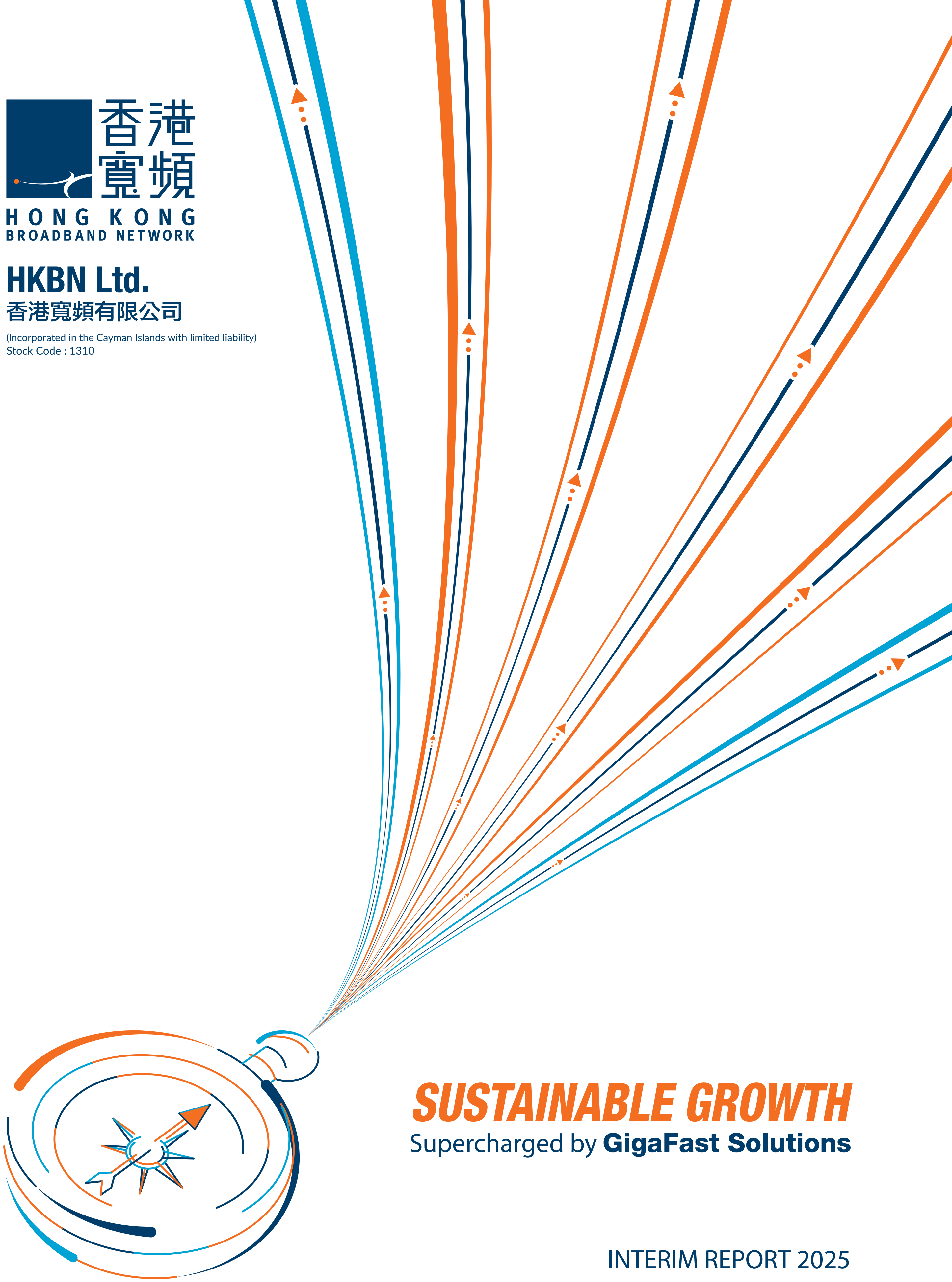
香港寬頻
HONG KONG
BROADBAND NETWORK

# HKBN Ltd.
香港寬頻有限公司

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



# SUSTAINABLE GROWTH
## Supercharged by **GigaFast Solutions**

INTERIM REPORT 2025

# EMPOWERING LIVES
# RESHAPING BUSINESSES
# INSPIRING INNOVATIONS

At HKBN, we're not just a telecom company. We're a catalyst for change in Hong Kong. As one of Hong Kong's leading telecom and technology innovators, HKBN is redefining possibilities for individuals and businesses alike. Our advanced solutions are transforming lives and reshaping competition.

For households, we enhance everyday life with our award-winning broadband and mobile services. Our expanding ecosystem offers everything from OTT entertainment and smart home solutions to healthcare and insurance, empowering people to work, learn, and explore seamlessly.

As for businesses, we lay the digital foundation for growth and innovation. Our comprehensive end-to-end solutions — from mission-critical connectivity and cutting-edge cybersecurity to tailored digital transformation and AI-powered automation — provide businesses and organisations with the tools to streamline operations, boost productivity, and spark innovation.

Join us as we shape the future!

# CONTENTS



*Unless otherwise stated, all monetary figures from this report are in Hong Kong dollars. This report is published in both English and Chinese. Where the English and the Chinese texts conflict, the English text shall prevail.*

# Key Financial and Operational Summary

## Table 1: Financial highlights

| | For the six months ended | | Change YoY |
|---|---|---|---|
| | **28 February 2025** | 29 February 2024 | |
| **Key financials ($'000)** | | | |
| Revenue | **5,734,269** | 5,809,091 | -1% |
| – Enterprise Solutions | **2,549,534** | 2,310,418 | +10% |
| – Enterprise Solutions related products | **892,191** | 951,692 | -6% |
| – Residential Solutions | **1,165,568** | 1,181,509 | -1% |
| – Handsets and other products | **1,126,976** | 1,365,472 | -17% |
| Profit for the period | **107,560** | 1,534 | >100% |
| EBITDA [1,2] | **1,206,122** | 1,151,172 | +5% |
| Adjusted Free Cash Flow [1,3] | **126,186** | 124,248 | +2% |
| Reconciliation of EBITDA & Adjusted Free Cash Flow [1,2,3] | | | |
| **Profit for the period** | **107,560** | 1,534 | >100% |
| Amortisation of customer acquisition and retention costs | **142,259** | 135,127 | +5% |
| Amortisation of intangible assets | **177,859** | 185,771 | -4% |
| Depreciation | **411,210** | 423,891 | -3% |
| Finance costs | **366,024** | 400,712 | -9% |
| Income tax charge | **5,506** | 6,254 | -12% |
| Interest income | **(4,296)** | (5,832) | -26% |
| Loss on disposal of a subsidiary | **–** | 3,715 | -100% |
| **EBITDA** | **1,206,122** | 1,151,172 | +5% |
| Capital expenditure | **(238,513)** | (204,240) | +17% |
| Changes in working capital | **(100,391)** | (16,929) | >100% |
| Customer acquisition and retention costs | **(130,493)** | (139,556) | -6% |
| Income tax paid | **(162,603)** | (212,551) | -23% |
| Lease payment in relation to right-of-use assets | **(91,603)** | (91,504) | +0% |
| Net interest paid | **(356,333)** | (362,144) | -2% |
| **Adjusted Free Cash Flow** | **126,186** | 124,248 | +2% |

## Table 2: Operational highlights

| | For the six months ended | | | |
|---|---|---|---|---|
| | **28 February 2025** | 31 August 2024 | 29 February 2024 | **Change YoY** |
| **Enterprise business** | | | | |
| Commercial building coverage | **8,183** | 8,163 | 8,120 | +1% |
| Subscriptions ('000) | | | | |
| – Broadband | **109** | 110 | 110 | -1% |
| – Voice | **347** | 357 | 373 | -7% |
| Enterprise customers [4] ('000) | **97** | 98 | 97 | – |
| **Residential business** | | | | |
| Residential homes passed ('000) | **2,614** | 2,596 | 2,579 | +1% |
| Subscriptions ('000) | | | | |
| – Broadband | **900** | 907 | 903 | -0% |
| – Voice | **314** | 343 | 367 | -14% |
| Residential ARPU [5] | **$186** | $182 | $181 | +3% |
| Mobile business | | | | |
| Subscriptions ('000) | **197** | 217 | 234 | -16% |
| Residential customers ('000) | **901** | 932 | 956 | -6% |
| **Total full-time permanent staff** | **3,741** | 3,863 | 4,159 | -10% |

Notes:

(1) EBITDA and AFF are not measures of performance under Hong Kong Financial Reporting Standards ("**HKFRSs**"). 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 HKFRSs. 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 period plus finance costs, income tax charge, depreciation, amortisation of intangible assets (net of direct cost incurred in corresponding period), amortisation of customer acquisition and retention costs, loss on disposal of a subsidiary 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) Enterprise customers means total number of enterprise customers excluding IDD, product resell and mobile customers.

(5) 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

Amid sustained macroeconomic uncertainty and tempered customer spending, the Group's overall revenue for the six months ended 28 February 2025 experienced a modest 1% decline to $5,734 million. This resilience reflects broader market conditions rather than structural challenges. We have continued capitalising on our robust telecommunications infrastructure and executing our strategic roadmap with discipline. Importantly, we are witnessing a favourable shift in momentum — driven by steady demand for our high-margin solutions, improved operational efficiencies, and partnerships in next-generation technologies such as Artificial Intelligence ("AI").

Against industry-wide headwinds, our Enterprise Solutions business thrived with revenue growth of 6% to $3,442 million. The total number of enterprise customers decreased slightly by 1% to 97,000, reflecting intense market competition and economic pressures which have led to some business closures. Nevertheless, the overall business continued to strengthen, recording a 10% increase in enterprise services revenue — excluding enterprise-related product revenue. This growth underscores the strength of our core services and system integration ("SI") capabilities.

Fuelled by robust demand for digital transformation, our SI business delivered strong revenue growth of 10%. Backed by one of the region's largest teams of IT experts, we continued to provide bespoke SI solutions, including the integration of AI and automation capabilities to address a broader range of complex, industry-specific challenges.

We have solidified our competitive position by strategically combining our high-performance GigaFast Fixed Telecommunications Network Services ("FTNS") with an expanded suite of advanced enterprise solutions. This powerful integration enabled us to deliver comprehensive digital transformation capabilities, encompassing robust cybersecurity protection, cloud computing services, as well as, world-class data backup and migration solutions.

HKBN Care+, our all-in-one IT-as-a-service solution, continued to gain traction by tackling key challenges for resource-constrained enterprises. It offers a predictable subscription pricing model that eliminates the uncertainty of variable IT expenses. Designed to empower SMEs and organisations without in-house IT teams, HKBN Care+ provides on-demand access to our deep technical expertise across the entire IT stack, from device troubleshooting and network optimisation to endpoint security.

During the interim period, we made significant progress in supporting our customers' cross-border operations. For mainland Chinese companies, especially from the Greater Bay Area ("GBA"), we provided the network and IT solutions necessary for their ventures into Hong Kong. At the same time, we helped global enterprises navigate the challenges of operating in mainland China. Notably, we observed accelerated growth in serving the GBA market, where our position as a technology enabler with deep regional expertise is driving strong adoption of our cross-border solutions.

Our Residential Solutions business demonstrated resilience with a slight revenue decline of 1% to $1,166 million. During the six months ended 28 February 2025, the total number of residential customers decreased by 3% to 901,000, driven by fierce market competition and our continued strategy to prioritise long-term profitability through elevating the customer base to a broader array of higher-end services, experiences, and offerings. For example, we strengthened partnerships to enhance our Infinite-play offerings, collaborating with INDICAID, Evercare, and AXA Hong Kong and Macau. While deepening our consumer engagement in healthcare and travel insurance, our breakthrough offerings maintained a strong focus on delivering disruptive value, innovation and convenience for customers.

Our service revenue exhibited resilience as we executed our Infinite-play strategy, expanding our value-added services to foster deeper, more engaging customer relationships. This strategy has proven especially effective in strengthening our entertainment ecosystem, with partnerships with premium content providers — including Netflix, Disney+, myTV SUPER, iQIYI, and newly added Max — driving higher engagement. This contributed to a 3% increase in residential ARPU, reaching $186.

Additionally, our Global SIM service experienced robust growth, fuelled by consumers' increasing appetite for high-value, high-quality roaming services. This surge in demand reflects renewed travel activity and customers' preference for seamless connectivity abroad.

Network costs and costs of sales decreased by 2% to $3,720 million in line with the decrease in revenue.

Other operating expenses decreased by 4% to $1,541 million, mainly attributed to a decline in staff costs of $63 million due to digitalisation and operational improvements, a decrease in depreciation of $12 million and other cost-saving initiatives.

Finance costs decreased by 9% to $366 million. This reduction was primarily driven by a $32 million decrease in interest and finance charges on bank loans, attributed to the decline in HIBOR. Additionally, there was a $2 million increase in fair value gain on interest-rate swaps, further contributing to the overall decrease in finance costs.

Income tax decreased by 12% to $6 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 $1.5 million to $108 million.

EBITDA increased by 5% to $1,206 million, due to strong operational performance and strategic initiatives targeted at driving growth.

Adjusted free cash flow ("AFF") increased by 2% to $126 million, mainly due to a higher EBITDA of $55 million, a decrease in net interest paid by $6 million, a decrease in customer acquisition and retention cost of $9 million, and a decrease in income tax paid of $50 million. These gains were partly offset by higher capital expenditure of $34 million and an increase in working capital outflow of $84 million.

## Outlook

The past six months have presented a challenging environment, with cautious customer spending and shifting market conditions shaping our operational landscape. Intensified competition, global trade uncertainties, and constrained budgets among clients have pressured profitability and tested industry adaptability. In response, we've continued prioritising operational efficiency — yielding measurable gains which have strengthened our cost structure and enhanced our ability to adjust to market shifts.

Amid these challenges, the AI revolution is igniting a wave of adoption that will drive demand for advanced solutions across our customer base. To address this, we've formed partnerships with specialised leaders in AI cloud and data centre compute, bolstering our enterprise offerings to meet these emerging needs. Our GigaFast broadband solutions, ranging from 2Gbps to 25Gbps, remain a critical asset, providing the capacity required for AI applications and a broad spectrum of ICT solutions and services for our Residential and Enterprise Solutions customers.

# Management Discussion and Analysis

Our broadband and FTNS services are high-margin cornerstones of HKBN's business, making customer retention a top priority in an era where connectivity underpins nearly every digital interaction. We believe that by strategically encouraging customers to adopt a broader ecosystem of our services and solutions — such as enterprise-grade cybersecurity, AI-powered network monitoring and data centre services, or value-added residential offerings like managed Wi-Fi, mobile services and OTT entertainment — we can deepen their reliance on our platform. This approach strengthens long-term customer loyalty by embedding HKBN more fully into each customer's daily life or business operations.

Looking ahead, several factors present potential upside. Expected interest rate reductions could lower our financing costs, an advantage reinforced by our recent refinancing of $6.75 billion* in debt with a consortium of banks. This facility includes provisions for reduced interest rates tied to achieving sustainability performance targets, aligning financial benefits with our environmental commitments. Additionally, Hong Kong is experiencing an influx of mainland Chinese companies, particularly in retail and food & beverage, establishing operations here. Many require support in connectivity, IT, SI, and digital transformation — areas where HKBNES is well-positioned to serve. For these firms, Hong Kong often serves as a gateway to international markets, expanding our addressable opportunities.

To capitalise on this and other opportunities, we established the HKBN InnoTech Ecosystem Alliance ("HKBN iTEA") in January 2025, a powerhouse coalition that unites our fragmented ICT and innovation sectors. This initiative supports businesses navigating technological complexity, assists mainland Chinese companies in setting up locally, and facilitates global firms' access to mainland China markets. It's a dual-purpose engine — that will help us drive growth locally and regionally, particularly across the GBA.

## Liquidity and Capital Resources

As at 28 February 2025, the Group had total cash and cash equivalents of $1,078 million (31 August 2024: $1,217 million) and gross debt of $11,406 million (31 August 2024: $11,528 million), which led to a net debt position of $10,328 million (31 August 2024: $10,311 million). Lease liabilities of $426 million (31 August 2024: $494 million) were included as debt as at 28 February 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 4.7x as at 28 February 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 4.8x as at 28 February 2025 (31 August 2024: 4.9x). The average finance cost calculated as the interest and coupon charges over the average borrowing balance was 7.1% (31 August 2024: 7.2%). The average weighted maturity of the Group's borrowings was 0.9 years as at 28 February 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 28 February 2025 and 31 August 2024. As at 28 February 2025, the Group had an undrawn revolving credit facility of $8,102 million (31 August 2024: $1,349 million), of which $5,250 million being the available facility and $1,500 million being the incremental facility, to refinance the existing bank loans, which were completed on 18 March 2025 and 17 April 2025, respectively.

Under the liquidity and capital resources condition as at 28 February 2025, the Group can fund its capital expenditures and working capital requirements for the year with internal resources and the available banking facilities.

* $5.25 billion refinanced with $1.50 billion raised through greenshoe option executed in light of oversubscription.

## 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 28 February 2025, the Group pledged assets to secure the other borrowings of $24 million (31 August 2024: $37 million).

## Contingent Liabilities

As at 28 February 2025, the Group had total contingent liabilities of $295 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 $2 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 the exchange rate of 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 HKD and 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.

## 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 six months ended 28 February 2025.

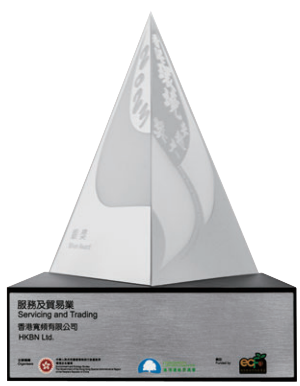
## Staff Remuneration

As at 28 February 2025, the Group had 3,741 permanent full-time staff (31 August 2024: 3,863 staff). The Group provides remuneration packages 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.

# Key Awards and Recognitions

**During the reporting period, HKBN was honoured to receive several prestigious awards and recognitions, underscoring our notable achievements.**

### Hong Kong Awards for Environmental Excellence — Servicing and Trading (Silver Award)




### Best Fixed Network Operator (Silver Award)

CAHK STAR Award


### Top Regional Channel Partner of the Year

Alibaba Cloud


### FY24 Best Deal of the Year — Secure Networking

Cisco Greater Bay Area

## Key Awards and Recognitions

### Best Data Monetization Award

Data & AI Literacy Association



### 01 Gold Medal Awards 2024 — Outstanding Broadband Services Provider

HK01

# A Look at 1H2025

## Customers First

At the heart of everything we do is a steadfast commitment to customer satisfaction. As a leader in ICT, we empower enterprises across Hong Kong, mainland China, and beyond with innovative technology solutions, robust partnerships, and a deep understanding of the challenges businesses encounter in their journeys to compete, grow, and succeed. For residential customers, our Infinite-play strategy continues to evolve, redefining value by offering a richer mix of services, choices, and options that households truly desire.

### Information2 Software Partnership

At a critical time when IT demands are surging, HKBNES is enhancing our software distribution capabilities with a strategic partnership that saw us become Information2 Software's first general distributor in Hong Kong. This collaboration strengthens HKBNES's pre- and post-sales capabilities, providing businesses, institutions, and distributors with a comprehensive suite of tools to navigate increasing IT complexity and compliance needs.


As operational environments evolve, companies are increasingly adopting multi-cloud strategies to avoid vendor lock-in and enhance resilience. Information2 Software's portfolio — spanning database backup, replication, migration, and security — addresses these challenges head-on, helping businesses break down data silos and drive digital transformation.

> **"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. We are excited to collaborate with HKBNES, which will further bring diversified data management solutions to an extensive range of enterprise customers."**
>
> **Justin Hu**
> *CEO and General Manager of Information2 Software*

### CyberZafe

Cybersecurity has transitioned from an afterthought to a frontline imperative — particularly for SMEs, where the stakes have never been higher.

HKBNES is elevating security with CyberZafe, an enterprise-grade network security solution tailored for SMEs. Unlike generic, one-size-fits-all approaches, CyberZafe assesses each organisation's specific vulnerabilities, providing precise, actionable insights to fortify defences. Developed in collaboration with cybersecurity leaders like Check Point Software, Palo Alto Networks, Qi An Xin Technology, and Integrity Technology, our proprietary solution offers a robust suite of services — including security consultancy, phishing awareness training, vulnerability assessments, penetration testing, managed firewalls, endpoint security, and email security — supporting businesses from proactive threat prevention to swift incident response.


**"HKBN is committed to providing enterprise-level and tailored response solutions, including network health checks, incident response guidance, and trend analysis — empowering organisations across all industries to establish a strong foundation for network security, even amidst a shortage of IT professionals."**

**Wilson Tang**
*Chief Information Security Officer*

## Embracing AI Opportunities

AI has transcended the realm of science fiction — it's increasingly shaping the next wave of commercial innovations. As the demand for advanced computing power grows, HKBNES is positioning itself at the forefront to deliver scalable, world-class solutions that unlock new opportunities, helping enterprises harness their digital potential. Whether optimising workflows, training AI models, or driving data-driven decision-making, we're focused on equipping businesses with the technological resources and tools they need to stay agile and ready for the future.


### Suanova Technology

HKBNES has partnered with Suanova Technology, becoming Hong Kong's first distributor of its advanced computing power services. This collaboration leverages METAX's formidable GPU strength to meet our enterprise clients' needs, supercharging their AI applications and workflows.

The timing couldn't be better. Market intelligence firm, International Data Corporation (IDC)[1], forecasts global AI investment soaring to USD749 billion by 2028, tripling from USD227 billion in 2025, as businesses race to integrate AI into their core operations. Suanova, a trailblazer in compute services, operates two Intelligent Computing Centres in Shanghai and Hong Kong, delivering an impressive 1,000 PetaFLOPs of capacity for tasks ranging from training large language models to processing complex AI workloads.

[1] IDC Unveils 2025 FutureScapes: Worldwide IT Industry Predictions. Source: https://www.idc.com/getdoc.jsp?containerId=prUS52691924

With Suanova's Fengshou series, powered by METAX GPUs, HKBNES provides agile, self-managing computing platforms tailored to each enterprise's specific demands. This partnership not only enhances technology capabilities, but also cements HKBNES as a vital bridge in Hong Kong's evolution into an AI-powered hub.

**"Our goal is to deliver professional, autonomous, and innovative services for enterprises in mainland China, the Greater Bay Area, and Hong Kong, fostering growth and facilitating smart transformations for a shared future. Our collaboration with HKBNES will significantly shorten the distance for enterprises to access AI computing resources, making cutting-edge technology services readily available. We expect this partnership to set a new standard across the industry, driving many more enterprises to expedite their digitalisation journeys, and unlock limitless possibilities."**

**Gu Meng**
*President of Suanova Technology*

### Futong Technology

HKBNES has partnered with Futong Technology, a leading mainland Chinese innovator, to become its first Hong Kong distributor of the "Private AI Cloud-in-a-Box". This solution brings sophisticated AI tools within reach of local businesses at a time when AI-Generated Content ("AIGC") is gaining momentum worldwide. Through our collaboration, HKBNES introduces Futong Cloud's "Supool Large Model All-in-One Server" as a Model-as-a-Service offering, combining hardware, software, and ongoing support into a single package that accelerates AI model deployment for enterprises.


Built on container and Kubernetes technologies, the system boosts resource efficiency by 75%, optimising compute power while simplifying tasks like resource scheduling and model inference. By reducing technical overhead, this solution allows businesses to focus on innovation rather than infrastructure management.

**"We are eager to work with HKBNES, as this collaboration represents a pivotal step for Futong Technology in helping clients across many more industries advance into the AIGC space. By merging our leading technological strengths with HKBN's local expertise, we aim to deliver safer, more efficient, and compliant AI solutions for the Hong Kong market, empowering enterprises to innovate and grow in the digital economy."**

**Chen Jian**
*Chairman of Futong Technology*

## Global Switch

HKBNES has joined forces with Global Switch, a leading data centre operator, to deliver resilient, next-generation data management solutions. This partnership combines HKBNES's top-tier fibre network and seamless managed services with Global Switch's state-of-the-art facility in Hong Kong, addressing the rising demand for high-performance computing and efficient data storage as AI reshapes industries. Located in Tseung Kwan O Industrial Estate, Global Switch Hong Kong is one of the city's largest carrier-neutral data centres, covering 70,545 square meters with a 100 MVA power backbone. It is the first in Hong Kong to deploy direct-to-chip liquid cooling, an energy-efficient innovation that increases compute density within the same footprint.

Given AI's substantial energy consumption, optimising power use is critical for maximising computational gains. Designed for excellent scalability, the facility excels at managing energy-hungry workloads like AI model training, high-performance computing, and large-scale server operations.


**"Last year, we showcased the latest in liquid cooling technology at our Hong Kong data centre, and are continuing to see strong demand from customers seeking efficient and sustainable AI and high-performance computing deployments. We are pleased to partner with HKBNES, providing access to our highly flexible, market-leading infrastructure for the region's most innovative businesses, and supporting the growth of the local AI industry."**

**Eric Liu**
*Managing Director,*
*Global Switch Hong Kong*

# HKBN InnoTech Ecosystem Alliance

In today's landscape, staying ahead requires more than keeping up — it often demands collaborative action to transform challenges into opportunities. That's why we launched the HKBN InnoTech Ecosystem Alliance ("HKBN iTEA") in January 2025: to create a dynamic platform that unites leading technology providers, deep industry expertise, and high-value resources.

The rationale behind HKBN iTEA is as straightforward as it's visionary. Businesses today need more than isolated solutions, they require cohesive ecosystems that deliver speed, scale, and synergy. What sets HKBN iTEA apart is its ability to integrate the diverse strengths of its members across a broad spectrum of technology domains into a seamless ecosystem. This collaborative edge ensures that businesses can access solutions that address their needs holistically, cutting through the complexities and inefficiencies of dealing with multiple vendors.


*Hong Kong's digital future takes flight as government and ICT leaders unite to launch HKBN iTEA.*


*Our President and Group COO, Dr. Denis Yip, outlines the vision behind the Alliance.*

### Real-World Impact

Consider a company seeking to expand into mainland China. Through HKBN iTEA, it can access reliable network infrastructure for connectivity, scalable cloud solutions for operations, AI tools for data-driven decision-making, and cybersecurity expertise to safeguard its digital footprint — all while benefiting from the alliance's local market insights to navigate regional obstacles.

**"Businesses and our tech industry are facing significant challenges — rapid digital shifts, rising cybersecurity threats, and the complexities of markets like Hong Kong, mainland China, and beyond. HKBN iTEA addresses these head-on by partnering with leading innovators to create a vibrant ecosystem. This collaboration can help businesses navigate the future of AI, security, compute power, and connectivity — turning untapped potential into sustainable success."**

**Dr. Denis Yip**
*President and Group Chief Operating Officer*

## Bridging Markets

HKBN iTEA stands on two strategic advantages:

### Gateway Amplification

Hong Kong's competitive strength lies in its dual role as a global financial hub and a gateway to mainland China. HKBN iTEA harnesses this advantage, allowing a mainland tech firm looking to enter the ASEAN market to connect with partners, gain market intelligence, and scale with confidence, all supported by HKBN's robust infrastructure. Likewise, a global player can use HKBN iTEA to access mainland China's vast market via Hong Kong, facilitating expansion that is both de-risked and accelerated.

### Hub Magnetism

GBA — with its manufacturing prowess and innovation hubs like Shenzhen — offers an ideal front door through Hong Kong. Global firms can tap into the GBA's resources via a single entry point, leveraging HKBN's data centres and connectivity to establish and scale their operations faster. HKBN iTEA presents Hong Kong not just as open for business — but as a launchpad for the future.


*Founding members of the Alliance at the landmark signing ceremony.*

## Expertise Super-Connector

HKBN iTEA excels through its practical approach to foster an alliance that connects expertise. For instance, an AI specialist might collaborate with a digital strategy firm to develop tailored solutions for local SMEs, while HKBN ensures secure and seamless integration. This cross-pollination of specialisations builds an expertise pipeline that keeps businesses ahead of trends and challenges.

## Why HKBN Had to Lead This Charge

As a trusted name in Hong Kong's tech landscape, we recognised that businesses had been struggling to keep pace with rapid changes. With our deep expertise and capabilities, HKBN is uniquely positioned to bridge this gap.

For the business community, HKBN iTEA serves as a lifeline. In a world filled with uncertainty — technological, economic, and beyond — HKBN iTEA offers clarity and support. Whether expanding into new markets, building a digital backbone, or staying ahead of competitors, HKBN iTEA signifies progress for Hong Kong, where industries are no longer just adapting but shaping the future.

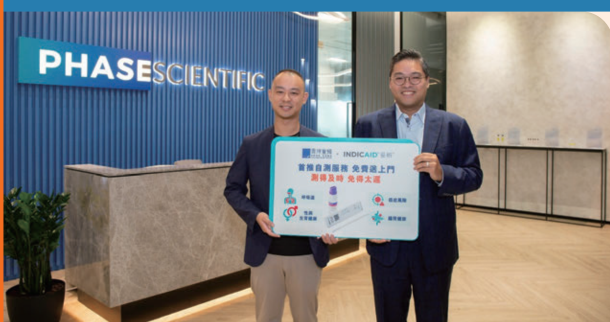
## Join the Alliance

The launch of HKBN iTEA marks a turning point. It's a rallying cry for our industry to shed its reactive approach, seize the reins of innovation, and empower the business community amid sweeping digital shifts. By joining HKBN iTEA, companies can gain access to a powerhouse ecosystem designed to drive success.

# Empowering Consumer Lifestyles

At the core of our Residential Solutions's Infinite-play strategy lies a bold, simple question: how can we further elevate the customer experience? This driving force fuels our relentless commitment to creating value that truly connects with consumers. Infinite-play is much more than a product or service lineup — it's a promise to empower people to live richer, more vibrant lives.

This year, we expanded Infinite-play with an array of groundbreaking new offerings across healthcare, entertainment, mobile connectivity, and travel essentials, reinforcing our commitment to being a customer-first brand.




*Our packaged offerings make health check-ups easy and convenient.*


*Our home care support packages bring expert care to each customer's doorstep.*

## Expanded Healthcare Ecosystem

Building on Infinite-play's healthcare debut last year, we're transforming accessibility with two bold innovations: INDICAID and Evercare.

HKBN teamed up with INDICAID, a trusted leader in at-home health testing, to launch Hong Kong's first Monthly At-Home Testing Package. This subscription service empowers customers with self-testing kits for key health areas — respiratory, gastrointestinal, reproductive, and more. Starting at just $48/month, customers can choose any two tests from INDICAID's range, with free delivery. For an extra $20/month, they can add a cancer screening package featuring tests for cervical, stomach, and colorectal cancer risks, supporting early detection and family wellness.

Complementing this, our partnership with Evercare introduces affordable home care solutions for Hong Kong's fast-paced households. With busy schedules often leaving little time to care for elderly or mobility-impaired loved ones, Evercare offers flexible solutions like wound care, medical escorts, and home care support — starting at $399/month.

## Entertainment to the Max

In the world of entertainment, content reigns supreme — and HKBN is dedicated to bringing the best to our customers. This year, we partnered with Max, integrating its world-class OTT platform into our Infinite-play options. With this addition, HKBN has become Hong Kong's only carrier offering five major OTT platforms — Max, myTV SUPER, Netflix, Disney+, and iQIYI — satisfying every entertainment craving.

Renowned for its award-winning originals, blockbuster films, and exclusive content, Max offers a wealth of premium content for every HKBN customer.


*With Max, HKBN delivers on our promise to bring customers the world's best OTT content.*

### Travel Insurance, Made Smarter

For travellers, our all-new HKBN SmartTraveller Plus, launched with AXA Hong Kong and Macau, is a tailored travel insurance solution. Frequent flyers and families often face the challenge of rigid insurance plans that don't quite fit their needs — especially with children or trips to mainland China. Our single-journey plan covers all children[1] under the same policy with their parents at no extra cost and has no upper age limit, making it ideal for multi-generational travel. The annual plan bundles parents and children together, reducing costs and hassles for families who travel frequently. Additionally, with optional mainland China coverage and a hospital deposit guarantee for annual policyholders, our solution addresses a real pain point — ensuring access to care abroad without upfront cash in emergencies.


### Smarter, Faster Connectivity

At home, our GigaFast broadband is setting a new benchmark for high-speed internet. Offering bandwidth options from 2Gbps to a market-leading 25Gbps, GigaFast meets the needs of modern households — whether supporting remote work, enabling butter-smooth 4K streaming, or ensuring lag-free online gaming. Beyond raw speed, our service provides the capacity to handle multiple devices simultaneously, coupled with ultra-low latency and exceptional reliability.

This rollout is a key step in HKBN's strategy to future-proof home connectivity, providing customers with a network that supports their needs today and into the future.


HKBN has also strengthened our partnership with TP-Link to elevate the GigaFast experience, introducing an upgraded "Priority Plus" home Wi-Fi solution. Built on TP-Link's Aginet cloud platform, this solution is optimised for GigaFast's speeds, integrating advanced Aginet routers and real-time cloud management. By combining GigaFast's bandwidth with TP-Link's smart Wi-Fi technology, "Priority Plus" delivers a uniquely user-friendly, high-performance network experience that keeps households connected — and, almost like magic, automatically detects and resolves issues before they're even noticed.

**"At HKBN, our focus in Residential Solutions is on delivering what customers truly need. Healthcare, entertainment, and connectivity aren't just offerings — they're answers to real-life demands. Step by step, year on year, we've listened, learned, and built solutions that genuinely make a real difference."**

**Elinor Shiu**
*Chief Executive Officer — Residential Solutions*

[1] Children must be between 30 days and under 18 years old, named in the same policy schedule as their parent(s), and travelling together with their parent(s) for the entire trip; the benefit limits on medical expenses and personal accidents for them are lower under this coverage, however, there is an option to upgrade if desired.

# A Look at 1H2025

## Our People

At HKBN, our people don't just power our success — we push the boundaries of what can be achieved. Every day, we count on our teams for their bold creativity, relentless drive, and collaborative spirit. That's why we're committed to making HKBN the best in our industry at attracting and nurturing the brightest and most diverse talent.

### Employee Engagement & Wellness

A dynamic, energised workforce drives our ability to lead in a fast-changing industry. At HKBN, we understand that our success hinges on treating our people with equity and respect. Through generous benefits and a culture that values every individual, our teams are empowered to thrive both personally and professionally.

**New Employee Roundtable Discussions**

Creating a workplace where every voice matters is crucial. This year, we introduced roundtable discussions for new hires during their onboarding process in Guangzhou.

These structured conversations allow our Human Resources team to:

- Identify immediate opportunities to enhance the employee experience
- Address potential challenges before they become obstacles
- Demonstrate from day one that we value and act on employee input

**Your Voice**

This year, we continued to utilise "Your Voice", a dedicated digital platform that empowers our employees to share their feedback, concerns, and ideas in real-time. By championing open communication, this powerful tool not only provides our employees with a direct line to express their thoughts — but also enables our leadership to listen, identify emerging trends, and act on employee insights. This initiative strengthens engagement across all levels — and has the potential to drive improvements across our workplace and operations.

**Residential Solutions FY25 Kickoff Meeting**

Every new fiscal year presents a critical opportunity to recalibrate our focus for greater impact. This year, we gathered over 1,000 Residential Solutions team members for our FY25 strategy rollout — emphasising core priorities, market offerings, and our Infinite-play approach to drive deeper customer engagement. The event mobilised our RS teams with bold growth targets and execution momentum for the year ahead.

**Enterprise Solutions FY25 Kickoff Meeting**

With AI and other emerging technologies unlocking a floodgate of possibilities, 2025 will be a defining year for the business sector's transformation. Over 500 Enterprise Solutions team members converged as leadership unveiled our FY25 strategic roadmap, anchored by a full spectrum of GigaFast-powered solutions and world-class partnerships. With FY25 goals set, our ES teams are poised to turn this vision into measurable market successes.

### Year-end Celebrations

We concluded an extraordinary year with celebration dinners for over 1,800 Hong Kong teammates, and 1,700 Guangzhou colleagues. These vibrant events — filled with team bonding, delightful food, and festive cheer — provided the perfect energy boost as we charged into an exciting new year.


*Our teams kick off the celebrations with the ultimate year-end staff gathering.*

### Christmas Bazaar & Lunar New Year Market

To ease the holiday hustle for our team, we hosted Christmas and Lunar New Year workplace markets. These festive pop-ups offered unbeatable discounts, grab-and-go gift bundles, and hands-on DIY décor stations — turning shopping into a celebration. It's our way of standing by our employees, adding joy and support during the busy festive season.

*Brushstrokes of fortune! Keeping traditions going with handwritten Lunar New Year blessings.*

### Lunar New Year Lion Dance

With thunderous drums and vibrant lion dances, we welcomed the Lunar New Year with spectacular festivities across our Hong Kong and Guangzhou offices. These lively celebrations brought good luck to every floor, boosting morale and setting a positive tone for our teams to aim even higher in the year ahead.



*Spreading Lunar New Year cheer.*

# A Look at 1H2025

## Learning & Development

At HKBN, we're committed to cultivating a culture that equips our people with the skills and expertise to excel in a fast-evolving industry. From essential job-specific skills and leadership development to tailored programmes for high-potential individuals, we ensure every employee has the tools needed to succeed.

### HKBN Academy

In a constantly shifting world, HKBN Academy provides our teams with a robust collection of online learning resources — covering everything from specialised job skills to practical tips for personal and team efficiency. These resources are designed for flexibility, broken into short, focused segments that fit into busy schedules. Whether mastering a new tool, refining a process, or acquiring new skills, our employees can engage anytime — keeping their skills sharp and relevant.


*Future leaders in training! Our "Be a Pioneer" programme is nurturing HKBN's next wave of managers.*

*Kicking off our Pioneer Development Programme with a team cooking challenge — fostering collaboration while putting planning and execution skills to the test!*

### Future Planning & Development

We empower our teams with strategic career development tools to thrive in an evolving workplace. Our latest programme brought together 127 employees (51 from Hong Kong and 76 from mainland China), offering clear pathways for growth amid technological and market shifts. Participants gained practical insights, aligning personal aspirations with our operational goals, thus bridging individual potential with business priorities.

### Training

In an industry that never stands still, up-to-date knowledge and sharper skills are essential. For all staff, we provide annual refresher training on critical areas such as customer engagement and ethics. For new joiners, we mandate immersive training that integrates our culture and policies with hands-on skills, covering everything from IT fundamentals to information security — ensuring they're ready to execute from day one.

During the reporting period, we provided a total of 28,793 hours of training.

## Diversity & Inclusion

At HKBN, diversity and inclusion are not mere checkboxes — they are catalysts for innovation. We value our people for their unique strengths and perspectives, which drive our ability to develop solutions that create meaningful impact for all stakeholders.

As part of our commitment to gender diversity, we're proud to maintain strong female representation in technical roles, achieving 25.83% by the end of the reporting period.

### EmpowHER2B

This year, HKBN joined EmpowerHER2B — Inclusive Workstyle Drive, an external programme dedicated to transforming career re-entry opportunities for working mothers and returning professionals. Through powerful mentor pairings with HKBN leaders who've navigated similar journeys, participants can gain:

- Real-world insights through immersive job-shadowing experiences
- Career-ready confidence with tailored interview preparation
- A supportive community that understands the challenges of workforce re-entry

### To Special HER

This year, we marked International Women's Day with our "To Special HER" campaign, a dynamic initiative created to honour and empower our female colleagues. The programme featured "About HER", an engaging quiz sparking dialogue on gender representation, and "HER Power", featuring kickboxing and Pilates sessions focused on women's wellness. Beyond celebration, our initiative recognised women's invaluable contributions while promoting both professional growth and personal well-being through educational engagement and physical empowerment.


*Punching above their weight! Our female warriors are building confidence one roundhouse kick at a time.*


*Downward dog, upward mobility! Our Pilates classes keep teams balanced in body, mind and spirit.*

### Diversity & Inclusion Recognition

This year, we proudly received an Inclusion & Diversity Companion Award from the Dialogue in the Dark (HK) Foundation, recognising HKBN's impactful work in fostering inclusiveness. Moving forward, we remain committed to breaking barriers, championing equity, and creating more opportunities for all members of our communities.

## Enhancing Our Business

At HKBN, progress isn't about incremental adjustments — it's about making improvements across every facet of our business. From greener operations to stronger cybersecurity and exceptional customer journeys, we're building a company that delivers lasting value for all stakeholders.

### Delivering Better Network Experiences

To cement our lead in performance, reliability, and reach, we continued to invest substantially in our network technology infrastructure. We've also implemented rigorous monitoring and clear escalation procedures to ensure our service platforms remain reliable and responsive.

#### Network Performance

Our Network Operation Centre ("NOC") operates 24/7 to monitor and maintain optimal network performance. Utilising advanced network monitoring tools and automation technology, our NOC conducts health checks to ensure network reliability and expedite issue resolution.

Our NOC continuously tracks WAN link utilisation while dynamically adjusting routing and capacity in real-time, ensuring smoother broadband service delivery. To prevent potential outages, our Network Service team collaborates with world-class partners to perform regular assessments across all service platforms and infrastructure components. This rigorous approach maintains system integrity, with protocols for equipment replacement whenever anomalies are detected.

#### Network Coverage

Over the past several years, we've steadily expanded our residential and enterprise network coverage. A key priority has been supporting mobile network operators' 5G base stations by providing state-of-the-art fibre services that leverage our superior network capacity. We've also focused on newly developed residential and commercial buildings to ensure fibre service is available upon occupancy.

As part of our infrastructure strategy, we're accelerating network deployment across Hong Kong's rural areas, focusing first on villages near our existing fibre coverage. During the reporting period, our fibre network extended to an additional 20,114 homes, including 1,214 in rural locations.

# A Look at 1H2025

As of the end of 1H FY2025, our fibre network now reaches approximately 2,614,060 residential homes and 8,183 commercial buildings and facilities in Hong Kong.

**Network Improvements and Upgrades**

Maintaining a world-class network requires superior hardware and software. Recognising this, we continue to invest in multi-platform upgrades and expansions to ensure reliability, operability, and scalability.

During the reporting period, we undertook the following network enhancement initiatives:

- Continued investment in hardware and software upgrades across multiple platforms to ensure operational reliability, seamless scalability, and optimal performance
- Upgraded our end-of-support Nokia GPON to the latest platform for higher service reliability
- Enhanced our service distribution network to 100GE, with 400GE readiness, optimising bandwidth efficiency and minimising congestion to elevate user experiences

## Excellence in Every Customer Interaction

Each customer touchpoint shapes our brand perception. With a focused effort to enhance the customer journey, we're committed to improving our self-service support. Across Residential Solutions and Enterprise Solutions, we continuously roll out upgrades to enhance customer engagement. By harnessing digital breakthroughs, we streamline the customer experience, making interactions with HKBN smoother and smarter.

**Residential Solutions**

When customers need assistance, they deserve fast, easy, and effective service. Our customers can seek help through various channels, including our customer service hotline, online platforms, email, and social media. We utilise online chatbots to provide instant responses to general enquiries and offer self-service tools for customer convenience.

During the reporting period, we achieved an average answer rate of 82% across our enquiry channels (hotline, online, and email).

Speed applies not only to our internet services but also to installation and maintenance. With adequate manpower, we ensure that customers can schedule installation appointments within three calendar days.

During the reporting period, the average lead time from receiving a customer request to completing the installation was 1.14 days, with 99% of maintenance appointments arranged within two calendar days.

**Enterprise Solutions**

In addition to our customer service hotline and online platforms, our dedicated managers and account-serving relationship executives are assigned to serve each Enterprise Solutions customer.

Enterprise customers can reach us through various channels, including customer service hotline, online platforms, email, and more. During the reporting period, we achieved an average answer rate of 92% for our customer service hotline.

**Residential Solutions**

| Availability of Core Network | Availability of Access Network |
| --- | --- |
| 100% | 99.9947% |

**Enterprise Solutions**

| Availability of Core Network | Availability of Access Network |
| --- | --- |
| 100% | 99.99985% |

## Listening to Customers

As a leading industry player, we built our success on listening to our customers and improving through their feedback. The following highlights the ways we gather practical feedback for our Residential Solutions and Enterprise Solutions businesses.

### Residential Solutions

After each interaction with our customer service team, customers are invited to rate their satisfaction on a score of 1 to 6. If a score of 2 or below is given, our team leaders will reach out to understand and improve the experience. During the reporting period, the average satisfaction score across our customer service channels, comprising our customer service hotline, online platform, and email, was 5.82 out of 6.

Additionally, we conduct satisfaction surveys with new customers and follow-up surveys the day after installations or maintenance. During the reporting period, our new broadband customers rated their satisfaction at 4.66 out of 6, while installation and maintenance services received a score of 5.71 out of 6. Customers visiting our HKBN retail locations rated their in-store experience 5.2 out of 6. For scores of 3 or below, our team will follow up with the customer.

Besides surveys, we've implemented quality enhancement programmes, such as mystery shopper and promoter booth assessments, to evaluate the performance of our direct sales teams. During the reporting period, our mystery shopper assessment and promoter booth assessment scores were respectively at 76.9 and 92.4 out of 100.

### Enterprise Solutions

To better understand customer expectations, we conduct monthly surveys to gather feedback on our products and services. During the reporting period, the average satisfaction score received was 4.9 out of 6.

After customer service calls, we invite customers to rate their experience. During the reporting period, we received an average call satisfaction score of 5.5 out of 6.

## Selling Responsibly

We're committed to fairness, transparency, and compliance in all sales and marketing activities. Strict policies and procedures ensure that our marketing materials adhere to the relevant laws and regulations, including Hong Kong's Trade Descriptions Ordinance. All customer-facing materials undergo thorough review and approval by our legal and senior management before use.

We invest heavily in training our frontline teams, equipping them with the latest best practices in sales, marketing, and ethics. New sales employees undergo mandatory training on the Personal Data (Privacy) Ordinance, Trade Descriptions Ordinance, and Code of Practices on Marketing Calls. Regular refreshers and quality enhancement programmes help maintain a uniform standard of excellence across all our customer-facing teams.

## Data Privacy

We prioritise the protection of our customers' data. As cyber threats become more sophisticated, we've continued to strengthen our security measures, integrating industry-leading data protection across our operations to uphold trust with our stakeholders.

### Strengthening our Information Security Capabilities

Empowering employees with robust security awareness is essential to safeguarding our operations from cyberattacks. All new frontline employees undergo mandatory training on the Personal Data (Privacy) Ordinance, reinforcing the importance of adherence to our internal policies, procedures, and compliance guidelines.

Our Information Security team regularly engages all employees with resources, including emails on smartphone vulnerabilities, security best practices, and news articles on recent cyberattacks.

During the reporting period, we further strengthened our defences by conducting surprise phishing assessments to enhance our vigilance against external threats.

Our commitment extends beyond our workforce. We promote a culture of security by sharing awareness training with contractors and suppliers. Additionally, we organised free cybersecurity workshops for social profit organisations (SPOs) and delivered volunteer-led sessions to educate youths and the elderly — strengthening resilience across our broader community.

# A Look at 1H2025

## Climate Action

Building a sustainable future is a defining challenge of our time. Thankfully, we're pursuing smarter ways to minimise our environmental impact, and, whenever feasible, partner with our employees, customers, business partners, and communities to make a collective difference.

### Sustainability-Linked Loan

During the interim period, HKBN secured a landmark $6.75 billion Sustainability-Linked Loan with a consortium of 11 leading international, regional and local banks. This innovative facility features a greenshoe option for future expansion, and ties interest rate savings to achieving environmental and cybersecurity KPIs. The KPIs include reducing Scope 1, 2, and 3 emissions, aligned with Science-Based Targets initiative validation, and improving cybersecurity by lowering phishing assessment failure rates. Meeting these targets triggers lower borrowing costs through an interest rate incentive adjustment mechanism, driving our Group's financial agility and ESG excellence.

### Aurabeat Pilot Project

This year, we teamed up with Aurabeat, a cutting-edge solution provider, to pilot a transformative technology aimed at increasing energy efficiency in our existing chiller systems. Slated as a Proof of Concept by the end of Q2 2025, successful results will lead to a phased rollout across our office premises and data centres — further advancing our sustainability performance.

### Smarter Fleet Management

Our Network Operations team is developing a next-generation field management application for mileage tracking and fleet optimisation. This tool will sync with our Operations Incident Map, enabling AI-driven insights to streamline vehicle deployment, reduce fuel consumption, and lower carbon emissions — increasing operational efficiency without compromising service-level agreement performance. A field trial is planned for the second half of FY25.

### Greener Workplace

To create a leaner, greener workplace, we've rolled out strategic initiatives to enhance office efficiency. In February 2025, we revamped our Shanghai office and Guangzhou warehouse, targeting a 30% reduction in their annual electricity consumption. Following renovations in our Hong Kong office, we donated excess furniture to local communities and launched a "Take Home" programme, encouraging employees to give second-hand items a new life. These efforts optimise resources, minimise waste, and divert usable materials from landfills, reinforcing our sustainability goals.

### Giving Uniforms a Second Life

To minimise waste, we diverted 600 outdated padded coat uniforms from landfills by donating them to local communities. By transforming unused uniforms into practical warmth for those in need, this initiative not only prevents textile waste but also creates meaningful social value.


### Biodiversity Training: Nature Conservation in Business

In February 2025, we hosted WWF-Hong Kong for an inspiring session with our team and suppliers that reshaped our perspective on nature conservation in business. This experience highlighted Hong Kong's biodiversity, encouraging participants to integrate conservation principles into daily operations, and creating environmental value through everyday business decisions.

## Community Empowerment

As a leader in technology and telecommunications, HKBN is committed to narrowing the digital divide in our communities. We're breaking down barriers through digital literacy initiatives, cyber wellness education, and accessible connectivity solutions — because everyone deserves equal opportunity in our digital world.

### Digital Inclusion and Community Care

In January 2025, our volunteer team returned to Caritas Community Centre — Ngau Tau Kok to celebrate the Lunar New Year with joy and purpose. We connected with elderly participants through a session of crafting panda-shaped tangyuan (sweet glutinous rice balls), then hosted a cybersecurity workshop to share practical online safety tips.


# A Look at 1H2025

**SPO Digital Transformation Survey**

Recognising that many nonprofits struggle with technological changes, our HKBN SPO IT Club partnered with The Social Investment Consultancy to assess the digital readiness of ten Hong Kong SPOs. The findings revealed some significant challenges: 80% rated their digitalisation at 60% or below, with only one IT staff member supporting every 200 employees. Additionally, 80% reported insufficient funding for digital initiatives.

These insights will shape HKBN SPO IT Club's support strategy, focusing on:

- Tailoring our free consultation services to address specific pain points
- Developing targeted digital solutions for common challenges
- Making AI tools more accessible for the SPO sector

By aligning our offerings with these real needs, we can better assist SPOs in modernising their operations and focusing resources on their core missions.

**Suppliers & Partners**

At HKBN, we believe business sustainability starts with strong supply chain management. By building enduring, trust-driven relationships with global and local partners, and prioritising long-term collaboration, we're driving smarter, fairer practices that aim to enhance our supply chain's efficiency and resilience.

**Supply Chain: Latest Enhancements**

As a responsible business committed to supply chain sustainability, we took concrete steps during the reporting period to enhance our supplier engagements. We revised our ESG questionnaire to encompass critical climate risk areas, such as carbon footprint tracking and decarbonisation strategies.

Since November 2024, our Procurement team has mandated all tender bidders to complete an ESG initiative questionnaire. Building on this foundation, we introduced a carbon footprint tracking questionnaire in February 2025 for our selected high emission suppliers, enabling more comprehensive climate risk assessments.

This enhancement evaluates three critical areas: carbon footprint disclosure, decarbonisation roadmaps, and low-carbon product offerings — allowing us to make informed decisions for a more sustainable supply chain.

**"We recognise that SPOs face challenges with staffing and resource constraints, which is why we recommend a phased approach to digitalisation. A practical starting point is financial systems, as most organisational data is ultimately tied to finance. Additionally, in this era of rapid development in artificial intelligence, HKBN can provide a range of best-fit solutions to make AI accessible and affordable for the social welfare sector. By integrating these technologies into their operations, SPOs can significantly enhance efficiency, and streamline data management, allowing them to focus on expanding and improving their services for the communities."**

**Jackal Chau**
*Senior Vice President — Solutions and Service Delivery, Enterprise Solutions*

## Review report to the board of directors of HKBN Ltd.

*(Incorporated in the Cayman Islands with limited liability)*

### Introduction

We have reviewed the interim financial report set out on pages 28 to 54 which comprises the consolidated statement of financial position of HKBN Ltd. (the "Company") as of 28 February 2025 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to 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.

### Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 28 February 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

**KPMG**
*Certified Public Accountants*

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

25 April 2025

# Consolidated Income Statement

For the six months ended 28 February 2025 — unaudited (Expressed in Hong Kong dollars)

| | | Six months ended | |
|---|---|---|---|
| | | **28 February** | 29 February |
| | | **2025** | 2024 |
| | Note | **$'000** | $'000 |
| **Revenue** | 3 | **5,734,269** | 5,809,091 |
| Other net income/(loss) | 4(a) | **5,801** | (393) |
| Network costs and costs of sales | | **(3,719,688)** | (3,794,321) |
| Other operating expenses | 4(b) | **(1,541,292)** | (1,605,712) |
| Finance costs | 4(d) | **(366,024)** | (400,712) |
| Share of losses of joint ventures | | **–** | (165) |
| **Profit before taxation** | 4 | **113,066** | 7,788 |
| Income tax expense | 5 | **(5,506)** | (6,254) |
| **Profit for the period attributable to equity shareholders of the Company** | | **107,560** | 1,534 |
| **Earnings per share** | 6 | | |
| Basic | | **8.2 cents** | 0.1 cents |
| Diluted | | **7.3 cents** | 0.1 cents |

The notes on pages 35 to 54 form part of this interim financial report. Details of dividend payable to equity shareholders of the Company are set out in note 13(b).

# Consolidated Statement of Comprehensive Income

For the six months ended 28 February 2025 — unaudited (Expressed in Hong Kong dollars)

| | Six months ended | |
|---|---|---|
| | **28 February 2025 $'000** | 29 February 2024 $'000 |
| **Profit for the period** | **107,560** | 1,534 |
| **Other comprehensive income for the period** | | |
| 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 | **(11,716)** | 4,739 |
| Share of other comprehensive income of associates | **–** | 106 |
| Other comprehensive income for the period | **(11,716)** | 4,845 |
| **Total comprehensive income for the period attributable to equity shareholders of the Company** | **95,844** | 6,379 |

The notes on pages 35 to 54 form part of this interim financial report.

# Consolidated Statement of Financial Position

At 28 February 2025 — unaudited (Expressed in Hong Kong dollars)

| | Note | At 28 February 2025 $'000 | At 31 August 2024 $'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Goodwill | | **7,816,507** | 7,816,507 |
| Intangible assets | | **2,168,717** | 2,367,621 |
| Property, plant and equipment | 7 | **3,098,970** | 3,132,945 |
| Right-of-use assets | 8 | **560,009** | 628,457 |
| Customer acquisition and retention costs | | **453,188** | 464,954 |
| Deferred tax assets | | **153,392** | 137,853 |
| Other non-current assets | | **58,928** | 56,023 |
| | | **14,309,711** | 14,604,360 |
| **Current assets** | | | |
| Inventories | | **110,029** | 106,197 |
| Trade receivables | 9 | **1,049,478** | 969,297 |
| Other receivables, deposits and prepayments | 9 | **532,246** | 516,316 |
| Contract assets | | **291,794** | 255,073 |
| Amounts due from joint ventures | | **209** | 183 |
| Cash and cash equivalents | 10 | **1,077,969** | 1,217,406 |
| | | **3,061,725** | 3,064,472 |
| **Current liabilities** | | | |
| Trade payables | 11 | **1,113,887** | 945,879 |
| Other payables and accrued charges — current portion | 11 | **996,650** | 950,361 |
| Contract liabilities — current portion | | **523,718** | 606,612 |
| Deposits received | | **99,686** | 99,178 |
| Amounts due to joint ventures | | **17,306** | 14,877 |
| Bank and other borrowings | 12 | **5,452,877** | 272,601 |
| Lease liabilities — current portion | | **134,233** | 145,580 |
| Tax payable | | **71,757** | 159,662 |
| Other current liabilities | | **3,661** | 10,588 |
| Financial liabilities at fair value through profit or loss | | **5,126** | 29,990 |
| | | **8,418,901** | 3,235,328 |
| **Net current liabilities** | | **(5,357,176)** | (170,856) |
| **Total assets less current liabilities** | | **8,952,535** | 14,433,504 |

# Consolidated Statement of Financial Position

At 28 February 2025 — unaudited (Expressed in Hong Kong dollars)

| | Note | At 28 February 2025 $'000 | At 31 August 2024 $'000 |
|---|---|---|---|
| **Non-current liabilities** | | | |
| Contract liabilities — long-term portion | | **169,900** | 177,301 |
| Deferred tax liabilities | | **539,590** | 593,204 |
| Lease liabilities — long-term portion | | **291,981** | 348,542 |
| Provision for reinstatement costs | | **54,031** | 55,191 |
| Bank and other borrowings | 12 | **5,490,947** | 10,705,002 |
| | | **6,546,449** | 11,879,240 |
| **NET ASSETS** | | **2,406,086** | 2,554,264 |
| **CAPITAL AND RESERVES** | 13 | | |
| Share capital | | **132** | 132 |
| Reserves | | **2,405,954** | 2,554,132 |
| **TOTAL EQUITY** | | **2,406,086** | 2,554,264 |

The notes on pages 35 to 54 form part of this interim financial report.

# Consolidated Statement of Changes in Equity

For the six months ended 28 February 2025 — unaudited (Expressed in Hong Kong dollars)

| | | Attributable to equity shareholders of the Company | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Note | Share capital $'000 | Vendor Loan Notes (note 14) $'000 | Capital reserve $'000 | Other reserve $'000 | Retained profits/ (Accumulated loss) $'000 | Exchange reserve $'000 | Total $'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 six months ended 29 February 2024:** | | | | | | | | |
| Profit for the period | | – | – | – | – | 1,534 | – | 1,534 |
| Exchange differences on translation of financial statements of subsidiaries outside Hong Kong, with nil tax effect | | – | – | – | – | – | 4,739 | 4,739 |
| Share of other comprehensive income of associates | | – | – | – | – | – | 106 | 106 |
| Total comprehensive income | | – | – | – | – | 1,534 | 4,845 | 6,379 |
| Dividend approved to equity shareholders of the Company in respect of the previous year | | – | – | – | – | (262,320) | – | (262,320) |
| Distribution to holders of Vendor Loan Notes | | – | – | – | – | (33,464) | – | (33,464) |
| **Balance at 29 February 2024** | | 132 | 2,349,204 | 40,803 | 596,420 | (197,822) | (27,060) | 2,761,677 |
| **Balance at 1 March 2024** | | 132 | 2,349,204 | 40,803 | 596,420 | (197,822) | (27,060) | 2,761,677 |
| **Changes in equity for the six months ended 31 August 2024:** | | | | | | | | |
| Profit for the period | | – | – | – | – | 8,743 | – | 8,743 |
| Exchange differences on translation of financial statements of subsidiaries outside Hong Kong, with nil tax effect | | – | – | – | – | – | 5,683 | 5,683 |
| Total comprehensive income | | – | – | – | – | 8,743 | 5,683 | 14,426 |
| Dividend declared to equity shareholders of the Company in respect of the current year | | – | – | – | – | (196,740) | – | (196,740) |
| Distribution to holders of Vendor Loan Notes | | – | – | – | – | (25,099) | – | (25,099) |
| **Balance at 31 August 2024** | | 132 | 2,349,204 | 40,803 | 596,420 | (410,918) | (21,377) | 2,554,264 |

# Consolidated Statement of Changes in Equity

For the six months ended 28 February 2025 — unaudited (Expressed in Hong Kong dollars)

| | | Attributable to equity shareholders of the Company | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Note | Share capital $'000 | Vendor Loan Notes (note 14) $'000 | Capital reserve $'000 | Other reserve $'000 | Accumulated loss $'000 | Exchange reserve $'000 | Total $'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 six months ended 28 February 2025:** | | | | | | | | |
| Profit for the period | | – | – | – | – | 107,560 | – | 107,560 |
| Exchange differences on translation of financial statements of subsidiaries outside Hong Kong, with nil tax effect | | – | – | – | – | – | (11,716) | (11,716) |
| Total comprehensive income | | – | – | – | – | 107,560 | (11,716) | 95,844 |
| Dividend approved to equity shareholders of the Company in respect of the previous year | | – | – | – | – | (216,414) | – | (216,414) |
| Distribution to holders of Vendor Loan Notes | | – | – | – | – | (27,608) | – | (27,608) |
| **Balance at 28 February 2025** | | **132** | **2,349,204** | **40,803** | **596,420** | **(547,380)** | **(33,093)** | **2,406,086** |

The notes on pages 35 to 54 form part of this interim financial report.

# Condensed Consolidated Cash Flow Statement

For the six months ended 28 February 2025 — unaudited (Expressed in Hong Kong dollars)

| | Six months ended | |
|---|---|---|
| | **28 February 2025 $'000** | 29 February 2024 $'000 |
| **Operating activities** | | |
| Cash generated from operations | **1,015,863** | 1,006,841 |
| Tax paid: | | |
| — Hong Kong Profits Tax paid | **(156,930)** | (207,768) |
| — Tax paid outside Hong Kong | **(5,673)** | (4,783) |
| **Net cash generated from operating activities** | **853,260** | 794,290 |
| **Investing activities** | | |
| Payment for the purchase of property, plant and equipment | **(238,513)** | (195,923) |
| Proceeds from sale of property, plant and equipment | **1,376** | 219 |
| Net cash outflow in respect of deemed disposal of subsidiary | **–** | (312) |
| Interest received | **4,296** | 5,832 |
| **Net cash used in investing activities** | **(232,841)** | (190,184) |
| **Financing activities** | | |
| Capital element of lease rentals paid | **(79,343)** | (79,959) |
| Interest element of lease rentals paid | **(12,260)** | (11,545) |
| Proceeds from bank loans | **206,860** | 216,527 |
| Proceeds from other borrowings | **6,536** | – |
| Repayment of bank loans | **(247,074)** | (253,809) |
| Repayment of other borrowings | **(19,789)** | (15,519) |
| Repayment of other financial liabilities | **(7,021)** | (7,021) |
| Interest paid on bank and other borrowings and interest-rate swap | **(360,629)** | (367,976) |
| Dividend paid to equity shareholders of the Company | **(216,414)** | (262,320) |
| Distribution to holders of Vendor Loan Notes | **(27,608)** | (33,464) |
| **Net cash used in financing activities** | **(756,742)** | (815,086) |
| **Net decrease in cash and cash equivalents** | **(136,323)** | (210,980) |
| **Cash and cash equivalents at the beginning of the period** | **1,217,406** | 1,016,769 |
| **Effect of foreign exchange rate changes** | **(3,114)** | (1,346) |
| **Cash and cash equivalents at the end of the period** | **1,077,969** | 804,443 |

The notes on pages 35 to 54 form part of this interim financial report.

# Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

## 1 Basis of preparation

This interim financial report of HKBN Ltd. (the "Company") and its subsidiaries (together the "Group") has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 25 April 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the annual financial statements of the Group for the year ended 31 August 2024, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 August 2024. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 27.

### Going concern assumption

As at 28 February 2025, the current liabilities of the Group exceeded their current assets by approximately $5,357 million. Included in the current liabilities were (i) current portion of bank loan of $5,235 million that was originally due on 24 November 2025 and the Group completed the refinancing of this bank loan on 18 March 2025; (ii) current portion of contract liabilities of $524 million recognised under Hong Kong Financial Reporting Standard ("HKFRS") 15 which will be gradually reduced through performance obligations being satisfied over the contract terms and (iii) current portion of lease liabilities of $134 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 their liabilities as and when they fall due. Accordingly, this unaudited condensed consolidated interim financial information has been prepared on a going concern basis.

## 2 Changes 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 amendments to 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 separately from the liability 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 financial statements.

## 2 Changes 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 amendments have no impact on these financial statements as the Group applied the same accounting requirements for its sale 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. Since those disclosures are not required for any interim period presented within the annual reporting period in which the amendments are initially applied, the Group has not made additional disclosures in this interim financial report.

## 3 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.

## 3 Revenue and segment reporting (continued)

### (a) Disaggregation of revenue (continued)

Disaggregation of revenue from contracts with customers by major categories is as follows:

| | Six months ended | |
|---|---|---|
| | **28 February 2025 $'000** | 29 February 2024 $'000 |
| Disaggregated by major products or service lines: | | |
| Fixed telecommunications network services | **2,321,022** | 2,296,180 |
| International telecommunications services | **590,071** | 427,437 |
| Other services | **155,168** | 179,252 |
| Fees from provision of telecommunications services | **3,066,261** | 2,902,869 |
| Product revenue | **2,019,167** | 2,317,164 |
| Technology solution and consultancy services | **648,841** | 589,058 |
| **Revenue from contracts with customers within the scope of HKFRS 15** | **5,734,269** | 5,809,091 |

| | Six months ended | |
|---|---|---|
| | **28 February 2025 $'000** | 29 February 2024 $'000 |
| Disaggregated by major categories: | | |
| Residential Solutions revenue | **1,165,568** | 1,181,509 |
| Enterprise Solutions revenue | **2,549,534** | 2,310,418 |
| Enterprise Solutions related product revenue | **892,191** | 951,692 |
| Handset and other product revenue | **1,126,976** | 1,365,472 |
| | **5,734,269** | 5,809,091 |
| Disaggregated by geographical location of customers: | | |
| Hong Kong | **5,213,624** | 5,267,918 |
| Mainland China | **277,202** | 296,010 |
| Other territories | **243,443** | 245,163 |
| | **5,734,269** | 5,809,091 |

During the periods ended 28 February 2025 and 29 February 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 19.0% of the Group's total revenue for the six months ended 28 February 2025 (six months ended 29 February 2024: 22.5%).

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 3(b).

## 3 Revenue and segment reporting (continued)

### (b) Segment reporting

Operating segments, and the amounts of each segment item reported in the interim financial report, 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.

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 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 mainland China and Macao.

***(iii) Segment results, assets and liabilities***

The Group's senior executive management monitors the results 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 reporting segment profit is earnings before finance costs, interest income, income tax, depreciation, amortisation of intangible assets (net of direct cost incurred) and amortisation of customer acquisition and retention costs.

## 3 Revenue and segment reporting (continued)

### (b) Segment reporting (continued)

*(iii) Segment results, assets and liabilities (continued)*

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 the financial statements.

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 period is set out below.

| | Telecom and technology solutions (Hong Kong) | | Telecom and technology solutions (non-Hong Kong) | | Total | |
|---|---|---|---|---|---|---|
| **For the six months ended** | **28 February 2025 $'000** | 29 February 2024 $'000 | **28 February 2025 $'000** | 29 February 2024 $'000 | **28 February 2025 $'000** | 29 February 2024 $'000 |
| Reportable segment revenue | **5,229,561** | 5,295,394 | **639,487** | 690,044 | **5,869,048** | 5,985,438 |
| Inter-segment revenue | **(15,937)** | (27,476) | **(118,842)** | (148,871) | **(134,779)** | (176,347) |
| **Revenue from external customers** | **5,213,624** | 5,267,918 | **520,645** | 541,173 | **5,734,269** | 5,809,091 |
| **Disaggregated by timing of revenue recognition** | | | | | | |
| Point in time | **1,604,198** | 1,870,080 | **414,969** | 447,084 | **2,019,167** | 2,317,164 |
| Over time | **3,609,426** | 3,397,838 | **105,676** | 94,089 | **3,715,102** | 3,491,927 |
| **Revenue from external customers** | **5,213,624** | 5,267,918 | **520,645** | 541,173 | **5,734,269** | 5,809,091 |
| **Reportable segment profit** | **1,169,223** | 1,118,208 | **36,899** | 29,249 | **1,206,122** | 1,147,457 |

The performance measure used for reporting segment profit is earnings before finance costs, interest income, income tax, depreciation, amortisation of intangibles assets (net of direct cost incurred) and amortisation of customer acquisition and retention costs.

## 3 Revenue and segment reporting (continued)

### (b) Segment reporting (continued)

*(iv) Reconciliations between segment profit derived from Group's external customers and consolidated profit before taxation for the period*

| | Six months ended | |
|---|---|---|
| | **28 February 2025 $'000** | 29 February 2024 $'000 |
| Reportable segment profit derived from Group's external customers | **1,206,122** | 1,147,457 |
| Finance costs | **(366,024)** | (400,712) |
| Interest income | **4,296** | 5,832 |
| Depreciation | **(411,210)** | (423,891) |
| Amortisation of intangible assets | **(177,859)** | (185,771) |
| Amortisation of customer acquisition and retention costs | **(142,259)** | (135,127) |
| Consolidated profit before taxation | **113,066** | 7,788 |

## 4 Profit before taxation

Profit before taxation is arrived at after (crediting)/charging:

| | Six months ended | |
|---|---|---|
| | **28 February 2025 $'000** | 29 February 2024 $'000 |
| **(a) Other net (income)/loss** | | |
| Interest income | **(4,296)** | (5,832) |
| Net foreign exchange loss | **2,788** | 4,269 |
| Gain on disposal of property, plant and equipment, net | **(887)** | (113) |
| Gain on disposal of right-of-use assets, net | **(77)** | – |
| Loss on disposal of subsidiary | **–** | 3,715 |
| Other income | **(3,329)** | (1,646) |
| | **(5,801)** | 393 |

## 4 Profit before taxation (continued)

| | Six months ended | |
|---|---|---|
| | **28 February 2025 $'000** | 29 February 2024 $'000 |
| **(b) Other operating expenses** | | |
| Advertising and marketing expenses | **16,132** | 12,812 |
| Depreciation | | |
| — Property, plant and equipment | **331,200** | 339,958 |
| — Right-of-use assets | **79,936** | 83,590 |
| Recognition of loss allowance on trade receivables and contract assets | **27,618** | 41,830 |
| Staff costs (note 4(c)) | **491,095** | 554,067 |
| Amortisation of intangible assets | **177,859** | 185,771 |
| Amortisation of customer acquisition and retention costs | **142,259** | 135,127 |
| Others | **275,193** | 252,557 |
| — Office rental and utilities | **30,713** | 24,996 |
| — Site expenses | **43,655** | 46,377 |
| — Bank handling charges | **17,661** | 18,945 |
| — Maintenance | **32,319** | 46,945 |
| — Subscription and license fees | **51,157** | 55,089 |
| — Legal and professional fees | **41,058** | 13,810 |
| — Printing, telecommunication and logistics expenses | **18,092** | 18,547 |
| — Others | **40,538** | 27,848 |
| | **1,541,292** | 1,605,712 |

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

## 4 Profit before taxation (continued)

| | Six months ended | |
|---|---|---|
| | **28 February 2025 $'000** | 29 February 2024 $'000 |
| **(c) Staff costs** | | |
| Salaries, wages and other benefits | **670,893** | 749,770 |
| Contributions to defined contribution retirement plan | **56,845** | 51,821 |
| | **727,738** | 801,591 |
| Less: Staff costs capitalised as property, plant and equipment | **(40,896)** | (23,951) |
| Staff costs capitalised in customer acquisition and retention costs | **(89,797)** | (96,921) |
| Staff costs included in network costs and cost of sales | **(105,950)** | (126,652) |
| | **491,095** | 554,067 |

Staff costs include all compensation and benefits paid to and accrued for all individuals employed by the Group, including directors.

| | Six months ended | |
|---|---|---|
| | **28 February 2025 $'000** | 29 February 2024 $'000 |
| **(d) Finance costs** | | |
| Interest and finance charges on bank loans | **382,501** | 414,628 |
| Interest on other borrowings | **515** | 1,358 |
| Fair value gain on the interest-rate swap | **(29,347)** | (27,098) |
| Interest on lease liabilities | **12,260** | 11,545 |
| Interest on other liabilities | **95** | 279 |
| | **366,024** | 400,712 |
| **(e) Other items** | | |
| Amortisation of intangible assets | **198,899** | 206,811 |
| Depreciation: | | |
| — Property, plant and equipment | **331,200** | 339,958 |
| — Right-of-use assets | **80,010** | 83,933 |
| Rental charges on telecommunications facilities and computer equipment | **249,526** | 234,241 |
| Expenses relating to short-term leases and leases of low-value assets | **3,965** | 6,320 |
| Recognition of loss allowance on trade receivables and contract assets | **27,618** | 41,830 |
| Cost of inventories | **1,938,433** | 2,295,926 |
| Inventory written down | **4,060** | – |

## 5 Income tax expense

| | Six months ended | |
|---|---|---|
| | **28 February 2025 $'000** | 29 February 2024 $'000 |
| Current tax — Hong Kong Profits Tax | **(69,500)** | (95,715) |
| Current tax — Outside Hong Kong | **(5,205)** | (5,029) |
| Deferred tax | **69,199** | 94,490 |
| | **(5,506)** | (6,254) |

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% to the six months ended 28 February 2025 (six months ended 29 February 2024: 16.5%), except for one subsidiary of the Group which is a 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 similarly calculated using the annual effective rates of taxation that are expected to be applicable in the relevant countries.

## 6 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 $107,560,000 (six months ended 29 February 2024: $1,534,000) and the weighted average number of ordinary shares in issue calculated as follows:

| | Year ended | |
|---|---|---|
| | **28 February 2025 '000** | 29 February 2024 '000 |
| Issued ordinary shares at 1 September | **1,311,599** | 1,311,599 |
| Less: unvested shares held for the Co-Ownership Plan II RSUs | **(760)** | (760) |
| Weighted average number of ordinary shares in issue during the year | **1,310,839** | 1,310,839 |

## 6 Earnings per share (continued)

### (b) Diluted earnings per share

During the period ended 28 February 2025, the calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of $107,560,000 (six months ended 29 February 2024: $1,534,000) 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 Company's Co-Ownership Plan II and the Vendor Loan Notes, calculated as follows:

| | Six months ended | |
|---|---|---|
| | **28 February 2025 '000** | 29 February 2024 '000 |
| Weighted average number of ordinary shares less shares held for the Co-Ownership Plan II | **1,310,839** | 1,310,839 |
| Add: effect of Vendor Loan Notes | **167,322** | 167,322 |
| Weighted average number of ordinary shares (diluted) | **1,478,161** | 1,478,161 |

## 7 Property, plant and equipment

| | **At 28 February 2025 $'000** | At 31 August 2024 $'000 |
|---|---|---|
| Opening net book value | **3,132,945** | 3,418,992 |
| Exchange adjustments | **(318)** | 312 |
| Additions | **298,046** | 391,003 |
| Disposals (net carrying amount) | **(503)** | (615) |
| Depreciation charges for the period/year | **(331,200)** | (676,389) |
| Disposal of subsidiaries | **–** | (358) |
| Closing net book value | **3,098,970** | 3,132,945 |

## 8 Right-of-use assets

| | At 28 February 2025 $'000 | At 31 August 2024 $'000 |
|---|---|---|
| Opening net book value | **628,457** | 689,568 |
| Exchange adjustments | **(281)** | 314 |
| Additions | **12,418** | 116,705 |
| Modification | **(76)** | (10,703) |
| Disposals (net carrying amount) | **(499)** | (2,988) |
| Depreciation charges for the period/year | **(80,010)** | (164,439) |
| Closing net book value | **560,009** | 628,457 |

During the six months ended 28 February 2025, the Group entered into a number of lease agreements for use of shop and office of $12,418,000 (six months ended 29 February 2024: $8,207,000).

## 9 Trade receivables and other receivables, deposits and prepayments

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:

| | At 28 February 2025 $'000 | At 31 August 2024 $'000 |
|---|---|---|
| Within 30 days | **414,841** | 404,816 |
| 31 to 60 days | **267,894** | 263,951 |
| 61 to 90 days | **127,242** | 109,524 |
| Over 90 days | **239,501** | 191,006 |
| Trade receivables, net of loss allowance | **1,049,478** | 969,297 |
| Other receivables, deposits and prepayments | **532,246** | 516,316 |
| | **1,581,724** | 1,485,613 |

The majority of the Group's trade receivables are due within 30 to 90 days from the date of billing. Subscribers with receivable that are more than 3 months overdue are requested to settle all outstanding balances before further credit is granted.

All of the other receivables, deposits and prepayments are expected to be recovered or recognised as expense within one year.

## 10 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position and condensed consolidated cash flow statement comprise:

| | At 28 February 2025 $'000 | At 31 August 2024 $'000 |
|---|---|---|
| Cash and cash equivalents in the consolidated cash flow statement | **1,077,969** | 1,217,406 |

## 11 Trade payables, other payables and accrued charges

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

| | At 28 February 2025 $'000 | At 31 August 2024 $'000 |
|---|---|---|
| Within 30 days | **812,025** | 449,928 |
| 31 to 60 days | **117,559** | 140,924 |
| 61 to 90 days | **65,161** | 122,060 |
| Over 90 days | **119,142** | 232,967 |
| | **1,113,887** | 945,879 |
| Trade payables | **1,113,887** | 945,879 |
| Other payables and accrued charges | | |
| — Current portion | **996,650** | 950,361 |
| | **2,110,537** | 1,896,240 |

## 12 Bank and other borrowings

### (a) The analysis of the carrying amount of bank and other borrowings is as follows:

| | At 28 February 2025 $'000 | At 31 August 2024 $'000 |
|---|---|---|
| Bank borrowings | | |
| — unsecured | **10,920,286** | 10,940,812 |
| Other borrowings | | |
| — secured | **23,538** | 36,791 |
| | **10,943,824** | 10,977,603 |
| Amounts due within one year included in current liabilities | **(5,452,877)** | (272,601) |
| | **5,490,947** | 10,705,002 |

## 12 Bank and other borrowings (continued)

### (b) As at 28 February 2025, the bank and other borrowings were repayable as follows:

| | At 28 February 2025 $'000 | At 31 August 2024 $'000 |
|---|---|---|
| **Bank borrowings (unsecured)** | | |
| Within 1 year on demand | **5,442,174** | 247,074 |
| After 1 year but within 2 years | **5,478,112** | 10,693,738 |
| | **10,920,286** | 10,940,812 |
| **Other borrowings (secured)** | | |
| Within 1 year on demand | **10,703** | 25,527 |
| After 1 year but within 2 years | **7,640** | 6,503 |
| After 2 years but within 5 years | **5,195** | 4,761 |
| | **23,538** | 36,791 |
| Bank and other borrowings | **10,943,824** | 10,977,603 |
| Amounts due within one year included in current liabilities | **(5,452,877)** | (272,601) |
| | **5,490,947** | 10,705,002 |

(i) On 13 November 2020, the Group entered into term loan facility of $5,500,000,000 in aggregate with various banks. The Group has drawn down a bank loan with a principal amount of $5,000,000,000 and $500,000,000 at HIBOR plus a margin of 1.50% per annum payable monthly on 23 November 2020 and 22 February 2021 respectively. The loan was unsecured and covered by a cross guarantee arrangement issued by the Company, Metropolitan Light Company Limited ("MLCL"), Hong Kong Broadband Network Group Limited ("HKBNGL"), Hong Kong Broadband Network Limited ("HKBN"), HKBN Enterprise Solutions Development Limited ("HKBNESDL"), HKBN Enterprise Solutions Cayman Corporation ("HKBNESCC"), HKBN Enterprise Solutions HK Limited ("HKBNESHKL") and COL Limited, and repayable in full upon maturity on 24 November 2025. The loan interest rate was renewed to HIBOR plus a margin of 2.20% per annum from 31 December 2024. The outstanding amount of this term loan facility principal was $5,250,000,000 at 28 February 2025. The Group completed the refinancing of this loan on 18 March 2025. On 17 April 2025, the Group drawn down the Incremental Facility of this bank loan in an amount of $1,500,000,000 for the prepayment of the bank loan refer to (ii) below.

(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 payable monthly 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, HKBNGL, HKBN, HKBNESDL, HKBNESCC, HKBNESHKL and Col Limited, and repayable in full upon maturity on 9 April 2026. The loan interest rate was renewed to HIBOR plus a margin of 2.20% per annum from 31 December 2024. The outstanding amount of this term loan facility principal was $5,500,000,000 at 28 February 2025.

## 12 Bank and other borrowings (continued)

### (b) As at 28 February 2025, the bank and other borrowings were repayable as follows: (continued)

(iii) On 9 December 2021, HKBN entered into master buyer agreement for supply chain financing from a bank in Hong Kong. An aggregate amount of $126,755,000 was utilised as of 28 February 2025. 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 30 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 $80,105,000 was utilised as of 28 February 2025. The bank charges at HIBOR plus a margin of 1.15% 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 28 February 2025 and 31 August 2024, the Group complied with all of the covenants relating to bank loans.

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 borrowings as of 28 February 2025 is 5.43% per annum (2024: 5.53%).

(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 28 February 2025 the aggregate book value of the assets was $2,152,000 (2024: $5,289,000) and the balance of other borrowings amounting to $443,000 (2024: $586,000) was recorded as a current liability and $267,000 (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 4.12% p.a. (2024: 0% to 4.70% p.a.).

(vii) The Group entered into financing arrangement contracts with third-party company, with contract terms of three years and four months. The Group has obtained an 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 $44,379,000 (2024: 56,806,000). The Group shall repay the interest and principal of the loan in 40 monthly instalments. As at 28 February 2025, the balance of other borrowings amounting to $3,139,000 (2024: $19,219,000) was recorded as a current liability on the Group's consolidated statement of financial position.

## 12 Bank and other borrowings (continued)

### (b) As at 28 February 2025, the bank and other borrowings were repayable as follows: (continued)

(viii) The Group entered into financing arrangement contracts with third-party company, with contract terms of three years to five years. The Group has obtained other loans with aggregate principal amount of $24,461,000 (2024: $17,925,000) at effective interest rate 4.61% (2024: 4.74%) per annum. The loan was secured by assets of the Group amounting to $19,406,000 (2024: $17,803,000). As at 28 February 2025, the balance of other borrowings amounting to $7,121,000 (2024: $5,722,000) was recorded as a current liability and $12,568,000 (2024: $10,773,000) was recorded as a non-current liability on the Group's consolidated statement of financial position.

## 13 Capital, reserves and dividends

### (a) Share capital

As at 28 February 2025, 3,800,000,000 ordinary shares, with par value of $0.1 cent each, were authorised for issue. As at 28 February 2025, the Company had 1,311,599,356 (29 February 2024: 1,311,599,356) ordinary shares in issue.

### (b) Dividends

*(i) Dividends payable to equity shareholders of the Company attributable to the interim period*

| | Six months ended | |
|---|---|---|
| | **28 February 2025 $'000** | 29 February 2024 $'000 |
| Interim dividend declared after the interim period of 15.5 cents per ordinary share (six months ended 29 February 2024: 15 cents per ordinary share) (Note) | **229,233** | 196,740 |

Note: The amount of 2025 proposed interim dividend is based on the 1,478,921,568 (2024: 1,311,599,356) ordinary shares in issue as at the date of this interim report.

The proposed interim dividend declared has not been recognised as a liability at the end of the reporting period.

## 13 Capital, reserves and dividends (continued)

### (b) Dividends (continued)

*(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period*

| | Six months ended | |
|---|---|---|
| | **28 February 2025 $'000** | 29 February 2024 $'000 |
| Final dividend in respect of the previous financial year, approved and paid during the following interim period, of 16.5 cents per ordinary share (six months ended 29 February 2024: 20 cents per ordinary share) | **216,414** | 262,320 |

### (c) 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.

### (d) Equity-settled 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 28 February 2025, a total of 16,679,892 award shares have been granted under the Amended and Restated Co-Ownership Plan IV. During the six months ended 28 February 2025, 475,338 RSUs had been cancelled. Since the commencement date and up to 28 February 2025, a total of 4,758,592 RSUs had been cancelled and the number of award shares that may be issued in respect of the RSUs granted under the Amended and Restated Co-Ownership Plan IV would be 11,921,300 shares. The total number of shares available for underlying future grant of RSUs under the Amended and Restated Co-Ownership Plan IV is 25,051,739 shares, representing approximately 1.91% of the total number of issued shares as at the report date.

The directors estimated the fair value of the RSU at the service periods commencing date to be $0.

## 14 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 acquisition of the entire issued share capital of WTT Holding Corp (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 have 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.

## 15 Fair value measurement of financial instruments

### (a) Financial assets and liabilities measured at fair value

*(i) 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. 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 value 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 value 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 value measured using significant unobservable inputs

## 15 Fair value measurement of financial instruments (continued)

### (a) Financial assets and liabilities measured at fair value (continued)

*(i) Fair value hierarchy (continued)*

| | **Fair value at 28 February 2025** | **Fair value measurement as at 28 February 2025 categorised into** | | |
|---|---|---|---|---|
| | | **Level 1** | **Level 2** | **Level 3** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| **Recurring fair value measurement** | | | | |
| *Financial liabilities:* | | | | |
| Derivative financial instrument: | | | | |
| — Interest-rate swap | **(5,126)** | **–** | **(5,126)** | **–** |

| | Fair value at 31 August 2024 | Fair value measurement as at 31 August 2024 categorised into | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| | $'000 | $'000 | $'000 | $'000 |
| **Recurring fair value measurement** | | | | |
| *Financial liabilities:* | | | | |
| Derivative financial instrument: | | | | |
| — Interest rate-swap | (29,990) | – | (29,990) | – |

During the six months ended 28 February 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (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.

*(ii) Valuation techniques and inputs used in Level 2 fair value measurement*

The fair values of interest-rate swap and currency forward are the estimated amounts that the Group would receive or pay to terminate the derivative instruments at the end of the reporting period, taking into account current interest rates, currency rates and the current creditworthiness of the derivative instruments counterparties.

### (b) Fair values of 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 28 February 2025 and 31 August 2024.

## 16 Capital commitments outstanding not provided for in the interim financial report

### (a) Capital commitments outstanding at 28 February 2025 not provided for in the interim financial report

At 28 February 2025, the Group had the following capital commitments:

| | **At 28 February 2025 $'000** | At 31 August 2024 $'000 |
|---|---|---|
| Contracted but not provided for | | |
| Purchase of property, plant and equipment | **178,918** | 207,179 |

## 17 Contingent liabilities

| | **At 28 February 2025 $'000** | At 31 August 2024 $'000 |
|---|---|---|
| Bank guarantee in lieu of payment of utility deposits | **3,622** | 3,622 |
| Bank guarantee in lieu of performance guarantee | **291,875** | 293,847 |
| | **295,497** | 297,469 |

At 28 February 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.

## 18 Material related party transactions

### Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the directors of the Company, is as follows:

| | **Six months ended** | |
|---|---|---|
| | **28 February 2025 $'000** | 29 February 2024 $'000 |
| Short-term employee benefits | **22,672** | 33,294 |
| Post-employment benefits | **1,534** | 1,826 |
| | **24,206** | 35,120 |

## Directors' and Chief Executives' Interests

As at 28 February 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 of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which 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 to the Listing Rules:

### Interests 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 as at 28 February 2025 | Approximate percentage of interests in issued shares and underlying shares held to the total issued share capital of the Company as at 28 February 2025 |
|---|---|---|---|---|---|
| Mr. Chu Kwong YEUNG | (a) | 29,717,212 | 32,477,997 | 2.27% | 2.48% |

Note:

(a) Mr. Chu Kwong YEUNG held a total of 32,477,997 interests in the Company, including (i) 29,717,212 shares in the Company (in which 2,760,785 shares were held by the plan trustee under the amended and restated Co-Ownership Plan IV) and (ii) 2,760,785 restricted share units which were granted to him under the amended and restated Co-Ownership Plan IV.

Other than the interests disclosed above, none of the Directors nor 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 28 February 2025.

# Other Information

## Substantial Shareholders' Interests

As at 28 February 2025, so far as is known to 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:

### Interests in Shares and Underlying Shares of the Company

| Shareholder | 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 as at 28 February 2025 | Approximate percentage of interests in issued shares and underlying shares held to the total issued share capital of the Company as at 28 February 2025 |
|---|---|---|---|---|---|
| Canada Pension Plan Investment Board | (a) | 182,405,000 | 182,405,000 | 13.91% | 13.91% |
| GIC Private Limited | (b) | 91,913,760 | 91,913,760 | 7.01% | 7.01% |
| TPG GP A, LLC | (c) | 144,966,345 | 228,627,451 | 11.05% | 17.43% |
| Mr. Michael ByungJu KIM | (d) | 144,966,345 | 228,627,451 | 11.05% | 17.43% |
| Mr. Bryan Byungsuk MIN | (d) | 144,966,345 | 228,627,451 | 11.05% | 17.43% |

Notes:

(a) Canada Pension Plan Investment Board held 182,405,000 shares in the Company.

(b) GIC Private Limited held 91,913,760 shares in the Company.

(c) TPG GP A, LLC (through corporations directly and indirectly controlled by it, namely TPG Group Holdings (SBS) Advisors, LLC, TPG Group Holdings (SBS), L.P., TPG Inc., TPG GPCo, LLC, TPG Holdings II-A, LLC, TPG Operating Group II, L.P., TPG Holdings I-A, LLC, TPG Operating Group I, L.P., TPG Asia GenPar VI Advisors, Inc., TPG Asia GenPar VI, L.P., TPG Asia VI SPV GP, LLC and TPG Wireman, L.P.) was interested in the 144,966,345 issued shares and 83,661,106 underlying shares (attributable to convertible instruments) directly held by TPG Wireman, L.P.

(d) Each of Mr. Michael ByungJu KIM (through corporations directly and indirectly controlled by him, namely MBK GP III, Inc., MBK Partners GP III, L.P., MBK Partners Fund III, L.P., MBK Partners JC, L.P., Twin Holding Ltd and Twin Telecommunication Ltd) and Mr. Bryan Byungsuk MIN (through corporations directly and indirectly controlled by him, namely MBK Partners JC GP, Inc., MBK Partners JC GP, L.P., MBK Partners JC, L.P., Twin Holding Ltd and Twin Telecommunication Ltd) was interested in the 144,966,345 issued shares and 83,661,106 underlying shares (attributable to convertible instruments) directly held by Twin Holding Ltd.

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 28 February 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).

During the six months ended 28 February 2025, Co-Ownership Plan II and the Amended and Restated Co-Ownership Plan IV were the existing restricted share unit ("RSU") schemes 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 restricted share units 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 was 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 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 Co-Ownership Plan II (the "CO2 Participants").

**Administration**

The Co-Ownership Plan II was 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 a period of 10 years commencing on 12 March 2015 (the "Listing Date") and expired in March 2025.

# Other Information

**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 28 February 2025. The Co-Ownership Plan II trustee would 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.

**Maximum entitlement**

The Co-Ownership Plan II had 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 did 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**

No RSUs were granted, cancelled, forfeited, vested and lapsed, and accordingly, no new shares were allotted and issued during the six months ended 28 February 2025.

As the Co-Ownership Plan II expired in March 2025, no shares would be available for issue under this plan.

### 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 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.

**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 the 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 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 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 shall be valid and effective for the period commencing on the commencement date and expiring on the date falling 5 years from the Adoption Date or such earlier date as it is terminated in accordance with the terms of the Amended and Restated Co-Ownership Plan IV.

**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 28 February 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 six months ended 28 February 2025, 475,338 RSUs had been cancelled. Since the commencement date and up to 28 February 2025, a total of 4,758,592 RSUs had been cancelled and the number of award shares that may be issued in respect of the RSUs granted under the Amended and Restated Co-Ownership Plan IV would be 11,921,300 shares. The total number of shares available for underlying future grant of RSUs under the Amended and Restated Co-Ownership Plan IV is 25,051,739 shares, representing approximately 1.91% of the total number of issued shares as at 28 February 2025.

**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 date 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 HK$2,615,000,000; and<br><br>(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<br><br>(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<br><br>(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 x (B–$2,801,000,000)/C<br><br>A — the portion of an RSU becoming vested<br><br>B — actual EBITDA for 2025 financial year and capped at $2,883,000,000<br><br>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.

# Other Information

**Movement of RSU**

Details of the movements of the RSUs granted under the Amended and Restated Co-Ownership Plan IV during the six months ended 28 February 2025 are as follows:

| | | Overview of RSUs | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Participant | Date of grant | 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 28 February 2025 | Aggregate of number of RSUs as % to the issued share capital of the Company as at 28 February 2025 | Aggregate of number of RSUs as % to the CO4 Scheme Mandate Limit |
| **Five highest paid individuals** | | | | | | | | | | |
| Chu Kwong YEUNG, Executive Director | 30 August 2023 | 2,760,785 | 2,760,785 | 0 | 0 | 0 | 0 | 2,760,785 | 0.21% | 7.47% |
| Four highest paid individuals | 30 August 2023 | 641,731 | 641,731 | 0 | 0 | 0 | 0 | 641,731 | 0.05% | 1.74% |
| **Directors of the Company's subsidiaries** | 30 August 2023 | 1,607,810 | 1,607,810 | 0 | 212,000 | 0 | 0 | 1,395,810 | 0.11% | 3.78% |
| **Other Participants** | 30 August 2023 | 7,386,312 | 7,386,312 | 0 | 263,338 | 0 | 0 | 7,122,974 | 0.54% | 19.27% |
| **Total** | | 12,396,638 | 12,396,638 | 0 | 475,338 | 0 | 0 | 11,921,300 | 0.91% | 32.26% |

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 six months ended 28 February 2025, a total of 475,338 RSUs were cancelled. No purchase price was applicable to the cancelled RSUs and no RSUs were granted or vested.

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. On 28 February 2025, the number of award shares available for grant under the scheme mandate limit of the Amended and Restated Co-Ownership Plan IV was 25,051,739 shares.

Since the commencement date and up to 28 February 2025, the number of shares that may be issued in respect of the award shares granted under the Amended and Restated Co-Ownership Plan IV would be 11,921,300 shares, representing 0.81% of the weighted average number of shares in issue as at the date of this Report.

## Directors' Rights to Acquire Shares or Debentures

Save as disclosed in the "Restricted Share Unit Schemes" above, at no time during the six months ended 28 February 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.

## 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 during the six months ended 28 February 2025.

## Subsequent Event

Reference is made to the announcements of the Company dated 14 March 2025 and 22 April 2025, relating to, among other things, 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.

Save as disclosed above, no significant events occurred after the end of the reporting period and up to the latest practicable date.

## Interim Dividend

The Company seeks to provide stable and sustainable returns to the shareholders of the Company (the "Shareholders"). In determining the dividend amount, the Board will follow the Company's dividend policy and 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 Board has resolved to declare the payment of an interim dividend of 15.5 cents (29 February 2024: 15 cents) per share for the six months ended 28 February 2025 to the Shareholders whose names appear on the register of members of the Company on Monday, 2 June 2025. The interim dividend will be payable in cash on or around Tuesday, 10 June 2025.

# Other Information

## Review of Interim Financial Information

The Audit Committee of the Company has reviewed with the management and the external auditor the unaudited interim results of the Group for the six months ended 28 February 2025, the accounting principles and practices adopted by the Group, as well as discussion on auditing, internal control, risk management and financial reporting matters of the Group.

The unaudited interim financial report of the Group for the six months ended 28 February 2025 has been reviewed by the Company's external auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the HKICPA and reviewed by the Audit Committee of the Company.

## Update on Directors' Information

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 2024 annual report and up to the latest practicable date is set out below:

Ms. Cordelia CHUNG has been appointed as the chairman of the Board, the Nomination Committee and the Remuneration Committee, and a member of the Audit Committee of the Company with effect from 12 December 2024; Ms. Cordelia CHUNG has been appointed as a member of the Risk Committee of the Company with effect from 22 January 2025.

Ms. Ming Ming Anna CHEUNG has been appointed as the chairman of the Risk Committee of the Company with effect from 22 January 2025.

Ms. Kit Yi Kitty CHUNG has been appointed as a member of the Remuneration Committee of the Company with effect from 12 December 2024; Ms. Kit Yi Kitty CHUNG has been appointed as a member of the Risk Committee of the Company with effect from 22 January 2025.

## Corporate Governance

The Company has complied with all the code provisions as set out in the "Corporate Governance Code" contained in Appendix C1 to the Listing Rules during the six months ended 28 February 2025.

## Model Code for Securities Transactions by Directors

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its own code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiries with the Directors, they confirmed that they had complied with the Model Code throughout the six months ended 28 February 2025.

By order of the Board
**HKBN Ltd.**
**Cordelia CHUNG**
*Chairman*

Hong Kong, 25 April 2025

# Corporate Information

*(As at the latest practicable date)*

## Chairman and Independent Non-executive Director

Ms. Cordelia CHUNG [(1)]
Mr. Bradley Jay HORWITZ [(2)]

## Executive Director

Mr. Chu Kwong YEUNG

## Non-executive Directors

Mr. Zubin Jamshed IRANI [(3)(4)]
Ms. Shengping YU
Mr. Liyang ZHANG [(2)]

## Independent Non-executive Directors

Ms. Ming Ming Anna CHEUNG
Ms. Kit Yi Kitty CHUNG

## Company Secretary

Mr. Chi Kit LEUNG [(5)]
Ms. Chung Man CHENG [(6)]

## Authorised Representatives

Mr. Chi Kit LEUNG [(5)]
Mr. Chu Kwong YEUNG
Ms. Chung Man CHENG [(6)]

## Composition of Board Committees

| Director | Audit Committee | Nomination Committee | Remuneration Committee | Environmental, Social and Governance Committee | Risk Committee |
|---|---|---|---|---|---|
| Ms. Cordelia CHUNG | Member | Chairman | Chairman | | Member |
| Mr. Chu Kwong YEUNG | | | | Member | |
| Mr. Zubin Jamshed IRANI | Member | | Member | | |
| Ms. Shengping YU | | Member | | | |
| Ms. Ming Ming Anna CHEUNG | | | Member | Chairman | Chairman |
| Ms. Kit Yi Kitty CHUNG | Chairman | Member | Member | Member | Member |

Notes:

(1) Appointed as the chairman of the Board on 12 December 2024.

(2) Retired on 12 December 2024.

(3) Appointed as an Alternate Director to Mr. Liyang Zhang from 27 November 2024 to 12 December 2024.

(4) Appointed as a Non-executive Director on 12 December 2024.

(5) Appointed on 17 January 2025.

(6) Resigned on 17 January 2025.

# Corporate Information

*(As at the latest practicable date)*

## 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

## Principal Share Registrar and Transfer Office in the Cayman Islands

**MAPLES FUND SERVICES (CAYMAN) LIMITED**
P.O. Box 1093
Boundary Hall
Cricket Square
Grand Cayman KY1-1102
Cayman Islands

## Branch Share Registrar and Transfer Office in Hong Kong

**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**
3rd Floor, Standard Chartered Bank Building
4–4A Des Voeux Road Central
Hong Kong

## Company's Website

www.hkbnltd.net

## Stock Code

1310

Design, Production and Printing: REF Financial Press Limited www.ref.com.hk

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