139,215	220,949	23,023	551,305	494,122
Other liabilities	10,607	–	–	–	10,607	10,588
	3,258,711	11,194,616	220,949	23,023	14,697,299	13,492,608

As at 31 August 2024, as shown in the above analysis, bank loans with principal amount of totalling \$10,750,000,000 are due to be repaid more than 1 year but less than 2 years, of which a principal amount of \$5,250,000,000 will be matured on 24 November 2025. The Group has completed the refinancing of this bank loan on 18 March 2025. The Group will continue to monitor its compliance with the financial covenants of its bank loans.

(c) Interest rate risk

The Group's interest rate risk arises primarily from bank borrowings and interest-rate swap. Financial instruments with variable interest rates expose the Group to cash flow interest rate risk. The Group's interest-bearing financial instruments are set out in (ii) below. The interest rates and terms of repayment of interest-bearing borrowings of the Group are disclosed in note 20 to the financial statements.

(i) Hedging

An interest-rate swap, denominated in Hong Kong dollars ("HKD"), has been entered into achieve an appropriate mix of fixed and floating rate exposure consistent with the Group's policy. At 31 August 2025, the Group had interest-rate swaps with a notional contract amount of \$5,250,000,000 (2024: \$5,250,000,000) which were not designated as cash flow hedging instrument. The net fair value of swaps entered into by the Group at 31 August 2025 was \$14,071,000 (2024: \$29,990,000).

30 Financial risk management and fair values of financial instruments (continued)

(c) Interest rate risk (continued)

(ii) Interest-bearing financial instruments

The following table details the interest-bearing financial instruments of the Group at the end of the reporting period.

	2025 \$'000	2024 \$'000
Fixed rate instruments		
Lease liabilities	391,710	494,122
Other borrowings	37,707	36,791
Other financial liabilities	—	10,588
	429,417	541,501
Variable rate instruments		
Bank borrowings	10,847,982	10,940,812
Derivative financial instrument — interest-rate swap	14,071	29,990
	10,862,053	10,970,802
Total borrowings	11,291,470	11,512,303
Fixed rate borrowings as a percentage of total borrowings	4%	5%

(iii) Sensitivity analysis

At 31 August 2025, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and increased/decreased accumulated loss by approximately \$27,990,000 (2024: \$28,454,000). Other components of consolidated equity would not be affected by the changes in interest rates.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax and retained profits that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax and retained profits is estimated as an annualised impact on interest expenses of such a change in interest rate.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

30 Financial risk management and fair values of financial instruments (continued)

(d) Currency risk

All the Group's monetary assets and liabilities are primarily denominated in either HKD or USD. Given the exchange rate of the HKD to the USD has remained close to the current pegged rate of HKD7.80 = USD1.00 since 1983, management does not expect significant foreign exchange gains or losses between the two currencies.

The Group is also exposed to a certain amount of foreign exchange risk based on fluctuations between the HKD and the Renminbi ("RMB") arising from its operations in the PRC. In order to limit this foreign currency risk exposure, the Group ensures that the net exposure is kept to an acceptable level of buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in HKD, translated using the spot rate at the year end date.

	2025		2024	
	USD \$'000	RMB \$'000	USD \$'000	RMB \$'000
Cash and cash equivalents	344,714	9,903	262,756	14,177
Trade receivables	284,522	640	256,829	–
Other receivables, deposit and prepayment	–	3,237	–	1,401
Trade payables	(292,979)	–	(293,457)	(14,700)
Other payables and accrued charges	(9,186)	(2,857)	(5,561)	(2,286)
Net exposure arising from recognised assets and liabilities	327,071	10,923	220,567	(1,408)

30 Financial risk management and fair values of financial instruments (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The Group's foreign currency risk is mainly concentrated on the fluctuation of the RMB against the HKD. It is assumed that the pegged rate between the HKD and the USD would be materially unaffected by any changes in movement in value of the USD against other currencies. The following table details the Group's sensitivity to a 10% increase or decrease in the HKD against other currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower, and adjusts their translation at the year end for a 10% change in foreign currency rates. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

	2025			2024		
	Increase/ (decrease) in foreign exchange rates	(Decrease)/ increase in profit after tax \$'000	(Increase)/ decrease in accumulated loss \$'000	Increase/ (decrease) in foreign exchange rates	(Decrease)/ increase in profit after tax \$'000	(Increase)/ decrease in accumulated loss \$'000
RMB	10%	(1,076)	(1,076)	10%	(116)	(116)
	(10)%	1,076	1,076	(10)%	116	116

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit/(loss) after tax and equity measured in the respective functional currencies, translated into HKD at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of operations outside Hong Kong into the Group's presentation currency. The analysis is performed on the same basis for 2024.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

30 Financial risk management and fair values of financial instruments (continued)

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair values measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair values measured using significant unobservable inputs

	Fair value at 31 August 2025 \$'000	Fair value measurements as at 31 August 2025 categorised into		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurement				
<i>Financial liabilities:</i>				
Derivative financial instrument:				
Interest-rate swap	(14,071)	—	(14,071)	—

	Fair value at 31 August 2024 \$'000	Fair value measurements as at 31 August 2024 categorised into		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurement				
<i>Financial liabilities:</i>				
Derivative financial instrument:				
Interest-rate swap	(29,990)	—	(29,990)	—

During the year ended 31 August 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (year ended 31 August 2024: \$Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

30 Financial risk management and fair values of financial instruments (continued)

(e) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Valuation techniques and inputs used in Level 2 fair value measurement

The fair value of interest-rate swap is the estimated amount that the Group would receive or pay to terminate the swap at the end of the reporting period, taking into account current interest rates and the current creditworthiness of the swap counterparty.

(ii) Financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 August 2025 and 2024.

(f) Offsetting financial assets and financial liabilities

The Group enters into netting arrangements with its carriers. The outstanding transactions with these counterparties are settled on a net basis and result in offsetting the assets and liabilities in the statement of financial position.

	2025		
	Gross amounts of recognised financial assets/ (liabilities) \$'000	Gross amounts of recognised financial assets/ (liabilities) offset in the consolidated statement of financial position \$'000	Net amounts of financial assets/ (liabilities) presented in the consolidated statement of financial position \$'000
Trade receivables	1,369,340	(392,902)	976,438
Trade payables	(1,345,865)	392,902	(952,963)

	2024		
	Gross amounts of recognised financial assets/ (liabilities) \$'000	Gross amounts of recognised financial assets/ (liabilities) offset in the consolidated statement of financial position \$'000	Net amounts of financial assets/ (liabilities) presented in the consolidated statement of financial position \$'000
Trade receivables	1,310,173	(340,876)	969,297
Trade payables	(1,286,755)	340,876	(945,879)

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

31 Commitments

(a) Capital commitments

At 31 August 2025, the Group had the following capital commitments:

	2025 \$'000	2024 \$'000
Contracted but not provided for — Purchase of property, plant and equipment	172,267	207,179

(b) Commitment under operating leases

At 31 August 2025, the Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	2025 \$'000	2024 \$'000
Leases in respect of telecommunications facilities which are receivable:		
Within 1 year	197,059	220,442
After 1 year but within 5 years	176,202	176,911
After 5 years	20,416	51,831
	393,677	449,184

32 Contingent liabilities

	2025 \$'000	2024 \$'000
Bank guarantee in lieu of payment of utility deposits	3,622	3,622
Bank guarantee in lieu of performance guarantees	267,841	293,847
	271,463	297,469

At 31 August 2025 and 31 August 2024, the directors did not consider it is probable that a claim will be made against the Group under any guarantees. It has therefore not been recognised in the consolidated statement of financial position.

33 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions:

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the directors of the Company as disclosed in note 5 and certain of the highest paid employees as disclosed in note 6, as follows:

	2025 \$'000	2024 \$'000
Short-term employee benefits	40,065	52,423
Post-employment benefits	3,133	3,228
	43,198	55,651

Total remuneration is included in "Staff costs" (see note 3(c)).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

34 Company-level statement of financial position

	Note	2025 \$'000	2024 \$'000
Non-current assets			
Investments in subsidiaries		1,165,126	1,165,126
		1,165,126	1,165,126
Current assets			
Other receivables, deposits and prepayments		–	149
Amounts due from subsidiaries		6,647,306	6,716,465
Cash and cash equivalents		57	49
		6,647,363	6,716,663
Current liabilities			
Other payables and accrued charges		5,098	12,377
Amounts due to subsidiaries		1,081,562	676,323
		1,086,660	688,700
Net current assets		5,560,703	6,027,963
NET ASSETS		6,725,829	7,193,089
CAPITAL AND RESERVES	28(a)		
Share capital		149	132
Reserves		6,725,680	7,192,957
TOTAL EQUITY		6,725,829	7,193,089

Approved and authorised for issue by the board of directors on 31 October 2025.

	)	
	)	
Li Xin	)	
	)	Directors
	)	
	)	
	)	
Lei Liqun	)	

35 Accounting judgement and estimates

Sources of estimation uncertainty

Note 30 contains information about the assumptions and their risk factors relating to financial instruments. Other key sources of estimation uncertainty are as follows:

(a) *Loss allowance for credit losses*

The Group maintains impairment loss for doubtful debts based upon evaluation of the recoverability of the trade and other receivables which takes into account the historical write-off experience and recovery rates. If the financial condition of the customers were to deteriorate, additional impairment may be required.

(b) *Impairment of goodwill, intangible assets, property, plant and equipment and right-of-use assets*

The Group tests annually whether goodwill and other assets in the cash generating units has suffered any impairment in accordance with the accounting policy set out in note 1(k)(iii).

The recoverable amount of an asset or a cash-generating unit has been determined based on its value-in-use. These calculations require the use of estimates. There are a number of assumptions and estimates involved for the preparation of cash flow projections for the period covered by the approved budget and the estimated terminal value. Key assumptions include the expected average growth rate of revenue, terminal growth rates and selection of discount rates, to reflect the risks-involved and the earnings multiple that can be realised for the estimated terminal value.

Management prepared the financial budgets reflecting actual performance and market development expectations. Judgement is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the result of the impairment reviews.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

36 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 August 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 August 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments</i> : <i>disclosures — Contracts referencing nature dependent electricity</i>	1 January 2026
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments</i> : <i>disclosures — Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements, except for HKFRS 18, when the presentation and disclosure of the Group's consolidated financial statements are expected to change.

Five-Year Summary

(Expressed in Hong Kong dollars)

The following table summaries the consolidated results, assets and liabilities of the Group for the five years ended 31 August 2025.

		Years ended 31 August			
	2025	2024	2023	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Results					
Revenue	11,128,542	10,650,922	11,692,176	11,626,164	11,463,745
Profit/(loss) from operations	926,268	889,489	(458,694)	1,000,750	837,802
Finance costs	(710,435)	(860,236)	(702,303)	(239,204)	(481,029)
Share of (losses)/profits of associates	—	(128)	(742)	4,167	—
Share of losses of joint ventures	—	—	(69,592)	(53,497)	(31,508)
Profit/(loss) before taxation	215,833	29,125	(1,231,331)	712,216	325,265
Income tax expense	(8,969)	(18,848)	(36,077)	(158,895)	(118,393)
Profit/(loss) for the year	206,864	10,277	(1,267,408)	553,321	206,872

Five-Year Summary

(Expressed in Hong Kong dollars)

		As at 31 August			
	2025	2024	2023	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets and liabilities					
Goodwill	7,816,507	7,816,507	7,816,507	9,016,507	9,016,507
Intangible assets	2,012,209	2,367,621	2,775,801	3,202,607	3,606,163
Property, plant and equipment	3,154,104	3,132,945	3,418,992	3,731,436	3,901,090
Investment properties	—	—	—	—	198,828
Right-of-use assets	534,464	628,457	689,568	705,607	681,349
Customer acquisition and retention costs	434,919	464,954	464,533	513,045	564,849
Interests in associates	—	—	4,332	56,920	4,816
Interests in joint ventures	—	—	6,284	17,110	17,879
Deferred tax assets	181,437	137,853	66,674	26,724	68,913
Loan to associates	—	—	—	15,359	—
Other non-current assets	52,585	56,023	72,289	98,531	91,958
Net current liabilities	(4,271,659)	(170,856)	(279,515)	(87,576)	(248,163)
Total assets less current liabilities	9,914,566	14,433,504	15,035,465	17,296,270	17,904,189
Other payables and accrued charges — long-term portion	—	—	(18,000)	(54,000)	(30,397)
Contract liability — long-term portion	(153,583)	(177,301)	(160,162)	(145,807)	(194,818)
Deferred tax liabilities	(514,418)	(593,204)	(684,672)	(800,662)	(904,848)
Lease liabilities	(246,897)	(348,542)	(385,105)	(381,850)	(305,129)
Provision for reinstatement costs	(67,997)	(55,191)	(54,003)	(52,492)	(62,442)
Bank and other borrowings	(6,645,920)	(10,705,002)	(10,671,853)	(10,913,214)	(10,831,416)
Other non-current liabilities	—	—	(10,588)	(24,162)	(37,376)
NET ASSETS	2,285,751	2,554,264	3,051,082	4,924,083	5,537,763
Capital and reserves					
Share capital	149	132	132	132	132
Reserves	2,285,602	2,554,132	3,050,950	4,923,951	5,537,631
TOTAL EQUITY	2,285,751	2,554,264	3,051,082	4,924,083	5,537,763

ESG Limited Assurance Report



羅兵咸永道

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON HKBN LTD.'S IDENTIFIED SUSTAINABILITY INFORMATION

TO THE BOARD OF DIRECTORS OF HKBN LTD.

Limited assurance conclusion

We have conducted a limited assurance engagement on certain the sustainability information of HKBN Ltd. (the "Company") included in sections "Environmental Performance Summary", "Social Performance Summary" and "ESG Content Indexes" on the Annual Report of the Company for the year ended 31 August 2025 ("the 2025 Annual Report") identified with a ✓ and listed below (the "Identified Sustainability Information").

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Sustainability Information is not prepared, in all material respects, in accordance with the criteria applied as set out in the 2025 Annual Report under the sections "Reporting Boundaries", "Reporting Guidelines and Reporting Criteria", "Reporting Principles", "Environmental Performance Summary", "Social Performance Summary" and "ESG Content Indexes".

Identified Sustainability Information

The Identified sustainability information for the year ended 31 August 2025 is summarised below:

Indicators (KPIs)	Units	Amount
Environmental		
Sulphur oxides (SOx)	kg	0.61
Nitrogen oxides (NOx)	kg	341.72
Particulate matter (PM)	kg	31.56
Scope 1 Greenhouse Gases (GHG) emissions	Tonne CO ₂ e	3,745.37
Scope 2 Greenhouse Gases (GHG) emissions	Tonne CO ₂ e	33,510.04
Total Greenhouse gas emissions (Scope 1 and Scope 2 GHG emissions)	Tonne CO ₂ e	37,255.41
Greenhouse gas emissions intensity (Scope 1 and Scope 2 GHG emissions)	Tonne CO ₂ e/Revenue (\$ million)	3.35
Direct energy consumption	kWh	491,684.89
Direct energy intensity	kWh/Revenue (\$ million)	44.18
Indirect energy consumption	kWh	81,611,191.41
Indirect energy intensity	kWh/Revenue (\$ million)	7,333.20

ESG Limited Assurance Report

Indicators (KPIs)	Units	Amount
Water consumption	M ³	6,055.20
Water intensity	M ³ /Revenue (\$ million)	0.54
Hazardous waste generated	Tonnes	48.79
Hazardous waste intensity	Tonnes/Revenue (\$ million)	0.004
Non-hazardous waste generated	Tonnes	199.62
Non-hazardous waste intensity	Tonnes/Revenue (\$ million)	0.02
Employment		
Total workforce by gender	Number	Female: 1,339 Male: 2,331
Total workforce by employment type	Number	Full Time: 3,670 Part Time: 22 Contract: 81
Total workforce by age-group	Number	≤ 30: 475 31-50: 2,614 > 50: 581
Total workforce by geographical region	Number	Hong Kong: 2,058 Macau: 46 Mainland China: 1,566
Employee turnover rate by gender	%	Female: 12.87 Male: 16.98
Employee turnover rate by age group	%	≤ 30: 25.82 31-50: 13.34 > 50: 15.85
Employee turnover rate by geographical region	%	Hong Kong: 21.05 Macau: 15.91 Mainland China: 8.18
Health and Safety		
Work-related fatalities	Number	0
Work-related fatalities	Number per 200,000 manhour	0
Lost days due to work-related injury	Number	1,116

Indicators (KPIs)	Units	Amount
Development and Training		
The percentage of employees trained by gender	%	Female: 99.27 Male: 99.45
The percentage of employees trained by employee category	%	Managerial-or-above-level Talents: 100 Supervisory-level Talents: 100 All other Talents: 99.22
The average training hours completed per employee by gender	Number	Female: 20.83 Male: 18.32
The average training hours completed per employee by category	Number	Managerial-or-above-level Talents: 13.79 Supervisory-level Talents: 19.39 All other Talents: 19.96
Supply Chain Management		
Number of suppliers by geographical region	Number	Hong Kong: 2,197 Mainland China: 588 Macau: 89 Other: 331
Product Responsibility		
Number of products and service-related complaints received from Residential and Enterprise business	Number	2,529
Anti-corruption		
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Number	Nil
Volunteering		
Total volunteering hours contributed by the Company	Number	783.5
Phishing Assessment		
Phishing assessment average failure rate	%	1.39

ESG Limited Assurance Report

Sustainability Accounting Standards Board (SASB) – Telecommunication Services KPIs	Units	Amount
Environmental		
(1) Total Energy Consumed	GJ	295,570.12
(2) Percentage grid electricity	%	99.40
(3) Percentage renewable	%	0
Data Privacy		
Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Reporting Currency	Nil
Data Security		
(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Number, %	Nil
Competitive Behavior & Open Internet		
Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulations	Reporting Currency	Nil
Activity Metrics		
(1) Number of wireless subscribers	Number (in thousands)	Residential business: 181 Enterprise business: 20
(2) Number of wireline subscribers	Number (in thousands)	Residential business: 290 Enterprise business: 335
(3) Number of broadband subscribers	Number (in thousands)	Residential business: 907 Enterprise business: 107
(4) Network traffic	Petabytes	5,653

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), and International Standard on Assurance Engagements 3410, *Assurance engagements on greenhouse gas statements* ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board (the "IAASB").

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under these standards are further described in the Practitioner's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 issued by the IAASB, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Identified Sustainability Information

Management of the Company is responsible for:

- The preparation of the Identified Sustainability Information in accordance with the criteria applied as explained in the 2025 Annual Report under the sections, "Reporting Boundaries", "Reporting Guidelines and Reporting Criteria", "Reporting Principles", "Environmental Performance Summary", "Social Performance Summary" and "ESG Content Indexes";
- Designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the Identified Sustainability Information, in accordance with the criteria applied as explained in the 2025 Annual Report under the sections, "Reporting Boundaries", "Reporting Guidelines and Reporting Criteria", "Reporting Principles", "Environmental Performance Summary", "Social Performance Summary" and "ESG Content Indexes", that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance is responsible for overseeing the Company's sustainability reporting process.

ESG Limited Assurance Report

Inherent limitations in preparing the Identified Sustainability Information

Greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Identified Sustainability Information.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Company's use of the criteria applied as explained in the 2025 Annual Report under the sections, "Reporting Boundaries", "Reporting Guidelines and Reporting Criteria", "Reporting Principles", "Environmental Performance Summary", "Social Performance Summary" and "ESG Content Indexes" as the basis for the preparation of the Identified Sustainability Information.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the Identified Sustainability Information. 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.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Identified Sustainability Information. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

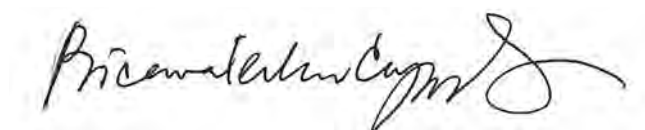
The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the Identified Sustainability Information, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of its Identified Sustainability Information by:
 - Making inquiries of the persons responsible for the Identified Sustainability Information on the process for collecting and reporting the Identified Sustainability Information;
- Evaluated whether all information identified by the process to identify the information reported in the Identified Sustainability Information is included in the Identified Sustainability Information;
- Performed substantive assurance procedures on selected information in the Identified Sustainability Information;
- Performed analytical procedures on the Identified Sustainability Information;
- Evaluated the appropriateness of policies, procedures and methodology around quantification of the Identified Sustainability Information;

ESG Limited Assurance Report

- Evaluated the methods for developing estimates; and
- Considered the disclosure and presentation of the Identified Sustainability Information in the Company's 2025 Annual Report.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', is written over a faint, light gray background that resembles a textured surface or a watermark.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 31 October 2025

Environmental Performance Summary^{1, 2}

	Unit	FY23	FY24	FY25
The types of emissions and respective emissions data				
Sulphur oxides (SOx) ³	kg	0.79	0.71	0.61
Nitrogen oxides (NOx) ³	kg	444.92	393.86	341.72
Particulate matter (PM) ³	kg	41.09	36.35	31.56
Greenhouse gas emissions⁴				
Scope 1 GHG emissions ⁵	tCO ₂ e	3,733.87	3,493.36	3,745.37
Scope 2 GHG emissions ⁶	tCO ₂ e	40,123.08	36,130.72	33,510.04
Total scope 1 and 2 GHG emissions	tCO ₂ e	43,856.95	39,624.08	37,255.41
Scope 1 and 2 GHG emissions intensity	tCO ₂ e/Revenue (\$ million)	3.75	3.72	3.35
Scope 3 GHG emissions by category ^{7, 8}				
Category 1: Purchased goods and services	tCO ₂ e	269,404.73	242,934.73 ⁹	221,424.46
Category 2: Capital goods	tCO ₂ e	14,744.12	23,483.07	25,743.18
Category 3: Fuel- and energy-related activities	tCO ₂ e	17,614.17	15,859.70	12,103.94
Category 11: Use of sold products	tCO ₂ e	109,088.43	123,864.22	102,613.13
Other categories ¹⁰	tCO ₂ e	4,958.87	3,652.69	2,817.84
Direct energy consumption ¹¹	kWh	621,106.17	584,090.64	491,684.89
Direct energy intensity	kWh/Revenue (\$ million)	53.12	54.84	44.18
Indirect energy consumption ¹²	kWh	94,120,130.20	84,659,396.22	81,611,191.41
Indirect energy intensity	kWh/Revenue (\$ million)	8,049.96	7,948.49	7,333.20
Water consumption	m ³	4,957.61	4,974.00	6,055.20¹³
Water intensity	m ³ /Revenue (\$ million)	0.42	0.47	0.54
Waste				
Hazardous waste generated ¹⁴	tonnes	52.15	104.57 ¹⁵	48.79
Hazardous waste intensity	tonnes/Revenue (\$ million)	0.004	0.01	0.004
Non-hazardous waste generated ¹⁶	tonnes	264.37	361.97 ¹⁷	199.62
Non-hazardous waste intensity	tonnes/Revenue (\$ million)	0.02	0.03	0.02
Waste diverted ¹⁸	tonnes	141.20	150.54	88.46
Waste diversion rate	%	53.41	41.59	44.31

Environmental Performance Summary^{1, 2}

- ¹ All figures are rounded to two decimal places except for values less than 0.01, which are rounded to three decimal places.
- ² All intensity figures are expressed per unit of revenue. The revenue as of 31 August 2023, 31 August 2024 and 31 August 2025 was \$11,692m, \$10,651m and \$11,129 m, rounded from the precise figures.
- ³ This KPI is concerned with the air pollution produced by the issuer. Air pollution includes NO_x, SO_x, and respiratory suspended particles, also known as Particulate Matter (PM) produced by HKBN's motor vehicles powered by fuel. The air emission factors are based on the Hong Kong Environmental Protection Department's (EPD) EMFAC-HK Vehicle Emission Calculation model and the United States Environmental Protection Agency's (USEPA's) Vehicle Emission Modeling Software — MOBILE6.1.
- ⁴ Scope 1, 2 and 3 GHG emissions are calculated in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard.
- ⁵ Scope 1 GHG emissions are direct Greenhouse gas (GHG) emissions from sources that are owned or controlled by HKBN such as emissions from fuel of company vehicles and genset, the refrigerant of air conditioning and chiller, and fire suppression equipment. The emission factors are based on the Intergovernmental Panel on Climate Change (IPCC) Synthesis Report (AR6) (2021) and EPD's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong 2010 Edition.
- ⁶ Scope 2 GHG emissions are indirect GHG emission resulting from the generation of electricity purchases by HKBN. For Hong Kong operation, emission factor adopted for purchased electricity are 0.60 kgCO₂e/kWh and 0.38 kgCO₂e/kWh as provided by HK Electric Investments Sustainability Report 2024 and CLP Sustainability Report 2024 respectively, subjecting to the location of operation. For Macau operation, emission factor adopted for purchased electricity is 0.609 kgCO₂e/kWh as provided by CEM Sustainability Report 2024. For Chinese Mainland operation, the emission factor adopted for purchased electricity is 0.5856 kgCO₂e/kWh, which is referenced from the Ministry of Ecology and Environment of People's Republic of China (MEE).
- ⁷ Scope 3 GHG emissions are other indirect GHG emissions that occur in the value chain of HKBN. These emissions are mainly associated with purchased goods and services (Category 1), capital goods (Category 2), fuel and energy-related activities not included in scope 1 or 2 (Category 3), and use of sold products (Category 11). The compilation of our Scope 3 GHG emissions is based on the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Relevant emission factors were sourced from product-specific carbon footprint data, environmentally-extended input output (EEIO) database EXIOBASE 3 for spend-based category data, and well-to-tank factors from UK Government GHG Conversion Factors for Company Reporting for fuel and energy-related activities.
- ⁸ Starting from FY25, the goods receipt amount has been used instead of the purchase order value for spend-based calculations. This change was made to better reflect the actual spending associated with purchased goods and services and to enhance the accuracy of the emissions estimation. Prior year data was not restated as goods receipt amounts required for recalculation were not available at the required level of detail.
- ⁹ The FY24 figure has been restated using the most accurate purchase order value for spend-based calculations at the time of reporting.
- ¹⁰ Other categories, which include emissions from transportation and distribution (Category 4 and 9), waste generated in operations (Category 5), business travel (Category 6), employee commuting (Category 7), leased assets (Category 8 and 13), end-of-life treatment of sold products (Category 12) and investments (Category 15), each contribute less than 1% to the total Scope 3 emissions.
- ¹¹ Vehicle, generator and mobile generator fuel consumption are included in the direct energy consumption.
- ¹² Electricity purchases are included in the indirect energy consumption.
- ¹³ The increase in water consumption during FY25 was primarily due to operational changes following office consolidation, as well as maintenance works on the office flushing systems and adjustments to the data centre cooling system.
- ¹⁴ Hazardous waste generated comprised uninterruptible power system and lighting tube.
- ¹⁵ The rise in hazardous waste during FY24 was primarily due to the disposal of lead-acid batteries. This increase aligns with our facility upgrades and the natural end of the batteries' lifecycle. The lead-acid batteries are sustainably disposed of at the Hong Kong Battery Recycling Centre.
- ¹⁶ Non-hazardous waste included construction waste and general waste in offices, shops and data centres.
- ¹⁷ The rise in non-hazardous waste during FY24 was primarily due to the additional waste generated from the office relocation.
- ¹⁸ Waste diverted from landfills included paper, plastic, metal, wooden, e-waste, food waste and glass.

Social Performance Summary

		Unit	FY23		FY24		FY25	
Workforce statistics								
Total		Staff	4,558		3,987		3,773	
By gender ¹	Female	%	1,579	35.66%	1,410	36.50%	1,339	36.49%
	Male	%	2,849	64.34%	2,453	63.50%	2,331	63.51%
By employment type	Full Time	%	4,428	97.15%	3,863	96.89%	3,670	97.27%
	Part Time	%	51	1.12%	35	0.88%	22	0.58%
	Contract	%	79	1.73%	89	2.23%	81	2.15%
By age group ¹	≤ 30	%	820	18.52%	586	15.17%	475	12.94%
	31–50	%	3,047	68.81%	2,722	70.46%	2,614	71.23%
	> 50	%	561	12.67%	555	14.37%	581	15.83%
By geographical region ¹	Hong Kong	%	2,489	56.21%	2,160	55.92%	2,058	56.08%
	Macao	%	36	0.81%	42	1.09%	46	1.25%
	Chinese Mainland	%	1,903	42.98%	1,661	43.00%	1,566	42.67%
Employee turnover rate ¹								
By gender	Female	%	31.45%		20.94%		12.87%	
	Male	%	37.80%		28.90%		16.98%	
By age group	≤ 30	%	64.44%		40.83%		25.82%	
	31–50	%	30.60%		23.16%		13.34%	
	> 50	%	20.43%		22.22%		15.85%	
By geographical region	Hong Kong	%	36.41%		29.98%		21.05%	
	Macao	%	13.89%		12.82%		15.91%	
	Chinese Mainland	%	34.84%		21.16%		8.18%	
Percentage of employees trained								
By gender	Female	%	98.19%		97.91%		99.27%	
	Male	%	98.07%		97.69%		99.45%	
By employee category	Managerial-or-above-level	%	97.94%		94.85%		100%	
	Supervisory-level	%	99.35%		99.76%		100%	
	All other staff	%	97.97%		97.87%		99.22%	

¹ Only cover full-time Staff.

Social Performance Summary

		Unit	FY23	FY24	FY25
Average training hours completed per employee					
By gender	Female	hours per staff	18.06	15.48	20.83
	Male	hours per staff	16.31	15.36	18.32
By employee category	Managerial-or-above-level	hours per staff	9.05	7.44	13.79
	Supervisory-level	hours per staff	12.86	12.07	19.39
	All other staff	hours per staff	18.28	16.82	19.96
Work-related fatalities					
Number of work-related fatalities	Number		1 ²	0	0
Work-related fatalities rate ³	Number per 200,000 manhour		0.02	0	0
Work-related injuries					
Lost days due to work-related injuries ⁴	Day		935	1,805	1,116
Work-related injury rate ⁵	Number per 200,000 manhour		0.41	0.57	0.25
Number of suppliers					
By geographical region	Hong Kong	Number	1,853	1,725	2,197
	Chinese Mainland	Number	734	912	588
	Macao	Number	53	88	89
	Other	Number	146	132	331
Number of products and service-related complaints received					
Number of complaints received from residential and enterprise business	Number		1,754	2,672 ⁶	2,529
Community Investment					
Total volunteering hours contributed by the Company	hours		1,377.5	725.0 ⁷	783.5

² An employee experienced a fatal incident while riding an electric bicycle after work on 27 November 2020. The employee unfortunately passed away on 16 October 2022. It was considered as a fatal work incident according to the Regulation on Work-Related Injury Insurance of the Chinese Mainland.

³ The work-related fatality rate represents the number of reported fatalities per 100 full-time employees per year. It is calculated as "total number of work-related fatalities multiplied by 200,000 and then divided by total hours worked." The factor 200,000 represents the annual hours worked by 100 full-time employees, based on 40 hours per week for 50 weeks a year.

⁴ "Lost days" is the sum total of calendar days (consecutive or otherwise) for the days on which the work-related injuries and work-related ill health occurred. For Hong Kong, a "Lost day" occurs when, in the opinion of a physician, an employee cannot work. "Lost day" is calculated based on the total of calendar days (consecutive or otherwise) starting from the lost day occurs. While for Chinese Mainland, it is calculated based on the total of calendar days (consecutive or otherwise) for the days on which the work-related injuries and work-related ill health occurred.

⁵ The work-related injury rate represents the number of reported injuries per 100 full-time employees per year. It is calculated as "total number of work-related injuries multiplied by 200,000 and then divided by total hours worked." The factor 200,000 represents the annual hours worked by 100 full-time employees, based on 40 hours per week for 50 weeks a year.

⁶ In FY24, the Company implemented stricter credit adjustment and waiver protocols, as well as re-classification of sales-related complaints, contributing to the increase in the number of customer complaints.

⁷ In FY24, the Company's corporate social investment (CSI) strategy was revamped to prioritise digital inclusivity initiatives for NGOs and marginalised groups in addition to volunteering engagement.

SASB Content Index

Telecommunications Services

SASB Activity Metrics

SASB Code	Activity Metric	FY23	FY24	FY25	Assured by independent practitioner
TC-TL-000.A	Number of wireless subscribers (in thousands)	Residential business: 239	Residential business: 217	Residential business: 181	✓
		Enterprise business: 26	Enterprise business: 22	Enterprise business: 20	
	Wireless subscribers are defined as those customers that contract with the entity for mobile services, which include cellular phone service and/or wireless data service.				
TC-TL-000.B	Number of wireline subscribers (in thousands)	Residential business: 386	Residential business: 343	Residential business: 290	✓
		Enterprise business: 388	Enterprise business: 357	Enterprise business: 335	
	Wireline subscribers are defined as those customers that contract with the entity for fixed line phone services.				
TC-TL-000.C	Number of broadband subscribers (in thousands)	Residential business: 920	Residential business: 907	Residential business: 907	✓
		Enterprise business: 117	Enterprise business: 110	Enterprise business: 107	
	Broadband subscribers are defined as those customers that contract with the entity for fixed line cable and internet services, which include WiFi connections.				
TC-TL-000.D	Network traffic	5,349 Pb	5,425 Pb	5,653 Pb	✓
	The system of rules applied in recording and reporting network traffic statistics complies with Office of the Communications Authority.				

ESG Content Indexes

SASB Accounting Metrics

SASB Code	Accounting Metric	FY23	FY24	FY25	Assured by independent practitioner
Environmental Footprint of Operations					
TC-TL-130a.1	(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable	(1) 341,068.18 GJ (2) 99.34% (3) 0%	(1) 306,876.31 GJ (2) 99.31% (3) 0%	(1) 295,570.12 GJ (2) 99.40% (3) 0%	✓
<i>Please refer to the Climate Action section of this ESG report for further detail on our energy target and reduction initiatives.</i>					
Data Privacy					
TC-TL-220a.1	Description of policies and practices relating to behavioural advertising and customer privacy <i>Please refer to the Data Privacy & Security section of this ESG report, Personal Data & Privacy Statement and Personal Information Collection Statement for details.</i>				
TC-TL-220a.2	Number of customers whose information is used for secondary purposes	N/A	N/A	N/A	
<i>Personal information of our customers is used for purposes stated in our privacy policies only.</i>					
TC-TL-220a.3	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Nil	Nil	Nil	✓
<i>There were no recorded monetary losses as a result of legal proceedings associated with customer privacy in FY23, FY24 and FY25.</i>					
TC-TL-220a.4	(1) Number of law enforcement requests for customer information, (2) Number of customers whose information was requested, (3) Percentage resulting in disclosure	N/A	N/A	N/A	
<i>Currently we do not disclose these metrics. In handling such requests, we follow relevant laws and regulations of the jurisdictions we operate in.</i>					

SASB Code	Accounting Metric	FY23	FY24	FY25	Assured by independent practitioner
Data Security					
TC-TL-230a.1 ¹	(1) Number of data breaches, (2) Percentage involving personally identifiable information (PII), (3) Number of customers affected	Nil	Nil	Nil	✓
There were no recorded data breaches in FY23, FY24 and FY25.					
TC-TL-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards				
Please refer to the Data Privacy & Security section of this ESG report for details.					
Product End-of-life Management					
TC-TL-440a.1	(1) Materials recovered through take back programmes, (2) Percentage of recovered materials that were recycled	Nil	Nil	Nil	
There was sporadic device recovery during the year with limited data availability.					

¹ Data breach, personally identifiable information and customer affected are limited to concluded cases with legal claims and penalties brought against the Group and its subsidiaries during the reporting period.

ESG Content Indexes

SASB Code	Accounting Metric	FY23	FY24	FY25	Assured by independent practitioner
Competitive Behaviour & Open Internet					
TC-TL-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulations	Nil	Nil	Nil	✓
<i>There were no recorded monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulations in FY23, FY24 and FY25.</i>					
TC-TL-520a.2	Average actual sustained download speed of owned and commercially-associated content and non-associated content	1000 Mbp Plan: 916.5 Mbps 500 Mbp Plan: 545.8 Mbps 100 Mbp Plan: 95.8 Mbps Please refer below for details	2000 Mbp Plan: 1816.1 Mbps 1000 Mbp Plan: 928.2 Mbps 500 Mbp Plan: 549.5 Mbps Please refer below for details	2.5 Gbps Plan: 2235.4 Mbps 2000 Mbp Plan: 1812.6 Mbps 1000 Mbp Plan: 934.6 Mbps Please refer below for details.	
There is no difference in the download speed of associated and non-associated content, and we do not measure download speeds on the bases specified in the standard. We report the average download speed of our most common Broadband service plan tiers (which represent over 80% of our residential and enterprise installations (including new installations, relocation and maintenance) in FY25) be: 2.5 Gbps Plan: 2235.4 Mbps 2000 Mbp Plan: 1812.6 Mbps 1000 Mbp Plan: 934.6 Mbps Remarks: - The average download speeds were calculated from speed tests conducted during successful new installations, relocation and maintenance in FY25. - Our technicians have ensured the speed test of each of such successful new installations, relocation and maintenance meets the guaranteed standard and the result is endorsed by the respective customer. - The actual bandwidth customers enjoyed may be affected by their hardware/software, router specification, site traffic loading, type of content being accessed and other environmental factors.					
TC-TL-520a.3	Description of risks and opportunities associated with net neutrality, paid peering, zero rating, and related practices	<i>Regulations on net neutrality, paid peering, zero rating and related practices vary across different jurisdictions, and we comply with any applicable regulations in the jurisdictions we operate in.</i>			

SASB Code	Accounting Metric	FY23	FY24	FY25	Assured by independent practitioner
Managing Systemic Risks from Technology Disruptions					
TC-TL-550a.1	(1) System average interruption frequency (disruptions per customer)	(1) 0.211 (2) 0.378	(1) 0.188 (2) 0.411	(1) 0.28 (2) 0.41	
	(2) Customer average interruption duration (hours per customer)				
By considering that connectivity of the broadband services of enterprise solutions is governed by diverse service-level agreements, we are currently reporting on the performances of residential solutions with the below calculation methodologies: (1) System Average Interruption Frequency = Total Number of Affected Customers/Total Customers (2) Customer Average Interruption Duration = Accumulated Affected Customers Hours/Total Customers					
TC-TL-550a.2	Discussion of systems to provide unimpeded service during service interruptions				
	<i>Please refer to the Reliable and Responsible Service section of this ESG report for details.</i>				

ESG Content Indexes

HKEX ESG Code Content Index

The Report is in compliance with the mandatory disclosure requirements and “comply or explain” provisions of the HKEX ESG Code.

Part B: Mandatory Disclosure Requirements

Mandatory Disclosure Requirements		Reporting Location	Reference and Remarks	Assured by independent practitioner
Governance Structure	A statement from the Board containing the following elements: (i) a disclosure of the Board’s oversight of ESG issues; (ii) the Board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.	Our Approach to ESG Governance & Management	Corporate Governance https://www.hkbn.net/group/en/our-story/corporate-governance	
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About This Report — Reporting principles Communication and Engagement with Stakeholders Materiality Assessment		
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report — Reporting boundaries		

Part C: "Comply or explain" Provisions

Subject Areas, Aspects, General Disclosures and KPIs		Reporting Location	Reference and Remarks	Assured by independent practitioner
A. Environment				
Aspect A1: Emissions				
General Disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Climate Action	Environmental Policy https://reg.hkbn.net/WwwCMS/upload/pdf/en/HKBN-Environmental-Policy_EN_SEP24.pdf	
KPI A1.1	The types of emissions and respective emissions data.	Climate Action, Environmental Performance Summary		✓
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Climate Action, Environmental Performance Summary		✓
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Climate Action, Environmental Performance Summary		✓
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Climate Action		
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Climate Action		

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Subject Areas, Aspects, General Disclosures and KPIs		Reporting Location	Reference and Remarks	Assured by independent practitioner
Aspect A2: Use of Resources				
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Climate Action	Environmental Policy https://reg.hkbn.net/WwwCMS/upload/pdf/en/HKBN-Environmental-Policy_EN_SEP24.pdf	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Climate Action, Environmental Performance Summary		✓
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Climate Action, Environmental Performance Summary		✓
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Climate Action		
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	N/A	There were no issues related to sourcing water that was fit for purpose. Water consumption is not a significant source of carbon emissions for HKBN, and as such is not considered material to our Group's ESG priorities. Despite this, we still strive to improve water consumption efficiency in our offices via various water saving initiatives.	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A	Packaging material is not applicable to the nature of our operations and business.	

Subject Areas, Aspects, General Disclosures and KPIs		Reporting Location	Reference and Remarks	Assured by independent practitioner
Aspect A3: The Environment and Natural Resources				
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Climate Action	Environmental Policy https://reg.hkbn.net/WwwCMS/upload/pdf/en/HKBN-Environmental-Policy_EN_SEP24.pdf	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Climate Action		
B. Social				
Aspect B1: Employment				
General Disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Talent Interest Alignment, Talent Obsessed Engagement & Development, Diversity & Inclusion		
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Diversity & Inclusion, Social Performance Summary		✓
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Diversity & Inclusion, Social Performance Summary		✓

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Subject Areas, Aspects, General Disclosures and KPIs		Reporting Location	Reference and Remarks	Assured by independent practitioner
Aspect B2: Health and Safety				
General Disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Talent Obsessed Engagement & Development		
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Talent Obsessed Engagement & Development, Social Performance Summary		✓
KPI B2.2	Lost days due to work injury.	Talent Obsessed Engagement & Development, Social Performance Summary		✓
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Talent Obsessed Engagement & Development		
Aspect B3: Development and Training				
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Obsessed Engagement & Development		
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent Obsessed Engagement & Development, Social Performance Summary		✓
KPI B3.2	The average training hours completed per employee by gender and employee category.	Talent Obsessed Engagement & Development, Social Performance Summary		✓

Subject Areas, Aspects, General Disclosures and KPIs		Reporting Location	Reference and Remarks	Assured by independent practitioner
Aspect B4: Labour Standards				
General Disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Diversity & Inclusion		
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Diversity & Inclusion		
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Diversity & Inclusion		
Aspect B5: Supply Chain Management				
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Win-win Partnership & Value Chain	Supplier Code of Conduct https://www.hkbn.net/new/uploads/page/about-us/2016/corporate-governance/HKBN_Group_Supplier_Code_of_Conduct_en.pdf	
KPI B5.1	Number of suppliers by geographical region.	Win-win Partnership & Value Chain, Social Performance Summary		✓
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Win-win Partnership & Value Chain		
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Win-win Partnership & Value Chain		
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Win-win Partnership & Value Chain		

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Subject Areas, Aspects, General Disclosures and KPIs		Reporting Location	Reference and Remarks	Assured by independent practitioner
Aspect B6: Product Responsibility				
General Disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Impactful Customer Experience, Reliable & Responsible Service, Data Privacy & Security, Corporate Governance Report	Code of Practices on Marketing Calls https://www.hkbn.net/personal/support/en/code-of-practices-on-marketing-calls	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Reliable & Responsible Service		
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Impactful Customer Experience		✓
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Corporate Governance Report		
KPI B6.4	Description of quality assurance process and recall procedures.	Reliable & Responsible Service		
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Privacy & Security	Personal Data & Privacy Statement https://www.hkbn.net/pps/en Personal Information Collection Statement https://www.hkbn.net/pics/en	

Subject Areas, Aspects, General Disclosures and KPIs		Reporting Location	Reference and Remarks	Assured by independent practitioner
Aspect B7: Anti-corruption				
General Disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Corporate Governance Report	Anti-Bribery, Anti-Corruption, Anti-Fraud and Conflict of Interest Policy https://reg.hkbn.net/WwwCMS/upload/pdf/en/Anti-Bribery_Anti-Corruption_Anti-Fraud_and_Conflict_of_Interest_Policy.pdf Whistleblowing Policy https://reg.hkbn.net/WwwCMS/upload/pdf/en/e-Whistleblowing-Policy.pdf	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Corporate Governance Report		✓
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Corporate Governance Report		
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Corporate Governance Report		
Aspect B8: Community Investment				
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Digital Inclusion for our Communities	Corporate Social Investment Policy https://reg.hkbn.net/WwwCMS/upload/pdf/en/HKBN-Corporate-Social-Investment-Policy-EN.pdf	
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Digital Inclusion for our Communities		
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Digital Inclusion for our Communities, Social Performance Summary		✓

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Part D: Climate-related Disclosures

Reference Paragraph	Description	Reporting Location	Reference and Remarks	Assured by independent practitioner
(I) Governance				
19	An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Our Approach to ESG Governance & Management, Climate Action		

Reference Paragraph	Description	Reporting Location	Reference and Remarks	Assured by independent practitioner
(II) Strategy				
Climate-related risks and opportunities				
20	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons — short, medium or long term — the effects of each climate-related risk and opportunity could reasonably be expected to occur; (d) explain how the issuer defines "short term", "medium term" and "long term" and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Climate Action		
Business model and value chain				
21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Climate Action		

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Reference Paragraph	Description	Reporting Location	Reference and Remarks	Assured by independent practitioner
Strategy and decision-making				
22	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Climate Action	The Group continues to utilise its existing resources and take practical steps to reduce its GHG emissions. These efforts include improving the energy efficiency of network systems and office operations, as well as engaging suppliers to identify and reduce emissions across the value chain. Through these ongoing initiatives, the Group is strengthening its decarbonisation capabilities and is well positioned to develop a formalised transition plan in the future.	
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Climate Action		

Reference Paragraph	Description	Reporting Location	Reference and Remarks	Assured by independent practitioner
Financial position, financial performance and cash flows				
Current financial effect				
24	An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	N/A	The Group regularly reviews climate-related risks that could impact our operations. These risks have been managed within existing operations without material financial impacts during the reporting period.	
Anticipated financial effect				
25	The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	N/A	Climate-related risks are considered in the Group's operational planning, particularly with respect to transition risks associated with the shift toward a low-carbon economy. To mitigate this, we are engaging our supply chain on emissions reduction and developing and sourcing a wide range of low-carbon solutions to meet customer demand. While these actions may give rise to additional costs, they are expected to be managed within existing resources. Based on our current assessment, no material financial impacts are anticipated in the short, medium and long term as a result of these climate-related risks.	

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Reference Paragraph	Description	Reporting Location	Reference and Remarks	Assured by independent practitioner
Climate resilience				
26	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; (b) how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	Climate Action	In FY24, we conducted a climate scenario analysis to evaluate our strategic resilience across multiple future states. Please refer to our FY24 Annual Report, P.93-96 for more details.	

Reference Paragraph	Description	Reporting Location	Reference and Remarks	Assured by independent practitioner
(III) Risk Management				
27	An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Climate Action	There has been no change in the processes used to identify, assess, prioritise, and monitor climate-related risks and opportunities compared with the previous reporting period.	

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Reference Paragraph	Description	Reporting Location	Reference and Remarks	Assured by independent practitioner
(IV) Metrics and Targets				
Greenhouse gas emissions				
28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	Climate Action, Environmental Performance Summary		✓ (Scope 1 & 2 GHG emissions)
29	An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Environmental Performance Summary		

Reference Paragraph	Description	Reporting Location	Reference and Remarks	Assured by independent practitioner
Climate-related transition risks				
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	N/A	The Group conducted a scenario analysis in FY24 that identified high-potential transition risks, such as carbon-related expenses passed down from suppliers and the loss of key clients if the transition is not effectively managed. However, based on our current risk assessment and mitigation measures, we do not consider any of the Group's assets or business activities to be vulnerable to climate-related transition risks.	
Climate-related physical risks				
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	N/A	The Group conducted a scenario analysis in FY24 to assess potential climate-related physical impacts on our critical assets in Hong Kong, including central offices, data centres, and IT servers. The analysis found that the expected impacts are minimal, and with current mitigation measures in place, we do not consider any of the Group's assets or business activities to be vulnerable to climate-related physical risks.	

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Reference Paragraph	Description	Reporting Location	Reference and Remarks	Assured by independent practitioner
Climate-related opportunities				
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	N/A	The Group has identified several climate-related opportunities, including the use of new technologies/ lower-emission sources of energy and the development of new products or services. These opportunities extend across the Group's operations, with more significant potential benefits expected in the enterprise business segment, given growing demand in the ICT sector for solutions that support customers' decarbonisation efforts.	
Capital deployment				
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	N/A	At the time of reporting, the Group has not assessed the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities. We will develop internal methodology to track these capital deployment and expects to provide such disclosures in future reporting periods.	

Reference Paragraph	Description	Reporting Location	Reference and Remarks	Assured by independent practitioner
Internal carbon price				
34	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	N/A	We currently have not applied an internal carbon price in decision-making.	
Remuneration				
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Our Approach to ESG Governance & Management, Climate Action		
Industry-based metrics				
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	SASB Content Index		

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Reference Paragraph	Description	Reporting Location	Reference and Remarks	Assured by independent practitioner
Climate-related targets				
37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Climate Action		
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	Climate Action		
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Climate Action		

Reference Paragraph	Description	Reporting Location	Reference and Remarks	Assured by independent practitioner
40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonization approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Climate Action	The Group currently does not plan to use carbon credits or any other offsetting instruments to offset our GHG emissions.	

Corporate Information

Chairman and Executive Director

Mr. LING Hao ⁽¹⁾

Chairman and Independent Non-executive Directors

Ms. CHUNG Cordelia ⁽²⁾

Mr. Bradley Jay HORWITZ ⁽⁸⁾

Non-executive Directors

Mr. LUO Weimin ⁽¹⁾

Ms. YU Shengping ⁽⁴⁾

Mr. ZHANG Liyang ⁽³⁾

Mr. Zubin Jamshed IRANI ⁽⁵⁾

Company Secretary

Ms. NG Yuk Yee Feona ⁽⁶⁾

Mr. LEUNG Chi Kit ⁽⁷⁾

Ms. CHENG Chung Man ⁽⁹⁾

Executive Directors

Mr. LI Xin ⁽¹⁾

Mr. LEI Liqun ⁽¹⁾

Mr. YEUNG Chu Kwong ⁽¹⁰⁾

Independent Non-executive Directors

Ms. CHEUNG Ming Ming Anna ⁽¹²⁾

Ms. CHUNG Cordelia

Ms. CHUNG Kit Yi Kitty ⁽¹¹⁾

Authorised Representatives

Mr. Li Xin ⁽¹⁾

Ms. NG Yuk Yee Feona ⁽⁶⁾

Mr. LEUNG Chi Kit ⁽⁷⁾

Ms. CHENG Chung Man ⁽⁹⁾

Mr. YEUNG Chu Kwong ⁽¹⁰⁾

Composition of Board Committees *(as at the date of this Report)*

Director	Audit Committee	Nomination Committee	Remuneration Committee	Environmental, Social and Governance Committee	Risk Committee
Mr. LING Hao		Chairman			
Mr. LI Xin		Member			Chairman
Mr. LEI Liqun			Member		
Mr. LUO Weimin	Member				
Ms. CHUNG Cordelia		Member	Chairman	Member	Member
Ms. CHEUNG Ming Ming Anna	Member	Member		Chairman	Member
Ms. CHUNG Kit Yi Kitty	Chairman	Member	Member	Member	

Notes:

- (1) Appointed on 5 September 2025.
- (2) Stepped down from the role as Chairman of the Board and the Nomination Committee but remains as a member of the Nomination Committee, appointed as a member of the ESG Committee; and ceased to be a member of the Audit Committee on 5 September 2025.
- (3) Retired and ceased to be a member of the Audit Committee and the Remuneration Committee on 12 December 2024.
- (4) Resigned and ceased to be a member of the Nomination Committee on 8 August 2025.
- (5) Appointed as an Alternate Director to Mr. ZHANG Liyang from 27 November 2024 to 12 December 2024; appointed as a Non-executive Director, a member of the Audit Committee and the Remuneration Committee on 12 December 2024; resigned and ceased to be a member of the Audit Committee and Remuneration Committee on 13 May 2025.
- (6) Appointed on 15 August 2025.
- (7) Appointed on 17 January 2025 and resigned on 15 August 2025.
- (8) Retired and ceased to be a member of the Audit Committee and the chairman of the Nomination Committee and the Remuneration Committee on 12 December 2024.
- (9) Resigned on 17 January 2025.
- (10) Resigned and ceased to be a member of the Nomination Committee and the ESG Committee on 5 September 2025.
- (11) Ceased to be a member of the Risk Committee on 5 September 2025.
- (12) Ceased to be a member of the Remuneration Committee; and stepped down from the role as the Chairman of the Risk Committee but remains as a member of the Risk Committee on 5 September 2025.

Corporate Information

Registered Office

P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

19/F, Tower 1, The Quayside
77 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Auditor

KPMG

Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

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

Cayman Principal Share Registrar and Transfer Office

MAPLES FUND SERVICES (CAYMAN) LIMITED

P.O. Box 1093
Boundary Hall
Cricket Square
Grand Cayman KY1-1102
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

COMPUTERSHARE HONG KONG INVESTOR SERVICES LIMITED

Rooms 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Principal Bankers

CITIBANK, N.A., HONG KONG BRANCH

50th Floor, Champion Tower
3 Garden Road, Central
Hong Kong

STANDARD CHARTERED BANK (HONG KONG) LIMITED

32nd Floor, Standard Chartered Bank Building
4-4A Des Voeux Road Central
Hong Kong

Company's Website

www.hkbnltd.net

Stock Code

1310

