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HKBN Ltd.

香港寬頻有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1310)

SECOND INTERIM RESULTS ANNOUNCEMENT FOR THE TWELVE MONTHS ENDED 31 AUGUST 2026

(Unless otherwise stated, all monetary figures in this announcement are in Hong Kong dollars.)

The board (the “**Board**”) of directors (the “**Director(s)**”) of HKBN Ltd. (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the twelve months ended 31 August 2026, together with the comparative audited figures for the twelve months ended 31 August 2025. These results were based on the unaudited consolidated second interim financial statements for the twelve months ended 31 August 2026, which were prepared in accordance with the Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

ANNOUNCEMENT HIGHLIGHTS

- Total revenue showed a robust performance, increasing by 6% to \$11,821 million. Notably, after excluding handsets and other products sales, core revenue grew by 8%.
- EBITDA recorded at \$2,487 million, representing an increase of 1%. This includes annual salary review and discretionary bonus aimed at enhancing employee service quality. Excluding those factors, the growth would be 4%.
- Adjusted free cash flow (“**AFF**”) grew by 1% to \$681 million, attributable to improved EBITDA and reduced bank loan interest payments, partially offset by an increase in capital expenditure and working capital outflow.
- Net profit increased by 53% to \$317 million. During the period, the financing structure was optimised. Although the early retirement of banking facilities incurred a one-off expense, interest expenses were significantly reduced, while the core business remained resilient with strong profitability.
- In view of the change in the financial year end date in the current year, under which two interim reports and an annual report will be published in the current financial year, the Board has resolved not to declare a second interim dividend for the twelve months ended 31 August 2026. The final dividend will be determined in accordance with the dividend policy after the year end closing (2025: final dividend of 18.9 cents per share).

SHAREHOLDER LETTER

Dear Shareholders,

Building on Our Strengths: Shaping A New Chapter for HKBN Together

It is my privilege to address you for the first time as Chairman of the Board of HKBN. I wish to express my sincere gratitude to Mr Ling Hao for his outstanding contribution in the past, which has laid a solid foundation for the Company's long-term development. As a leading integrated telecommunications and technology solutions provider in Hong Kong, HKBN has consistently connected society through its network and driven progress through technology. I am honoured to assume this responsibility, and committed to working alongside the team to take the Company forward.

Since China Mobile became our controlling shareholder a year ago, we have deepened our collaboration across four areas – market, network, solutions and products, and safeguard mechanisms – and these efforts are now translating into tangible growth momentum. With a clear strategic direction, a solid business foundation and exceptional network quality, I am confident that we are well positioned to seize the opportunities ahead, drive sustainable development and further enhance our service quality and operational efficiency – contributing to Hong Kong's digital intelligence transformation and supporting the city's integration into and service for the overall national development.

Steady Growth, a Stronger Foundation

Over the past year, HKBN has made steady progress under its new strategy, with a number of growth initiatives gradually coming to fruition. Our residential and enterprise businesses have advanced in parallel, driving steady growth and continuous improvement in profitability.

In our residential business, we continue to deepen our “Infinite-Play” strategy and to advance our “Fibre In, Copper Out” programme. Through ultra-fast GigaFast broadband¹, we are leading Hong Kong into the AI era – enhancing the customer experience, while laying a more robust network foundation for the development of a smart city.

We continue to introduce premium content partners and value-added services, driving steady growth in average revenue per user. Building on this, “Infinite-Play” has further extended into gerontechnology, insurance, healthcare and smart living, delivering smarter and more convenient living for our customers.

On the enterprise side, our Enterprise Solutions business remain a core growth engine, with revenue recording notable growth. Demand for enterprise GigaFast broadband remains strong, effectively supporting high-performance AI computing and providing solid support for our enterprise customers' business expansion.

¹ 2Gbps or above.

In response to AI reshaping the corporate operating landscape, we have acted decisively and launched “HKBN AI+” service during the year, making HKBN the first telecommunications service provider in Hong Kong to offer a complete enterprise-grade AI service platform. The platform helps enterprises automate processes and enhance operational efficiency, enabling the Government and enterprises to adopt AI more widely in a secure and scalable manner.

In addition, through the HKBN InnoTech Ecosystem Alliance (iTEA), we bring together leading technology vendors and continue to launch AI, cloud and cybersecurity solutions, making us an important partner in our enterprise customers’ digital intelligence transformation.

AI applications also extend to our internal operations. We are progressively introducing relevant technologies into network operations and management, as well as customer service processes, thereby enhancing overall operational efficiency and service standards and opening up new growth opportunities for the Group.

Rooted in Hong Kong, Contributing to the Nation

HKBN will continue to deepen its presence in the local market, transforming its network and technology into a digital bridge connecting Hong Kong, Chinese Mainland and overseas markets.

This year marks the opening year of the nation’s 15th Five-Year Plan, and the HKSAR Government has also published its first Five-Year Plan – consolidating and enhancing the “Four Centres and One Hub”, deepening cooperation within the Guangdong-Hong Kong-Macao Greater Bay Area, accelerating the development of the Northern Metropolis, and promoting the implementation of “AI+”. These initiatives are closely aligned with our business, and present important development opportunities.

Guided by our direction of “Rooted in Hong Kong, Connected to the Greater Bay Area, Reaching the World”, we will adhere to the strategy of “Strengthening Network Foundation, Driving Full-Stack Innovation”, take Hong Kong as our base, continue to enhance our network capabilities and customer experience, and leverage the vast hinterland of the Greater Bay Area. By introducing advanced technologies and driving deep integration of AI with our business, we aim to serve households across the community and empower various industries.

Looking ahead, we are confident in our prospects. HKBN stands ready to move forward steadily, contributing to Hong Kong’s development and delivering long-term, stable returns to all our stakeholders.

Sincerely yours,

SHI Xiaoping
Chairman and Executive Director

Hong Kong, 27 October 2026

KEY FINANCIAL AND OPERATIONAL SUMMARY

Table 1: Financial highlights

	For the twelve months ended		Change YoY
	31 August 2026 (Unaudited)	31 August 2025 (Audited)	
Key financials (\$'000)			
Revenue	11,820,879	11,128,542	+6%
– Enterprise Solutions	6,233,866	5,531,272	+13%
– Enterprise Solutions related products	1,933,603	1,798,770	+7%
– Residential Solutions	2,300,590	2,332,664	-1%
– Handsets and other products	1,352,820	1,465,836	-8%
Profit for the period	316,568	206,864	+53%
EBITDA ^{1,2}	2,486,724	2,451,160	+1%
Adjusted Free Cash Flow ^{1,3}	681,143	677,070	+1%
Reconciliation of EBITDA & Adjusted Free Cash Flow ^{1,2,3}			
Profit for the period	316,568	206,864	+53%
Amortisation of customer acquisition and retention costs	284,650	286,773	-1%
Amortisation of intangible assets	320,356	351,337	-9%
Depreciation	859,577	822,208	+5%
Finance costs	553,133	710,435	-22%
Income tax expense	162,758	8,969	>100%
Interest income	(10,318)	(8,734)	+18%
Transaction costs in connection with voluntary general cash offer	–	73,308	-100%
EBITDA	2,486,724	2,451,160	+1%
Capital expenditure	(692,243)	(510,541)	+36%
Changes in working capital	(136,101)	(41,270)	>100%
Customer acquisition and retention costs	(254,184)	(256,738)	-1%
Income tax paid	(154,852)	(166,080)	-7%
Lease payment in relation to right-of-use assets	(165,375)	(178,547)	-7%
Net interest paid	(402,826)	(620,914)	-35%
Adjusted Free Cash Flow	681,143	677,070	+1%

KEY FINANCIAL AND OPERATIONAL SUMMARY (CONTINUED)

Table 2: Operational highlights

	For the twelve months ended		Change YoY
	31 August 2026	31 August 2025	
Enterprise business			
Commercial building coverage	8,320	8,220	+1%
Subscriptions ('000)			
– Broadband	109	107	+2%
– Voice	315	335	-6%
Residential business			
Residential homes passed ('000)	2,694	2,646	+2%
Subscriptions ('000)			
– Broadband	928	907	+2%
– Voice	266	290	-8%
Mobile business			
Subscriptions ('000)	159	181	-12%
Total full-time permanent staff	3,588	3,670	-2%

Notes:

- (1) EBITDA and AFF are not measures of performance under HKFRS Accounting Standards. These measures do not represent, and should not be used as substitutes for, net income or cash flows from operations as determined in accordance with HKFRS Accounting Standards. These measures are not necessarily an indication of whether cash flow will be sufficient to fund our cash requirements. In addition, our definitions of these measures may not be comparable to other similarly titled measures used by other companies.
- (2) EBITDA means profit for the period plus amortisation of customer acquisition and retention costs, amortisation of intangible assets (net of direct cost incurred in corresponding period), depreciation, finance costs, income tax expense and transaction costs in connection with voluntary general cash offer less interest income.
- (3) AFF means EBITDA less capital expenditure, customer acquisition and retention costs, income tax paid, lease payments in relation to right-of-use assets, net interest paid and changes in working capital. Working capital includes other non-current assets, inventories, trade receivables, other receivables, deposits and prepayments, contract assets, amount due from/to a joint venture, trade payables and related accruals (including amount utilised for supply chain financing), contract liabilities, and deposits received.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the twelve months ended 31 August 2026, our Group demonstrated exceptional business resilience and strategic execution. Despite continued geopolitical uncertainties and a challenging macroeconomic environment, total revenue grew steadily at 6%, underscoring the strength of its diversified business portfolio and robust operational capabilities.

Enterprise Solutions

Enterprise Solutions business continues to serve as the core growth engine of the Group, with revenue rising significantly by 11% to \$8,167 million, reflecting strong market demand for our solutions. As AI reshapes corporate operating models, our expertise in AI is creating notable value, further consolidating our market leadership and opening up new growth opportunities.

The number of enterprise customers increased to 101,000, in particular, GigaFast broadband customers exceeded 26,000, more than doubling year-on-year. High-speed enterprise broadband helps support high-performance AI computing, and complements enterprise customers' business expansion.

During the period, the Group launched “HKBN AI+”, marking HKBN as the first telecommunications service provider in Hong Kong to offer a complete enterprise-grade AI service platform. The platform combines leading domestic computing power, advanced large language models, professional AI agents, and high-performance network infrastructure, enabling enterprises to adopt AI securely, easily, and broadly.

Tailored specifically for enterprise applications, “HKBN AI+” supports a wide range of business functions including Human Resources, Marketing, Finance, Legal and Operations, helping businesses automate processes and enhance operational efficiency. Pre-loaded with over 100 skills and pre-built AI agents, the platform supports common operational workflows. It also supports mainstream large language models, and can be seamlessly integrated into existing enterprise systems. The platform is also equipped with granular role-based access control, data protection and compliance mechanisms, enabling businesses to adopt AI with confidence. The service adopts a flexible “Token-as-a-Service” prepaid billing model, lowering the barrier to AI adoption for businesses of all sizes.

We will further strengthen our enterprise solutions, encompassing AI-empowered operations, ultra-high-speed network connectivity, and on-demand scalability of computing power — working hand in hand with enterprise customers to create long-term value in a rapidly changing market environment.

Residential Solutions

Our Residential Solutions business demonstrated strong resilience, holding revenue steady at \$2,301 million. Total residential broadband subscriptions reached 928,000, while network coverage expanded by 2% to 2.69 million households across Hong Kong, consolidating our leadership in the city's residential broadband market.

The number of residential GigaFast broadband customers increased by 40% year-on-year to nearly 133,000. This flagship service not only leads Hong Kong into the AI era, but also lays a solid foundation for its smart city development. We continue to comprehensively advance the “Fibre in, Copper out” network experience upgrade programme, focusing on assisting customers to migrate from copper networks to 2.5Gbps fibre networks. This initiative not only significantly enhances customer satisfaction, but also effectively reduces network maintenance costs.

This stable performance is underpinned by our unique “Infinite-Play” strategy, which focuses on premium content partnerships and value-added services to deepen customer engagement. As Hong Kong's network provider offering the widest selection of OTT streaming platforms, HKBN brings together leading services such as Netflix, Disney+, myTV SUPER, iQIYI, HBO Max, and WeTV, as well as music platforms JOOX and KKBOX, to create a comprehensive entertainment ecosystem. This enhances user engagement and loyalty, driving a 0.5% increase in average revenue per household to \$218.

To further support ageing in place, HKBN continues to enrich the product portfolio of its elderly care brand, “Elder Buddy”, launching the “Home Safety Package” to safeguard the elderly through multiple smart sensors, complemented by 24-hour emergency support centre services to alleviate caregiver stress.

Mobile communication services are also a key pillar of the residential business. As the only authorised provider in Hong Kong to sell the services of all three major mobile network operators, we have launched a diverse range of service plans covering high data usage for both local and Greater Bay Area, precisely tailored to the individual needs of different customers.

Financial Performance

Against this operational backdrop, network costs and cost of sales increased by 9% to \$7,726 million, consistent with revenue growth. Other operating expenses decreased by 2% to \$3,077 million, primarily due to a \$73 million reduction in one-off transaction costs in connection with voluntary general cash offer, and was partially offset by an increase in staff-related costs.

Finance costs decreased by 22% to \$553 million. The reduction was primarily driven by a \$233 million decrease in interest and finance charges on bank loans, attributed to the decline in HIBOR and interest rate spread, and a \$28 million decrease in the fair value loss on interest-rate swap contracts. These impacts were partially offset by a \$110 million increase in loss from the write-off of unamortised transaction fees arising from early retirement of banking facilities.

Income tax increased from \$9 million to \$163 million, primarily attributable to a reduction in the recognition of deferred tax assets arising from unused tax losses of the Group's subsidiary.

As a result of the above factors, profit attributable to equity shareholders increased by 53% to \$317 million. EBITDA recorded at \$2,487 million, representing an increase of 1%. This includes annual salary review and discretionary bonus aimed at enhancing employee service quality. Excluding those factors, the growth would be 4%.

Adjusted free cash flow increased by 1% to \$681 million, primarily due to a \$36 million increase in EBITDA, a \$218 million reduction in net interest paid, a \$13 million decrease in lease payment in relation to right-of-use assets, a \$11 million decrease in income tax paid, and a \$3 million decrease in customer acquisition and retention costs, partially offset by a \$182 million increase in capital expenditure and a \$95 million increase in working capital outflow.

OUTLOOK

Looking back over the past twelve months, the Group recorded steady growth, fully demonstrating the effectiveness of HKBN's "Network + AI" strategic deployment. Guided by our philosophy of "Network Empowers AI, AI Empowers Network", we redefine network demand through AI, driving the vigorous development of our network business. As AI transforms both individual lifestyles and corporate decision-making, we remain at the forefront of technological development, integrating innovative technologies into our solutions and comprehensively upgrading the customer experience. We are confident in our business prospects.

In terms of infrastructure development, we will increase capital investment, encompassing the expansion of network coverage, the advancement of AI-driven digital transformation, and the acceleration of network deployment in the Northern Metropolis, injecting momentum into our long-term development.

We will focus on driving adoption of GigaFast high-speed broadband services in the household and SME markets, continuing to expand our GigaFast subscriber base. At the same time, we will advance our "Fibre in, Copper out" network experience upgrade programme steadily, focusing on helping customers migrate to 2.5Gbps fibre networks.

Turning to our Enterprise business, through the HKBN InnoTech Ecosystem Alliance (iTEA), we are deeply integrating our core network connectivity services with cutting-edge cybersecurity, cloud and AI solutions to provide end-to-end digital transformation support for enterprises customers. Furthermore, we are actively promoting “HKBN AI+” to assist enterprises in enhancing operational efficiency and improving service quality, driving growth through intelligent operations.

In our Residential business, we will continue to deepen our “Infinite-Play” strategy, integrating technological innovation with lifestyle and entertainment to create a smarter and more convenient living experience for residential customers. The “Infinite-Play” offering will continue to expand into new areas such as gerontechnology, insurance, healthcare and smart living, further embedding itself into customers’ daily lives and enhancing user loyalty.

Finally, through deep collaboration and complementary advantages with China Mobile, we will bring customers smoother network experiences, more attentive services, and a richer product portfolio, thereby strengthening our market leadership and creating greater customer value.

We will continue to solidify our operational foundation and build a more resilient business structure, leading the Company towards sustainable long-term development through steady progress combined with innovative momentum.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 August 2026, the Group had total cash and cash equivalents of \$1,275 million (2025: \$1,192 million) and gross debt of \$11,198 million (2025: \$11,416 million), which led to a net debt position of \$9,923 million (2025: \$10,224 million). Lease liabilities of \$283 million (2025: \$392 million) was included as debt as at 31 August 2026 in accordance with the terms of the Group’s various loan facilities. The Group’s gearing ratio, which was expressed as a ratio of the gross debt over total equity, was 5.3x as at 31 August 2026 (2025: 5.0x).

The Group’s net debt to EBITDA ratio as computed in accordance with the terms of the Group’s various loan facilities was approximately 4.4x as at 31 August 2026 (2025: 4.7x). The average finance cost calculated as the interest and coupon charges over the average borrowing balance was 3.8% (2025: 6.2%). The average weighted maturity of the Group’s borrowings was 4.2 years as at 31 August 2026 (2025: 3.0 years).

Cash and cash equivalents consisted of cash at bank and in hand. There was no pledged bank deposit as at 31 August 2026 and 2025. As at 31 August 2026, the Group had an undrawn revolving credit facility of \$1,603 million (2025: \$1,470 million).

Under the liquidity and capital resources condition as at 31 August 2026, the Group can fund its capital expenditures and working capital requirements for the period with internal resources and the available banking facilities.

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 up to November 2025. As at 31 August 2026, the Group had not entered into any new hedging arrangements.

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

CHARGE ON GROUP ASSETS

As at 31 August 2026, the Group pledged assets to secure the other borrowings of \$70 million (2025: \$38 million).

CONTINGENT LIABILITIES

As at 31 August 2026, the Group had total contingent liabilities of \$282 million (2025: \$271 million) in respect of bank guarantees provided to suppliers and customers and utility vendors in lieu of payment of utility deposits. The increase of \$11 million was mainly due to an increase 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 the HKD to the USD has remained close to the current pegged rate of HKD7.80 = USD1.00 since 1983, management does not expect significant foreign exchange gains or losses between the two currencies. The Group is also exposed to a certain amount of foreign exchange risk based on fluctuations between 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 to address it.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

The Group did not make any significant investments, acquisitions or disposals in relation to its subsidiaries and associated companies during the twelve months ended 31 August 2026.

STAFF REMUNERATION

As at 31 August 2026, the Group had 3,588 permanent full-time staff (31 August 2025: 3,670 staff). The Group provides a remuneration package consisting of basic salary, bonus and other benefits. Bonus payments are discretionary and dependent on both the Group's and individual performances. The Group also provides comprehensive medical insurance coverage, competitive retirement benefits schemes, and staff training programmes.

SECOND INTERIM DIVIDEND

The Board of Directors does not recommend the payment of a second interim dividend for the twelve months ended 31 August 2026 (twelve months ended 31 August 2025: final dividend of 18.9 cents per share).

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

During the twelve months ended 31 August 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any).

CHANGE OF FINANCIAL YEAR END DATE

References are made to the announcement of the Company dated 21 May 2026, pursuant to which the Board resolved to change the financial year end date of the Company from 31 August to 31 December. Accordingly, the next financial year end date of the Company will be 31 December 2026, and the next published audited consolidated financial statements of the Company will cover a 16-month period from 1 September 2025 to 31 December 2026.

REVIEW OF SECOND INTERIM FINANCIAL INFORMATION

The Audit Committee of the Company has reviewed with the management and the external auditor the unaudited second interim results of the Group for the twelve months ended 31 August 2026, the accounting principles and practices adopted by the Group, as well as discussion on auditing, internal control and financial reporting matters of the Group.

The unaudited second interim financial information of the Group for the twelve months ended 31 August 2026 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.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices and procedures and to complying with the statutory and regulatory requirements with an aim of maximizing the Shareholders' values and interests as well as enhancing the stakeholders' transparency and accountability.

The Company has complied with all the code provisions contained in the "Corporate Governance Code" set out in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") during the twelve months ended 31 August 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors.

Having made specific enquiries with the Directors, they confirmed that they had complied with the Model Code throughout the twelve months ended 31 August 2026.

SUBSEQUENT EVENT

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

PUBLICATION OF SECOND INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hkbnltd.net). The second interim report of the Company for the twelve months ended 31 August 2026 will be despatched to the Shareholders and made available on the same websites in due course.

By order of the Board
HKBN Ltd.
SHI Xiaoping
Chairman

Hong Kong, 27 October 2026

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

Executive Directors

Ms. SHI Xiaoping (*Chairman*)

Mr. LI Xin

Mr. SHEN Qingyi

Independent Non-executive Directors

Ms. CHEUNG Ming Ming Anna

Ms. CHUNG Cordelia

Ms. CHUNG Kit Yi Kitty

Non-executive Director

Mr. LUO Weimin

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

CONSOLIDATED INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED 31 AUGUST 2026

		Twelve months ended	
		31 August	31 August
		2026	2025
		(Unaudited)	(Audited)
	<i>Note</i>	\$'000	\$'000
Revenue	4	11,820,879	11,128,542
Other net income	5(a)	14,893	8,783
Network costs and costs of sales		(7,726,017)	(7,085,617)
Other operating expenses	5(b)	(3,077,296)	(3,125,440)
Finance costs	5(d)	<u>(553,133)</u>	<u>(710,435)</u>
Profit before taxation	5	479,326	215,833
Income tax expense	6	<u>(162,758)</u>	<u>(8,969)</u>
Profit for the period attributable to equity shareholders of the Company		<u>316,568</u>	<u>206,864</u>
Earnings per share			
Basic	7	<u>21.4 cents</u>	<u>15.0 cents</u>
Diluted	7	<u>21.4 cents</u>	<u>14.0 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE TWELVE MONTHS ENDED 31 AUGUST 2026

	Twelve months ended	
	31 August 2026 (Unaudited) \$'000	31 August 2025 (Audited) \$'000
Profit for the period	316,568	206,864
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	<u>18,421</u>	<u>(2,122)</u>
Other comprehensive income for the period	<u>18,421</u>	<u>(2,122)</u>
Total comprehensive income for the period attributable to equity shareholders of the Company	<u><u>334,989</u></u>	<u><u>204,742</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 AUGUST 2026

		At 31 August 2026 (Unaudited) \$'000	At 31 August 2025 (Audited) \$'000
	Note		
Non-current assets			
Goodwill		7,816,507	7,816,507
Intangible assets		1,727,398	2,012,209
Property, plant and equipment		3,273,774	3,154,104
Right-of-use assets		432,826	534,464
Customer acquisition and retention costs		404,453	434,919
Deferred tax assets		95,783	181,437
Other non-current assets		53,967	52,585
		<u>13,804,708</u>	<u>14,186,225</u>
Current assets			
Inventories		96,681	92,861
Trade receivables	8	929,167	976,438
Other receivables, deposits and prepayments		378,703	440,253
Contract assets		444,025	364,580
Amount due from a joint venture		278	230
Cash and cash equivalents		1,275,188	1,192,160
		<u>3,124,042</u>	<u>3,066,522</u>
Current liabilities			
Trade payables, other payables and accrued charges	9	2,022,999	2,078,745
Contract liabilities		683,630	583,301
Deposits received		141,941	136,796
Amount due to a joint venture		7,166	15,744
Bank and other borrowings		123,104	4,239,769
Lease liabilities		132,624	144,813
Tax payable		101,982	124,942
Financial liabilities at fair value through profit or loss		–	14,071
		<u>3,213,446</u>	<u>7,338,181</u>
Net current liabilities		<u>(89,404)</u>	<u>(4,271,659)</u>
Total assets less current liabilities		<u><u>13,715,304</u></u>	<u><u>9,914,566</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AT 31 AUGUST 2026

	At 31 August 2026 (Unaudited) \$'000	At 31 August 2025 (Audited) \$'000
<i>Note</i>		
Non-current liabilities		
Contract liabilities	149,362	153,583
Deferred tax liabilities	459,589	514,418
Lease liabilities	150,793	246,897
Provision for reinstatement costs	66,769	67,997
Bank and other borrowings	10,776,800	6,645,920
	<u>11,603,313</u>	<u>7,628,815</u>
NET ASSETS	<u><u>2,111,991</u></u>	<u><u>2,285,751</u></u>
CAPITAL AND RESERVES		
Share capital	149	149
Reserves	2,111,842	2,285,602
TOTAL EQUITY	<u><u>2,111,991</u></u>	<u><u>2,285,751</u></u>

NOTES TO THE UNAUDITED CONSOLIDATED SECOND INTERIM FINANCIAL INFORMATION:

1 BASIS OF PREPARATION

The unaudited consolidated second interim financial information set out in this announcement does not constitute the Group's second interim financial report for the twelve months ended 31 August 2026 but is extracted from that second interim financial report which 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 27 October 2026.

The second 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 2025, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 3.

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 second 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 2025. The condensed consolidated second interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The second 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.

2 CHANGES OF FINANCIAL YEAR END DATE

China Mobile Hong Kong Company Limited, a wholly-owned indirect subsidiary of China Mobile Limited ("**China Mobile**"), is the Company's controlling shareholder and holds approximately 74.84% in the Company's total issued share capital. The financial year end date of China Mobile, whose shares are listed on both The Stock Exchange of Hong Kong Limited (stock code: 941) and the Shanghai Stock Exchange (stock code: 600941), is 31 December.

On 21 May 2026, the Company has resolved to change the financial year end date of the Company from 31 August to 31 December in order to align the Company's financial year end date with that of China Mobile, ensuring consistency across the wider China Mobile group companies and compliance with applicable regulatory requirements. The Board considers that the year end date change will enable the Group to rationalise and mobilise its resources more efficiently and effectively for the preparation of the financial results, announcements and reports.

Accordingly, the forthcoming financial year end date of the Company will be 31 December 2026 and the next audited consolidated financial statements of the Company will cover a period of sixteen months from 1 September 2025 to 31 December 2026. The condensed consolidated second interim financial information of the Company covers the twelve months ended 31 August 2026 with comparative figures cover the twelve months ended 31 August 2025.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability*, issued by the HKICPA to this second interim financial report for the current accounting period. The amendments do not have a material impact on this second interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 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.

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

	Twelve months ended	
	31 August 2026 (Unaudited) \$'000	31 August 2025 (Audited) \$'000
Disaggregated by major products or service lines:		
Fixed telecommunications network services	4,772,679	4,687,385
International telecommunications services	1,979,436	1,599,495
Other services	274,228	301,693
Fees from provision of telecommunications services	7,026,343	6,588,573
Product revenue	3,286,423	3,264,606
Technology solution and consultancy services	1,508,113	1,275,363
Revenue from contracts with customers within the scope of HKFRS 15	11,820,879	11,128,542
Disaggregated by major categories:		
Residential Solutions revenue	2,300,590	2,332,664
Enterprise Solutions revenue	6,233,866	5,531,272
Enterprise Solutions related products revenue	1,933,603	1,798,770
Handsets and other products revenue	1,352,820	1,465,836
	11,820,879	11,128,542

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Disaggregation of revenue (Continued)

During the twelve months ended 31 August 2026 and 2025, 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 10.3% of the Group's total revenue for the twelve months ended 31 August 2026 (2025: 12.4%).

(b) Segment reporting

The Group's most senior executive management reviews the Group's internal reporting for the purposes of assessing the performance and allocates the resources of the Group by geographical location. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resources allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

(i) Telecom and technology solutions (Hong Kong)

Include provision of fixed telecommunications network services, international telecommunications services, mobile services to residential and enterprise customers and technology-related services in Hong Kong.

(ii) Telecom and technology solutions (non-Hong Kong)

Include the provision of telecommunications and technology solutions and consultancy services in Chinese Mainland and Macao.

(iii) Segment results, assets and liabilities

The Group's senior executive management monitors the performance attributable to each reportable segment on the following basis:

The segment revenue of the Group is based on geographical location of customers. Income and expenses are allocated to the reportable segments with reference to revenue generated by those segments and expenses incurred by those segments or which otherwise arisen from the depreciation or amortisation of assets attributable to those segments. The inter-segment transactions are conducted on normal commercial terms and are priced with reference to prevailing market prices and in the ordinary course of business.

The performance measure used for reporting segment profit is earnings before finance costs, interest income, income tax, depreciation, amortisation of intangible assets (net of direct cost incurred), amortisation of customer acquisition and retention costs and transaction costs in connection with voluntary general cash offer.

In addition to receiving segment information concerning the reportable segment profit, management is provided with segment information concerning inter-segment sales, interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation, capital expenditures and income tax.

Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Segment assets and liabilities of the Group are not reported to the Group's chief operating decision makers regularly. As a result, reportable assets and liabilities have not been presented in the financial statements.

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

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

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

For the twelve months ended	Telecom and technology solutions (Hong Kong)		Telecom and technology solutions (non-Hong Kong)		Total	
	31 August 2026	31 August 2025	31 August 2026	31 August 2025	31 August 2026	31 August 2025
	(Unaudited) \$'000	(Audited) \$'000	(Unaudited) \$'000	(Audited) \$'000	(Unaudited) \$'000	(Audited) \$'000
Reportable segment revenue	10,655,518	10,107,064	1,605,099	1,455,473	12,260,617	11,562,537
Inter-segment revenue	(22,817)	(42,062)	(416,921)	(391,933)	(439,738)	(433,995)
Revenue from external customers	<u>10,632,701</u>	<u>10,065,002</u>	<u>1,188,178</u>	<u>1,063,540</u>	<u>11,820,879</u>	<u>11,128,542</u>
Disaggregated by timing of revenue recognition						
Point in time	2,355,260	2,413,487	931,163	851,119	3,286,423	3,264,606
Over time	<u>8,277,441</u>	<u>7,651,515</u>	<u>257,015</u>	<u>212,421</u>	<u>8,534,456</u>	<u>7,863,936</u>
Revenue from external customers	<u>10,632,701</u>	<u>10,065,002</u>	<u>1,188,178</u>	<u>1,063,540</u>	<u>11,820,879</u>	<u>11,128,542</u>
Reportable segment profit	<u>2,413,496</u>	<u>2,385,386</u>	<u>73,228</u>	<u>65,774</u>	<u>2,486,724</u>	<u>2,451,160</u>

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

	Twelve months ended	
	31 August 2026 (Unaudited) \$'000	31 August 2025 (Audited) \$'000
Reportable segment profit derived from Group's external customers	2,486,724	2,451,160
Finance costs	(553,133)	(710,435)
Interest income	10,318	8,734
Depreciation	(859,577)	(822,208)
Amortisation of intangible assets	(320,356)	(351,337)
Amortisation of customer acquisition and retention costs	(284,650)	(286,773)
Transaction costs in connection with voluntary general cash offer	—	(73,308)
Consolidated profit before taxation	<u>479,326</u>	<u>215,833</u>

5 PROFIT BEFORE TAXATION

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

	Twelve months ended	
	31 August 2026 (Unaudited) \$'000	31 August 2025 (Audited) \$'000
(a) Other net income		
Interest income	(10,318)	(8,734)
Net foreign exchange loss	23,772	12,011
Gain on disposal of property, plant and equipment, net	(6,357)	(3,595)
Gain on disposal of right-of-use assets, net	(3,047)	(174)
Other income	(18,943)	(8,291)
	<u>(14,893)</u>	<u>(8,783)</u>
(b) Other operating expenses		
Advertising and marketing expenses	27,186	36,614
Depreciation		
– Property, plant and equipment	714,765	664,924
– Right-of-use assets	144,812	157,197
Recognition of loss allowance on trade receivables and contract assets	61,040	67,045
Staff costs (<i>note 5(c)</i>)	1,041,321	974,667
Amortisation of intangible assets	320,356	351,337
Amortisation of customer acquisition and retention costs	284,650	286,773
Transaction costs in connection with voluntary general cash offer	–	73,308
Others	483,166	513,575
– Rental and utilities	52,696	56,600
– Site expenses	91,040	90,399
– Bank handling charges	37,519	34,333
– Maintenance	59,432	68,486
– Subscription and license fees	95,840	103,457
– Legal and professional fees	15,534	43,344
– Printing, telecommunication and logistics expenses	36,193	35,781
– Others	94,912	81,175
	<u>3,077,296</u>	<u>3,125,440</u>

5 PROFIT BEFORE TAXATION (CONTINUED)

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

(c) Staff costs

	Twelve months ended	
	31 August 2026 (Unaudited) \$'000	31 August 2025 (Audited) \$'000
Salaries, wages and other benefits	1,396,457	1,330,384
Contributions to defined contribution retirement plan	132,443	124,507
	<u>1,528,900</u>	<u>1,454,891</u>
Less: Staff costs capitalised as property, plant and equipment	(74,619)	(76,424)
Staff costs capitalised as intangible assets	(35,539)	(16,966)
Staff costs capitalised as customer acquisition and retention costs	(180,650)	(176,748)
Staff costs included in network costs and cost of sales	(196,771)	(210,086)
	<u>1,041,321</u>	<u>974,667</u>

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

(d) Finance costs

	Twelve months ended	
	31 August 2026 (Unaudited) \$'000	31 August 2025 (Audited) \$'000
Interest and finance charges on bank loans	410,972	644,438
Interest on other borrowings	959	1,022
Interest on lease liabilities	17,717	23,386
Interest on other liabilities	–	20
Loss on early retirement of banking facilities	128,737	18,968
Fair value (gain)/loss on interest-rate swap	(5,252)	22,601
	<u>553,133</u>	<u>710,435</u>

5 PROFIT BEFORE TAXATION (CONTINUED)

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

(e) Other items

	Twelve months ended	
	31 August 2026 (Unaudited) \$'000	31 August 2025 (Audited) \$'000
Amortisation of intangible assets [#]	320,356	372,377
Depreciation		
– Property, plant and equipment [#]	714,765	664,924
– Right-of-use assets [#]	144,812	157,284
Rental charges on telecommunications facilities and computer equipment	623,324	563,429
Expenses relating to short-term leases and leases of low-value assets	9,296	8,572
Recognition of loss allowance on trade receivables and contract assets [#]	61,040	67,045
Cost of inventories	3,078,126	3,123,126
Write-down of inventories	3,390	5,755

[#] Include amounts disclosed separately in note 5(b) above.

6 INCOME TAX EXPENSE

(a) Taxation in the consolidated income statement represents:

	Twelve months ended	
	31 August 2026 (Unaudited) \$'000	31 August 2025 (Audited) \$'000
Current tax — Hong Kong Profits Tax	120,888	120,400
Current tax — Outside Hong Kong	10,972	10,948
Deferred tax	30,898	(122,379)
Income tax expense	162,758	8,969

6 INCOME TAX EXPENSE (CONTINUED)

(a) Taxation in the consolidated income statement represents: (Continued)

The provision for Hong Kong Profits Tax is calculated at 16.5% for the twelve months ended 31 August 2026 (2025: 16.5%) of the estimated assessable profits for the period.

During the twelve months ended 31 August 2025, one subsidiary of the Group which was qualifying corporation under the two tiered profit tax rate regime. For this subsidiary, the first \$2 million of assessable profits were taxed at 8.25% and the remaining assessable profits were taxed at 16.5%. During the twelve months ended 31 August 2026, none of the Group's subsidiaries was eligible for the 8.25% tax rate under the two tiered profits tax regime, as the concessionary tax rate had been elected by another entity within the group to which the Group belongs.

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 jurisdictions.

(b) Pillar Two income tax

The Group is subject to the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") published by the Organisation for Economic Co-operation and Development.

The Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong and certain other jurisdictions. Management assessed that the exposure arising from top-up tax to be immaterial.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$316,568,000 (2025: \$206,864,000) and the weighted average number of ordinary shares in issue calculated as follows:

	Twelve months ended	
	31 August 2026 (Unaudited) '000	31 August 2025 (Audited) '000
Issued ordinary shares at 1 September	1,478,921	1,311,599
Less: lapsed/unvested shares held for the Co-Ownership Plan II Restricted Share Units	(404)	(760)
	1,478,517	1,310,839
Add: effect of the conversion of Vendor Loan Notes	–	69,680
Weighted average number of ordinary shares in issue during the period	1,478,517	1,380,519

7 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

During the twelve months ended 31 August 2026, diluted earnings per share is calculated on the same basis as basic earnings per share as there is no dilutive potential ordinary shares in existence.

During the twelve months ended 31 August 2025, the calculation of diluted earnings per share was based on the profit attributable to ordinary equity shareholders of the Company of \$206,864,000 and the weighted average number of ordinary shares in issue less shares held for the Co-Ownership Plan II after adjusting for the dilutive effect of the Vendor Loan Notes, calculated as follows:

	Twelve months ended 31 August 2025 (Audited) '000
Weighted average number of ordinary shares less shares held for the Co-Ownership Plan II	1,380,519
Add: effect of the Vendor Loan Notes	<u>97,642</u>
Weighted average number of ordinary shares (diluted)	<u><u>1,478,161</u></u>

8 TRADE RECEIVABLES

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 31 August 2026 (Unaudited) \$'000	At 31 August 2025 (Audited) \$'000
Within 30 days	416,263	425,766
31 to 60 days	210,472	229,529
61 to 90 days	117,602	98,551
Over 90 days	<u>184,830</u>	<u>222,592</u>
	<u><u>929,167</u></u>	<u><u>976,438</u></u>

The majority of the Group's trade receivables is due within 30-90 days from the date of billing.

9 TRADE PAYABLES, OTHER PAYABLES AND ACCRUED CHARGES

	At 31 August 2026 (Unaudited) \$'000	At 31 August 2025 (Audited) \$'000
Trade payables and related accruals	1,253,204	1,364,638
Other payables and accrued charges	769,795	714,107
	<u>2,022,999</u>	<u>2,078,745</u>

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

	At 31 August 2026 (Unaudited) \$'000	At 31 August 2025 (Audited) \$'000
Within 30 days	783,635	857,152
31 to 60 days	192,596	184,870
61 to 90 days	134,534	145,713
Over 90 days	142,439	176,903
	<u>1,253,204</u>	<u>1,364,638</u>

10 DIVIDENDS

(a) Dividend payable to equity shareholders of the Company attributable to the period

	Twelve months ended 31 August 2026 (Unaudited) \$'000	31 August 2025 (Audited) \$'000
First interim dividend declared and paid of 15.5 cents per ordinary share (2025: 15.5 cents per ordinary share)	<u>229,233</u>	<u>229,233</u>

Note: The amount of 2026 first interim dividend is based on the 1,478,921,568 (2025 interim dividend: 1,478,921,568) ordinary shares in issue as at the date of the first interim report.

The Board does not recommend the payment of a second interim dividend for the twelve months ended 31 August 2026.

10 DIVIDENDS (CONTINUED)

- (b) Dividend payable to equity shareholders of the Company attributable to the previous financial period, approved and paid during the period

	Twelve months ended	
	31 August	31 August
	2026	2025
	(Unaudited)	(Audited)
	\$'000	\$'000
Final dividend in respect of the previous financial period, approved and paid during the following period, of 18.9 cents per ordinary share (2025: 16.5 cents per ordinary share)	279,516	216,414