This announcement is made by HKBN Ltd. (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “Board”) hereby informs the shareholders of the Company and potential investors that based on the unaudited information currently available to the management, the Group expects to record a consolidated net loss of approximately HK$1,300 million for the year ended 31 August 2023, as compared to the profit of HK$553 million for the year ended 31 August 2022. The net loss is primarily caused by (i) the increase in finance cost by approximately HK$500 million, mainly due to the rise in HIBOR as approximately half the bank borrowings of the Group bear floating interest at HIBOR plus a margin, and (ii) the recognition of impairment losses on goodwill of approximately HK$1,200 million. Part of the impact of the increase in finance cost was already reflected in the results of the Company for the six months ended 28 February 2023. The Group wishes to point out that the aforesaid impairment losses on goodwill will not have any effect on the cash flow of its business, and also have no impact on the business in future years.

As the Company is still in the course of preparing its results for the year ended 31 August 2023, the information contained in this announcement is only a preliminary assessment by the Board based on the information currently available and the unaudited consolidated financial information of the Group, which have not been reviewed or audited by the Company’s auditors or have not been confirmed by the Audit Committee of the Company. The overall financial results of the Group for the year ended 31 August 2023 will only be ascertained when all the relevant results and corresponding treatments are finalised.
The results of the Group for the year ended 31 August 2023 are scheduled to be approved and announced by the Board on or about 2 November 2023.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
HKBN Ltd.
Bradley Jay HORWITZ
Chairman

Hong Kong, 9 October 2023

As at the date of this announcement, the Board comprises:

Executive Directors
Mr. Chu Kwong YEUNG
Mr. Ni Quiaque LAI

Non-executive Directors
Mr. Liyang ZHANG
Ms. Shengping YU

Independent Non-executive Directors
Mr. Bradley Jay HORWITZ (Chairman)
Ms. Kit Yi Kitty CHUNG
Ms. Ming Ming Anna CHEUNG
Mr. Stanley CHOW
Mr. Yee Kwan Quinn LAW, SBS, JP

Where the English and the Chinese texts conflict, the English text prevails.