

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.*

# **SmarTone Telecommunications Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 315)**

## **2024 / 2025 ANNUAL RESULTS ANNOUNCEMENT**

*(All references to “\$” are to the Hong Kong dollars)*

- Profit attributable to equity holders was \$479 million, which represented an increase of 2% when compared with the prior year.
- Substantial efficiency gain resulting in a reduction in operating costs of \$66 million.
- Revenues remained relatively stable at \$6,253 million.
- Consumer outbound data roaming revenue increased by 5.5%.
- Growth momentum continued in the 5G Home Broadband, with revenue growing at 16%, and EBITDA increasing by 18%.
- Strong performance in Enterprise Solutions which grew 24% in EBITDA.
- The Board proposed a final dividend of 17.5 cents per share, making full year dividend per share of 32.0 cents.

### **CHAIRMAN’S STATEMENT**

#### **Business review**

In the year FY2024-25, SmarTone delivered a resilient set of results, reporting a profit attributable to equity holders of \$478 million (excluding one-off items), representing a 2% year-on-year growth. Core service revenue, post-paid ARPU and 5G penetration held broadly stable, while our growth engines, notably - 5G Home Broadband, which delivered an EBITDA growth at 18% year-on-year, and consumer outbound data roaming which grew 5.5% year-on-year continued to drive incremental returns. Through targeted efficiency programs and AI driven productivity improvements, we reduced operating expenses by 4% and core capex by 10% year-on-year, reinforcing our commitment to financial discipline and sustainable value creation.

During the year under review, SmarTone demonstrated resilience in a challenging operating environment, where macroeconomic uncertainty and muted consumer confidence intensified competitive pressures in an already saturated market. In response we accelerated efforts to streamline operations, building a leaner, more agile organization. The integration of AI and advanced analytics has helped deliver measurable productivity gains and cost efficiencies enabling us to protect margins, support profitable growth in key segments and reinforce our premium market positioning while maintaining affordability and appeal to a broad market sector.

### **Delivering superior network quality to where customers need it the most**

SmarTone has continued to strengthen its leadership in network performance with the renewal of our exclusive 850MHz band and acquisitions of the 6/7GHz spectrum. These investments underpin a world-class 5G network that ranks among the best globally for its full city-wide coverage and unparalleled indoor reception.

To further differentiate our performance at busy locations during peak hours, we have strategically allocated our best spectrum to 24 of the busiest MTR stations. Independent third-party benchmarks validated the superior performance of our network in high-demand areas, including most MTR stations, mega event venues such as Kai Tak Sports Park, and key tourist hubs like immigration ports. We also led the design and transformation of the 5G infrastructure at the Hong Kong Coliseum reinforcing our role as a critical enabler of Hong Kong's development in becoming a city of mega events.

Our commitment to true customer first service is evident in our broad and deep coverage, extending into country parks and remote areas where coverage is critical, even though usage is limited. Our leading coverage in Go Park delivered in partnership with Sun Hung Kai Properties Group (SHKP) is a great example of how we provide industry-leading coverage that enhances the outdoor experience for customers.

We are able to achieve this efficiently and effectively by dynamically and proactively optimizing our network resources using AI-based scenario planning tools, in an exclusive partnership with a top-tier global leader in the network automation space. In addition, the adoption of state-of-the-art 5G-Advanced technology and network slicing allow us to provide a differentiated premium service tailored to customers' needs. We remain committed to delivering the best user experience underpinned by disciplined investment, intelligent network management and operational excellence.

### **Keeping a highly disciplined cost and capex control**

We have intensified our cost management and capital discipline to drive productivity, delivering a continuous saving over the past years. Through disciplined execution and deployment of advanced technologies we have simplified our platforms and modernized the operating systems. These initiatives contributed to a 4% reduction in operating expenses, a 10% reduction in core capex and a 6% reduction in depreciation of right-of-use assets. These combined savings have enabled us to sustain investment in our network infrastructure, enhance our agility and fund growth initiatives to meet evolving customers' needs.

Spectrum fees, which are mandated by the government and non-discretionary, represent a major structural cost to our business. In the current financial year, these fees amounted to \$534 million, surpassing the profit attributable to shareholders. While this cost cannot be reduced, we are leveraging AI-driven network optimisation tools to allocate spectrum more efficiently, ensuring we maximise utilisation and enhance service quality for our customers. This strategic use of technology strengthens our ability to deliver superior connectivity while maintaining operational discipline.

During the year under review, we returned our mobile operator license in Macau to the Macau government reflecting the structural constraints that prevented us delivering the service quality we target in that market. We have reallocated the resources to focus on serving our premium and loyal customers in Hong Kong.

### **Fulfilling a more diverse set of customer needs**

At SmarTone we prioritize a deep understanding of our customers and ensure that we deploy technology to meet their changing preferences and needs. Our 5G Home Broadband service is a prime example of this, delivering sustainable double-digit growth over the past three years. Customers now enjoy fiber-like network experience without the need for installation. SmarTone was the first in the market to launch WiFi-7 for 5G Home Broadband, a premium offering which has been well-received by many customers.

Building on our strong family customer base, we have enhanced our portfolio to include entertainment, health and safety, and education-related services and applications. Since the beginning of this year, we became the only mobile network operator in Hong Kong to offer Disney+ bundles, delivering on-demand content ranging from educational programs for children to global movie/TV hits. In August this year, we launched our “Kids Care” application, enabling parents to tackle challenges such as screen time management and web content filtering – we designed the application in such a way that it enables parents to “mentor, not monitor.” We recognize the power and benefits of technology – but acknowledge it comes with real challenges from online safety to digital wellbeing. We will continue to partner with families to harness the power of technology responsibly.

With the increasing risks of cyber-attacks against our customers, we remain committed to help customers minimize their risk exposure. Our existing suite of innovative security solutions includes “Data Guard” and “Call Guard”. A new phishing SMS alert service was introduced to enhance customer protection against widespread fraudulent activities. We have also established a dedicated hotline where customers can consult our expert team 24/7 if they suspect their phones have been hacked or targeted by scams.

### **Leveraging SHKP to capture synergies across consumer and enterprise solutions**

SmarTone's Enterprise Solutions business continued solid profit growth, leveraging Hong Kong's Smart City and Mega Event initiatives and our close relationship with SHKP. We successfully launched the latest advancements of our 5G-Advanced network, including network slicing and private 5G network, at major world-class events such as the World Games Series 2024 Hong Kong, which took place at Go Park. Our SmartHome solution empowered SIERRA SEA, a new milestone project by SHKP, to become the first residential project in Hong Kong to achieve WiredScore Platinum Pre-Certification.

On the consumer front, through close collaboration with SHKP we will leverage its broad portfolio of consumer businesses and bring additional and tangible value to our customers. This includes residential properties, hotels and shopping malls. Additionally, we will continue to deepen our collaboration with SHKP's loyalty program, the Point, with more targeted promotions and offers tailored to the needs of different customers.

### **Dividend**

The Board proposed a final dividend per share of 17.5 cents, making full year dividend per share of 32.0 cents.

### **Outlook**

Our premium customer base and resilient business performance continue to be underpinned by three core pillars: superior services, a robust network and disciplined cost management. This foundation enables us to navigate a highly competitive environment, while our customer first philosophy drives continuous innovation to meet evolving needs, enhance protection, and build enduring trust and loyalty.

Looking ahead we will continue to invest in AI technologies to further streamline our operations, achieve cost efficiencies and enhance productivity.

We see new talent and immigrants to Hong Kong as an important growth segment. We will further strengthen our presence in these market segments through tailored solutions. As part of SmarTone's long-term talent development plan, we will invest into our graduate recruitment program to build a more diverse and insightful team to better serve these emerging markets.

The proliferation of Generative AI applications is transforming customer and enterprise behavior. With accelerating mainstream adoption, we are well positioned to capture this opportunity by combining 5G connectivity, AI, and IoT technologies.

As an important telecommunication and technology arm of SHKP, SmarTone will continue to leverage on the extensive resources and strong support from the shareholder to better serve our customers.

**Appreciation**

I would like to extend my heartfelt gratitude to our customers and shareholders for their support and trust, as well as my fellow directors for their continued guidance. To our staff, I would like to express my sincere thanks for their unwavering commitment and hard work which are the cornerstone of our success.

**Kwok Ping-luen, Raymond**  
*Chairman*

Hong Kong, 3 September 2025

## MANAGEMENT DISCUSSION AND ANALYSIS

### Review of financial results

During the year under review, the Group's profit attributable to shareholders was \$479 million (2023/24: \$470 million). Excluding one-off items, the underlying profit attributable to shareholders was \$478 million, representing a 2% increase over last year.

The Group's total revenue was \$6,253 million, a 1% increase from \$6,221 million for last financial year. Our total service revenue remained steady during the year, as the market remains competitive, while there was growth in handset and accessory sales.

Margin improvement in our enterprise solution business resulted in a decrease in cost of services for the year of \$15 million or 4% to \$395 million (2023/24: \$410 million).

Staff costs remained stable at \$715 million (2023/24: \$713 million). The effect of annual salary review is largely offset by a reduction in headcount.

The Group has continued to rigorously enhance cost control measures and operational efficiency during the period. Consequently, other operating expenses were reduced by 7% year-on-year to \$897 million.

Depreciation, amortization, and loss on disposal decreased by \$48 million or 3% to \$1,693 million (2023/24: \$1,741 million). This reduction is primarily attributable to reduced depreciation charges on right-of-use assets following rental negotiations in recent years.

Expected credit loss of \$50 million was recognized to reflect the change in credit risk for the financial assets at amortized cost.

Given the Group's robust net cash position, our net finance costs (representing accretion expenses on spectrum utilization fees, lease liabilities and asset retirement obligation) remained stable at \$35 million (2023/24: \$37 million).

Income tax expense amounted to \$189 million (2023/24: \$193 million), reflecting an effective tax rate of 28.3% (2023/24: 29.1%). In light of the uncertainty of the tax deductibility of the spectrum utilization fee, certain related payments have been treated as non-deductible in calculating the tax provision, which contributes to the Group effective tax rate being higher than the standard tax rate. The Group will continue to vigorously defend its position and pursue tax deduction of the spectrum utilization fee from the Inland Revenue Department. As at 30 June 2025, the Group's current income tax liabilities of \$740 million (30 June 2024: \$658 million) includes a provision of \$633 million (30 June 2024: \$570 million) which has been made on the assumption that all spectrum utilization fee payments were not tax deductible. At the same time, tax reserve certificates of \$399 million (30 June 2024: \$385 million) have been purchased by the Group in this regard.

## **Capital structure, liquidity and financial resources**

The Group maintained a strong balance sheet for the year under review. During the year, the Group was mainly financed by share capital and internally generated funds. As at 30 June 2025, the Group had a total equity of \$5,305 million (30 June 2024: \$5,186 million), including share capital and reserves of \$110 million (30 June 2024: \$110 million) and \$5,195 million (30 June 2024: \$5,076 million), respectively.

The Group's cash resources remained robust with cash and bank balances including short-term bank deposits of \$2,028 million as at 30 June 2025 (30 June 2024: \$1,577 million). Total borrowings of the Group was \$62 million as at 30 June 2025, as compared to \$64 million as at 30 June 2024.

The Group has generated net cash from operating activities of \$2,133 million during the year (2023/24: \$2,162 million). The Group's major outflows of funds during the year were payments for purchase of fixed assets, spectrum utilization fee, leases, taxation and dividends.

The directors are of the opinion that the Group can fund its capital expenditures and working capital requirements for next financial year with internal cash resources.

## **Treasury policy**

The Group invests its surplus funds in accordance with a treasury policy approved by the board of directors. Surplus funds are placed in bank deposits and invested in financial assets at amortized cost. Bank deposits and financial assets at amortized cost are predominantly maintained in Hong Kong dollars and US dollars.

The Group arranges for banks to issue performance bonds and letters of credit.

## **Charges on assets**

The Group's bank borrowings were secured by certain assets of the Group and the carrying amount of the pledged assets amounted to \$61 million as at 30 June 2025 (30 June 2024: \$63 million).

## **Interest rate exposure**

As at 30 June 2025, the Group's total borrowing of \$62 million is subject to floating interest rate. Management considers the corresponding interest rate exposure will not have any material impact to the Group given the low level of borrowing. The Group does not currently undertake any interest rate hedging.

## **Functional currency and foreign exchange exposure**

The functional currency of the Company is the Hong Kong dollar. The Group is exposed to other currency movements, principally in terms of certain trade receivables, bank deposits, financial asset at fair value through other comprehensive income, financial assets at amortized cost and trade payables denominated in United States dollars. The trade payables denominated in United States dollars is partially hedged with our deposits in United States dollars.

**Contingent liabilities**

As at 30 June 2025, the Group provided performance guarantees of \$718 million (30 June 2024: \$523 million).

**Employees, share award scheme and share option scheme**

The Group had 1,656 full-time employees as at 30 June 2025 (30 June 2024: 1,756), with the majority of them based in Hong Kong. Total staff costs were \$715 million for the year ended 30 June 2025 (2023/24: \$713 million).

Employees receive a remuneration package consisting of basic salary, bonus and other benefits. Bonus payments are discretionary and depend, inter-alia, on both the Group's performance and the individual employee's performance. Benefits include retirement schemes, medical and dental care insurance. Employees are provided with both internal and external training appropriate to each individual's requirements.

A share award scheme was adopted by the Group as an incentive arrangement to recognize the contributions by certain employees and to attract and retain suitable personnel for the development of the Group. During the year under review, no unvested shares (30 June 2024: Nil) were outstanding as at 30 June 2025.

The Group has share option scheme under which the Company may grant options to participants, including directors and employees, to subscribe for shares of the Company. As at 30 June 2025, 4,000,000 share options were outstanding (30 June 2024: 4,000,000).

## RESULTS

The Board of Directors of SmarTone Telecommunications Holdings Limited (the “Company”) is pleased to present the consolidated profit and loss account and the consolidated statement of comprehensive income for the year ended 30 June 2025 and the consolidated balance sheet as at 30 June 2025 of the Company and its subsidiaries (the “Group”), along with selected explanatory notes.

### Consolidated Profit and Loss Account

For the year ended 30 June 2025

	Notes	2025 \$000	2024 \$000
Service revenue and other related service		<b>4,415,349</b>	4,508,713
Handset and accessory sales		<b>1,838,098</b>	1,712,538
Revenues	3	<b>6,253,447</b>	6,221,251
Cost of inventories sold		<b>(1,801,501)</b>	(1,691,876)
Cost of services provided		<b>(395,345)</b>	(410,387)
Staff costs		<b>(714,645)</b>	(712,825)
Other operating expenses, net	6	<b>(896,896)</b>	(964,576)
Depreciation, amortization and loss on disposal		<b>(1,692,851)</b>	(1,740,985)
Operating profit		<b>752,209</b>	700,602
Expected credit loss on financial assets at amortized cost	6	<b>(50,000)</b>	-
Finance income	4	<b>69,656</b>	67,854
Finance costs	5	<b>(104,247)</b>	(105,280)
Profit before income tax	6	<b>667,618</b>	663,176
Income tax expense	7(a)	<b>(188,717)</b>	(193,050)
Profit after income tax		<b>478,901</b>	470,126
Profit attributable to Company's shareholders		<b>478,901</b>	470,126
Earnings per share for profit attributable to Company's shareholders during the year (expressed in cents per share)	8		
Basic		<b>43.5</b>	42.6
Diluted		<b>43.5</b>	42.6



**Consolidated Statement of Comprehensive Income**  
For the year ended 30 June 2025

	<b>2025</b> <b>\$000</b>	2024 \$000
Profit for the year	<u><b>478,901</b></u>	<u>470,126</u>
Other comprehensive loss		
Item that may be reclassified subsequently to profit and loss:		
Currency translation differences	<b>(79)</b>	112
Item that will not be reclassified subsequently to profit and loss:		
Fair value loss on financial asset at fair value through other comprehensive income	<u><b>(1,789)</b></u>	<u>(640)</u>
Other comprehensive loss for the year	<u><b>(1,868)</b></u>	<u>(528)</u>
Total comprehensive income for the year attributable to Company's shareholders	<u><u><b>477,033</b></u></u>	<u><u>469,598</u></u>

**Consolidated Balance Sheet**  
At 30 June 2025

	Notes	2025 \$000	2024 \$000
<b>Non-current assets</b>			
Fixed assets		3,067,242	3,017,019
Customer acquisition costs		93,244	93,304
Contract assets		41,298	27,647
Right-of-use assets		805,416	867,416
Interest in an associate		3	3
Financial asset at fair value through other comprehensive income		4,862	6,651
Financial assets at amortized cost		2,321	28,305
Intangible assets		3,696,376	3,958,076
Deposits and prepayments and other receivables		142,031	151,420
Deferred income tax assets		7,640	3,128
Total non-current assets		7,860,433	8,152,969
<b>Current assets</b>			
Cash and cash equivalents		2,028,081	1,576,915
Contract assets		98,638	101,830
Trade receivables	10	414,066	410,315
Deposits and prepayments		278,327	259,858
Other receivables		138,002	83,793
Financial assets at amortized cost		-	100,817
Inventories		87,217	107,069
Tax reserve certificates	7(b)	402,764	384,709
Total current assets		3,447,095	3,025,306
<b>Current liabilities</b>			
Trade payables	11	351,855	366,208
Other payables and accruals		675,383	747,888
Contract liabilities		468,019	397,804
Lease liabilities		485,400	543,633
Current income tax liabilities	7(b)	739,864	657,806
Bank borrowings		4,718	2,200
Spectrum utilization fee liabilities		248,060	228,366
Total current liabilities		2,973,299	2,943,905

**Consolidated Balance Sheet**  
At 30 June 2025

	<b>2025</b>	2024
	<b>\$000</b>	\$000
<hr/>		
<b>Non-current liabilities</b>		
Asset retirement obligations	<b>45,901</b>	51,811
Contract liabilities	<b>8,698</b>	8,496
Lease liabilities	<b>330,588</b>	355,743
Bank borrowings	<b>56,882</b>	61,600
Spectrum utilization fee liabilities	<b>2,421,198</b>	2,412,756
Deferred income tax liabilities	<b>165,708</b>	158,315
	<hr/>	<hr/>
Total non-current liabilities	<b>3,028,975</b>	3,048,721
	<hr/>	<hr/>
<b>Net assets</b>	<b>5,305,254</b>	5,185,649
	<hr/>	<hr/>
<b>Capital and reserves</b>		
Share capital	<b>110,095</b>	110,226
Reserves	<b>5,195,159</b>	5,075,423
	<hr/>	<hr/>
<b>Total equity</b>	<b>5,305,254</b>	5,185,649
	<hr/>	<hr/>
<hr/>		

## Notes to the Consolidated Financial Statements

### 1 General information

SmarTone Telecommunications Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the provision of telecommunications services and the sale of handsets and accessories in Hong Kong.

The Company is a limited liability company incorporated in Bermuda. The address of its head office and principal place of business is 31/F, Millennium City 2, 378 Kwun Tong Road, Kwun Tong, Hong Kong.

The Company has its listing on The Stock Exchange of Hong Kong Limited (the “SEHK”).

These consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 3 September 2025.

### 2 Summary of material accounting policies

The material accounting policies are applied in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

- (i) Compliance with HKFRS Accounting Standards (“HKFRS”) and Hong Kong Companies Ordinance (“HKCO”)

The consolidated financial statements of the Group have been prepared in accordance with HKFRS and disclosure requirements of the HKCO Cap. 622. The consolidated financial statements have been prepared on a historical cost basis, except for the financial asset at fair value through other comprehensive income, measured at fair value.

- (ii) Amendments to standards and interpretations to existing standards adopted by the Group

The Group has applied the following amendments to standards and interpretations to existing standard for the first time for its annual reporting period commencing on 1 July 2024.

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HK-Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

The adoption of these amendments to standards and interpretations to existing standards did not have any material effect on the results and financial position of the Group.

## 2 Summary of material accounting policies (continued)

### (a) Basis of preparation (continued)

#### (iii) New standards and amendments to standards not yet adopted

Certain new standards and amendments to standards have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the Group.

HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability <sup>2</sup>
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature- dependent Electricity <sup>3</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>4</sup>
HK-Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>4</sup>
HKFRS Amendments	Annual Improvements to HKFRS Accounting Standards <sup>3</sup>

<sup>1</sup> To be determined

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

The Group does not expect that these new standards and amendments to standards would have any material impact on its results and financial position, except for HKFRS 18 which may have impact to the presentation of the consolidated financial statements for the year ending 30 June 2028.

### 3 Revenues

Revenues include income generated from the provision of mobile telecommunications services, and the sales of handsets and accessories. In the current year, it also includes a one-off income totaling \$51 million in respect of exiting from Macau. An analysis of revenues is as follows:

	<b>2025</b> <b>\$000</b>	2024 \$000
Mobile telecommunications services	<b>4,415,349</b>	4,508,713
Handsets and accessories sales	<b>1,838,098</b>	1,712,538
	<u><b>6,253,447</b></u>	<u>6,221,251</u>

The Group's revenues from the provisions of services and delivery of goods by timing of satisfaction of performance obligations are as follows:

	<b>2025</b> <b>\$000</b>	2024 \$000
Timing of revenue recognition:		
Over time	<b>4,415,349</b>	4,508,713
At a point in time	<b>1,838,098</b>	1,712,538
	<u><b>6,253,447</b></u>	<u>6,221,251</u>

In a manner consistent with the way in which information is reported internally to the Group's chief operating decision-maker for the purpose of resource allocation and performance assessment, the Group has identified only one reportable segment, which is mobile telecommunications business.

### 4 Finance income

	<b>2025</b> <b>\$000</b>	2024 \$000
Interest income from financial assets at amortized cost	<b>2,442</b>	6,937
Interest income from bank deposits	<b>67,214</b>	60,917
	<u><b>69,656</b></u>	<u>67,854</u>

## 5 Finance costs

	2025 \$000	2024 \$000
Interest expense on bank borrowings	2,001	2,338
Accretion expenses		
Spectrum utilization fee liabilities	60,996	64,981
Lease liabilities	40,734	34,729
Asset retirement obligations	527	493
Net exchange (gain)/loss on financing activities	(11)	361
Loss on early redemption of financial assets at amortized cost	-	2,378
	<u>104,247</u>	<u>105,280</u>

Accretion expenses represent changes in the spectrum utilization fee liabilities, lease liabilities and asset retirement obligations due to passage of time calculated by applying an effective interest rate method of allocation to the amount of the liabilities at the beginning of the year.

## 6 Profit before income tax

Profit before income tax is stated after charging/(crediting) the following:

	2025 \$000	2024 \$000
Other operating expenses, net		
- Network costs	517,884	568,023
- Short-term and low-value leases	40,567	30,979
- Impairment loss of trade receivables (note 10)	4,504	2,970
- Auditor's remuneration		
- Audit services	2,053	2,558
- Non-audit services	784	840
- Net exchange gain	(1,227)	(1,423)
- Others	332,331	360,629
Loss on disposal of fixed assets	7,818	9,425
Depreciation of fixed assets	524,746	525,909
Depreciation of right-of-use assets	605,262	644,754
Amortization of spectrum utilization fee	473,333	473,333
Amortization of customer acquisition costs	82,107	87,564
Reversal of impairment loss of inventories	(346)	(1,671)
Expected credit loss on financial assets at amortized cost (Note)	<u>50,000</u>	<u>-</u>

Note:

Expected credit loss was recognized to reflect the change in credit risk for the financial assets at amortized cost.

## 7 Income tax

(a) Income tax in the consolidated profit and loss account reports:

	2025 \$000	2024 \$000
Current income tax		
Hong Kong profits tax	183,911	172,700
Non-Hong Kong tax	1,925	1,700
Under-provision in prior years		
Hong Kong profits tax	-	95
Total current income tax expense	185,836	174,495
Deferred income tax expense	2,881	18,555
Income tax expense	188,717	193,050

A reconciliation of the tax expense applicable to profit before income tax at the Hong Kong tax rate to the income tax expense as follows:

	2025 \$000	2024 \$000
Profit before income tax	667,618	663,176
Tax at the Hong Kong tax rate of 16.5% (2024: 16.5%)	110,157	109,424
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Interest income	(11,464)	(10,996)
Net exchange loss	-	56
Expected credit loss on financial assets at amortized cost	8,250	-
Temporary differences/non-deductible expenses	86,143	88,739
Difference in non-Hong Kong tax rates	(803)	1,885
Under-provision in prior years	-	95
Utilisation of unrecognized tax loss	(3,689)	-
Tax loss not recognized	123	3,847
Income tax expense	188,717	193,050

(b) Included in the current income tax liabilities was a provision of \$633 million (2024: \$570 million) which has been made on the assumption that all spectrum utilization fee and related payments by the Group were not tax deductible. The Group is still in progress of pursuing tax deduction for these payments with the Inland Revenue Department. At the same time, tax reserve certificates totalling \$399 million (2024: \$385 million) have been purchased in this regard.



## 8 Earnings per share

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to Company's shareholders
- by the weighted average number of ordinary shares outstanding during the financial year and excluding shares held for share award scheme.

	<b>2025 Cents</b>	2024 Cents
Basic earnings per share attributable to Company's shareholders	<b>43.5</b>	42.6

### (b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	<b>2025 Cents</b>	2024 Cents
Diluted earnings per share attributable to Company's shareholders	<b>43.5</b>	42.6

	<b>2025 \$000</b>	2024 \$000
Profit attributable to Company's shareholders used in calculating basic earnings per share and diluted earnings per share	<b>478,901</b>	470,126

## 8 Earnings per share (continued)

(c) Weighted average number of shares used as the denominator

	2025 Number	2024 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (less shares held for share award scheme)	1,101,720,037	1,103,917,568
Adjustments for calculation of diluted earnings per share:		
Effect of awarded shares	-	2,172
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	1,101,720,037	1,103,919,740

## 9 Dividends

	2025 \$000	2024 \$000
Interim dividend, paid, of 14.5 cents (2024: 14.5 cents) per fully paid share	159,733	160,004
Final dividend, proposed, of 17.5 cents (2024: 17.5 cents) per fully paid share	192,667	192,860
	352,400	352,864

At a meeting held on 3 September 2025, the directors proposed a final dividend of 17.5 cents per fully paid share. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained profits for the year ending 30 June 2026.

The proposed final dividend is calculated based on the number of shares in issue at the date of approval of these financial statements.

## 10 Trade receivables

The credit periods granted by the Group to its customers generally range from 15 days to 45 days from the date of invoice (2024: same). An ageing analysis of trade receivables, net of provision, based on invoice date is as follows:

	2025 \$000	2024 \$000
Current to 30 days	302,753	323,423
31 - 60 days	17,618	14,989
61 - 90 days	5,090	10,152
Over 90 days	88,605	61,751
	<u>414,066</u>	<u>410,315</u>

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. This resulted in a loss of \$4,504,000 (2024: \$2,970,000) for the impairment of its trade receivables during the year ended 30 June 2025.

## 11 Trade payables

An ageing analysis of trade payables based on invoice date is as follows:

	2025 \$000	2024 \$000
Current to 30 days	175,680	146,192
31 - 60 days	47,362	81,128
61 - 90 days	38,176	52,846
Over 90 days	90,637	86,042
	<u>351,855</u>	<u>366,208</u>

## REVIEW OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the year ended 30 June 2025 have been audited by the independent auditor of the Company, PricewaterhouseCoopers. The unqualified independent auditor's report will be included in the Company's 2024/25 Annual Report.

## DIVIDENDS

The Directors recommended the payment of a final dividend for the year ended 30 June 2025 of 17.5 cents per share (2023/24: 17.5 cents). The proposed final dividend, together with the interim dividend of 14.5 cents per share paid by the Company during the year (2023/24: 14.5 cents), makes a total dividend for the year of 32.0 cents per share (2023/24: 32.0 cents).

Subject to approval of the shareholders at the forthcoming Annual General Meeting, the proposed final dividend will be paid in cash on or about Friday, 21 November 2025 to shareholders whose names appear on the Register of Members of the Company on Wednesday, 12 November 2025.

## CLOSURE OF REGISTER OF MEMBERS

The Annual General Meeting of the Company is scheduled to be held on Tuesday, 4 November 2025. For determining the entitlement to attend and vote at the Annual General Meeting, the Register of Members of the Company will be closed from Thursday, 30 October 2025 to Tuesday, 4 November 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17<sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 28 October 2025.

The record date for entitlement to the proposed final dividend is Wednesday, 12 November 2025. For determining the entitlement to the proposed final dividend, the Register of Members of the Company will be closed for one day on Wednesday, 12 November 2025 during which no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (address as per above) for registration no later than 4:30 p.m. on Tuesday, 11 November 2025.

## PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 30 June 2025, the Company repurchased 1,307,500 shares of the Company on The Stock Exchange of Hong Kong Limited. These repurchased shares were cancelled prior to 30 June 2025. Details of the repurchases were as follows:

Month of repurchase	Number of shares repurchased	Price per share		Aggregate price paid
		Highest	Lowest	
		\$	\$	\$
October 2024	203,000	4.19	4.17	848,000
November 2024	142,000	3.97	3.94	562,000
February 2025	312,500	4.32	4.29	1,346,000
March 2025	650,000	4.22	4.19	2,732,000
	<u>1,307,500</u>			<u>5,488,000</u>

The Directors considered that the repurchases could lead to an enhancement of the Company's earnings per share. Save as disclosed above, at no time during the year ended 30 June 2025 was there any purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's shares.

## REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the financial statements of the Group for the year ended 30 June 2025 as well as the report of the Risk Management Committee and the report of Internal Audit. The Committee was satisfied that the accounting policies and methods of computation adopted by the Group are appropriate and in line with the market participants in Hong Kong. The Committee found no unusual items that were omitted from the financial statements and was satisfied with the disclosure of data and explanations shown in the financial statements. The Committee was also satisfied that adequate and effective risk management and internal control systems have been maintained by the Group for the year ended 30 June 2025.

The financial information disclosed above complies with the disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

## CORPORATE GOVERNANCE

The Company is committed to building and maintaining high standards of corporate governance. Throughout the year ended 30 June 2025, the Company has applied the principles and complied with the requirements set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules, except for the following deviation:

Code Provision C.1.6 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Gan Fock-kin, Eric and Mr. Peter Kung, Independent Non-Executive Directors, were unable to attend the annual general meeting of the Company held on 5 November 2024 due to overseas commitments or other prior engagements. The remaining nine Independent Non-Executive Directors and Non-Executive Directors (representing 82% of all independent non-executive and non-executive members of the Board at the time) attended the said meeting in person to listen to the views expressed by the shareholders.

The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance with the CG Code.

Full details of the report on corporate governance will be set out in the Company's 2024/25 Annual Report.

By order of the Board  
**Mak Yau-hing, Alvin**  
Company Secretary

Hong Kong, 3 September 2025

*As at the date of this announcement, the Executive Directors of the Company are Mr. FUNG Yuk-lun, Allen (Deputy Chairman), Ms. LAU Yeuk-hung, Fiona (Chief Executive Officer) and Mr. CHAU Kam-kun, Stephen; Non-Executive Directors are Mr. KWOK Ping-luen, Raymond (Chairman), Mr. CHEUNG Wing-yui (Deputy Chairman), Mr. David Norman PRINCE, Mr. SIU Hon-wah, Thomas and Dr. POON Sun-cheong, Partick; Independent Non-Executive Directors are Dr. LI Ka-cheung, Eric, JP, Mr. NG Leung-sing, JP, Mr. GAN Fock-kin, Eric, Mr. LAM Kwok-fung, Kenny, Mr. LEE Yau-tat, Samuel and Mr. Peter KUNG.*