



Hutchison Telecom
Hong Kong Holdings

Enduring Strength Dynamic Growth


2024 Annual Report

Hutchison Telecommunications Hong Kong Holdings Limited

和記電訊香港控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 215)

 A member of CK Hutchison Holdings

Contents



2	Corporate Information
3	Financial Highlights
4	Corporate Profile and Awards
10	Chairman's Statement
12	Operations Review
18	Management Discussion and Analysis
22	Group Capital Resources and Liquidity
24	Risk Factors
29	Information on Directors
37	Information on Senior Management
38	Directors' Report
48	Corporate Governance Report
86	Sustainability Report
148	Independent Auditor's Report
153	Consolidated Income Statement
154	Consolidated Statement of Comprehensive Income
155	Consolidated Statement of Financial Position
156	Consolidated Statement of Changes in Equity
157	Consolidated Statement of Cash Flows
158	Notes to the Consolidated Financial Statements
211	List of Principal Subsidiaries
212	Supplementary Financial Information
214	Glossary
216	Information for Shareholders

Corporate Information

Board of Directors

Chairman and Non-executive Director

FOK Kin Ning, Canning, BA, DFM, FCA (ANZ)

Executive Directors

LUI Dennis Pok Man ⁽¹⁾, BSc

Executive Deputy Chairman

KOO Sing Fai, BSc

Chief Executive Officer

Non-executive Directors

WOO Chiu Man, Cliff ⁽²⁾, BSc

Non-executive Deputy Chairman

LAI Kai Ming, Dominic, BSc, MBA

(also Alternate to FOK Kin Ning, Canning and Edith SHIH)

Edith SHIH, BSE, MA, MA, EdM, Solicitor, FCG, HKFCG

MA Lai Chee, Gerald, BCom, MA

(Alternate to LAI Kai Ming, Dominic)

Independent Non-executive Directors

CHAN Tze Leung, BSc(Econ), MBA, FHKIOD

CHOW Ching Yee, Cynthia, BA, MBA

IM Man Ieng, BCom, MBus(Acc), CPA

IP Yuk Keung, BSc, MSc, MSc

Audit Committee

IP Yuk Keung (*Chairman*)

CHAN Tze Leung

IM Man Ieng

Nomination Committee

CHAN Tze Leung (*Chairman*)

Edith SHIH

IP Yuk Keung

Remuneration Committee

IP Yuk Keung (*Chairman*)

FOK Kin Ning, Canning

CHOW Ching Yee, Cynthia

Sustainability Committee

Edith SHIH (*Chairman*)

KOO Sing Fai

CHOW Ching Yee, Cynthia

Company Secretary

CHOW Yan Hing, Agnes

Auditor

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

Notes:

(1) Re-designated as Executive Deputy Chairman with effect from 11 December 2024

(2) Re-designated as Non-executive Deputy Chairman with effect from 11 December 2024

Financial Highlights

	2024 HK\$ million	2023 HK\$ million	Change
Total revenue	4,782	4,896	-2%
Net customer service revenue	3,561	3,531	+1%
Local service revenue	2,877	3,005	-4%
Roaming service revenue	684	526	+30%
Total EBITDA ⁽¹⁾	1,522	1,457	+4%
Total LBIT ⁽²⁾	(8)	(69)	+88%
Profit/(loss) attributable to shareholders	6	(52)	+112%
Earnings/(loss) per share (in HK cents)	0.12	(1.08)	+112%
Final dividend per share (in HK cents)	5.21	5.21	-

Notes:

- (1) EBITDA represents the EBITDA of the Company and subsidiary companies as well as the Group's share of the EBITDA of a joint venture. EBITDA is defined as earnings before net interest and other finance income, taxation, depreciation and amortisation. Information concerning EBITDA has been included in the Group's financial information and is used by many industries and investors as one measure of gross cash flow generation. The Group considers EBITDA to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBITDA is not a measure of cash liquidity or financial performance under IFRS Accounting Standards and the EBITDA measures used by the Group may not be comparable to other similarly titled measures of other companies. EBITDA should not necessarily be construed as an alternative to cash flows or results from operations as determined in accordance with IFRS Accounting Standards.
- (2) (LBIT)/EBIT represents the (LBIT)/EBIT of the Company and subsidiary companies as well as the Group's share of the EBIT of a joint venture. (LBIT)/EBIT is defined as losses or earnings before net interest and other finance income and taxation. Information concerning (LBIT)/EBIT has been included in the Group's financial information and is used by many industries and investors as one measure of results from operations. The Group considers (LBIT)/EBIT to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. (LBIT)/EBIT is not a measure of financial performance under IFRS Accounting Standards and the (LBIT)/EBIT measures used by the Group may not be comparable to other similarly titled measures of other companies. (LBIT)/EBIT should not necessarily be construed as an alternative to results from operations as determined in accordance with IFRS Accounting Standards.



Corporate Profile and Awards

The Group delivers innovative and cutting-edge mobile telecoms services and data solutions in Hong Kong and Macau, while ensuring seamless network connectivity and adapting to the evolving needs of diverse customer segments.



Corporate Profile

Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH", listed on the Main Board of the Stock Exchange with stock code: 215) and its subsidiaries (together referred to as the "Group") is a well-established digital operator committed to innovation and excellence in Hong Kong and Macau.

Enduring Strength

Operating under the **3**, **SUPREME**, **3Business**, **MO+** and **SoSIM** brands, the Group offers world-class mobile telecommunications services, smart corporate solutions and 5G applications to various market sectors, catering to the needs of an era of rapid digital transformation.

The Group is committed to enhancing network quality by continuously expanding its network coverage and capacity to provide top-notch connectivity and customer experience from various perspectives.

Leveraging the Group's robust 5G network, the Group has extended the deployment of 5G solutions, along with artificial intelligence, big data, Internet of Things and virtual reality across different verticals. The Group's commitment to innovation positions it as a prominent player in channelling the latest technologies into market-leading innovations.



■ The Group offers world-class mobile services, corporate solutions and 5G applications.

Dynamic Growth

The Group plays a distinctive role in fostering Hong Kong's development as a smart city by expanding its network coverage and capacity across different infrastructures, and delivering top-notch network services for numerous local and international events. As a leading digital operator, the Group collaborates with top-tier partners to create an extraordinary digital lifestyle for customers through innovative and personalised services that enhance customer loyalty and engagement.

In its commitment to popularising 5G applications and driving business growth, the Group aims to achieve energy savings and reduce carbon emissions while maintaining superior customer experience. The Group's efforts have been recognised with awards, marking important milestones as a community-friendly and sustainable enterprise.



The Group has a strong presence with retail shops located throughout Hong Kong, providing attentive customer service.



Awards



Corporate

3rd Environmental, Social and Governance Awards

- ESG Grand Award

Master-Insight.com and the Research Centre for ESG at The Hang Seng University of Hong Kong



10th Investor Relations Awards

- Certificate of Excellence

Hong Kong Investor Relations Association

15th Asia's Best Employer Brand Awards

- Asia's Best Employer Brand

Employer Branding Institute, World HRD Congress & Stars of the Industry Group

20 Years Plus Caring Company

The Hong Kong Council of Social Service



Good MPF Employer Award

- Good MPF Employer
- e-Contribution Award
- MPF Support Award

Mandatory Provident Fund Schemes Authority

Hong Kong Corporate Governance and ESG Excellence Award

- Award of Excellence in ESG (Others & GEM Companies)

The Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University



Hong Kong Green Organisation Certification

- Energyw\$e Certificate - Good Level
- Wastew\$e Certificate - Good Level

Environmental Campaign Committee

TVB ESG Awards

- ESG Social Innovative Technology Award (Small market capitalisation / GEM)

Television Broadcasts Limited

Operations

16th Biz IT Excellence

3Business 5G Robotic Solution for Inspection with Cable Tunnels and Incident Management

PC Market magazine

18th Hong Kong Arts Development Awards

3 Hong Kong sponsored Hong Kong's first-ever 5G live broadcast concert from a cruise ship at sea - Victoria Harbour at Night

- Award for Arts Sponsorship

Hong Kong Arts Development Council

56th Distinguished Salesperson Award Programme

The Hong Kong Management Association Sales and Marketing Executives Club



Asia's Best E-Tailing Award

- Excellence in 5G Solutions

The Best Practice of eCommerce Alliance

Digital Ex Award

- Best in 5G Mobile Operator

Metro Finance

Hong Kong Kam Fan Awards

3 Hong Kong 5G Broadband "Solitude" Campaign

- Hong Kong Roots - Music Roots Bronze Award

The Association of Accredited Advertising Agencies of Hong Kong

PR Awards

3 Hong Kong 5G Broadband "Solitude" Campaign

- Best Storytelling Strategy - Gold Award
- Best Use of Social Media - Silver Award

Marketing Interactive magazine



Service and Innovative Product Awards

- 5G Mobile Operator Service Award

Capital magazine

Stevie Awards - The International Business Awards

3Business 5G Robotic Solution for Inspection with Cable Tunnels and Incident Management

- Business Technology Solution - Emerging Technology - Bronze Award

The Stevies



Tiptop Service Awards

- Persistently Outstanding Service Company
- Persistently Outstanding Service Outlet

Tiptop Consultants Limited

Chairman's Statement

The Group is pleased to announce a breakeven result with the help of interest income for 2024, which was largely driven by strategic efforts to enhance roaming service revenue and optimise operational efficiencies.

Profit attributable to shareholders and earnings per share in 2024 were HK\$6 million and 0.12 HK cents respectively, a 112% improvement compared to 2023.

Dividend

The Board recommends paying a final dividend of 5.21 HK cents per share for 2024 (2023 final dividend: 5.21 HK cents per share), in line with 2023, payable on Thursday, 29 May 2025, to shareholders (except for the holders of treasury shares, if any) whose names appear on the Register of Members of the Company at the close of business on Tuesday, 20 May 2025, being the record date for determining shareholders' entitlement to the proposed final dividend. Combining with the interim dividend of 2.28 HK cents per share, the full year dividend is 7.49 HK cents per share (2023 full year dividend: 7.49 HK cents per share). Currently, there are no treasury shares held by the Group (whether held or deposited with the Central Clearing and Settlement System, or otherwise).

Business Highlights

The Group's outbound roaming service revenue surged, driven by rising data roaming usage, primarily from the increase in outbound travel of Hong Kong residents in 2024. With the Group's exceptional international connectivity and innovative services, including extending the hassle-free "All-Net-Coverage Roaming" service from Mainland China and Asia to Europe and the Middle East to allow more customers to enjoy their journey with seamless internet connection, its outbound roaming service revenue surpassed pre-pandemic levels. The Group recorded a substantial increase of HK\$158 million or 30% year-on-year in total roaming service revenue to HK\$684 million, which more than offset the 4% decline in local service revenue.

Net customer service revenue increased by HK\$30 million or 1% year-on-year to HK\$3,561 million. Hardware revenue remained subdued in 2024, resulting in a HK\$114 million or 2% decrease in the Group's total revenue to HK\$4,782 million. Total margin remained stable at HK\$3,071 million driven by an improvement in net customer service margin.

EBITDA increased by HK\$65 million or 4% year-on-year to HK\$1,522 million, mainly due to a 5% reduction in operating expenses achieved through the continuous implementation of effective and disciplined cost saving initiatives.

LBIT of HK\$8 million for 2024 significantly improved by HK\$61 million or 88% compared to 2023, with an encouraging EBIT recorded in the second half, mainly attributable to the aforesaid improvement in EBITDA and stabilised depreciation and amortisation expenses. The Group reported net interest income of HK\$98 million for 2024 compared to HK\$101 million in 2023.

As at 31 December 2024, the Group's customer base reached approximately 4.6 million, a 17% increase compared to approximately 4.0 million at the end of 2023. This was primarily attributable to robust growth in the Group's prepaid customer base. The Group's 5G penetration rate rose 8% points to 54% compared to 2023 as a result of extensive promotion of 5G subscription services. The monthly churn rate of postpaid customers remained steady at 1.0% (2023: 1.0%) due to the Group's substantial efforts in implementing effective customer engagement initiatives and retention strategies.

Outlook

With further escalation of trade conflicts and the slower pace of interest rate cut, the global economy is anticipated to face continued uncertainties in 2025, which may result in some variability in Hong Kong's economy as well as the Group's overall performance. Against this backdrop, the Group will continue to address the challenges of the complex business environment resolutely and remain steadfast in its commitment to service excellence and network enhancement. The Group will focus on developing innovative solutions, improving customer experience and broadening its range of service offerings to address the evolving needs of different customer segments.

In 2024, the Group activated its 3.5 GHz "Golden Spectrum" at various prominent locations across Hong Kong and continued its 5G network expansion in high-traffic MTR stations. Leveraging its robust network, the Group aims to drive revenue growth and profitability by further deepening its 5G penetration through compelling product offerings, customer-centric 5G home broadband and 5G solutions for residential and enterprise users.

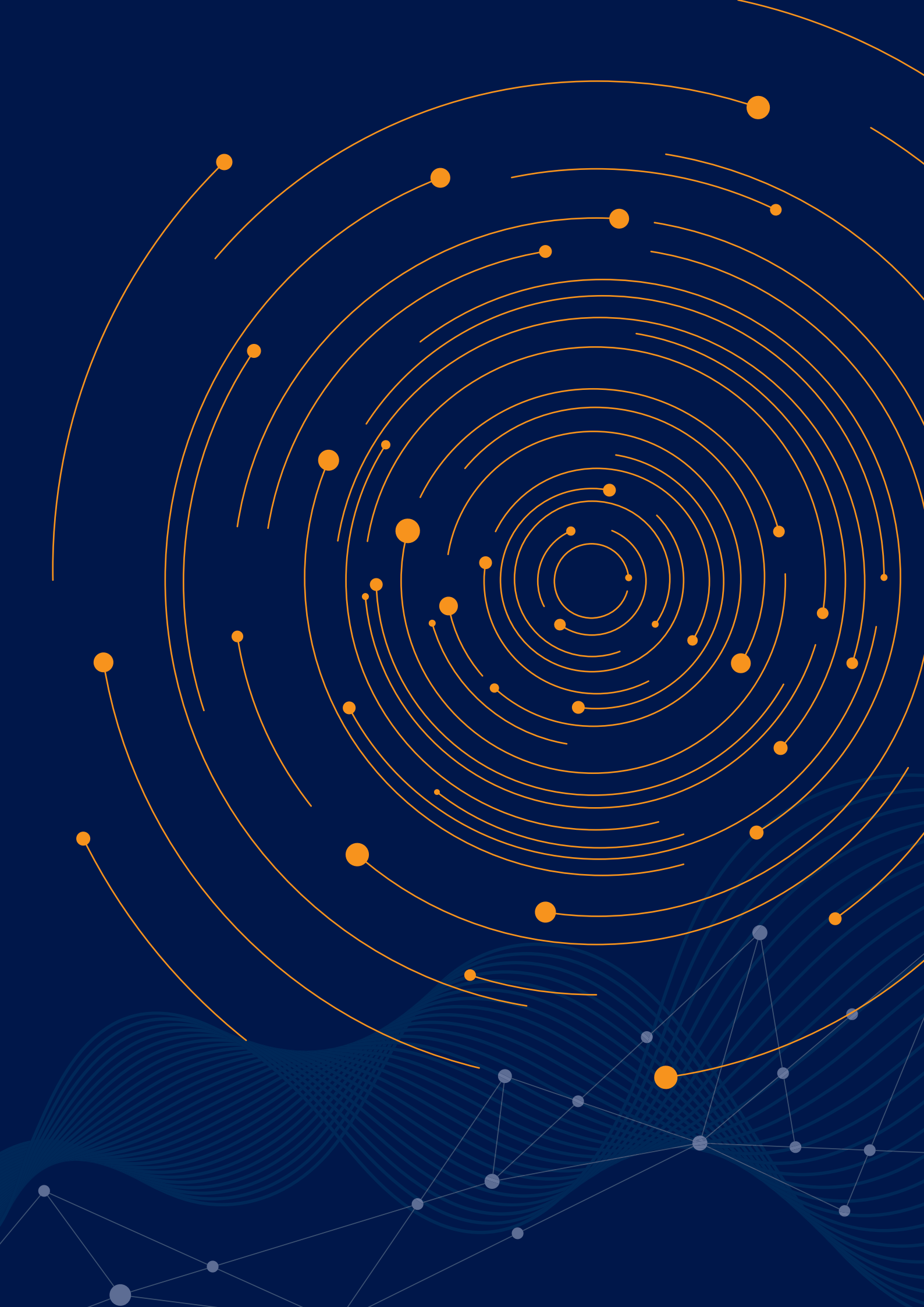
The Group upholds sustainability as one of its core values. Beyond developing energy saving solutions, it prioritises fostering a supportive and inclusive workplace as well as promoting sustainable developments in society.

Although the Group has achieved a breakeven result in 2024, the Board continues to maintain a cautiously optimistic outlook on its business. Amidst global economic uncertainties, the Group will maintain a disciplined approach in managing its business to drive growth by exploring long term value-accretive opportunities for shareholders. We also strive for sustaining profitability and financial prudence to ensure that our operations continue to generate attractive shareholder returns.

I would like to thank the Board and all staff members for their commitment, hard work, professionalism and valuable contributions to the Group.

FOK Kin Ning, Canning
Chairman

Hong Kong, 14 March 2025





Operations Review

The Group is advancing technology adoption and supporting digital transformation in Hong Kong by enhancing network capacity and coverage, showcasing resilience by providing innovative services for consumers and enterprises while prioritising sustainability and productivity.

Operations Review

The Group is poised at the forefront of the rapidly evolving digital landscape to promote the adoption of 5G technology, while enhancing its network capacity and coverage across key infrastructures in Hong Kong. Through its longstanding commitment to digital innovation, network excellence, and exceptional roaming capabilities, the Group demonstrates remarkable resilience and stability, contributing to its enduring strength in a challenging environment.

This strong foundation supports the Group's focus on driving productivity and fostering digital transformation for dynamic growth. By offering innovative services to consumers and enterprises, the Group enriches the digital lifestyle of users, enabling them to thrive in the digital era. With continuous improvements in network capabilities and quality, the Group remains dedicated to providing unparalleled services that address the diverse needs of customers across various sectors, ultimately empowering the city in applying cutting-edge technologies with a digital-centric approach.

Hong Kong

Enhancing 5G Network Capacity and Quality

The Group is dedicated to enhancing its 5G network, expanding capacity and coverage across key infrastructures. In 2024, the 3.5GHz "Golden Spectrum" was activated in major locations, including the Cross-Harbour Tunnels and Hong Kong International Airport, ensuring seamless connectivity for all users. The spectrum has also been deployed in prominent venues like AsiaWorld-Expo, Central Harbourfront Event Space and the Hong Kong Coliseum, with full coverage established at Kai Tak Sports Park for upcoming events.



■ A 5G network enhancement project is initiated at 24 high traffic MTR stations.

Following the relocation of satellite control stations in New Territories East, the Group activated the “Golden Spectrum” in Tai Po, Sha Tin, Ma On Shan and Science Park, enabling customers and innovation and technology institutions to access and enjoy superior high-speed 5G services. Recognising the importance of network connectivity in public transport, the Group has initiated a 5G network enhancement project at 24 high traffic MTR stations. Upgrades at Tin Hau, Wan Chai, Kowloon, Admiralty, Hong Kong and Tsim Sha Tsui stations are complete, while upgrades at remaining stations will continue throughout 2025 to further improve customer experience. In November 2024, the Group secured its radio spectrum, ensuring continued excellence in its network services and meeting the diverse demands for 5G applications across consumer and enterprise segments.

Consumer Market

In view of the growing numbers of customers travelling north for spending and outbound travel, the Group has launched enhanced roaming offers and innovative 5G Data Roam-like-Home monthly plans allowing customers to freely use their shared data in Hong Kong, mainland China and Macau at no extra charge. Notably, the Group was the first in Hong Kong to extend this service to Japan in October 2024.

To further enhance the seamless roaming experience, the Group has extended its “All-Net-Coverage Roaming” to Europe and the Middle East. With this service, customers can instantly connect to all local network operators upon arrival without changing SIM cards and automatically access the best available network at their destinations.



■ The 3.5GHz “Golden Spectrum” is activated across key infrastructures in Hong Kong.



■ The "All-Net-Coverage Roaming" service is extended to cover popular travel destinations in Europe and the Middle East.

As a leading local digital operator committed to innovation, the Group has launched a new satellite communications value-added service that ensures connectivity for customers with compatible mobile devices when a mobile network is not available.

The Group's prepaid business has long been a vital component of its comprehensive mobile network services, underpinned by robust growth in both subscribers and revenue. Through ongoing development and enhancement, the popularity of SoSIM is further amplified by expanded sales channels, including collaboration with additional retail outlets and introduction of a kiosk at the cross-border station in Tsim Sha Tsui. A key factor in SoSIM's success in establishing a foothold in the prepaid market is its unique offer of versatile and customer-centric mobile services. Customers can easily mix-and-match their roaming pass by selecting their destination, duration and data usage via the SoSIM App, with the new SO+ service ensuring the validity of their SIM cards and travel data. Customers can also enjoy more flexibility by using a supplementary SIM card to share their service package with family and multiple devices.

In line with the Group's multi-brand strategy, SUPREME is dedicated to offering unparalleled mobile services and elevating the digital lifestyle of its esteemed customers.

In 2024, SUPREME served as the official 5G partner and supported the "Boundless Reverie: Chinese Savoir-Faire and Contemporary Art" exhibition. As part of its overall aim to provide distinctive lifestyle experiences to customers, selected SUPREME customers were invited to experience firsthand the creativity and aesthetics of traditional Chinese craftsmanship through digital immersive art.

Enterprise Market

Enterprise solutions have always been a strategic priority for the Group, particularly as 5G technology is the key enabler of "new quality productive forces", achieving a qualitative leap in productivity for businesses. To address the evolving demands of corporate customers, 3Business is dedicated to providing comprehensive 5G solutions coupled with innovative services to drive game-changing digital transformation across different sectors.

The Group has successfully supported the deployment of the 5G "Intelligent Steward" Robotic Solution by HK Electric, enabling round-the-clock surveillance of a confined cable tunnel and significantly increasing service efficiency and safety. Furthermore, the Group provides comprehensive support to enhance the operations of 5G robots across various sectors, including retail, catering, property management and education. This initiative meets the diverse needs of different industries, accelerating their digital transformation journeys while contributing to the smart city development in Hong Kong.



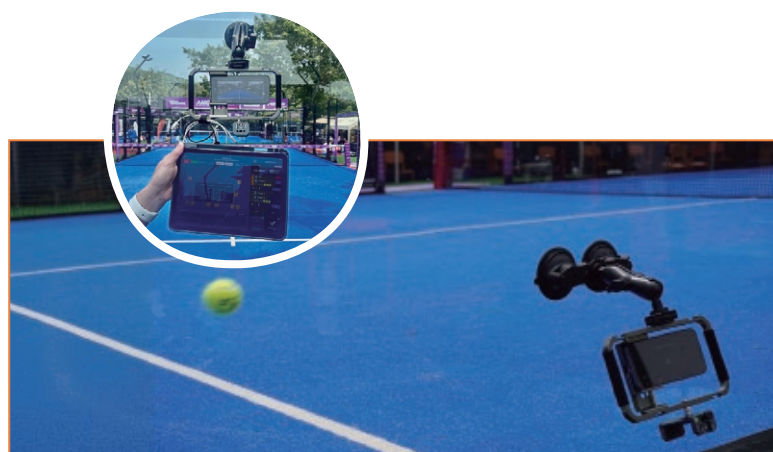
■ The Group collaborates with a local performing arts group to produce Hong Kong's first 5.5G drama, enabling audiences to experience an immersive theatre.

Leveraging the close relationship with CK Group of companies, the Group serves as the designated network partner for Cheung Kong Center II. Through the fixed mobile convergence solution and tailored one-stop services including block wiring, our building management office solution and advanced smart office systems have helped transform the building into a smart office, allowing tenants to enjoy the Group's excellent 5G network. The Group also works closely with its sister company AS Watson Group to develop comprehensive store network solutions for 300 retail stores within their network, boosting their productivity with stable and trusted network services.

Additionally, the Group utilises fixed mobile convergence technology to deliver 5G and broadband connectivity for over 300 carparks of Link, enabling them to implement smart carpark solutions which streamline operations in carparks by providing essential connectivity.

The Group aims to empower enterprises across all sectors to achieve greater productivity and connectivity in a rapidly evolving digital landscape. The continued growth in 5G broadband subscribers underscores the increasing customer demand for flexible and convenient network services. As the official 5G partner for various indoor and outdoor events, the Group has showcased its capability to provide seamless and robust 5G connectivity across expansive venues for enterprise use that require high network capacity. In 2024, the Group collaborated with a renowned local performing arts group to produce Hong Kong's first 5.5G drama. This innovative ArtTech project enabled audiences to experience immersive theatre at the performance venue, further advancing the development of arts technology in Hong Kong. In December 2024, the Group also supported the "One Beat, One World: Connecting Through the Drum" Drum Carnival and Hong Kong's first outdoor 5.5G live music event, delivering vibrant performances with ultra-clear and smooth motion.

In support of local SportTech development, 3Business provided dedicated 5G mobile services to support the first international padel tournament held in Hong Kong. The Group's high-speed, low-latency 5G network facilitated the seamless operation of the video assistant referee (VAR) feature during the tournament, expediting match decisions with minimal delays and elevating spectators' viewing experience.



3Business provides dedicated 5G services to facilitate the seamless operation of the video assistant referee (VAR) system during an international padel tournament.

3Business has also introduced the Big Data Marketing Solution to empower businesses to better understand consumer needs and preferences in order to provide personalised products and services. For instance, the solution can assist luxury brands in identifying target customers who have shown interest in high-end products and services while sending promotional messages to customers near the store instantly based on its geographic data, thereby increasing sales opportunities and ultimately driving increased engagement and loyalty.

While AI technology is revolutionising learning and training in the education sector, 3Education has been actively participating in this transformative journey with the introduction of various EdTech. In the summer of 2024, a local school deployed 3Education's AI-powered learning robot on campus, providing guided practice and engaging two-way interactions for students leveraging ChatGPT's voice technology. The robot can also be customised to accommodate students with special educational needs, allowing teachers to assess their learning progress and provide timely assistance.

Macau

3 Macau is dedicated to maintaining its superior network performance and customer experience. To meet customer demands for reliable and stable mobile data services, 3 Macau optimises its network coverage and capacity and ensures the availability of ample spectrum resources. Moreover, substantial efforts have been devoted to cultivating strong customer engagement through in-store activities, allowing staff to facilitate timely adjustments to services to enhance customer satisfaction.

Management Discussion and Analysis

Financial Performance Summary

	2024 HK\$ million	2023 HK\$ million	Change
Revenue	4,782	4,896	-2%
Net customer service revenue	3,561	3,531	+1%
• Local service revenue	2,877	3,005	-4%
• Roaming service revenue	684	526	+30%
Hardware and other product revenue	1,221	1,365	-11%
Net customer service margin	3,050	3,046	-
<i>Net customer service margin %</i>	<i>86%</i>	86%	-
Standalone hardware and other product sales margin	21	25	-16%
Total margin	3,071	3,071	-
- CACs	(416)	(482)	+14%
- Less: Bundled sales revenue	244	312	-22%
CACs (net of hardware and other product revenue)	(172)	(170)	-1%
Operating expenses	(1,430)	(1,506)	+5%
<i>Operating expenses as a % of net customer service margin</i>	<i>47%</i>	49%	+2% points
Share of EBITDA of a joint venture	53	62	-15%
EBITDA ⁽¹⁾	1,522	1,457	+4%
Service EBITDA ⁽¹⁾	1,501	1,432	+5%
<i>Service EBITDA ⁽¹⁾ margin %</i>	<i>42%</i>	41%	+1% point
CAPEX (excluding telecommunications licences)	(434)	(481)	+10%
EBITDA ⁽¹⁾ less CAPEX	1,088	976	+11%
Depreciation and amortisation ⁽³⁾	(1,530)	(1,526)	-
LBIT ⁽²⁾	(8)	(69)	+88%
Service LBIT ⁽²⁾	(29)	(94)	+69%
Net interest and other finance income ⁽³⁾	98	101	-3%
Profit before taxation	90	32	+181%
Taxation ⁽³⁾	(84)	(84)	-
Profit/(loss) attributable to shareholders	6	(52)	+112%

Notes:

- (1) EBITDA represents the EBITDA of the Company and subsidiary companies as well as the Group's share of the EBITDA of a joint venture. EBITDA is defined as earnings before net interest and other finance income, taxation, depreciation and amortisation. Information concerning EBITDA has been included in the Group's financial information and is used by many industries and investors as one measure of gross cash flow generation. The Group considers EBITDA to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBITDA is not a measure of cash liquidity or financial performance under IFRS Accounting Standards and the EBITDA measures used by the Group may not be comparable to other similarly titled measures of other companies. EBITDA should not necessarily be construed as an alternative to cash flows or results from operations as determined in accordance with IFRS Accounting Standards.
- (2) (LBIT)/EBIT represents the (LBIT)/EBIT of the Company and subsidiary companies as well as the Group's share of the EBIT of a joint venture. (LBIT)/EBIT is defined as losses or earnings before net interest and other finance income and taxation. Information concerning (LBIT)/EBIT has been included in the Group's financial information and is used by many industries and investors as one measure of results from operations. The Group considers (LBIT)/EBIT to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. (LBIT)/EBIT is not a measure of financial performance under IFRS Accounting Standards and the (LBIT)/EBIT measures used by the Group may not be comparable to other similarly titled measures of other companies. (LBIT)/EBIT should not necessarily be construed as an alternative to results from operations as determined in accordance with IFRS Accounting Standards.
- (3) Depreciation and amortisation, net interest and other finance income and taxation include the Group's share of joint venture's respective items.

Review of Financial Results

The Group's service revenue increased by 1% to HK\$3,561 million during 2024, mainly due to a 30% increase in roaming service revenue from the sustained enthusiasm for international travel. Roaming service revenue represented 19% of the Group's total service revenue, in line with pre-pandemic levels. Local service revenue was HK\$2,877 million compared to HK\$3,005 million in 2023, reflecting the continued competitive landscape, especially in the value-driven segment.

Hardware revenue remained subdued in 2024, resulting in a HK\$114 million or 2% decrease in the Group's total revenue to HK\$4,782 million. Total margin remained stable at HK\$3,071 million driven by an improvement in net customer service margin.

Operating expenses dropped by HK\$76 million or 5% to HK\$1,430 million (2023: HK\$1,506 million), mainly driven by rigorous cost management and successful cost saving initiatives.

EBITDA increased by HK\$65 million or 4% year-on-year to HK\$1,522 million (2023: HK\$1,457 million), mainly attributable to the aforementioned lower operating expenses.

LBIT of HK\$8 million for 2024 significantly improved by HK\$61 million or 88% compared to 2023, with an encouraging EBIT recorded in the second half, mainly attributable to the aforesaid improvement in EBITDA and stabilised depreciation and amortisation expenses. The Group reported net interest income of HK\$98 million for 2024 compared to HK\$101 million in 2023.

With the aforesaid improvements, the Group's profit attributable to shareholders was HK\$6 million and earnings per share was 0.12 HK cents, a 112% improvement compared to 2023.

Key Performance Indicators

	2024	2023	Change
Number of postpaid customers ('000)	1,423	1,463	-3%
Number of prepaid customers ('000)	3,217	2,500	+29%
Total customers ('000)	4,640	3,963	+17%
Postpaid customers to total customer base (%)	31%	37%	-6% points
Postpaid customers' contribution to net customer service revenue (%)	82%	86%	-4% points
Monthly churn rate of postpaid customers (%)	1.0%	1.0%	-
Postpaid gross ARPU (HK\$)	184	190	-3%
Postpaid net ARPU (HK\$)	170	174	-2%
Postpaid net AMPU (HK\$)	148	152	-3%

As at 31 December 2024, the Group's customer base reached approximately 4.6 million, a 17% increase compared to approximately 4.0 million at the end of 2023. This was primarily attributable to robust growth in the Group's prepaid customer base. The Group's 5G penetration rate rose 8% points to 54% compared to 2023 as a result of extensive promotion of 5G subscription services. The monthly churn rate of postpaid customers remained steady at 1.0% (2023: 1.0%) due to the Group's substantial efforts in implementing effective customer engagement initiatives and retention strategies.

Net Interest and Other Finance Income

Net interest and other finance income (with share of a joint venture) amounted to HK\$98 million in 2024 (2023: HK\$101 million), with overall bank interest income remained stable at HK\$181 million.

The Group maintained a healthy financial position with cash and bank balances of HK\$3,679 million as of 31 December 2024 (2023: HK\$3,684 million).

Capital Expenditure

Capital expenditure on property, plant and equipment, which accounted for 12% (2023: 14%) of the service revenue of the Group, decreased by 10% to HK\$434 million as a result of completion of major 5G network enhancement projects. The Group enforces rigorous cost discipline in capital expenditures, ensuring meticulous investment evaluation and optimal resource allocation to meet operational, technological and strategic objectives.

Summary of Spectrum Investment as of 31 December 2024

	Spectrum band	Bandwidth	Year of expiry
Hong Kong	700 MHz	20 MHz	2037
	900 MHz	10 MHz	2026 ⁽¹⁾
	900 MHz	10 MHz	2036
	1.8 GHz	30 MHz	2036
	2.1 GHz	29.6 MHz	2031
	2.3 GHz	30 MHz	2027 ⁽¹⁾
	2.6 GHz	20 MHz ⁽²⁾⁽³⁾	2028 ⁽³⁾
	2.6 GHz	10 MHz ⁽²⁾	2039
	3.3 GHz	30 MHz	2034
	3.5 GHz	40 MHz	2035
	26 GHz	600 MHz ⁽⁴⁾	2034
Macau	900 MHz	10 MHz	2025
	1.8 GHz	20 MHz	2028
	2.1 GHz	10 MHz	2025

Notes:

- (1) After the spectrum auction in 2024, the Group will hold 10 MHz spectrum at the 900 MHz band from 2026 to 2041 and 20 MHz spectrum at the 2.3 GHz band from 2027 to 2042 upon the expiry of the existing licences.
- (2) The spectrum band was shared under a 50/50 joint venture – Genius Brand Limited.
- (3) One of the 10 MHz spectrums at the 2.6 GHz band was transferred from another joint venture partner to the joint venture with the assignment period from March 2024 to March 2028. Upon the expiry of such assignment of spectrum in March 2028, the same joint venture partner will transfer another 10 MHz spectrum at the 2.6 GHz band to the joint venture with the assignment period from March 2028 to March 2039.
- (4) In June 2024, the Group was successfully assigned 600 MHz spectrum at the 26 GHz band for a period from August 2024 to April 2034.

Group Capital Resources and Liquidity

Treasury Management

The Group's treasury function sets financial risk management policies in accordance with policies and procedures that are approved by the Executive Directors, and which are also subject to periodic review by the Group's internal audit function. Its treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates on the Group's overall financial position and to minimise the Group's financial risks. The Group's treasury function operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks, and for providing cost-efficient funding to the Group and its companies. It manages the majority of the Group's funding needs, interest rate, foreign currency and credit risk exposures. The Group uses interest rate and foreign currency swaps and forward contracts as appropriate for risk management purposes only, for hedging transactions and for managing its assets and liabilities' exposure to interest rate and foreign exchange rate fluctuations. It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest liquidity in financial products, including hedge funds or similar vehicles.

Cash management and funding

The Group operates a central cash management system for all of its subsidiaries. Its financing is generally derived from operating income of its subsidiaries, which is mainly used to meet funding requirements. The Group regularly and closely monitors its overall cash position and determines when external source of finance is needed.

Foreign currency exposure

The Group operates mobile telecommunications business principally in Hong Kong, with transactions denominated in Hong Kong dollars. It is exposed to other currency movements, primarily in terms of certain trade and other receivables, trade and other payables, and bank deposits denominated in United States dollars, Macau Patacas, Euros and British pounds. The Group does not currently undertake any foreign currency hedging.

Credit exposure

The Group's holdings of surplus funds with financial institutions expose the Group to credit risk of counterparties. It controls its credit risk to non-performance by its counterparties through monitoring their share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed.

Capital and Net Cash

As at 31 December 2024, the Group recorded share capital of HK\$1,205 million and total equity of HK\$9,533 million.

As at 31 December 2024, the net cash of the Group was HK\$3,679 million (2023: HK\$3,684 million), which was denominated as follows: 63% in United States dollars, 36% in Hong Kong dollars with remaining in various other currencies.

Charges on Group Assets

As at 31 December 2024, same as prior year, except for all of the shares of a joint venture owned by the Group which were pledged as security in favour of the joint venture partner under a cross share pledge arrangement, no material asset of the Group was under any charge.

Borrowing Facilities Available

The Group has no committed borrowing facilities as at 31 December 2024 (2023: Nil).

Contingent Liabilities

As at 31 December 2024, the Group provided performance, financial and other guarantees of HK\$1,769 million (2023: HK\$1,227 million), including the related performance bonds on new and renewed spectrums. The increase in performance, financial and other guarantees was mainly due to provision of a performance bond of HK\$400 million to the Communications Authority of Hong Kong (the "CA") to guarantee the network and service rollout requirement for the newly assigned 600 MHz spectrum at the 26 GHz band. In addition, a standby letter of credit of HK\$240 million for the auction of the spectrums at the 900 MHz and 2.3 GHz bands was issued in favour of the CA.

Capital Commitments

As at 31 December 2024, the Group had total capital commitments on property, plant and equipment of HK\$129 million (2023: HK\$121 million) and telecommunications licences of HK\$617 million (2023: Nil). The increase in capital commitments on telecommunications licences was due to the successful bidding of 10 MHz spectrum at the 900 MHz band and 20 MHz spectrum at the 2.3 GHz band for a 15-year period in November 2024.

Risk Factors

The business, financial condition and results of operations of the Group are subject to various business risks and uncertainties. The factors set out below are those that the Group believes could result in its financial condition or results of operations differing materially from expected or historical results. There may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be so in the future.

Market Economy

The Group operates in Hong Kong and Macau; hence, the general state of local markets or economies may have a material adverse effect on its business, the financial condition and results of operations of the Group. Any significant slowdown in economic growth in the regional or a specific economy, deterioration in social and/or political conditions in the markets in which the Group conducts business could adversely affect the financial condition or results of operations of the Group.

Industry Trends and Interest Rates

The results of the Group are affected by the trends, consumer preferences and spending preferences in the telecommunications markets in which it operates. Industry trends and volatility in interest rates have adversely affected the Group's results historically. In particular, income from the finance and treasury operations of the Group is dependent on interest rates and market conditions. Consequentially, there can be no assurance that these risks or changes in these conditions will not materially and adversely affect the financial condition and results of operations of the Group.

Highly Competitive Markets

Telecommunications industry is very competitive. In the highly competitive market, the Group experiences significant competition in the markets in which it operates. Introduction of new services, aggressive tariff plans, customer acquisition strategies adopted by existing market players or new market entrants, as well as continued shifting of consumer behaviours from offline to online could increase pricing pressure and uncertainties, and may impact the Group's customer acquisition and retention costs, rate of customer growth, retention prospects as well as market share. These factors may reduce the service revenue as well as increase the costs of the Group, which could adversely affect the financial performance and growth prospects of the Group.

Rapid Technological Changes

The Group faces increased competition from technological advancement of the telecommunications industry. Disruptive alternate telecommunications technologies being developed, or to be developed by existing competitors or new market entrants could intensify competition. Development and application of new technology involves time, substantial costs and risks. In the event if the Group fails to develop, or obtain timely access to new technology and equipment, it may lead to risks for its business and market position, and hence impairment of obsolete assets. These factors could adversely affect the financial condition and results of operations of the Group.

Network Performance

Certain elements of the Group's networks, such as switching and data platforms, are critical functions for the broad sectors of network operations. Damage or major incidents caused by natural disasters, deliberate attacks or technology failure to these critical elements may cause one or more sectors of the network to be non-functional, which could lead to major disruption of the mobile telecommunications services of the Group. There can be no assurance that service disruption will not materially and adversely affect the business and results of operations of the Group.

Strategic Partners

The Group conducts some of its businesses through a joint venture, in which it shares control (in whole or in part); and strategic alliances are formed with certain leading international companies, government authorities and other strategic partners. There can be no assurance that any of the strategic or business partners will wish to continue their relationships, strategic alliances, and accompany obligations to pursue stated strategies with the Group, or vice versa. Furthermore, other investors in the joint venture may undergo a change of control or experience financial difficulties, which may negatively impact the financial condition and results of operations of the Group.

Future Growth

The Group has made substantial investments in acquiring telecommunications licences, developing and upgrading its mobile networks and growing its customer base in Hong Kong and Macau. The Group may need to incur further capital expenditure to expand, improve or upgrade its mobile networks, acquire additional spectrum licences, and incur more customer acquisition and retention costs to build and retain its customer base. There can be no assurance that any additional investments will bring higher operating margins, and consequently, additional investments may materially and adversely impact the financial condition and results of operations of the Group.

Impact of Law and Regulatory Requirements

The Group is exposed to local business risks, which could have a material adverse effect on its financial condition and results of operations. The Group is also exposed to changing government policies, political, social, legal and regulatory requirements, which may include:

- changes in taxation regulations and interpretations;
- competition laws applicable to the telecommunications industry;
- changes in the process of, or the conditions or criteria to obtaining or maintaining licences, permits and governmental approvals necessary for operations;
- telecommunications regulations; and
- environmental, safety, employee and consumer protection laws, rules and regulations.

There can be no assurance that the local regulatory authorities in which the Group operates will not make decisions or interpret and implement regulations in a manner that may materially and adversely affect the financial condition and results of operations of the Group in the future.

The Group is permitted to provide telecommunications services and operate networks under licences granted by regulatory authorities in which it operates. These licences have historically been issued for fixed terms and subsequently renewed. There can be no assurance, however, that any application for the renewal of one or more of these licences will be successful and granted on equivalent or satisfactory terms.

In addition, the Group may not be granted licences for spectrum bands enabling new mobile technologies that may be developed in the future and will likely face competition for any such licences. Regulatory requirements and carrier obligations accompanying these licences may affect the Group's operations including that of maintaining network quality and coverage. Failure to comply with these requirements could result in fines, penalties, suspension or other sanctions including, ultimately, revocation of the licences. Decisions by regulators with respect to the granting, amendment or renewal of licences to the Group or other parties (such as spectrum allocation to other parties, or relaxation of constraints with respect to the technology or specific service that may be deployed in the given spectrum band), or changes to the process of or the conditions or criteria to, obtaining or maintaining the licences necessary for the operations of the Group, could result in the Group facing unforeseeable competition and/or could materially and adversely affect the financial condition and results of operations of the Group.

Labour Force

Employees play an important role to build a thriving business for the Group. A decrease in the labour participation rate, exodus, contributing to drop in domestic population of young professional and others, or natural decrease in the local markets could cause labour shortage, which may induce recruitment difficulties. There can be no assurance that the uncertainty of talent supply in Hong Kong will not materially and adversely affect the financial condition and results of operations of the Group.

Accounting

The International Accounting Standards Board, which issued the IFRS Accounting Standards, has issued and may issue more new and revised standards, amendments, and interpretations in the future, that may require adoption of new accounting policies. There can be no assurance that the adoption of new accounting policies or new IFRS Accounting Standards will not have a significant impact on the financial condition and results of operations of the Group.

Impact of Regulatory Reviews

The Group is listed on the Stock Exchange and is subject to regulatory reviews of various filings by the Stock Exchange's regulatory bodies or other regulatory authorities. The Group endeavours to comply with all regulatory requirements of the Stock Exchange, and obtain independent professional advice when appropriate. There can be no assurance that any regulatory reviews will not result in disagreement with the interpretation and judgement of the Group and that any subsequent actions mandated by the regulatory authorities will not have a material adverse effect on the financial condition and results of operations of the Group.

Natural Disasters

Some of the assets and projects, and many of the customers and suppliers of the Group are located in areas at risk of damage from floods, typhoons or other major natural disasters. The occurrence of any of such damage could materially disrupt the operations of the Group and adversely affect the financial condition and results of operations of the Group.

Although the Group has not experienced any significant structural damage to its facilities, there can be no assurance that such natural disasters will not occur and result in severe damage to the facilities of the Group in the future, which could materially and adversely affect the financial condition and results of operations of the Group.

Climate Change

Scientific evidence has shown that the Earth's temperature is rising due to an increase in greenhouse gases. This has already created, and will continue to create a number of negative effects to the environment including loss of sea ice, rise in sea levels, and more frequent and severe weather events.

Changes in climate could disrupt supply chains, interrupt business operations, and cause financial and physical damage. Alteration in weather patterns and extreme weather events such as with typhoons and rainfall may cause damage to the assets and business of the Group, and may pose increased risk for the stakeholders of the Group such as employees, customers and suppliers living and working in the impacted areas. Governments are pursuing a transition towards low carbon economies, and are introducing legislation to restrict emissions and incentivise environmental protective measures.

Although the Group has not experienced any significant disruptions or damage arising from climate change, there can be no assurance that potential changes in weather patterns in the future will not cause major disruptions or damage to the assets and business of the Group. This in turn, could have a material adverse effect on the financial condition and results of operations of the Group.

Impact of Possible Economic Sanctions on Business Partners, Suppliers or Businesses in General

Governments and multinational organisations, from time to time, administer certain laws and regulations that impose restrictions with respect to activities or transactions with certain countries, governments, entities and individuals that are the subject of economic sanctions. There can be no assurance that such sanctions or other restrictions will not affect the jurisdictions in which the Group conducts its business, as well as its business partners, suppliers or otherwise. To the extent that any such sanction or restriction is imposed in any jurisdictions where the Group operates, it may need to cease operations and suffer losses in that regard. If any business partners or suppliers of the Group is impacted by sanctions or restrictions, provision of goods, services or support by them may be disrupted or discontinued, which may affect the Group's ability to continue to operate. There can be no assurance that the Group will be able to obtain alternative goods, services, support or alliance it needs for the operations, in a timely manner or at competitive terms. There can also be no assurance that any compensation recoverable from business partners or suppliers for the discontinued or disrupted supply, service, support or alliance will be available or adequate. Any of these factors could have a material adverse effect on the financial condition and results of operations of the Group.

Cyber Security Risks

Cyber attacks could have an adverse effect on the business, operations and reputation of the Group. They can be executed through the use of malware, computer viruses, dedicated denial of services attacks, credential harvesting and other means with the aim of obtaining unauthorised access to or disrupting the operation of network, systems and data base of the Group or its suppliers, vendors and other service providers. Such attacks may cause equipment failures, loss or leakage of data that includes personal data of customers or employees as well as technical and trade information, which may result in disruption of the operations of the Group and its customers. Cyber attacks targeting corporations have increased in frequency, scale and severity in recent years. The perpetrators behind the attacks are not restricted to particular groups or people. These attacks may be committed by company employees or external parties operating in any geography that include jurisdictions where law enforcement measures to address such threats are absent or ineffective. Furthermore, these attacks may even be launched by or at the behest of nation states. The measures deployed by the Group may not be able to prevent, eliminate or minimise the risks associated with cyber attacks.

Any operational impacts caused by cyber attacks to the networks, systems and data base of the Group or its suppliers, vendors and other service providers, even for a limited period of time, may result in costly remedial expenses and loss of business. The costs required to remedy a major cyber attack on the Group could include expensive incentives to certain customers and business partners, increased expenditures on cyber security measures and the use of alternative resources. The Group may also suffer a loss of revenue owing to business disruptions and claims from regulators and other third parties. The potential costs associated with these attacks could exceed the insurance coverage that the Group maintains. In addition, a compromise of security or leakage of data, such as personal data and technical and trade information, could result in third party and regulatory claims or investigations. Any of these occurrences could damage the Group's reputation, erode customer and investor confidence, and have a material adverse effect on the financial condition and results of operations of the Group.

Compliance with Data Protection Legislation

In the ordinary course of its operations, various members of the Group collect, store and use data that is protected by data protection laws. As regulatory focus on privacy issues continues to broaden, and laws and regulations concerning the handling of personal information expand and are becoming more complex, potential risks relating to data collection and use within the Group's business are expected to intensify. The Group may be subject to regulatory action or civil claims in the event if it is unable to fulfil its obligations under applicable data protection laws. The cost of regulatory or legal action, and any monetary and/or reputational damage suffered as a result of such action, could have a material adverse effect on the financial condition and results of operations of the Group.

Past Performance and Forward Looking Statements

The performance and results of operations of the Group contained within this Annual Report are historical in nature, and past performances does not guarantee future results of the Group. Any forward-looking statements and opinions contained within this Annual Report are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees or agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained within this Annual Report; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

Information on Directors

Biographical Details of Directors

FOK Kin Ning, Canning

Chairman and Non-executive Director

Fok Kin Ning, Canning, aged 73, has been Chairman and a Non-executive Director of the Company since March 2009. He has also been a Remuneration Committee member since April 2009, and was Chairman of the Remuneration Committee from April 2009 to December 2011 and a Nomination Committee member from January 2019 to February 2022. Mr Fok is deputy chairman and executive director of CKHH. He was a director of Cheung Kong (Holdings) Limited ("Cheung Kong (Holdings)") and HWL from 1985 and 1984 respectively until 1 September 2024. Both companies were formerly listed on the Stock Exchange and have become wholly owned subsidiaries of CKHH in 2015. He is also the chairman of TPG Telecom Limited, HK Electric Investments Manager Limited as the trustee-manager of HK Electric Investments, and HK Electric Investments Limited, deputy chairman of CK Infrastructure Holdings Limited ("CKI") and deputy president commissioner of PT Indosat Tbk ("PT Indosat"). Mr Fok is also executive chairman of CK Hutchison Group Telecom Holdings Limited. He was previously chairman of Hutchison Telecommunications (Australia) Limited ("HTAL"), Hutchison Port Holdings Management Pte. Limited ("HPHM") as the trustee-manager of Hutchison Port Holdings Trust ("HPH Trust"), Power Assets Holdings Limited ("Power Assets"), and a director of Cenovus Energy Inc.. In addition, Mr Fok is a director of certain substantial shareholders (within the meaning of Part XV of the SFO) of the Company and certain companies controlled by certain substantial shareholders of the Company. The aforementioned companies are either the ultimate holding company of the Company or subsidiaries or associated companies of CKHH of which Mr Fok has oversight as director of CKHH. Mr Fok holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a Fellow of the Chartered Accountants Australia and New Zealand.

LUI Dennis Pok Man

Executive Deputy Chairman

Lui Dennis Pok Man, aged 74, has been Deputy Chairman and a Non-executive Director of the Company since March 2009, and was re-designated as Co-Deputy Chairman and a Non-executive Director in August 2018 and further re-designated as Executive Deputy Chairman on 11 December 2024. Mr Lui is a director of Hutchison Telecommunications Group Holdings Limited and heads the operations of the Hutchison Asia Telecommunications group comprising its telecommunications business in Indonesia, Vietnam and Sri Lanka. He also assists to oversee telecommunications operations in Europe and generally assists in other telecommunications operations and related investments within the CKHH Group. Mr Lui first joined Hutchison Paging Limited in 1986 and became its managing director in 1993. He was managing director of Hutchison Telecommunications (Hong Kong) Limited ("HTHK", a wholly owned subsidiary of the Company), in charge of the mobile telecommunications, fixed-line, multi-media, Internet and paging businesses in Mainland China, Hong Kong, Macau and Taiwan from 1996 to 2000. From 2001, he oversaw a number of the telecommunications operations and new business development of the HWL Group in particular as an executive director and chief executive officer of Hutchison Telecommunications International Limited ("HTIL") from 2004 to 2010. He is also a director of certain companies controlled by certain substantial shareholders (within the meaning of Part XV of the SFO) of the Company. Mr Lui holds a Bachelor of Science degree.

WOO Chiu Man, Cliff

Non-executive Deputy Chairman

Woo Chiu Man, Cliff, aged 71, has been Executive Director and Chief Executive Officer of the Company since January 2017, and was re-designated as Co-Deputy Chairman and a Non-executive Director in August 2018 and further re-designated as Non-executive Deputy Chairman on 11 December 2024. He is also a director of HTAL and a commissioner of PT Indosat. Mr Woo held various senior technology management positions in the telecommunications industry before joining the HWL Group in 1998. He was deputy managing director of HTHK from 2000 to 2004, and also executive director of HTIL from March 2005 to December 2005. Mr Woo was seconded to Vodafone Hutchison Australia Pty Limited (now known as TPG Telecom Limited) as chief technology officer from 2012 to 2013 and was part of the core management team. Further, Mr Woo is also a director of certain companies controlled by certain substantial shareholders (within the meaning of Part XV of the SFO) of the Company. He possesses extensive operations experience in the telecommunications industry and has been involved in cellular technology for over 34 years. Mr Woo holds a Bachelor's degree in Electronics and a Diploma in Management for Executive Development. He is a Chartered Engineer and also a member of the Institution of Engineering and Technology (UK) and the Hong Kong Institution of Engineers.

KOO Sing Fai

Executive Director and Chief Executive Officer

Koo Sing Fai, aged 52, has been Executive Director and Chief Executive Officer of the Company since August 2018, and a Sustainability Committee member since July 2020. Mr Koo joined the HWL Group in August 2006 and became a director of enterprise and international business of mobile operations of the Company in January 2014. Since then he has led the corporate market and international services, business and development aspects of the mobile business of the Company until January 2015. He re-joined the Company in April 2017 as a director for roaming and services development and became the Chief Commercial Officer in January 2018. Mr Koo possesses a Bachelor of Science degree in Computer Science and has more than 29 years of experience in the telecommunications industry.

LAI Kai Ming, Dominic

Non-executive Director

Lai Kai Ming, Dominic, aged 71, has been a Non-executive Director of the Company since March 2009. He has also been Alternate Director to Mr Fok Kin Ning, Canning, Chairman and a Non-executive Director and Ms Edith Shih, a Non-executive Director since January 2017. Mr Lai is executive director and group co-managing director of CKHH. He was Finance Director and Chief Operating Officer of the AS Watson Group, the retail arm of CKHH, from 1994 to 1997 and Group Managing Director of the Harbour Plaza Hotel Management Group, the former hotel business of HWL, from 1998 to 2000. Since 2000, he has been a director of HWL which was formerly listed on the Stock Exchange and has become a wholly owned subsidiary of CKHH in 2015. He is also the chairman of HPHM as the trustee-manager of HPH Trust, a director of HTAL, a commissioner of PT Duta Intidaya Tbk ("PTDI"), and an alternate director to director of HTAL and TOM Group Limited ("TOM"). In addition, Mr Lai is a director of certain substantial shareholders (within the meaning of Part XV of the SFO) of the Company and certain companies controlled by certain substantial shareholders of the Company. The aforementioned companies are either the ultimate holding company of the Company or subsidiaries or associated companies of CKHH of which Mr Lai has oversight as director of CKHH. Mr Lai has over 40 years of management experience in different industries and holds a Bachelor of Science (Hons) degree and a Master's degree in Business Administration.

Edith SHIH

Non-executive Director

Edith Shih, aged 73, has been a Non-executive Director of the Company since January 2017. She has been Chairman of the Sustainability Committee since July 2020 and a Nomination Committee member since February 2022. She was the Company Secretary of the Company from November 2007 to May 2023. Ms Shih is also executive director and company secretary of CKHH. She has been with the Cheung Kong (Holdings) group since 1989 and with HWL since 1991. Both Cheung Kong (Holdings) and HWL were formerly listed on the Stock Exchange and have become wholly owned subsidiaries of CKHH in 2015. She has acted in various capacities within the HWL Group, including head group general counsel and company secretary of HWL as well as director and company secretary of HWL subsidiaries and associated companies. Ms Shih is in addition a non-executive director of HUTCHMED (China) Limited and HPHM as the trustee-manager of HPH Trust as well as a commissioner of PTDI. In addition, Ms Shih is a director of certain substantial shareholders (within the meaning of Part XV of the SFO) of the Company and certain companies controlled by certain substantial shareholders of the Company. The aforementioned companies are either the ultimate holding company of the Company or subsidiaries or associated companies of CKHH of which Ms Shih has oversight as director of CKHH. She has over 40 years of experience in the legal, regulatory, corporate finance, compliance and corporate governance fields. Ms Shih is a past international president and current member of the Council of The Chartered Governance Institute ("CGI") and a past president and current Honorary Adviser of The Hong Kong Chartered Governance Institute ("HKCGI"). Further, she is also chairman of the Process Review Panel for the Accounting and Financial Reporting Council, vice-chairman of the Council of The Hong Kong University of Science and Technology ("HKUST"), and a member of the Executive Committee and Council of The Hong Kong Management Association. Ms Shih is a solicitor qualified in England and Wales, Hong Kong and Victoria, Australia and a Fellow of both CGI and HKCGI, holding Chartered Secretary and Chartered Governance Professional dual designations. She holds a Bachelor of Science degree and a Master of Arts degree from the University of the Philippines as well as a Master of Arts degree and a Master of Education degree from Columbia University, New York.

CHAN Tze Leung

Independent Non-executive Director

Chan Tze Leung, aged 78, has been an Independent Non-executive Director of the Company, Chairman of the Nomination Committee and an Audit Committee member since 9 May 2024. He was the Chief Executive Officer of United Overseas Bank Limited, Hong Kong until his retirement in December 2011. He is an experienced banker with almost 40 years of experience in commercial and investment banking. Mr Chan is independent non-executive director of TOM. He was previously a non-executive director of Sibanye Gold Limited from May 2014 to September 2017. Mr Chan was independent non-executive director of Noble Group Limited from August 1996 until April 2017, Quam Limited (now known as Quam Plus International Financial Limited) from October 2011 to September 2017, and HPHM, a trustee-manager of HPH Trust from February 2011 to July 2023. He was a founding member/director of the Singapore International School in Hong Kong, set up by the Ministry of Education of Singapore, and was a founding member/director of the Singapore Chamber of Commerce (Hong Kong). He was non-executive director of Dalton Foundation Limited, a charitable institution incorporated in Hong Kong which is the sponsoring body of Dalton School Hong Kong, a non-profit primary school. He was also a senior adviser to Long March Capital Limited, a fund management company based in Beijing and Shanghai in partnership with leading Chinese institutions. He was chairman (non-executive director) of The Hour Glass (HK) Limited. Mr Chan holds the Bachelor of Science (Econ) Honours from the University of London and a Master's degree in Business Administration from the University of Liverpool and is a Fellow of the Hong Kong Institute of Directors.

CHOW Ching Yee, Cynthia

Independent Non-executive Director

Chow Ching Yee, Cynthia, aged 61, has been an Independent Non-executive Director of the Company since December 2022. She has been a Remuneration Committee member and a Sustainability Committee member since 9 May 2024. She is an independent non-executive director of CKHH, a substantial shareholder (within the meaning of Part XV of the SFO) of the Company. Ms Chow is the founder and director of Discovery Mind Educational Organisation and Discovery Mind China (collectively the "Discovery Mind Group"). Ms Chow has over 25 years of experience in the operation of schools in Hong Kong and is responsible for the brand expansion and future development of the Discovery Mind Group. Before starting her educational career, Ms Chow was an Assistant Vice President in the Private Banking Division of Citibank, Hong Kong from 1994 to 1996. She holds a Bachelor of Arts degree in Economics from Occidental College, U.S.A., and a Master's degree in Business Administration from Whittier College, U.S.A..

IM Man leng

Independent Non-executive Director

Im Man leng, aged 56, has been an Independent Non-executive Director of the Company and an Audit Committee member since 9 May 2024. She has 29 years of experience in financial management of large multinational corporations and listed companies. Ms Im is an independent non-executive director of HPHM as the trustee-manager of HPH Trust. She was the Chief Financial Officer of Forterra Real Estate Pte. Ltd., a trustee manager of Forterra Trust from 2012 to 2014. She held various management roles in Hong Kong Disneyland Resort from 2000 to 2012 and re-joined the company as the Chief Financial Officer from 2016 to 2020. Prior to joining Hong Kong Disneyland Resort, Ms Im was manager of PricewaterhouseCoopers specialising in Assurance and Business Advisory Services from 1993 to 2000. She holds a Bachelor of Commerce degree from the University of Wollongong and a Master's degree in Business (Accountancy) from the University of Royal Melbourne Institute of Technology and is a member of the Hong Kong Institute of Certified Public Accountants.

IP Yuk Keung

Independent Non-executive Director

Ip Yuk Keung, aged 72, has been an Independent Non-executive Director of the Company, Chairman of the Audit Committee, a Remuneration Committee member and a Nomination Committee member since December 2019, and was appointed as Chairman of the Remuneration Committee since 9 May 2024. Mr Ip is an international banking and finance professional with over 32 years of experience in U.S.A., Asia and Hong Kong. He was formerly Managing Director of Citigroup and Managing Director of Investments of Merrill Lynch (Asia Pacific). Mr Ip is an independent non-executive director of Eagle Asset Management (CP) Limited as the manager of Champion Real Estate Investment Trust, Power Assets, New World Development Company Limited and Lifestyle International Holdings Limited (which had withdrawn its listing on 20 December 2022). He was previously an independent non-executive director of TOM. Mr Ip is an Adjunct Professor of and an advisor to various universities in Hong Kong, U.S.A. and Macau. He is a member of the Court of City University of Hong Kong ("CityU") and HKUST, an Honorary Fellow of CityU, HKUST and Vocational Training Council, Chairman of Business Career Development Advisory Committee of the College of Business of CityU, Senior Advisor to the President, Chairman of Career Development Advisory Council and Special Advisor to the Dean of the School of Business and Management, Chairman of Career Development Advisor Board and Honorary Advisor of the School of Humanities and Social Science of HKUST, an Advisory Board Member for the Faculty of Business Administration at the University of Macau, and a Beta Gamma Sigma Honoree at CityU and HKUST. Mr Ip is chairman of HKUST Foundation and also serves as a member of the Science and Technology Council, the Macau Special Administrative Region of the People's Republic of China. He was previously a Council Member of HKUST. Mr Ip holds a Bachelor of Science degree in Applied Mathematics and Computer Science, a Master of Science degree in Applied Mathematics and a Master of Science degree in Accounting and Finance.

MA Lai Chee, Gerald

Alternate Director

Ma Lai Chee, Gerald, aged 57, has been Alternate Director to Mr Lai Kai Ming, Dominic, a Non-executive Director of the Company since June 2009. He is an executive committee member and general manager of corporate business development department of CK Asset Holdings Limited. Mr Ma joined the CK Group in 1996. He is a non-executive director of ESR Asset Management (Fortune) Limited (formerly known as ARA Asset Management (Fortune) Limited) as the manager of Fortune Real Estate Investment Trust, and ESR Asset Management (Prosperity) Limited (formerly known as ARA Asset Management (Prosperity) Limited) as the manager of Prosperity Real Estate Investment Trust. Mr Ma is also a director of certain subsidiaries of CKHH, a substantial shareholder (within the meaning of Part XV of the SFO) of the Company. He has over 35 years of management experience in different industries. Mr Ma holds a Bachelor of Commerce degree in Finance and a Master of Arts degree in Global Business Management.

Changes in Information of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in information of the Directors, as notified to the Company, subsequent to the date of the 2024 Interim Report are set out below:

Directors	Details of changes
Lui Dennis Pok Man	Re-designated as Executive Deputy Chairman of the Company with effect from 11 December 2024
Woo Chiu Man, Cliff	Re-designated as Non-executive Deputy Chairman of the Company with effect from 11 December 2024
Edith Shih	Appointed as vice-chairman of the Council of HKUST with effect from 1 November 2024
Im Man Ieng	Appointed as an independent non-executive director of HPHM as the trustee-manager of HPH Trust ^(Note) and a member of its audit committee and remuneration committee with effect from 2 December 2024
Ip Yuk Keung	Appointed as Chairman of Career Development Advisor Board and Honorary Advisor of the School of Humanities and Social Science of HKUST on 1 December 2024

Note:

A business trust the units of which are listed on the Singapore Stock Exchange

In respect of the updated emoluments of the Directors, please refer to note 7(a) to the consolidated financial statements on pages 181 to 182.

Interests and Short Positions in Shares, Underlying Shares and Debentures of Directors and Chief Executive

As at 31 December 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the "HTHKH Securities Code") were as follows:

(I) Interests and short positions in the shares, underlying shares and debentures of the Company

Long positions in the shares and underlying shares of the Company

Directors	Capacity	Nature of interests	Number of shares held	Approximate % of shareholding
Fok Kin Ning, Canning	Interest of a controlled corporation	Corporate interest	1,202,380 ^(Note)	0.0249%
Lui Dennis Pok Man	Beneficial owner	Personal interest	9,100,000	0.1888%
Woo Chiu Man, Cliff	Beneficial owner	Personal interest	2,001,333	0.0415%
Koo Sing Fai	Interest of spouse	Family interest	20,000	0.0004%

Note:

Such shares were held by a company which is equally controlled by Mr Fok Kin Ning, Canning and his spouse.

(II) Interests and short positions in the shares, underlying shares and debentures of the associated corporations of the Company

Long positions in the shares, underlying shares and debentures of the associated corporations of the Company

Mr Fok Kin Ning, Canning had, as at 31 December 2024, the following interests:

- (i) corporate interests in 6,011,438 ordinary shares, representing approximately 0.15% of the issued voting shares, in CKHH; and
- (ii) 5,100,000 ordinary shares, representing approximately 0.03% of the issued voting shares, in HTAL comprising personal and corporate interests in 4,100,000 ordinary shares and 1,000,000 ordinary shares respectively.

Mr Fok Kin Ning, Canning held the above personal interests in his capacity as a beneficial owner and held the above corporate interests through a company which is equally controlled by Mr Fok and his spouse.

Mr Woo Chiu Man, Cliff had, as at 31 December 2024, 8,892 ordinary shares, representing approximately 0.0002% of the issued voting shares, in CKHH, comprising personal interests in 3,420 ordinary shares held in his capacity as a beneficial owner and family interests in 5,472 ordinary shares held by his spouse.

Mr Lai Kai Ming, Dominic in his capacity as a beneficial owner had, as at 31 December 2024, personal interests in 34,200 ordinary shares, representing approximately 0.0008% of the issued voting shares, in CKHH.

Ms Edith Shih had, as at 31 December 2024, the following interests:

- (i) 192,187 ordinary shares, representing approximately 0.0050% of the issued voting shares, in CKHH, comprising personal interests in 187,125 ordinary shares held in her capacity as a beneficial owner and family interests in 5,062 ordinary shares held by her spouse; and
- (ii) personal interests of a nominal amount of US\$400,000 in the 4.750% Notes due 2034 issued by CK Hutchison International (24) (II) Limited.

Mr Ip Yuk Keung had, as at 31 December 2024, other interest in the following interests held jointly with another person:

- (i) 177,000 ordinary shares, representing approximately 0.0046% of the issued voting shares, in CKHH; and
- (ii) a nominal amount of US\$250,000 in the 3.5% Notes due 2027 issued by CK Hutchison International (17) Limited.

Save as disclosed above, as at 31 December 2024, none of the Directors or chief executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the HTHKH Securities Code.

Directors' Interests in Competing Business

During the year ended 31 December 2024, the following Directors had interests in certain businesses (apart from the businesses of the Company or its subsidiaries) which are considered to compete or be likely to compete, either directly or indirectly, with the principal businesses of the Company or its subsidiaries conducted during the year and are required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules:

- Mr Fok Kin Ning, Canning was an executive director of CKHH and a director of certain subsidiaries and a director or a commissioner of associated companies of CKHH which are engaged in telecommunications business.
- Mr Lai Kai Ming, Dominic and Ms Edith Shih were executive directors of CKHH and directors and/or alternate directors of certain of its subsidiaries which are engaged in telecommunications business.
- Mr Lui Dennis Pok Man was a director and/or alternate director of certain subsidiaries of CKHH which are engaged in telecommunications business.
- Mr Woo Chiu Man, Cliff was a director of certain subsidiaries and a commissioner of an associated company of CKHH which are engaged in telecommunications business.

On 17 April 2009, the Company entered into a non-competition agreement with HWL (the then holding company of the Company) (the "HWL Non-Competition Agreement") and a non-competition agreement with HTIL, whereby the parties thereto agreed, inter alia, to clearly delineate the respective geographical markets and businesses of each of (i) the HWL Group (excluding HTIL and its subsidiaries (the "HTIL Group") and the Group); (ii) the HTIL Group; and (iii) the Group within their respective territories for the purpose of implementing the non-competition restrictions. The exclusive territories of the Group comprised Hong Kong and Macau. The exclusive territories of the HWL Group (which in substance included those of the HTIL Group following the privatisation of HTIL in 2010) comprised all the remaining countries of the world.

HWL transferred its rights and obligations under the HWL Non-Competition Agreement to CKHH by novation on 28 December 2015, as a result of the completion of the reorganisation of the HWL Group on 3 June 2015 whereupon CKHH became the ultimate holding company of HWL and the Company.

Information on Senior Management

NG Marcus Byron

Chief Financial Officer

NG, Marcus Byron, aged 41, has been Chief Financial Officer of the Group since April 2023. He has served CKHH Group for over 11 years. Mr Ng is a qualified accountant with membership of the Hong Kong Institute of Certified Public Accountants. He holds a Bachelor of Science degree in Accounting. Mr Ng has more than 19 years of experience in accounting and finance for corporate and audit sectors.

LEONG Bing Yow

Chief Technology Officer

LEONG Bing Yow, aged 41, has been Chief Technology Officer of the Group since January 2023. He joined the Group in January 2022. Mr Leong is responsible for network and IT strategy, engineering and operations. He holds a Bachelor of Engineering degree and has more than 18 years of experience in telecommunications.

Christopher John SANDERSON

Director of Legal Services & Regulatory

Christopher John SANDERSON, aged 60, has been Director of Legal Services & Regulatory of the Group since September 2012. He joined the HWL Group in December 2001. Mr Sanderson is responsible for legal and regulatory affairs. He holds a Bachelor of Laws degree and has more than 37 years of experience in legal affairs working in New Zealand, Hong Kong, the United Kingdom and India.

Directors' Report

The Directors have pleasure in submitting to shareholders their report and the audited financial statements for the year ended 31 December 2024.

Principal Activities

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out on page 211.

Business Review

A fair review of the business of the Group as required under Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), comprising a discussion and analysis of the performance of the Group during the year including analysis using financial key performance indicators, a description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year 2024, as well as an indication of likely future development in the business of the Group, are provided in the following sections:

- "Financial Highlights" on page 3.
- "Chairman's Statement", "Operations Review", "Management Discussion and Analysis" and "Group Capital Resources and Liquidity" on pages 10 to 23.
- "Risk Factors" on pages 24 to 28.
- "Financial Risk Management" in note 3 to the consolidated financial statements on pages 171 to 178.
- "Corporate Governance Report" on pages 48 to 85.

Discussions on the environmental policies and performance of the Group, its compliance with the relevant laws and regulations that have a significant impact on the Group as well as an account of the Group's key relationships with its employees, customers and suppliers and others that have a significant impact on the Group and on which the Group's success depends, are provided in the "Corporate Governance Report" on pages 48 to 85.

All such discussions form part of this report.

Group Profit

The consolidated income statement is set out on page 153 and shows the profit of the Group for the year ended 31 December 2024.

Dividend

An interim dividend of 2.28 HK cents per share for the first half of 2024 was paid to shareholders in early September 2024.

The Directors also recommended the declaration of a final dividend of 5.21 HK cents per share, to be payable on Thursday, 29 May 2025, to those persons registered as shareholders of the Company at close of business on Tuesday, 20 May 2025, being the record date for determining shareholders' entitlement to the proposed final dividend.

Reserves

Movements in the reserves of the Group and of the Company during the year are set out in notes 30 and 37(e) to the consolidated financial statements respectively.

Charitable Donations

Charitable donations benefitting community projects by the Group during the year amounted to approximately HK\$12.5 million (2023: HK\$8.3 million).

Directors

As at the date of this report, the Board comprises 10 Directors:

Chairman and Non-executive Director

Mr FOK Kin Ning, Canning

Executive Directors

Mr LUI Dennis Pok Man (*Executive Deputy Chairman*)

Mr KOO Sing Fai (*Chief Executive Officer*)

Non-executive Directors

Mr WOO Chiu Man, Cliff (*Non-executive Deputy Chairman*)

Mr LAI Kai Ming, Dominic (*also Alternate to Mr FOK Kin Ning, Canning and Ms Edith SHIH*)

Ms Edith SHIH

Mr MA Lai Chee, Gerald (*Alternate to Mr LAI Kai Ming, Dominic*)

Independent Non-executive Directors

Mr CHAN Tze Leung

Ms CHOW Ching Yee, Cynthia

Ms IM Man Ieng

Mr IP Yuk Keung

During the year ended 31 December 2024 and the period up to the date of this report, the changes of the Board composition were as follows:

- Dr Lan Hong Tsung, David and Dr Wong Yick Ming, Rosanna retired at the conclusion of the annual general meeting held on 9 May 2024 (the "2024 AGM"); and
- Mr Chan Tze Leung and Ms Im Man Ieng were appointed as Independent Non-executive Directors with effect from the conclusion of the 2024 AGM.

Dr Lan and Dr Wong have confirmed that they have no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.

In accordance with Article 83(3) of the Articles of Association, Mr Chan and Ms Im will hold office until the forthcoming annual general meeting (the "2025 AGM") and, being eligible, will offer themselves for re-election at the 2025 AGM.

In accordance with Article 84 of the Articles of Association, Mr Fok Kin Ning, Canning, Mr Woo Chiu Man, Cliff and Ms Edith Shih will retire by rotation at the 2025 AGM and, being eligible, will offer themselves for re-election.

Details regarding the re-election are set out in the circular to shareholders together with this Annual Report.

The Company has received written confirmation from all Independent Non-executive Directors regarding their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the Independent Non-executive Directors as independent. Please also refer to pages 77 to 78 of the Corporate Governance Report for the assessment by the Nomination Committee in this regard.

The Directors' biographical details are set out in the "Information on Directors" section of this Annual Report.

Directors' Service Contracts

None of the Directors who offer themselves for re-election at the 2025 AGM has a service contract with the Company which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

Permitted Indemnity Provisions

The Articles of Association provide that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty. Directors' liability insurance is in place for the directors of the Company and its subsidiaries in respect of potential costs and liabilities arising from claims that may be brought against the directors. The relevant provisions in the Articles of Association and the directors' liability insurance were in force during the financial year ended 31 December 2024 and as of the date of this report.

Arrangement to Purchase Shares or Debentures

At no time during the year or at the end of the year was the Company or its subsidiary a party to any arrangements to enable any Director to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or of any other body corporate.

Directors' Material Interests in Transactions, Arrangements or Contracts

No transaction, arrangement or contract of significance in relation to the business of the Group to which the Company or its subsidiary, fellow subsidiary or parent company was a party and in which a person who at any time in 2024 was a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of 2024 or at any time during 2024.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of any business of the Company was entered into or existed during 2024.

Continuing Connected Transactions

On 13 December 2023, the Company and CKHH entered into (i) a master HTHKH telecommunications supplies agreement, whereby the Company agreed to provide, or to procure its subsidiaries to provide, the Group Telecommunications Supplies (as defined below) to members of the CKHH Group (the "Master HTHKH Telecommunications Supplies Agreement"); (ii) a master CKHH telecommunications supplies agreement, whereby CKHH agreed to provide, or to procure other members of the CKHH Group to provide, the CKHH Telecommunications Supplies (as defined below) to members of the Group (the "Master CKHH Telecommunications Supplies Agreement"); and (iii) a master purchase agreement, whereby CKHH agreed to provide, or to procure other members of the CKHH Group to provide, the Business Related Supplies (as defined below) to members of the Group (the "Master Purchase Agreement") (collectively, the "Master Agreements"), as and when reasonably requested by relevant members of the Group or of the CKHH Group (as the case may be) for the period from 1 January 2024 to 31 December 2026:

- (a) "CKHH Group" means CKHH and its subsidiaries from time to time (excluding members of the Group) and such other entities in which CKHH is from time to time directly or indirectly interested so as to (i) exercise or control the exercise of 30% to 50% of the voting power at general meetings of such entities; or (ii) control the composition of a majority of the board of directors of such entities, and the subsidiaries of such other entities;
- (b) "Group Telecommunications Supplies" means telecommunications products and services of the Group, including mobile telecommunications products (including mobile handsets and accessories); mobile telecommunications services (including international direct dialling and roaming services, mobile Wi-Fi and other value-added services); information and communications technology services (including resell of fixed-line telecommunications services such as business broadband, voice and fax solution); marketing, advertising and promotional services; and such other telecommunications products and services of the Group as may be agreed between the Company and CKHH from time to time;
- (c) "CKHH Telecommunications Supplies" means telecommunications goods and services of the CKHH Group, including roaming services; and such other telecommunications goods and services of the CKHH Group as may be agreed between the Company and CKHH from time to time, which exclude the Business Related Supplies;
- (d) "Business Related Supplies" means goods and services for use in connection with the businesses of the Group, including billing collection services; dealership services at retail outlets in Hong Kong for sale of handsets and/or telecommunications services; information technology ("IT") related services, including IT platforms development services, software solutions and applications development services and other professional services; cash coupons and marketing, advertising and promotional services; non-telecommunications products; and such other goods and services for use in connection with the businesses of the Group as may be agreed between the Company and CKHH from time to time, which exclude the CKHH Telecommunications Supplies; and
- (e) "Supplies" means the Group Telecommunications Supplies, the CKHH Telecommunications Supplies and/or the Business Related Supplies (as the case may be).

Pursuant to the Master HTHKH Telecommunications Supplies Agreement, the relevant members of the CKHH Group and of the Group would enter into separate contracts with respect to the requested Group Telecommunications Supplies. The terms of, and the consideration payable under, such contracts would be negotiated on a case-by-case and an arm's length basis between the parties, and would be on normal commercial terms which, from the Group's perspective, should be no more favourable than those made available by the Group to its independent customers of the relevant Group Telecommunications Supplies. In particular, the fee chargeable by the relevant members of the Group should be at market rates and be based by reference to the then prevailing market rates for the Group Telecommunications Supplies of similar or comparable scope, scale, quality, reliability and service levels charged by the Group or, if not available, the then prevailing market rates no more favourable than that the relevant members of the Group may make available to independent customers for the Group Telecommunications Supplies of similar or comparable scope, scale, quality, reliability and service levels.

Pursuant to the Master CKHH Telecommunications Supplies Agreement and the Master Purchase Agreement, the relevant members of the Group and of the CKHH Group would enter into separate contracts with respect to the requested CKHH Telecommunications Supplies or Business Related Supplies (as the case may be). The terms of, and the consideration payable under, such contracts would be negotiated on a case-by-case and an arm's length basis between the parties, and would be on normal commercial terms which, from the Group's perspective, should be no less favourable to the Group than those which the Group could obtain from independent third party suppliers of comparable CKHH Telecommunications Supplies or Business Related Supplies (as the case may be) in the market. In particular, the Group will seek competitive quotes through tendering or other processes (including conducting a comparison of prices of a sufficient number of independent third party suppliers of comparable CKHH Telecommunications Supplies or Business Related Supplies (as the case may be) in the market) for management review with a view to ensuring that the fees payable by the Group to the CKHH Group in connection with the CKHH Telecommunications Supplies or Business Related Supplies (as the case may be) are fair and reasonable and comparable to those offered by independent third party suppliers having regard to the scope, scale, quality, reliability and service levels of the CKHH Telecommunications Supplies or Business Related Supplies (as the case may be) required and the past performance of the relevant members of the CKHH Group when providing the CKHH Telecommunications Supplies or Business Related Supplies (as the case may be).

The relevant pricing policies of the Group have been followed when determining the price and terms of the relevant transactions contemplated under each of the Master Agreements conducted during 2024.

The Board believes that the entering into of the Master Agreements with CKHH helps ensure that the necessary Supplies will continue to be made available to the Group. It also helps achieve business continuity and efficiency as well as minimise any potential disruption to the daily operation of the Group.

Each of CKHH and the other members of the CKHH Group is a connected person of the Company by virtue of being either a substantial shareholder of the Company at the listed issuer level or an associate of CKHH. Accordingly, the transactions contemplated under the Master Agreements constituted continuing connected transactions (the "Continuing Connected Transactions") for the Company under Chapter 14A of the Listing Rules, in respect of which an announcement dated 13 December 2023 (the "Announcement") was issued by the Company.

As set out in the Announcement, the annual caps for each of the year ended 31 December 2024 and of the two years ending 31 December 2025 and 2026 in respect of (i) the provision of the Group Telecommunications Supplies to the CKHH Group are HK\$60 million, HK\$88 million and HK\$118 million respectively; (ii) the purchase of the CKHH Telecommunications Supplies by the Group are HK\$21 million, HK\$25 million and HK\$29 million respectively; and (iii) the purchase of the Business Related Supplies by the Group are HK\$122 million, HK\$142 million and HK\$166 million respectively.

The aggregate transaction amounts of the Continuing Connected Transactions for the year ended 31 December 2024 and the relevant annual caps as stated in the Announcement are set out below:

	Aggregate transaction amount (HK\$ million)	2024 annual cap (HK\$ million)
Provision of the Group Telecommunications Supplies by the Group to the CKHH Group	25	60
Purchase of the CKHH Telecommunications Supplies by the Group from the CKHH Group	9	21
Purchase of the Business Related Supplies by the Group from the CKHH Group	64	122

The internal audit of the Group has reviewed the Continuing Connected Transactions under the Master Agreements for the year ended 31 December 2024 and the relevant internal control procedures covering the price negotiation, review and approval, agreement management, reporting and consolidation processes of these transactions, and is of the view that satisfactory controls were in place in respect of the areas reviewed. All the Independent Non-executive Directors of the Company, having reviewed the Continuing Connected Transactions entered into by the Group under the Master Agreements during the year ended 31 December 2024 and the findings provided by the internal audit of the Group, confirmed that such transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the respective agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company has engaged its external auditor to report on the Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

Based on the work performed, the external auditor of the Company confirmed in its letter to the Board that nothing has come to its attention that causes it to believe that the Continuing Connected Transactions entered into by the Group under the Master Agreements during the year ended 31 December 2024 (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group for transactions which involved the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the terms of the respective agreements governing such transactions; and (iv) have exceeded the relevant annual caps in respect of the year ended 31 December 2024 as disclosed in the Announcement.

A summary of the related party transactions entered into by the Group during the year ended 31 December 2024 is contained in note 36 to the consolidated financial statements. All transactions entered into with the CKHH Group (as defined and described in note 36 to the consolidated financial statements) fell under the definition of "continuing connected transactions" under the Listing Rules and are fully exempt from all disclosure, annual review and shareholders' approval requirements under Chapter 14A of the Listing Rules, other than the transactions with the CKHH Group under the Master Agreements, which are subject to the reporting, announcement and annual review requirements but exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year ended 31 December 2024.

Interests and Short Positions in Shares, Underlying Shares and Debentures of Directors and Chief Executive

Interests and short positions in shares, underlying shares and debentures of Directors and chief executive are set out in the section "Information on Directors" on pages 35 to 36.

Interests and Short Positions of Shareholders Discloseable under the SFO

So far as the Directors and chief executive of the Company are aware, as at 31 December 2024, other than the interests and short positions of the Directors and chief executive of the Company as disclosed in the section titled "Interests and Short Positions in Shares, Underlying Shares and Debentures of Directors and Chief Executive" under "Information on Directors", the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

(I) Interests and short positions of substantial shareholders in the shares and underlying shares of the Company

Long positions in the shares of the Company

Names	Capacity	Number of shares held	Total	Approximate % of shareholding
Hutchison Telecommunications Investment Holdings Limited ("HTIHL")	Interest of a controlled corporation	23,689,889 ⁽¹⁾)		
	Beneficial owner	3,161,292,951 ⁽²⁾)	3,184,982,840	66.09%
Gensis Lake Limited ("GLL")	Interest of controlled corporations	3,184,982,840 ⁽¹⁾⁽²⁾	3,184,982,840	66.09%
Dynamic Zamia Limited ("DZL")	Interest of controlled corporations	3,184,982,840 ⁽¹⁾⁽²⁾	3,184,982,840	66.09%
CK Hutchison Group Telecom Holdings Limited ("CKHGT")	Interest of controlled corporations	3,184,982,840 ⁽¹⁾⁽²⁾	3,184,982,840	66.09%
Barusley Limited ("BL")	Interest of controlled corporations	3,184,982,840 ⁽¹⁾⁽²⁾	3,184,982,840	66.09%
Askern Peak Limited ("APL")	Interest of controlled corporations	3,184,982,840 ⁽¹⁾⁽²⁾	3,184,982,840	66.09%
CK Hutchison Global Investments Limited ("CKHGI")	Interest of controlled corporations	3,184,982,840 ⁽¹⁾⁽²⁾	3,184,982,840	66.09%
CKHH	Interest of controlled corporations	3,184,982,840 ⁽¹⁾⁽²⁾	3,184,982,840	66.09%

(II) Interests and short positions of other persons in the shares and underlying shares of the Company

Long positions in the shares of the Company

Names	Capacity	Number of shares held	Total	Approximate % of shareholding
Li Ka-shing	Founder of discretionary trusts	53,604,826 ⁽³⁾)		
)		
)		
	Interest of controlled corporations	350,527,953 ⁽⁴⁾)		
)	404,132,779	8.38%
Li Tzar Kuoi, Victor	Discretionary beneficiary of discretionary trusts	53,604,826 ⁽³⁾)		
)		
)		
)		
	Interest of controlled corporations	353,047,203 ⁽⁴⁾⁽⁵⁾)		
)		
)		
	Interest of child	192,000 ⁽⁶⁾)	406,844,029	8.44%
Li Ka Shing Foundation Limited ("LKSF")	Beneficial owner	350,527,953 ⁽⁴⁾	350,527,953	7.27%

Notes:

- (1) Cheung Kong Enterprises Limited ("Cheung Kong Enterprises", a direct wholly-owned subsidiary of HTIHL) holds 23,689,889 shares of the Company. By virtue of the SFO, HTIHL was deemed to be interested in the 23,689,889 shares of the Company held by Cheung Kong Enterprises.
- (2) HTIHL is a direct wholly-owned subsidiary of GLL. GLL in turn is a direct wholly-owned subsidiary of DZL. DZL in turn is a direct wholly-owned subsidiary of CKHGT. CKHGT in turn is a direct wholly-owned subsidiary of BL. BL in turn is a direct wholly-owned subsidiary of APL. APL in turn is a direct wholly-owned subsidiary of CKHGI. CKHGI in turn is a direct wholly-owned subsidiary of CKHH. By virtue of the SFO, each of CKHH, CKHGI, APL, BL, CKHGT, DZL and GLL was deemed to be interested in the 3,161,292,951 shares of the Company held by HTIHL and the 23,689,889 shares of the Company held by Cheung Kong Enterprises.
- (3) The 53,604,826 shares of the Company comprise:
 - (a) 53,451,546 shares held by Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-Shing Unity Trust ("UT1") and its related company in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings ("TUT1 related company"). Mr Li Ka-shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust ("DT1") and another discretionary trust ("DT2"). Each of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1", which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited ("TDT2", which is the trustee of DT2) holds units in UT1 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children, and Mr Li Tzar Kai, Richard.

The entire issued share capital of TUT1, TDT1 and TDT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Unity Holdco or any of Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as aforesaid.

As Mr Li Ka-shing may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO, and by virtue of the above, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the 53,451,546 shares of the Company held by TUT1 as trustee of UT1 and TUT1 related company under the SFO as substantial shareholders of the Company.

- (b) 153,280 shares held by Li Ka-Shing Castle Trustee Company Limited ("TUT3") as trustee of The Li Ka-Shing Castle Trust ("UT3"). Mr Li Ka-shing is the settlor of each of the two discretionary trusts ("DT3" and "DT4"). Each of Li Ka-Shing Castle Trustee Corporation Limited ("TDT3", which is the trustee of DT3) and Li Ka-Shing Castle Trustcorp Limited ("TDT4", which is the trustee of DT4) holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children, and Mr Li Tzar Kai, Richard.

The entire issued share capital of TUT3, TDT3 and TDT4 are owned by Li Ka-Shing Castle Holdings Limited ("Castle Holdco"). Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Castle Holdco. TUT3 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Castle Holdco or any of Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor as a holder of the shares of Castle Holdco as aforesaid.

As Mr Li Ka-shing may be regarded as a founder of each of DT3 and DT4 for the purpose of the SFO, and by virtue of the above, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the 153,280 shares of the Company held by TUT3 as trustee of UT3 under the SFO as substantial shareholders of the Company.

- (4) The 350,527,953 shares are held by LKSF. By virtue of the terms of the constituent documents of LKSF, each of Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.
- (5) Among those shares, 2,519,250 shares are held by certain companies of which Mr Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.
- (6) Such shares are held by a company in which a child of Mr Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings.

Save as disclosed above, as at 31 December 2024, no other person (other than the Directors and chief executive of the Company) had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

Share Scheme

The Company's share option scheme expired on 20 May 2019 and there are no outstanding share options under the scheme. The Group has no other share scheme.

Bank Loans and Other Borrowings

The Group did not have any borrowing (including debentures) as at 31 December 2024.

Equity-linked Agreements

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company or were subsisted at the end of the year or at any time during the year.

Pre-emptive Rights

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

Share Capital

Details of the shares movement during the year are set out in note 29 to the consolidated financial statements on page 199.

Purchase, Sale or Redemption of Listed Securities

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities (including sale of treasury shares, if any) of the Company.

Major Customers and Suppliers

During the year, the percentage of revenue attributable to the five largest customers of the Group combined was less than 30% of the total revenue of the Group.

During the year, the percentages of purchases attributable to the major suppliers of the Group were as follows:

	Percentage of total purchases of the Group
The largest supplier	45%
Five largest suppliers combined	68%

As at 31 December 2024, none of the Directors, their close associates or any shareholders (which to the knowledge of Directors own more than 5% of the issued share capital of the Company) had any interest in the major suppliers of the Group.

Public Float

As at the date of this report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules.

Auditor

The financial statements for the year ended 31 December 2024 have been audited by PWC who will retire and, being eligible, will offer themselves for re-appointment at the 2025 AGM.

By Order of the Board

CHOW Yan Hing, Agnes
Company Secretary

Hong Kong, 14 March 2025

Corporate Governance Report

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Group as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding the interests of shareholders and other stakeholders and enhancing shareholder value. Accordingly, the Company has adopted and applied corporate governance principles and practices that emphasise a quality Board, effective risk management and internal control systems, stringent disclosure practices, transparency and accountability as well as effective communication and engagement with shareholders and other stakeholders. It is, in addition, committed to continuously enhancing these standards and practices in light of current and emerging corporate governance development of relevance to the Group to reflect market practice, expectations and regulatory changes as appropriate, inculcating a robust culture of compliance and accountability across the businesses of the Group.

The Company has complied throughout the year ended 31 December 2024 with all applicable code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules.

The Board

Corporate purpose, values and culture

The Group's purpose is to deliver essential services that meet the needs of customers and other stakeholders, underpinned by the business values of innovation, collaboration, integrity and sustainability across all levels of the Group.

As a leading telecommunications operator, the Group is committed to conducting business responsibly and understanding its customers' needs by continuing to develop, innovate and enhance the Group's technology via various initiatives set out in the Operations Review of the Annual Report. The Group fulfills its purpose by cultivating a progressive and agile culture to improve customer experience, promote sustainable growth, enhance the reputation of the Group and continue investing in network and technology leadership. It also values and promotes creativity, provides opportunities for ideas exchange through employee engagement, and adopts innovative advancements and solutions to deliver long-term sustainable growth and value. The Board, guided by the Group's core values, sets the tone and shapes the corporate culture of the Company to promote fairness and responsibility through a Code of Ethics and Group policies, ensuring all businesses across the Group are aligned with the same purpose. This desired culture is consistently reflected in the operating practices of the Group and among its employees. Board oversight of culture encompasses a range of measures and tools to guide Directors, employees and contractors as well as suppliers and other third-party business partners to uphold the expectation of the Group to behave fairly, ethically and in accordance with applicable laws, which include:

- **Active Collaboration:** The Group encourages cross-functional collaboration among teams and gradings to promote understanding of customers' needs, cooperation and diverse perspectives. This collaborative approach drives innovation and creativity, providing an environment where employees can truly thrive and excel, thereby contributing to the long-term performance and sustainability of the Group.
- **Employees Engagement:** This involves fostering a culture of transparent, timely communication, and collaboration throughout the Group. The business prioritises employee engagement to foster innovation in products and services, support customers and deliver exceptional customer experience, including conducting employee surveys at least annually and arranging annual town hall meeting to foster open dialogue between employees and senior management. These interactions help gauge overall employee sentiment and alignment with the values of the Group.

- **Employee Retention and Training:** The Board oversees initiatives to build a team with the right talent, and a culture where employees share their values and expectations. The Group continues to focus on attracting, developing and retaining a workforce required to achieve its strategic objectives, as well as strengthening effective leadership that develops the culture of simplicity, change, accountability and collaboration that the Group instills throughout the organisation. This includes ongoing investment in programmes that promote growth opportunities and career progression for employees at all levels fostering a positive work environment. The Group provides induction sessions for new joiners to ensure that they understand and embrace the desired culture, values and expectation of the Group. Employee engagement is also supported by the Group's comprehensive performance management and reward programme to ensure equity, engagement and retention.
- **Stringent Financial Reporting:** The Group maintains a robust financial reporting system to provide accurate and transparent financial information to stakeholders. This commitment promotes a culture of integrity, ethical behaviour and accountability.
- **Effective and Accessible Whistleblowing Framework:** A strong whistleblowing framework is crucial for detecting and addressing impropriety, misconduct or malpractice within the Group. The Board ensures the effectiveness and accessibility of the whistleblowing framework, where employees are encouraged to speak up and raise issues with confidence. The Group seeks to ensure employees know how to raise concerns through a range of channels, including the Whistleblowing Policy of the Company. This policy is supported by a confidential process that provides appropriate protections for anyone to report their concerns, fostering a culture that encourages transparency, ethical behaviour and accountability.
- **Legal and Regulatory Compliance:** The Board, supported by the Company Secretary and the legal department, has overall responsibility to oversee legal and regulatory compliance within the Group. Regular reviews and assessments are conducted to ensure the Group's compliance with applicable laws and regulations. By setting a strong tone at the top and emphasising the importance of compliance, the Board fosters a culture that embodies legal and ethical standards, promoting trust, integrity and responsible decision-making. Across the operations, the Group promotes a fair and responsible culture through the Code of Ethics and Group policies as well as mandatory compliance trainings that reflect the values and corporate culture of the Group.
- **Staff Health, Safety, Wellbeing and Support:** The Group places a high priority on creating and keeping employees, contractors and the public safe by maintaining a culture that is healthy, comfortable and supportive. The Group establishes comprehensive governance, policies and procedures to reduce health, safety and wellbeing risk in the operations. It also actively promotes diversity and inclusion within its workforce so as to enable employees to reach their full potential. In addition, initiatives that promote and support work-life balance and provide resources for employee wellness are also implemented.

From the annual Board performance evaluation conducted, the Directors are satisfied with the performance of the Board and acknowledged that the Board plays an effective role in the development and determination of the Group's culture, strategy and overall commercial objective. Taking into account the corporate culture in a range of contexts, the Board considers that the culture and the purpose, value and strategy of the Group are aligned.

Corporate strategy

The principal objective of the Group is to enhance long-term total return for all its stakeholders. To achieve this objective and continue to be a leading responsible business, the Group continues to focus on achieving recurring and sustainable earnings, cash flow, dividend growth without compromising the financial strength and stability of the Group. The Group executes disciplined management of revenue growth, margin and costs, capital and investments to return ratio targets, earnings and cash flow accretive activities, as well as organic growth in sectors where the Group has management experience and resources. The Group continues to focus on delivering business solutions that support social and environmental challenges and sustainability by taking action on key climate change issues, such as committing the transition to a net-zero economy, promoting diversity, inclusion and wellbeing initiatives, digital inclusion and continuous community investment. Further information on the sustainability initiatives of the Group and its key relationships with stakeholders can be found in the sustainability report of the Group contained in this Annual Report. The Chairman's Statement, Management Discussion and Analysis, and the Operations Review contained in this Annual Report include discussions and analyses of the performance of the Group and the basis on which the Group generates or preserves value in the longer term and delivers the objectives of the Group.

Role of the Board

The Board is accountable to shareholders for the long-term sustainable success of the Company. It is responsible for shaping and overseeing the corporate culture, setting and guiding the long-term strategic objectives of the Company with appropriate focus on value creation and risk management, directing, supervising and monitoring the managerial performance and operating practices of the Group to ensure they align with the desired culture. The responsibilities of the Board include setting the strategy of the Group, approving and monitoring the implementation of the corporate plan, setting the Group's risk appetite and overseeing the management, performance and governance of the Group, with the task of promoting the long-term sustainable success of the Company and making decisions in the best interests of the Company with due regard to sustainability considerations.

The Board, led by the Chairman (Non-executive), Mr Fok Kin Ning, Canning, fosters and oversees the culture, determines and monitors group-wide strategies and policies, annual budgets and business plans, evaluates the performance of the Company, and supervises the management of the Company ("Management"). Management is responsible for the day-to-day operations of the Group under the leadership of the Executive Deputy Chairman and the Chief Executive Officer, and ensuring that the desired culture of the Company is understood and shared at all levels of the Group.

Board composition

The Board currently comprises 10 Directors, including the Chairman (Non-executive), two Deputy Chairmen (one Executive and one Non-executive), Executive Director and Chief Executive Officer, two Non-executive Directors and four Independent Non-executive Directors. Throughout 2024, the number of Independent Non-executive Directors on the Board meets the one-third requirement under the Listing Rules. Information regarding the Board composition during 2024 are set out in the section of "Directors' Report" on pages 39 to 40.

Biographical details of the Directors are set out in the section of "Information on Directors" on pages 29 to 33 and on the website of the Company. A list setting out the names of the Directors and their roles and functions is posted on the websites of the Company and HKEx (www.hkexnews.hk).

Mr Chan Tze Leung and Ms Im Man Ieng, who were appointed to the Board in May 2024, had prior to their appointment obtained legal advice from an external law firm as required under Rule 3.09D of the Listing Rules on 29 April 2024. Each of them had confirmed his/her understanding of the obligations as a director of the Company.

All Non-executive Directors (other than Mr Chan, Ms Chow Ching Yee, Cynthia, Ms Im and Mr Woo Chiu Man, Cliff) entered into service contracts for an initial term ending on 31 December of the year of their appointment. Thereafter, the appointment is automatically renewed for successive 12-month periods. Although the appointment of Mr Chan, Ms Chow, Ms Im and Mr Woo do not have a specific term, their appointment is subject to the same rotation requirement as the other Directors. All Directors are subject to retirement by rotation at least once every three years. A retiring Director is eligible for re-election, and the re-election of retiring Directors at general meetings is presented in separate resolutions.

Further, no Director has a service contract with the Company not terminable by the Company within one year without payment of compensation (other than statutory compensation).

Chairman, Deputy Chairmen and Chief Executive Officer

The role of the Chairman is separate from that of the Chief Executive Officer. Such division of responsibilities reinforces the independence and accountability of these Directors.

The Chairman, assisted by the Deputy Chairmen (one Executive and one Non-executive), is responsible for providing leadership to, and overseeing the functioning of, the Board to ensure that it acts in the best interests of the Group. He is also responsible for ensuring that Board meetings are planned and conducted effectively, including setting the agenda for each Board meeting, taking into account, where appropriate, matters proposed by Directors and the Company Secretary. With the support of the Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues to be deliberated at Board meetings and are provided with adequate and accurate information in a timely manner.

The Chairman promotes a culture of openness and actively encourages Directors to voice their opinion and be fully engaged in the affairs of the Board so as to contribute to the effective functioning of the Board. The Board, under the leadership of the Chairman, has adopted good corporate governance practices and procedures and taken appropriate steps to promote effective communication and ongoing engagement with shareholders and other stakeholders, as outlined later in this report.

The Chief Executive Officer is responsible for managing the businesses of the Group, attending to the formulation and successful implementation of Group policies and assuming full accountability to the Board for all group operations. Acting as the principal manager of the businesses of the Group, the Chief Executive Officer attends to developing strategic operating plans that reflect the long-term objectives and priorities established by the Board and is directly responsible for overseeing and delivering operational performance of the Group.

Working with the Chief Financial Officer and the executive management team of the Company, the Chief Executive Officer presents annual budgets to the Board for consideration and approval, and ensures that the Board is fully apprised of the funding requirements of the Group. With the assistance of the Chief Financial Officer, the Chief Executive Officer ensures that the funding requirements of the businesses are met and monitors the operating and financial performance of the businesses against plans and budgets. He maintains an ongoing dialogue with all Directors to keep them fully informed of all major business development and issues. In addition, he is also responsible for building and maintaining an effective executive management team to support him in his role.

Board process

The Board meets regularly, and at least four times a year with meeting dates scheduled prior to the beginning of the year. Between scheduled meetings, senior management of the Group provides to Directors, on a regular basis, monthly updates and other information with respect to the performance and business activities of the Group. Throughout the year, in addition to Board meetings, Directors participate in the deliberation and approval of routine and operational matters of the Company by way of written resolutions with supporting explanatory materials, supplemented by additional verbal and/or written information from the Company Secretary or other executives as and when required. Details of material or notable transactions of subsidiaries and associated companies are provided to the Directors as appropriate. Whenever warranted, additional Board meetings are held. Further, Directors have full access to information on the Group and advice and services of the Company Secretary and the legal department. They also have full access to independent professional advice at all times whenever deemed necessary and they are at liberty to propose appropriate matters for inclusion in Board agendas.

With respect to regular meetings of the Board, Directors receive written notice of the meeting generally about a month in advance and a draft agenda for review and comment about three weeks prior thereto. The full set of Board papers is normally supplied no less than three days prior to the meeting. For other meetings, Directors are given as much notice as is reasonable and practicable in the circumstances. Except for those circumstances permitted by the Articles of Association and the Listing Rules, a Director would abstain from voting on resolutions approving any contract, transaction, arrangement or any other kind of proposal put forward to the Board in which he/she or any of his/her close associates is materially interested, and such Director is not counted for quorum determination purposes.

Directors' Attendance and Commitment

The Company held four Board meetings in 2024 with 100% attendance. All Directors also attended the annual general meeting of the Company held on 9 May 2024 (the "2024 AGM"). The attendance record is set out below:

Directors	Board meetings attended/ Eligible to attend	Attendance at 2024 AGM
Chairman and Non-executive Director		
Fok Kin Ning, Canning	4/4	√
Executive Directors		
Lui Dennis Pok Man (<i>Executive Deputy Chairman</i>)	4/4	√
Koo Sing Fai (<i>Chief Executive Officer</i>)	4/4	√
Non-executive Directors		
Woo Chiu Man, Cliff (<i>Non-executive Deputy Chairman</i>)	4/4	√
Lai Kai Ming, Dominic	4/4	√
Edith Shih	4/4	√
Independent Non-executive Directors		
Chan Tze Leung ⁽¹⁾	2/2	N/A
Chow Ching Yee, Cynthia	4/4	√
Im Man Ieng ⁽¹⁾	2/2	N/A
Ip Yuk Keung	4/4	√
Lan Hong Tsung, David ⁽²⁾	2/2	√
Wong Yick Ming, Rosanna ⁽²⁾	2/2	√

Notes:

(1) Appointed on 9 May 2024

(2) Retired on 9 May 2024

In addition to Board meetings, in 2024 the Chairman held monthly meetings with the Chief Executive Officer and senior management team and also met with Independent Non-executive Directors twice without the presence of other Directors. Such meetings provide an effective forum for the Chairman to listen to the views of the Independent Non-executive Directors on issues including corporate governance improvement, effectiveness of the Board, and such other issues they may wish to raise in the absence of other Directors and Management.

All Directors have confirmed that they have given sufficient time and attention to the affairs of the Group throughout their tenure during the year ended 31 December 2024. In addition, Directors disclose to the Company in a timely manner their other commitments, such as directorships in other public companies and major appointments as well as update the Company on any subsequent changes. As at the date of this report, none of the Independent Non-executive Directors concurrently holds more than three listed company directorships (including the Company).

Board performance

The Company regards board evaluation as a critical tool to assess Board effectiveness and efficiency. Led by the Chairman with the support of the Company Secretary, an internal performance evaluation on the Board and its committees had been conducted for the year 2024. The Nomination Committee supports and draws reference from this annual evaluation. The evaluation involved each Director completing a questionnaire to provide individual ratings as well as comments covering a range of topics. The objective of the evaluation is to ensure that the Board and its committees continue to act effectively in fulfilling the duties and responsibilities expected of them, and to develop action plans for improvement. The scope of the evaluation covered various aspects, including Board composition and expertise, information flow to Board members, Board process and effectiveness, continuous development and training, Board accountability and leadership. In addition, the constituent, expertise and effectiveness of each of the Board committees were also evaluated. The findings of the evaluation were then analysed and presented to the Nomination Committee and the Board in aggregate form without attributing specific comments or ratings to individual Board members in order to preserve confidentiality, foster a culture of trust and facilitate candid discussions. Based on the performance review for year 2024, the Board considers its existing practice as effective. Positive feedback was received in recognition of the diversity efforts of the Board, which helps maintain a balanced mix of expertise and disciplines. The Group's initiatives to enhance overall performance in challenging and rapidly evolving times were also acknowledged. The Board is satisfied that it has met its performance objectives and each Director has contributed positively to the overall effectiveness of the Board and Board committees.

Board independence

The Company recognises that Board independence is key to good corporate governance. As part of the established governance framework, the Group has in place effective mechanisms that underpin a strong independent Board, ensuring that independent views and input from Directors are conveyed to the Board. The governance framework and mechanisms are kept under regular review to align with international best practice, ensuring their effectiveness. In March 2025, the Board conducted a review and considered that such mechanisms were properly implemented during 2024 and were effective.

The current composition of the Board (comprising more than one-third Independent Non-executive Directors) and the Audit Committee (comprising all Independent Non-executive Directors) exceed the independence requirements under the Listing Rules. The Company has a vigorous selection, nomination and appointment/re-appointment process for Directors (including Independent Non-executive Directors), see "Nomination Process" on pages 73 to 78 of this report. None of the Independent Non-executive Directors has served on the Board for more than nine years. Fees to Independent Non-executive Directors are in the form of cash payment with additional fees payable to reflect membership of Board committees and none of them receives remuneration based on performance of the Group. Information about remuneration of the Directors is set out on page 80 of this report. The remuneration of Independent Non-executive Directors is also subject to a regular review mechanism to maintain competitiveness and commensurate with their responsibilities and workload.

To facilitate attendance and participation at Board and other Board committee meetings, the Company plans meeting schedules for the year well in advance, with electronic facilities for attendance as required. External independent professional advice is also available to all Directors (including Independent Non-executive Directors) whenever deemed necessary. A guide for obtaining independent and legal or other professional advice is provided to Directors. The Board process, ranging from agenda setting, provision of information and focus on constructive debates and discussions, facilitates effective and active participation by all Independent Non-executive Directors, see "Board Process" on page 52 of this report. Board process and effectiveness are also assessed during the annual evaluation of the Board performance, see "Board Performance" above. The roles of Chairman and Chief Executive Officer are separate ensuring that there is a balance of power and authority. Each year, the Chairman meets with the Independent Non-executive Directors twice without the presence of other Directors, which provides an open agenda enabling them to express their views outside the boardroom.

The Independent Non-executive Directors have historically and consistently demonstrated strong commitment to their roles, dedicating sufficient time to discharge their responsibilities at the Board and its relevant committees. Notably, they all achieved 100% attendance throughout 2024. Their commitment is subject to self-confirmation each year.

Training

Upon appointment to the Board, Directors receive a package of comprehensive orientation materials on the Group comprising information on the Group, duties as a director and board committee member, as well as internal governance and sustainability policies of the Group. These orientation materials are presented to the Directors by senior executives in the form of a detailed induction to the businesses, strategic direction and governance practice of the Group. Induction session had been conducted and presented by the Chief Executive Officer and senior executives to the newly appointed Independent Non-executive Directors Mr Chan Tze Leung and Ms Im Man Ieng in 2024.

The Company arranges and provides Continuous Professional Development ("CPD") training in the forms of formal training programmes, seminars, workshops, expert briefings, webcasts and selected reading materials to Directors to help them keep abreast of current trends and issues facing the Group, including the latest changes in the commercial (including industry-specific and innovative changes), legal and regulatory environment in which the Group conducts its businesses and to refresh their knowledge and skills on the roles, functions and duties of a listed company director. From time to time, Directors also participate as speakers at events to share knowledge and insights on different topics. In addition, CPD may take the form of attendance at external forums or briefing sessions (including delivery of speeches) on relevant topics. CPD training of approximately 28 hours had been provided to Directors in 2024.

The Directors are required to provide the Company with details of CPD training undertaken by them from time to time. The training records are maintained by the Company Secretary and are made available for regular review by the Audit Committee.

During 2024, CPD training was provided to Directors on the following areas and topics:

Areas	Topics	Mode of Training
Legal and Regulatory	<ul style="list-style-type: none"> Regulatory and enforcement updates and disciplinary processes from HKEx and the Securities and Futures Commission <i>(by HKEx and Securities and Futures Commission ("SFC"))</i> Legislative updates <i>(by the Companies Registry)</i> Emerging international regulatory concerns <i>(by Accounting and Financial Reporting Council)</i> Overview of Competition Ordinance in Hong Kong <i>(by Competition Commission)</i> Review of the UK capital markets and regulations <i>(by Latham & Watkins London)</i> Cross-boundary flow of personal information <i>(by Office of the Privacy Commissioner for Personal Data, Hong Kong ("PCPD"))</i> 	Reading materials, seminars and webinars
Corporate Governance/ Sustainability Practices	<ul style="list-style-type: none"> Climate disclosure requirements <i>(by HKEx, The Hong Kong Chartered Governance Institute ("HKCGI"), PwC and Freshfields LLP)</i> Enhanced climate-related reporting <i>(by HKEx)</i> Global governance updates <i>(by The Corporate Secretaries International Association Limited)</i> Sustainability governance <i>(by Ernst & Young and HKCGI)</i> Corporate social responsibility <i>(by The Chartered Governance Institute)</i> Guidance on ethics, bribery and corruption <i>(by HKCGI, Hong Kong Business Ethics Development Centre, Independent Commission Against Corruption)</i> Update on board diversity <i>(by HKEx)</i> Climate in context - Geopolitics, business, and the board <i>(by KPMG LLP)</i> 	Reading materials, seminars and webinars

Areas	Topics	Mode of Training
Financial Reporting/ Risk Management and Internal Control	<ul style="list-style-type: none"> Review of issuers' financial statement disclosures (by HKEx) 	Reading materials and seminars
	<ul style="list-style-type: none"> Whistleblowing in Asia Pacific (by Deloitte Touche Tohmatsu) 	
	<ul style="list-style-type: none"> Guide on internal controls and planning for upcoming audit (by HKEx) 	
	<ul style="list-style-type: none"> Continued evolution of the 3 lines of defence model (by PwC) 	
Directors' Duties/ Industry Trends/ Group's Businesses	<ul style="list-style-type: none"> Directors' conduct, duties and governance skillset (by SFC) 	Seminars
	<ul style="list-style-type: none"> Global challenges and opportunities (by CKHH, Airport Authority Hong Kong and McDonald's Hong Kong) 	
	<ul style="list-style-type: none"> Empowering investors and companies to unlock regional and global opportunities (by Vistra) 	
	<ul style="list-style-type: none"> Role of private equity and the future of the listed company (by KKR) 	
	<ul style="list-style-type: none"> Evolution of investment decision-making (by Cambridge Associates) 	
Digital/Information Technology	<ul style="list-style-type: none"> Generative AI and cybersecurity (by SFC and PwC) 	Reading materials, seminars and podcast
	<ul style="list-style-type: none"> Data security management (by PCPD) 	
	<ul style="list-style-type: none"> Guidance Note on PCPD's AI regulatory framework (by HKCGI) 	

Based on the details so provided, the CPD training undertaken by the Directors during the year is summarised as follows, representing an average of approximately 28 hours undertaken by each Director during the year.

Directors	Areas					Total number of hours of CPD training completed in 2024 ⁽³⁾
	Legal and Regulatory	Corporate Governance/ Sustainability Practices	Financial Reporting/ Risk Management and Internal Control	Directors' Duties/ Industry Trends/ Group's Businesses	Digital/ Information Technology	
Chairman and Non-executive Director						
Fok Kin Ning, Canning	✓	✓	✓	✓	✓	13.5 hours
Executive Directors						
Lui Dennis Pok Man <i>(Executive Deputy Chairman)</i>	✓	✓	✓	✓	✓	19 hours
Koo Sing Fai <i>(Chief Executive Officer)</i>	✓	✓	✓	✓	✓	11 hours
Non-executive Directors						
Woo Chiu Man, Cliff <i>(Non-executive Deputy Chairman)</i>	✓	✓	✓	✓	✓	7.5 hours
Lai Kai Ming, Dominic	✓	✓	✓	✓	✓	>40 hours
Edith Shih	✓	✓	✓	✓	✓	>40 hours
Ma Lai Chee, Gerald <i>(Alternate to Lai Kai Ming, Dominic)</i>	✓	✓	✓	✓	✓	8 hours
Independent Non-executive Directors						
Chan Tze Leung ⁽¹⁾	✓	✓	✓	✓	✓	31.5 hours
Chow Ching Yee, Cynthia	✓	✓	✓	✓	✓	13 hours
Im Man Ieng ⁽¹⁾	✓	✓	✓	✓	✓	29 hours
Ip Yuk Keung	✓	✓	✓	✓	✓	6.5 hours
Lan Hong Tsung, David ⁽²⁾						N/A
Wong Yick Ming, Rosanna ⁽²⁾						N/A

Notes:

(1) Appointed on 9 May 2024

(2) Retired on 9 May 2024

(3) The total number of hours included both the training provided by the Company and other CPD trainings undertaken by the Directors.

Securities transactions

The Board has adopted its own Model Code for Securities Transactions by Directors (the "HTHKH Securities Code") regulating Directors' dealings in securities (Group and otherwise), on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules. In summary, a Director who wishes to deal in the securities of the Company must notify the Chairman (or a Director designated by the Board for such specific purpose) in writing prior to any dealings and obtain a dated written acknowledgement before any dealing. Any clearance to deal granted in response to a Director's request would be valid for no longer than five business days of clearance being received. After dealings, the Director must submit a disclosure of interests filing with respect to the dealing, within the time frame required under Part XV of the SFO.

In response to specific enquiries made, all Directors have confirmed that they have complied with the HTHKH Securities Code in their securities transactions throughout their tenure during the year ended 31 December 2024.

Board Committees

The Board is supported by four permanent Board Committees: Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Committee, details of which are described later in this report. The terms of reference for these Committees, which have been adopted by the Board, are available on the websites of the Company and HKEx. Other Board Committees are established by the Board as and when warranted to take charge of specific tasks.

Company Secretary

The Company Secretary is accountable to the Board for ensuring that Board procedures are followed and Board activities are efficiently and effectively conducted. These objectives are achieved through adherence to proper Board processes and timely preparation of and dissemination to Directors comprehensive Board meeting papers. Minutes of all meetings of the Board and Board Committees are prepared and maintained by the Company Secretary to record in sufficient detail the matters considered and decisions reached by the Board or Board Committees, including any concerns raised or dissenting views voiced by any Director. All draft and final minutes of Board meetings and meetings of Board Committees are sent to Directors or Board Committee members as appropriate for comments, approval and records. Board records are available for inspection by any Director upon request.

The Company Secretary who works closely with the Board to formulate the purpose, values and strategy of the Company, takes charge in developing a robust compliance and ethical culture to meet both mounting regulatory and investor expectations, and to ensure the culture and the purpose, values and strategy of the Group are aligned.

The Company Secretary plays a leading role in ensuring that the Company develops and maintains a sound and effective corporate governance framework, in particular, a set of risk management and internal control system so that regulatory compliance, good corporate governance practices and culture are upheld and practised by the Company.

The Company Secretary is responsible for apprising the Board with all legislative, regulatory, corporate governance and sustainability developments of relevance to the Group and that it takes these developments into consideration when making decisions for the Group. From time to time, the Company Secretary organises seminars on specific topics of importance and interest and disseminates reference materials to Directors for their information.

The Company Secretary is also directly responsible for the Group's compliance with all obligations of the Listing Rules and The Codes on Takeovers and Mergers and Share Buy-backs, including the preparation, publication and despatch of annual reports and interim reports within the time limits laid down in the Listing Rules, the timely dissemination to shareholders and the market of information relating to the Group.

Furthermore, the Company Secretary advises the Directors on connected transactions, notifiable transactions, price-sensitive/inside information and Directors' obligation for disclosure of interests and dealings in securities of the Company, to ensure that the standards and disclosures requirements under the Listing Rules and applicable laws, rules and regulations are complied with and, where required, reported in the annual reports of the Company.

The Company Secretary also serves as a crucial conduit of communications internally and externally. She facilitates information flow and communication among Directors and also conveys the Board's decisions to Management from time to time and ensures a good channel of communication with shareholders. She also works with the Board and Management to assist in responding to regulators in a timely manner.

The appointment and removal of the Company Secretary is subject to Board approval. Whilst the Company Secretary reports to the Chairman, all members of the Board have access to her advice and service. The Company Secretary has day-to-day knowledge of the affairs of the Group. She confirms that she has complied with all the required qualifications, experience and training requirements under the Listing Rules.

Accountability and Audit

Financial reporting

The annual and interim results of the Company are published in a timely manner, within three months and two months respectively of the year end and the half-year end.

The responsibility of Directors in relation to the financial statements is set out below. This should be read in conjunction with but distinguished from, the Independent Auditor's Report on pages 148 to 152 which acknowledges the reporting responsibility of the auditor of the Group.

Annual report and financial statements

The Directors acknowledge their responsibility for the preparation of this Annual Report and financial statements of the Company. The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and comply with the applicable disclosure requirements of the Companies Ordinance (Chapter 622 of Laws of Hong Kong) (the "Companies Ordinance") and the Listing Rules. Directors should incorporate such internal control as the Directors determine as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Accounting policies

The Directors consider that in preparing the financial statements, the Group has adopted appropriate accounting policies and made judgements and estimates that are reasonable in accordance with the applicable accounting standards.

Accounting records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose the financial position and reflect the transactions of the Group, upon which financial statements of the Group could be prepared in accordance with the accounting policies of the Group.

Safeguarding assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities within the Group.

Going concern

The Directors, having made appropriate enquiries, are of the view that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate for the Group to adopt the going concern basis in preparing the financial statements.

Audit Committee

During the year 2024 and up to the date of this report, the Audit Committee comprises three Independent Non-executive Directors who possess the relevant financial and business management experience and skills to understand financial statements and monitor the financial governance, risk management and internal controls of the Company. The composition of the Audit Committee complied with the independence requirements under the Listing Rules. It is chaired by Mr Ip with Mr Chan and Ms Im (both appointed on 9 May 2024) as members. Dr Lan and Dr Wong ceased to be members of the Audit Committee upon their retirement on 9 May 2024.

The Audit Committee held four meetings in 2024 with 100% attendance.

Members	Attended/Eligible to attend
Ip Yuk Keung (<i>Chairman</i>)	4/4
Chan Tze Leung ⁽¹⁾	2/2
Im Man Ieng ⁽¹⁾	2/2
Lan Hong Tsung, David ⁽²⁾	2/2
Wong Yick Ming, Rosanna ⁽²⁾	2/2

Notes:

(1) Appointed on 9 May 2024

(2) Retired on 9 May 2024

The internal and external auditors attended all Audit Committee meetings. In addition, the Audit Committee held private sessions with them, as well as the Chief Financial Officer, separately without the presence of Management.

The function of the Audit Committee is to assist the Board in fulfilling its duties through the review and supervision of the Group's financial reporting, risk management and internal control systems (including cyber risks) and to take on any other responsibility as may be delegated by the Board from time to time. The Audit Committee is responsible for monitoring the integrity of the Group's interim and annual results and financial statements, and reviewing the significant financial reporting judgements contained therein as well as overseeing the relationship between the Company and its external auditor. The Audit Committee is also required to develop and review the Company's policies and practices on corporate governance including compliance with statutory and Listing Rules requirements; and review the scope, extent and effectiveness of the activities of the Group's internal audit function. In addition, it is authorised to engage independent legal and other advisers and conduct investigations as it determines to be necessary.

Throughout 2024, the Audit Committee discharged the duties and responsibilities under its terms of reference and the CG Code. The following paragraphs set out a summary of the work performed by the Audit Committee during 2024 and 2025 (up to the date of this report).

During 2024 and 2025 (up to the date of this report), the Audit Committee met with the Chief Financial Officer, other senior management, and the Group's internal auditor and external auditor, PwC, to review the interim and final results, the interim and annual reports, interim and annual consolidated financial statements, and other financial, corporate governance, risk management, internal control and cyber risks of the Group. It received, considered and discussed the reports and presentations of Management, the Group's internal auditor and PwC, to ensure that the consolidated financial statements of the Group were prepared in accordance with the accounting standards issued by the International Accounting Standards Board and comply with the applicable disclosure requirements of the Companies Ordinance and the Listing Rules, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Based on these reviews and discussions, the Audit Committee was satisfied that the Group's 2024 interim and the Group's 2023 and 2024 annual results, reports and consolidated financial statements have been prepared in accordance with the aforementioned requirements and recommended that these be approved by the Board.

The Audit Committee met four times during 2024 and one time during 2025 (up to the date of this report) with PwC to consider the reports on the scope, strategy, progress and outcome of its independent review of the 2024 interim consolidated financial statements and audit of the 2023 and 2024 annual consolidated financial statements. It reviewed the composition of the audit engagement teams and PwC's strategy and approach for the annual audit, including the materiality, risk assessment and scope of the audit, and PwC's reporting obligations before the audit commenced. The Audit Committee is satisfied with PwC's competence, expertise, resources, as well as the effectiveness of the audit process.

There were no breaches of the policy on hiring employees or former employees of the external auditor during the reported period. The Audit Committee reviewed the audit fees and the fees for non-audit services payable to PwC. The non-audit services were carried out in accordance with PwC's independence policy to ensure that they do not create a conflict of interest and comply with the Group's policy regarding the engagement of its external auditor for the various services.

During the reported period, the Audit Committee also reviewed the independence and objectivity of the external auditor. It had considered all relationships (including requirements for rotation of audit partners, provision of non-audit services and long-term audit relationship) between the Company and PwC when assessing the independence and objectivity of the external auditor. The Audit Committee considered PwC to be independent and PwC, in accordance with applicable professional ethical standards, provided the Audit Committee with written confirmation of its independence and objectivity for 2024.

To assist the Board in assessing the overall governance, financial reporting, risk management and internal control framework and maintaining effective risk management and internal control systems covering all material controls, including financial, operational and compliance controls, in 2024, the Audit Committee reviewed the process by which the Group evaluated its control environment and managed significant risks (including cyber risks). It received, considered and provided feedback on the risk management report, the composite risk register, the risk heat map and the presentation of the internal auditor, as well as the presentation and confirmation by Management on their review with respect to the effectiveness of the risk management and internal control systems of the Group. Based on these reviews, the Audit Committee concurred with confirmation from Management that such systems are effective and appropriate. It also reviewed and was satisfied with the adequacy of resources, staff qualifications and experience of the Group's accounting, internal audit and financial reporting functions, and their training programmes and budget.

In addition, the Audit Committee reviewed, in conjunction with the internal auditor of the Group, the 2024 work plan and resource requirements, and deliberated on the reports regarding the effectiveness of risk management and internal control systems (including cyber risks) of the Group. Further, it also considered the reports from the Company Secretary on the material litigation proceedings and compliance status of the Group on key legal and regulatory requirements. These reviews and reports were taken into consideration by the Audit Committee when it made its recommendation to the Board for approval of the consolidated financial statements. During 2024, the Audit Committee also received periodic presentations on, and reviewed, the compliance status of the Group with respect to the CG Code as well as other corporate governance topics including the Group's policies and practices on compliance with legal and regulatory requirements. The Audit Committee noted that the Company has complied throughout the year with all applicable code provisions of the CG Code. It has also received regular update reports on CPD training of the Directors.

In February 2024, the Audit Committee reviewed and recommended to the Board updates to its terms of reference and the Shareholders Communication Policy to reflect the amendments to the Listing Rules which took effect on 31 December 2023. In March 2025, the Audit Committee once again reviewed and recommended to the Board updates to its terms of reference to reflect the latest amendments to the CG Code which will take effect on 1 July 2025.

The Audit Committee, on behalf of the Board, also conducted a review of the implementation and effectiveness of the Shareholders Communication Policy in March 2025. Having considered the multiple channels of communication and engagement in place (see "Relationship with Shareholders and Other Stakeholders" on pages 81 to 83 of this report), the Audit Committee is satisfied that the Shareholders Communication Policy has been properly implemented during 2024 and is effective.

External auditor

The policy of the Group regarding the engagement of its external auditor for the various services listed below is as follows:

- Audit services – include audit services provided in connection with the audit of the consolidated financial statements. All such services are to be provided by the external auditor.
- Audit related services – include services that would normally be provided by an external auditor but not generally included in audit fees, such as audits of the pension plans of the Group, accounting advice related to mergers and acquisitions, internal control reviews of systems and/or processes, and issuance of special audit reports for tax or other purposes. The external auditor is to be invited to undertake those services that must be undertaken, or is otherwise best placed, to undertake in its capacity as auditor.
- Taxation related services – include all tax compliance and tax planning services, except for those services which are provided in connection with the audit. The Group engages the services of the external auditor where it is best suited. All other significant taxation related work is undertaken by other parties as appropriate.
- Other services – include, amongst others, financial due diligence, review of actuarial reports and calculations, risk management diagnostics and assessments, and non-financial system consultations. The external auditor is also permitted to assist Management and the internal auditor with internal investigations and fact-finding into alleged improprieties. These services are subject to specific approval by the Audit Committee.
- General consulting services – the external auditor is not eligible to provide services involving general consulting work.

An analysis of the fees of PwC is shown in note 8 to the consolidated financial statements. For the year ended 31 December 2024, PwC fees, amounting to approximately HK\$7.1 million were primarily for audit services and those for non-audit services amounted to approximately HK\$1.6 million (including regulatory reporting requirements, tax compliance and tax planning services, and non-financial system consultations), representing approximately 18% of the total PwC fees (audit and non-audit).

Ms Chan Nga Sze, who served as the lead audit engagement partner from PwC has retired from the Group's audit engagements after completing her role with the issuance of the independent auditor's report on the 2023 financial statements included in the 2023 Annual Report. A new audit engagement partner from PwC, Ms Tong Wing Yin has been appointed to lead the audits of the Group's financial statements with effect from the 2024 audit.

The Audit Committee was satisfied with PwC's competence, expertise, resources, independence and objectivity, as well as the effectiveness of the audit process, and recommended to the Board on the re-appointment of PwC as the external auditor which will be considered by the shareholders at the forthcoming annual general meeting.

Audit report on the annual financial statements

The consolidated financial statements of the Group for the year ended 31 December 2024 have been audited by PwC in accordance with International Standards on Auditing issued by the International Accounting Standards Board. The unqualified auditor's report is set out on pages 148 to 152. The consolidated financial statements of the Group for the year ended 31 December 2024 have also been reviewed by the Audit Committee.

Risk Management and Internal Control

Effective risk management and internal control systems are fundamental for the long-term performance and sustainable growth of the Group and to protect and enhance the interests of shareholders and other stakeholders.

The Group's comprehensive governance structure plays an integral role in supporting its operations and achieving strategic and business objectives. It provides a framework for setting strategic and business goals, monitoring performance, and systematically managing and monitoring risks that the Group faces.

To illustrate the structure and process of the risk management and internal control systems of the Group, the following table depicts detailed roles and responsibilities for decision making and accountability across the businesses and provides guidance on the standards of behaviour, in terms of "Governance and Oversight" by the Board through the Audit Committee and the Sustainability Committee, "Risk Review and Communication" by the Chief Executive Officer and Chief Financial Officer, "Risk and Control Monitoring" by the Group functions, "Risk and Control Ownership" by the executive management teams of each core business, and "Independent Assurance" by the internal audit function.

Governance and Oversight	
<p style="text-align: center;">The Board</p> <ul style="list-style-type: none"> Has overall responsibility for managing the Group's businesses, the systems of risk management and internal control of the Group. Evaluates and determines the nature and extent of the risks that the Group is willing to accept in pursuit of its strategic and business objectives, with due regard to the Group's risk appetite. Inculcates appropriate risk culture across the business operations of the Group. Ensures that appropriate and effective risk management and internal control systems are established and maintained. Oversees the management of sustainability risks and opportunities, through delegation to the Sustainability Committee. Reviews the effectiveness of the risk management and internal control systems of the Group, through delegation to the Audit Committee, and through review of Group-wide strategies, budgets, business plans and performances. 	
<p style="text-align: center;">Audit Committee</p> <ul style="list-style-type: none"> Reviews and assesses the risk management and internal control systems of the Group, with particular regard to their effectiveness. Performs corporate governance functions delegated by the Board. <p>(Please refer to the terms of reference for the Audit Committee for details.)</p>	<p style="text-align: center;">Sustainability Committee</p> <ul style="list-style-type: none"> Reviews sustainability risks and opportunities, and assesses emerging sustainability issues and trends that could impact the business operations and performance of the Group (please refer to the terms of reference for the Sustainability Committee for details).

Risk Review and Communication

Chief Executive Officer and Chief Financial Officer

- Provides leadership on risk and return balance.
- Monitors the risk profile of the Group and assesses if significant risks are appropriately mitigated.
- Ensures that a review of the effectiveness of the risk management and internal control systems of the Group has been conducted, and makes recommendation to the Board, through the Audit Committee, regarding the effectiveness of the systems.

Risk and Control Monitoring

Group Functions

- Establishes relevant policies and procedures for Group-wide adoption.
- Monitors the implementation and effectiveness of the risk management practices in core businesses and provides guidance where appropriate. In particular, the following dedicated working groups are formed:
 - Governance Working Group, chaired by a Non-executive Director and comprising representatives from key business functions of the Group, provides timely updates on emerging matters of compliance.
 - Security Committee, chaired by the Vice President - Digital Innovations & IT Development and including technical specialists from the Information Technology department and the Corporate Security & Fraud Management function, manages the cyber security defences of the Group, monitors cyber threat landscape and sets strategic plan.
 - Sustainability Working Group, comprising the Chief Executive Officer and the Chief Financial Officer as Co-Chairs, as well as other senior executives from key business functions of the Group, supports the Sustainability Committee in discharging its responsibilities.

Risk and Control Ownership

Core Businesses

- Carries out risk management activities and escalates promptly on material issues.
- Ensures that a risk-aware culture is maintained at all levels of the operations through ongoing policy reinforcement and training.
- Conducts a review of the effectiveness of the risk management and internal control systems and provides management declaration on the review results half-yearly.

Independent Assurance

Internal Audit

- Provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the business operations of the Group (refer to pages 72 to 73 of this Annual Report for more details).

Whilst the risk management and internal control systems of the Company are designed to identify and manage risks that could adversely impact the achievement of the strategic and business objectives of the Group, they do not provide absolute assurance against material misstatement, errors, losses, fraud or non-compliance.

Risk management

The Company adopts an Enterprise Risk Management framework which is consistent with the COSO (the Committee of Sponsoring Organisations of the Treadway Commission) framework, to support the businesses and strategic objectives of the Group. The framework facilitates a systematic approach in identifying, assessing, managing and monitoring risks (including sustainability and cyber risks) within the Group, be they of strategic, financial, operational or compliance nature.

Risk management is a continuous process seamlessly integrated into the day-to-day operations and management across all levels of the Group. There is ongoing communication between the executive management of the Group and the business units on the emerging and current risks (including sustainability and cyber risks) that are relevant to its businesses, the plausible impacts of the risks and mitigation measures to ensure that each business unit has performed its duty to have effective systems. These measures include instituting additional controls and deploying appropriate insurance instruments to minimise or transfer the impact of risks to the businesses of the Group. Executive management regularly reviews the risk management framework and confirms its effectiveness to the Board through Audit Committee. In addition, the Group's Directors and officers are protected against potential personal legal liabilities through the Directors and Officers Liability Insurance.

In terms of formal risk review and reporting, the Company adopts a "top-down and bottom-up" approach, involving regular input from each major business unit as well as discussions and reviews by the Chief Executive Officer and the Board, through the Audit Committee. More specifically, on a half-yearly basis, each major business unit is required to formally identify the significant risks (including sustainability and cyber risks) its business faces, measuring them against a defined set of criteria, and considering likelihood of occurrence and potential impact on the business, whilst the Chief Executive Officer provides input after taking a holistic assessment of all the significant risks that the Group faces. Relevant risk information including key mitigation measures and plans are recorded in a risk register to facilitate the ongoing review and tracking of progress.

The composite risk register together with the risk heat map, as part of the risk management report, are submitted to the Audit Committee for review on a half-yearly basis. The Audit Committee, on behalf of the Board, reviews the report, discusses the risk management and internal control systems, including matters related to cyber risks, with the Chief Financial Officer, and provides input as appropriate so as to ensure effective and appropriate systems in place.

Pages 24 to 28 of this Annual Report provide a description of the risk factors of the Group which could affect the financial condition or results of operations of the Group that differ materially from expected or historical results. More information about the Group's strategies and approaches to managing the sustainability and cyber risks that are material and relevant to the Group's businesses is set out in the "Sustainability Report" on pages 86 to 147.

Internal control

Group structures covering all subsidiaries and a joint venture are maintained and updated on a timely and regular basis. Directors are appointed to the boards of all material operating subsidiaries for overseeing and monitoring those companies, including attendance at board meetings, review and approval of budgets and plans, and determination of business strategies with associated risks identified and key business performance targets set. The executive management team is accountable for the conduct and performance of the businesses of the Group within the agreed strategies. The Executive Directors monitor the performance and review the risk profiles of the companies within the Group on an on-going basis.

The internal control procedures of the Group include a comprehensive system for reporting information to the executive management team of each business unit and the Executive Directors.

Business plans and budgets are prepared annually by management of individual businesses and subject to review and approval by both the executive management team and the Executive Directors as part of the five-year corporate planning cycle. Reforecasts for the current year are prepared on a quarterly basis, reviewed for variances to the budget and for approval. When setting budgets and reforecasts, Management identifies, evaluates and reports on the likelihood and potential financial impact of significant business risks.

The Chief Executive Officer reviews monthly management reports on the financial results and key operating statistics of each business and holds monthly meetings with the senior management of business operations to review these reports, business performance against budgets, forecasts, significant business risk sensitivities and strategies. In addition, the Chief Financial Officer and finance managers of the business operations hold monthly meetings to review monthly performance against budget and forecast, and to address accounting and finance related matters.

The Group maintains a centralised cash management system for its subsidiary operations. The finance department of the Group oversees the investment and lending activities of the Group and also evaluates and monitors financial and operational risks, and makes recommendations to Management to mitigate those risks. Treasury reports on cash and liquid investments, borrowings and movements thereof are distributed to Management weekly.

The Group has established guidelines and procedures for the approval and control of expenditures. Operating expenditures are subject to overall budget control and are controlled within each business with approval levels set by reference to the level of responsibility of each executive and officer. Capital expenditures are subject to overall control within the annual budget review and approval process, and more specific control and approval by the Chief Financial Officer or an Executive Director are required prior to commitment for unbudgeted expenditures as well as material expenditures within the approved budget. Monthly reports of actual versus budgeted and approved expenditures are also reviewed.

The Group has also followed group-wide treasury policies covering specific aspects, such as bank account control and procedures, monitoring and compliance control for loan covenants.

In terms of formal review of the risk management and internal control systems of the Group, a risk management and internal control self-assessment process that, on a half-yearly basis, requires the senior management of each business unit to review, evaluate and declare the effectiveness of such systems covering all material controls, including financial, operational and compliance controls over the operations of the business and devise action plans to address the issues, if any. These assessment results, together with the risk management report as mentioned earlier and the independent assessments by the internal and external auditors, form part of the bases on which the Audit Committee formulates its opinion on the effectiveness of risk management and internal control systems of the Group.

Legal and regulatory compliance

The Group is committed to ensuring its businesses are operated in compliance with local and international laws, rules and regulations. The legal department has the responsibility of safeguarding the legal interests of the Group. It monitors the day-to-day legal affairs of the Group, including preparing, reviewing and approving all legal documentation and corporate secretarial documentation of Group companies, working in conjunction with finance, tax, treasury, corporate secretarial and business unit personnel on the review and co-ordination process, and advising Management on legal and commercial issues of concern. In addition, the legal department is responsible for overseeing regulatory compliance matters of all Group companies. It analyses and monitors the regulatory frameworks within which the Group operates, including reviewing applicable laws and regulations, and preparing and submitting response or filings with relevant regulatory and/or government authorities on regulatory issues and consultations. The legal department also prepares and updates internal policies and conducts tailor-made workshops where necessary so as to strengthen the internal controls and compliance procedures of the Group.

The legal department reports to the group legal department of the holding company of the Group on all material legal, regulatory and corporate secretarial matters. It determines and approves in conjunction with the group legal department of the holding company of the Group the engagement of external legal advisors, ensuring the requisite professional standards are adhered to as well as the most cost effective services are rendered. Further, the legal department organises and holds continuing education seminars/conferences on legal and regulatory matters of relevance to the Group for Directors, business executives and the legal and corporate secretarial teams.

On the listed company level, the Group is subject to the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs, the Cayman Islands Companies Act, the Companies Ordinance, the SFO and/or the laws, rules and regulations of the jurisdictions where the Group companies incorporated. The legal department is vigilant with the legal requirements under these statutes, rules and regulations which would have a material implication or impact on the Group. The Company is not aware of any incidents of non-compliance with such laws and regulations that may have a significant impact on the Group.

Governance policies

The Group places utmost importance on the ethical, personal and professional standards of Directors and employees of the Group. All employees adhere to various Group policies that reflect the core values and corporate culture of the Group. The Code of Ethics is the central tool through which the Company sets the conduct expectations for employees underscoring the strong commitment of the Group to upholding high standard of business integrity, honesty and transparency in all its business dealings. The Company has also established anti-corruption and whistleblowing policies and systems, which are conducive to setting a healthy corporate culture and good corporate governance practices. In addition, the Group has adopted and implemented a number of other governance policies to incorporate the core values of the Group into its operations and practices. These policies are reviewed from time to time to ensure their relevance and appropriateness to the business, corporate strategy and stakeholder expectations of the Group. In addition, employees are required to make a self-declaration every year to confirm that they have read, understood and would continue to comply with, the various Group policies. See the governance policies on the website of the Company.

Key governance policies and guidelines of the Group include:

Code of Ethics

The Code of Ethics of the Group sets the standards for employees as are reasonably necessary to promote honest and moral conduct, accurate and timely disclosure in the reports and documents that the Group files or submits to regulators, compliance with applicable laws and regulations, prompt internal reporting of any violations and accountability for adherence to the Code of Ethics. Every employee is required to undertake to adhere to the Code of Ethics, which includes provisions dealing with conflict of interest, equal opportunities, diversity and a respectful workplace, health and safety, protection and proper use of company assets, record keeping, bribery and corruption, personal data protection and privacy as well as reporting procedures for illegal and unethical behaviour. Employees are required to report any non-compliance with the Code of Ethics in accordance with the established reporting and escalation procedures.

Whistleblowing Policy

In line with the commitment to achieve and maintain the highest standard of openness, probity and accountability, the Company expects and encourages employees of the Group and those who deal with the Group (e.g. customers, suppliers, creditors and debtors) to report to the Company, in confidence, any suspected impropriety, misconduct or malpractice within the Group. In this regard, the Company has adopted the Whistleblowing Policy. The policy aims to provide reporting channels and guidance on reporting possible improprieties and reassurance to whistleblowers of the protection that the Group will extend to them in the formal system, including anonymity and legal protection against unfair dismissal or victimisation for any genuine reports made. The Board delegated the authority to the Audit Committee which is responsible for ensuring that proper arrangements are in place for fair and independent investigation of any matters raised and appropriate follow-up actions are taken.

Anti-Fraud and Anti-Bribery Policy

In its business dealings, the Group does not tolerate any form of fraud or bribery, whether direct or indirect, by, or of, its Directors, officers, employees, agents or consultants or any persons or companies acting for it or on its behalf. The Anti-Fraud and Anti-Bribery Policy, which outlines the Group's zero-tolerance stance against bribery and corruption, assists employees in recognising circumstance which may lead to or give the appearance of being involved in corruption or unethical business conduct, so as to avoid such conduct which is clearly prohibited, and to promptly seek guidance where necessary. Each business unit is required to report any actual or suspected incident of bribery, theft, fraud or similar offences to the Chief Financial Officer and the internal audit for independent analyses and necessary follow up (see page 106 of this Annual Report for more details).

Policy on Appointment of Third Party Representatives

The Group is also committed to exercising proper controls in engaging third party representatives (such as advisers, agents, consultants, introducers and finders). All Group companies are required to exercise due care and diligence in selecting third party representatives and in monitoring their activities, and should adhere to the Policy on Appointment of Third Party Representatives of the Group in this regard.

Corporate Communications Policy

The Group highly values its reputation in the communities where it operates. Employees are required to observe the Corporate Communications Policy to ensure that the market receives timely and accurate information about the Group. The corporate affairs department is designated to assist Management to provide clear, consistent and congruent messages for the Group's businesses through the media in a speedy, professional and well-coordinated manner.

Shareholders Communication Policy

The Group is committed to enhancing long-term shareholder value through regular communication with its shareholders, both individual and institutional. To this end, the Group strives to ensure that all shareholders have ready, equal and timely access to all publicly available information of the Group. The Shareholders Communication Policy sets out the framework the Company has put in place to promote effective two-way communication with shareholders so as to enable them to engage actively with the Company and exercise their rights as shareholders in an informed manner.

Policy on Securities Dealings and Handling of Confidential and Price-sensitive Inside Information

With a view to ensuring that inside information is identified, handled and disseminated in compliance with the SFO, and proper internal control procedures are in place to guard against mishandling of inside information which may constitute insider dealing or breach of any other statutory obligations, the Group has implemented the Policy on Securities Dealings and Handling of Confidential and Price-sensitive Inside Information. The policy also adopts additional precautions which should be taken by employees who are in possession of inside information, including identification of project by code name and dissemination of information for stated purpose and on a need-to-know basis only. Whilst all employees are absolutely prohibited at all times from dealing in the securities of the Company when they are in possession of unpublished and price-sensitive information or confidential information, certain members of senior management or staff are subject to specific additional compliance requirements as are communicated to them individually from time to time (including but not limited to obtaining written pre-clearance from designated members of Management prior to any dealing in any securities of the Company). Further, certain staff members of the finance department are subject to a 60-day blackout period prior to the release of the Company's annual results and a 30-day blackout period prior to the release of interim results.

The Company has established effective systems and procedures to ensure a timely and structured flow of information, enabling Management to promptly identify, assess, and escalate any material information. Control procedures are in place to monitor the Group's financial performance, business developments and corporate events across various business divisions and function units, who are required to report to Management through regular reporting or as and when internal escalation triggers occur. Management will promptly evaluate the impact of reported matters and where appropriate, escalate the matter to a designated committee for further consideration. If the committee considers that the reported matter constitutes inside information, such matter will be submitted to the Board for consideration and determination, and, if appropriate, disclosed by the Company in a timely manner.

Policy on Personal Data Governance

The Group is also committed to the safeguard and protection of the personal data of its customers and employees. Employees must only collect and use personal data in accordance with applicable data protection laws, as well as the Policy on Personal Data Governance and the applicable local policies and procedures.

Information Security Policy

Employees must not disclose any confidential information of the Group, its customers, suppliers, business partners or shareholders, except when disclosure is authorised by the Group in accordance with the Information Security Policy which defines the common policies for information confidentiality, integrity and availability to be applied across the entire Group.

Cyber Security Policy

The policy provides a framework for defining the baseline for cyber security practices, and managing cyber risks to ensure that the Group's efforts in this area are effective, coherent and well-coordinated.

Board Diversity Policy and Director Nomination Policy

The two Board policies, Board Diversity Policy and Director Nomination Policy, set out the approach to achieving diversity as well as the approach and procedures the Board adopts for the nomination and selection of Directors. Further details of the policies are provided on pages 73 to 78 of this report.

Workforce Diversity Policy

This policy promotes a diversified and inclusive working environment where individual differences are respected and all employees are treated with dignity. It enhances recruitment, supports retention, and fosters innovation and growth by leveraging diverse perspectives. Key components include adhering to non-discriminatory employment practices and procedures, encouraging collaboration among the workforce, providing training and development opportunities to address specific needs and career aspirations of diverse employees and regularly assessing the policy's effectiveness.

Internal audit

Internal audit, reporting directly to the Audit Committee, provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the business operations of the Group. It has wide authority to access to documents, records, properties and personnel of the Group. By applying risk assessment methodology and considering the dynamics of the activities of the Group, internal audit devises its three-year risk-based audit plan for review by the Audit Committee. The audit plan is subject to continuous reassessment taking into account external and internal factors such as macro economic and regulatory changes, business and operational changes, emerging risks and opportunities (including sustainability and cyber-related ones), as well as audit and fraud findings which may affect the risk profile of the Group during the year.

Internal audit is responsible for assessing the effectiveness of the risk management and internal control systems of the Group, including reviewing the continuing connected transactions of the Company (refer to pages 41 to 43 of this Annual Report for more details), formulating an impartial opinion on the systems, and reporting its findings and recommendations to the Audit Committee, the Chief Executive Officer and the executive management team concerned, as well as following up on the issues to ensure that they are satisfactorily resolved within the agreed timeline. In addition, internal audit maintains a regular dialogue with the external auditor so that the parties are aware of the significant factors which may affect their respective scope of work.

Depending on the nature of business and risk exposure of individual business units, the scope of work performed by internal audit includes financial, IT, operations, sustainability, business ethics, governance policy and regulatory compliance reviews, recurring and surprise audits, as well as productivity efficiency reviews.

Internal audit is also responsible for periodic fraud analyses and independent investigations. In accordance with the Code of Ethics and Anti-Fraud and Anti-Bribery Policy of the Group, each business unit is required to report to the Chief Financial Officer and the internal audit any actual or suspected fraudulent activities within a 24-hour timeframe should the amount involved exceeds the de minimis threshold as agreed between internal audit and the Chief Financial Officer or the Chief Executive Officer. In addition, each business unit submits a summary of fraud incidents statistics to the Chief Financial Officer and the internal audit on a quarterly basis. These cases, together with those escalated through the Company's established whistleblowing channels, are recorded in the Company's centralised fraud incidents register under the internal audit's custody, and are independently assessed and investigated as appropriate. Internal audit would promptly escalate any incidents of material nature to the Chairman of the Audit Committee for his direction. Also, a summary of the quarterly fraud incidents and relevant statistics (including results of independent investigations and actions taken) is presented to the Audit Committee.

Reports from the external auditor on internal controls and relevant financial reporting matters are presented to internal audit and, as appropriate, to the Chief Financial Officer. These reports are reviewed and appropriate actions are taken.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group for the year ended 31 December 2024 covering all material controls, including financial, operational and compliance controls, and concurs with Management confirmation that such systems are effective and appropriate. Neither significant changes in the risk profile of the Group nor significant areas of concern which might affect shareholders were identified. In addition, the Board, through the Audit Committee and the Sustainability Committee, has reviewed and is satisfied with the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting, and sustainability performance and reporting functions.

Nomination of Directors

Nomination Committee

During the year 2024 and up to the date of this report, the Nomination Committee chaired by Mr Chan, Independent Non-executive Director (appointed as chairman of the Nomination Committee following the retirement of Dr Wong, a former Independent Non-executive Director, on 9 May 2024), with Non-executive Director Ms Shih and Independent Non-executive Director Mr Ip as members, is in full compliance with the code provisions of the CG Code. The majority of the members are Independent Non-executive Directors, with one Non-executive Director, who would be able to provide different perspective and direct insight, thereby enabling more befitting candidates to be nominated for consideration.

The responsibilities of the Nomination Committee are to review the structure, size, composition (including the skills, knowledge, experience and diversity profile) of the Board at least annually, assist the Board in maintaining a Board skills matrix, and make recommendation on the composition of the Board to achieve the Group's corporate strategy as well as promote shareholder value. It identifies suitable director candidates and selects or makes recommendation to the Board on the appointment or re-appointment of Directors and succession planning of Directors. Furthermore, it also assesses the independence of Independent Non-executive Directors having regard to the criteria under the Listing Rules and reviews the Director Nomination Policy and the Board Diversity Policy periodically and makes recommendation on any proposed revisions to the Board. The Nomination Committee also reviews and assesses regularly the time commitment of and contribution to the Board by each Director as well as the Director's ability to discharge his/her responsibilities, and supports the regular evaluation of the performance of the Board. The Nomination Committee is authorised by the Board to obtain independent professional advice where necessary on matters within its terms of reference.

Nomination process

The nomination process has been, and will continue to be, conducted in accordance with the Director Nomination Policy and Board Diversity Policy, which are available on the website of the Company. The Board will from time to time review these policies and monitor their implementation to ensure continued effectiveness and compliance with regulatory requirements and good corporate governance practices.

Pursuant to the Director Nomination Policy, the Nomination Committee, in determining the suitability of a candidate, will consider the potential contributions a candidate can bring to the Board including the attributes complementary to the Board, the commitment, motivation and integrity of the candidate, having due consideration of the benefits of a diversified Board.

Under the Board Diversity Policy, Board candidates are selected based on merit and the contribution such candidates can bring to the Board to complement and expand the competencies, experience and perspectives of the Board as a whole, taking into account the corporate strategy of the Group and the benefits of various aspects of diversity, including gender, age, culture, ethnicity, educational background, professional experience and other factors that the Nomination Committee may consider relevant from time to time towards achieving a diversified Board.

As at the date of this report, the Board comprises 10 Directors. The table below shows the Board structure, and skills set, expertise and competencies of the Directors.

Structure and Size						Committees				Qualification		Skills and Expertise					
Directors	Age	Years on Board	Gender	Ethnicity (Chinese)	Designation	Audit	Nomination	Remuneration	Sustainability	Professional	Educational	Business Management	Strategic Planning & Risk Management	Financial Reporting/Banking	Legal/Regulatory	Sustainability	Related Industry Knowledge/Experience
Fok Kin Ning, Canning	73	16	M	•	NED			•		N1	BA	•	•	•			•
Lui Dennis Pok Man	74	16	M	•	ED						BSc	•	•	•			•
Woo Chiu Man, Cliff	71	8	M	•	NED					N2	BSc	•	•	•			•
Koo Sing Fai	52	6.5	M	•	ED				•		BSc	•	•	•		•	•
Lai Kai Ming, Dominic	71	16	M	•	NED						BSc, MBA	•	•	•			•
Edith Shih	73	8	F	•	NED		•		•	N3	BSE, MA, MA, EdM	•	•	•	•	•	•
Chan Tze Leung	78	<1	M	•	INED	•	•				BSc, MBA	•	•	•			
Chow Ching Yee, Cynthia	61	2	F	•	INED			•	•		BA, MBA	•	•	•		•	
Im Man Ieng	56	<1	F	•	INED	•				N4	BCom, MBus(Acc)	•	•	•			
Ip Yuk Keung	72	5	M	•	INED	•	•	•			BSc, MSc, MSc	•	•	•	•	•	

ED: Executive Director

NED: Non-executive Director

INED: Independent Non-executive Director

F: Female

M: Male

Notes:

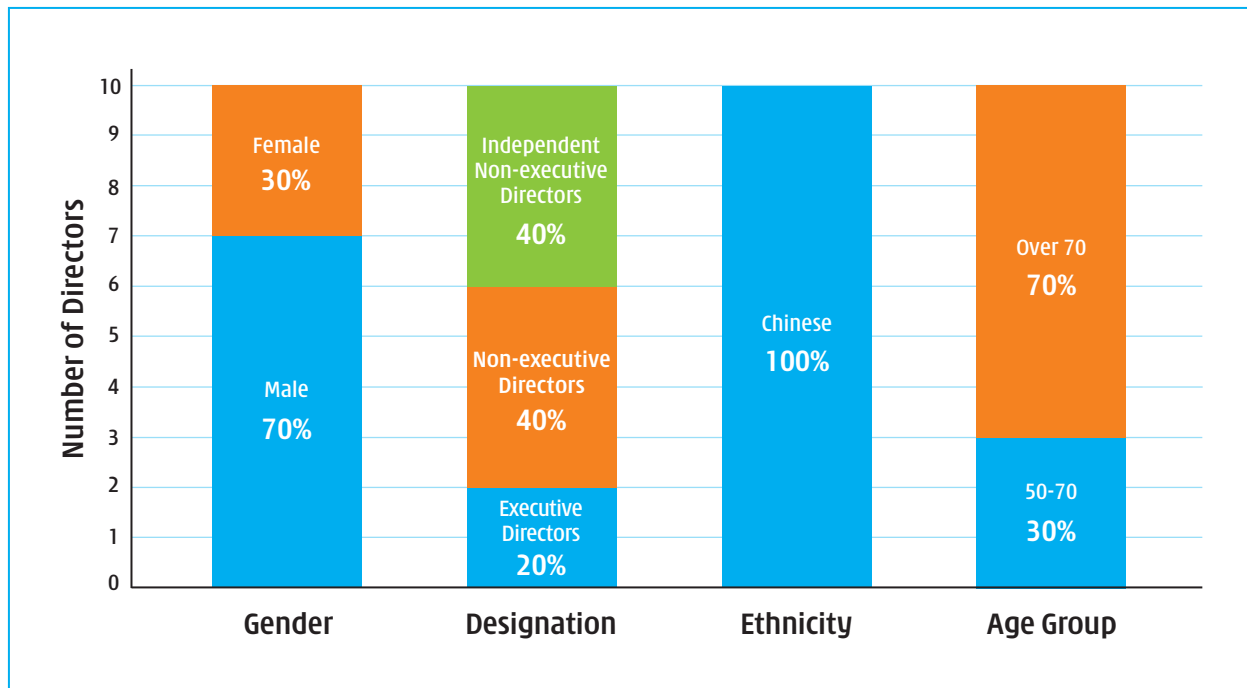
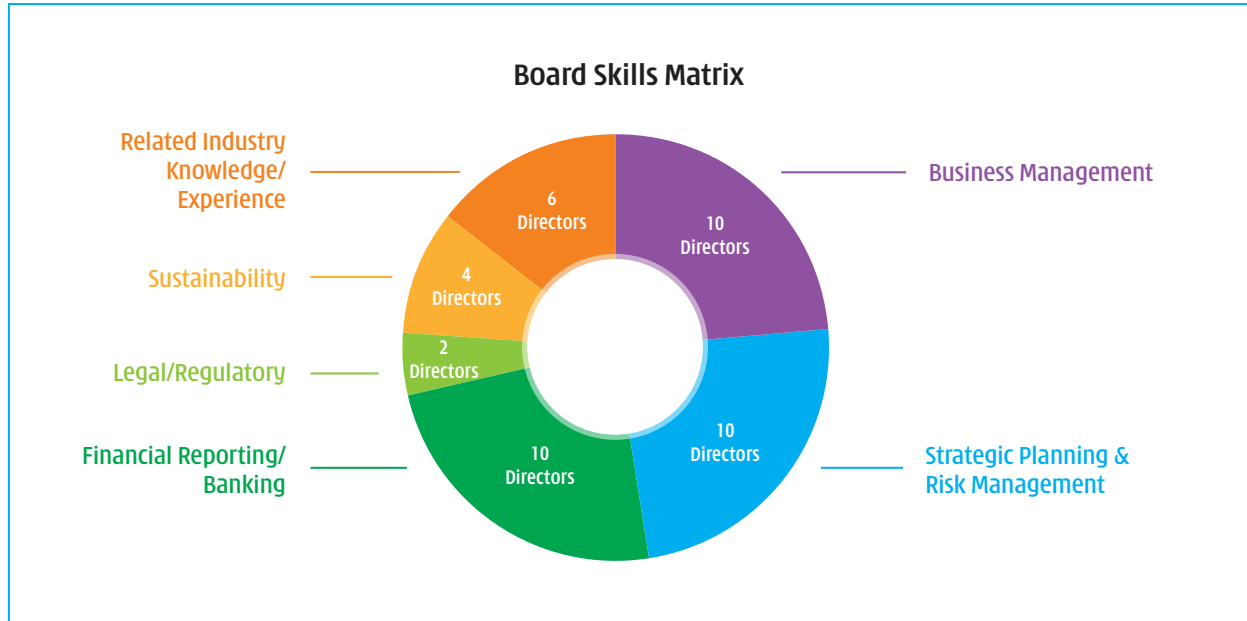
N1 Fellow of Chartered Accountants Australia and New Zealand

N2 member of the Institution of Engineering and Technology (UK) and the Hong Kong Institution of Engineers

N3 solicitor qualified in England and Wales, Hong Kong and Victoria, Australia, Fellow of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute, holding Chartered Secretary and Chartered Governance Professional dual designations

N4 member of the Hong Kong Institute of Certified Public Accountants

The charts below show the diverse skills set of the Directors and the diversity profile of the Board as at the date of this report:



Following the Board changes in 2024, the female representation on the Board stands at a relatively high level (30%, three out of ten) amongst companies listed on the Stock Exchange. The Company cements its commitment to gender diversity within its business so it continuous to review and assess the appropriate level of gender diversity and composition that aligns with the strategy of the Company. The Company targets to maintain at least 30% female directors on its Board. This target will be reviewed on an annual basis and from time to time by the Nomination Committee, as warranted. The Company will continue to seek to ensure it has an appropriate mix of diversity and has a number of initiatives in place to meet its strategic imperative of ensuring it has a diverse Board. Structured recruitment, selection and training programmes at various levels with the Group will also continue to be conducted to develop a broader pool of skilled and experienced potential Board members.

The Board also places tremendous emphasis on diversity (including gender diversity) across all levels of the Group. A Workforce Diversity Policy was introduced in March 2025 to promote a diversified and inclusive workplace where all employees feel valued, regardless of their background, see "Governance Policies" on page 72 of this report. The Group has a relatively balanced workforce overall, with 40% female full-time employees (including senior management). To support diversity across all facets, beyond gender, including race and ethnicity, disability, social mobility and age, the Group is enhancing diversity and inclusion efforts through employee networks, mentoring programmes, hiring practices, policies and awareness raising events and training for all employees to support inclusive behaviours. Further details on the gender ratio of the Group and initiatives taken to improve gender diversity across senior management and the wider workforce, together with relevant data, can be found in the Sustainability Report, which sets out on pages 86 to 147.

If the Board determines that an additional or replacement Director is required, the Nomination Committee will deploy multiple channels for identifying suitable director candidates, including referral from Directors, shareholders, Management, advisors of the Company and external executive search firms. Where a retiring Director, being eligible, offers himself/herself for re-election, the Nomination Committee will consider and, if appropriate, recommend such retiring Director to stand for re-election. A circular containing the requisite information on retiring Directors will be sent to shareholders prior to the general meeting at which such Directors are to be proposed for re-election, in accordance with the Listing Rules.

Shareholders of the Company may also nominate a person to stand for election as a Director at a general meeting in accordance with the Articles of Association and applicable laws and regulations. The procedures for such proposal are posted on the website of the Company.

The Nomination Committee held one meeting in 2024 with 100% attendance.

Members	Attended/Eligible to attend
Chan Tze Leung ⁽¹⁾ (<i>Chairman</i>)	N/A
Wong Yick Ming, Rosanna ⁽²⁾ (<i>Chairman</i>)	1/1
Edith Shih	1/1
Ip Yuk Keung	1/1

Notes:

(1) Appointed on 9 May 2024

(2) Retired on 9 May 2024

During 2024, the Nomination Committee reviewed the structure, size and composition of the Board, ensuring that it has sound diversity and a balanced composition of skills and experience appropriate for the requirements of the businesses of the Group and that appropriate individuals with relevant expertise and leadership qualities are appointed to the Board to complement the capabilities of existing Directors. In connection with the retirement of Dr Lan and Dr Wong as Independent Non-executive Directors, the Nomination Committee in February 2024 recommended to the Board the appointments of Mr Chan and Ms Im as Independent Non-executive Directors. Their appointment was subject to a stringent assessment process in accordance with the Director Nomination Policy and Board Diversity Policy to ensure that the Board possesses the necessary skills, experience and knowledge in alignment with the strategy of the Company. The Nomination Committee also reviewed and recommended to the Board updates to its terms of reference to reflect the amendments to the Listing Rules which took effect on 31 December 2023.

The Nomination Committee also assessed the independence of all Independent Non-executive Directors and considered all of them to be independent having regard to their annual independence confirmation and the assessment of their independence with reference to the independence criteria set out in Rule 3.13 of the Listing Rules. In particular, the Nomination Committee considered that all Independent Non-executive Directors continue to provide a balanced and independent view to the Board and play a leading role in the Board Committees and bring independent and external dimension as well as constructive and informed comments on issues of the Group's strategy, policy, performance, accountability, resources, key appointments and standards of conduct. None of the Independent Non-executive Directors have any involvement in the daily management of the Company, or any financial or other interests or relationships in the business of the Company. In addition, there are no circumstances which would materially interfere with their exercise of independent judgement.

Following the retirement of Dr Lan and Dr Wong on 9 May 2024, none of the Independent Non-executive Director has served more than nine years on the Board.

At its meeting in February 2025, the Nomination Committee, alongside its review of the structure, size, composition (including the skills, knowledge, experience and diversity profile) of the Board, reviewed and assessed the time commitment and contribution to the Board by each Director. The assessment considered each Director's ability to discharge their responsibilities, referencing factors such as participation in Board and Board committee meetings, existing listed company directorships, other significant external time commitments, CPD training undertaken and the results of the performance evaluation for the Board and its committees. The Nomination Committee recognised the invaluable advice provided by senior Board members, drawing from their experiences and understanding of commercial trends. The Nomination Committee is satisfied that each Director can discharge their responsibilities effectively.

At the same meeting, the Nomination Committee reviewed the results of the Board performance evaluation, confirming that the overall performance aligns with the business and strategic goals of the Group. The Nomination Committee affirmed the independence of the Independent Non-executive Directors, deliberated the retirement and re-election of Directors at the 2025 annual general meeting and recommended to the Board for consideration. The Board Diversity Policy and Director Nomination Policy were also reviewed and their implementation and effectiveness during 2024 were endorsed by the Nomination Committee. The Nomination Committee concluded that both policies remain robust and effective for the Group, taking into account the processes leading to the re-election of Directors at the 2024 AGM and the appointment of two new Directors in 2024. The Nomination Committee also reviewed and recommended to the Board updates to its terms of reference to reflect the latest amendments to the CG Code which will take effect on 1 July 2025.

Remuneration of Directors and Senior Management

Remuneration Committee

The Remuneration Committee comprises three members with expertise in human resources and personnel emoluments.

During the year 2024 and up to the date of this report, the Remuneration Committee is chaired by Mr Ip, Independent Non-executive Director (appointed as chairman of the Remuneration Committee following the retirement of Dr Lan, a former Independent Non-executive Director, on 9 May 2024), with Chairman, Mr Fok and Independent Non-executive Director, Ms Chow (appointed on 9 May 2024), as members. The composition of the Remuneration Committee meets the requirements of chairmanship and independence under the Listing Rules. The majority of the members are Independent Non-executive Directors, with one Non-executive Director, who would be able to provide different perspective and direct insight on the capabilities and performance of directors and senior management. The Remuneration Committee meets towards the end of each year to determine the remuneration package of Directors and senior management of the Group. Remuneration matters are also considered and approved by way of written resolutions and where warranted, at additional meetings.

The Remuneration Committee held one meeting in 2024 with 100% attendance.

Members	Attended/Eligible to attend
Ip Yuk Keung ⁽¹⁾ (<i>Chairman</i>)	1/1
Lan Hong Tsung, David ⁽²⁾ (<i>Chairman</i>)	N/A
Fok Kin Ning, Canning	1/1
Chow Ching Yee, Cynthia ⁽³⁾	1/1

Notes:

(1) Appointed as chairman on 9 May 2024

(2) Retired on 9 May 2024

(3) Appointed as member on 9 May 2024

The responsibilities of the Remuneration Committee are to assist the Board in achieving its objective of attracting, retaining and motivating a broader and more diverse pool of employees of the highest calibre and experience needed to shape and execute the strategy of the Group. It assists the Group in the administration of a fair and transparent procedure for setting remuneration policies for all Directors and senior executives of the Group. Whilst the Board retains its power to determine the remuneration of Non-executive Directors, the responsibility for reviewing and determining the remuneration package of the Executive Directors and senior management of the Group is delegated to the Remuneration Committee. The Remuneration Committee is authorised by the Board to obtain independent professional advice where necessary on matters within its terms of reference.

During the year, the Remuneration Committee reviewed background information on market data (including economic indicators, statistics and the Remuneration Bulletin), the Group's business activities and human resources issues, and headcount and staff costs. It also reviewed and approved the proposed 2025 director's fees for the Executive Directors and made recommendation to the Board on the proposed 2025 directors' fees for Non-executive Directors. Prior to the end of the year, the Remuneration Committee reviewed and approved the year end bonus and 2025 remuneration package of the Chief Executive Officer and senior executives of the Group. No Director or any of his/her associates was involved in deciding his/her own remuneration. In February 2024, the Remuneration Committee also reviewed and recommended to the Board updates to its terms of reference to reflect the amendments to the Listing Rules which took effect on 31 December 2023.

Remuneration policy

The remuneration of Directors and senior executives of the Group is determined with reference to their expertise and experience in the industry, the performance and profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions. The Chief Executive Officer and employees also participate in bonus arrangements which are determined in accordance with the performance of the Group and the individual's performance.

2024 remuneration

Directors' emoluments comprise payments to Directors by the Group in connection with the management of the affairs of the Group. Details of emoluments paid to each Director in 2024 are set out below:

Directors	Director's fees HK\$ million	Basic salaries, allowances and benefits-in-kind ⁽¹²⁾ HK\$ million	Bonuses HK\$ million	Provident fund contributions HK\$ million	Inducement or compensation fees HK\$ million	Total emoluments HK\$ million
Fok Kin Ning, Canning ⁽¹⁾⁽²⁾⁽⁵⁾	0.104	-	-	-	-	0.104
Lui Dennis Pok Man ⁽⁵⁾⁽⁸⁾	0.084	-	-	-	-	0.084
Woo Chiu Man, Cliff ⁽¹⁾	0.084	-	-	-	-	0.084
Koo Sing Fai ⁽⁴⁾	0.104	3.064	1.630	0.237	-	5.035
Lai Kai Ming, Dominic ⁽¹⁾⁽⁵⁾	0.084	-	-	-	-	0.084
Edith Shih ⁽¹⁾⁽³⁾⁽⁴⁾⁽⁵⁾	0.124	-	-	-	-	0.124
Chan Tze Leung ⁽³⁾⁽⁶⁾⁽⁷⁾⁽⁹⁾	0.113	-	-	-	-	0.113
Chow Ching Yee, Cynthia ⁽²⁾⁽⁴⁾⁽⁶⁾	0.110	-	-	-	-	0.110
Im Man Ieng ⁽⁶⁾⁽⁷⁾⁽⁹⁾	0.100	-	-	-	-	0.100
Ip Yuk Keung ⁽²⁾⁽³⁾⁽⁶⁾⁽⁷⁾	0.194	-	-	-	-	0.194
Lan Hong Tsung, David ⁽¹⁰⁾	0.062	-	-	-	-	0.062
Wong Yick Ming, Rosanna ⁽¹¹⁾	0.069	-	-	-	-	0.069
Total	1.232	3.064	1.630	0.237	-	6.163

Notes:

- (1) Non-executive Director
- (2) Member of the Remuneration Committee
- (3) Member of the Nomination Committee
- (4) Member of the Sustainability Committee
- (5) Such Directors' fees were paid to a subsidiary of CKHH
- (6) Independent Non-executive Director
- (7) Member of the Audit Committee
- (8) Re-designated as Executive Director on 11 December 2024
- (9) Appointed on 9 May 2024
- (10) Former Independent Non-executive Director and member of each of the Audit Committee and Remuneration Committee. Retired on 9 May 2024.
- (11) Former Independent Non-executive Director and member of each of the Audit Committee, Nomination Committee and Sustainability Committee. Retired on 9 May 2024.
- (12) Benefits-in-kind included insurance and transportation

The remuneration paid to the members of senior management by bands in 2024 is set out below:

Remuneration bands	Number of individuals
HK\$1,500,001 to HK\$2,000,000	1
HK\$2,000,001 to HK\$2,500,000	1
HK\$3,000,001 to HK\$3,500,000	1

Relationship with Shareholders and Other Stakeholders

In order to stay attuned to changing expectations of stakeholders, the Group gives high priority to, and actively promotes, investor relations and constructive dialogue with the investment community throughout the year. Multiple channels of communication and engagement are available.

Through the Chief Executive Officer, the Chief Financial Officer, the Investor Relations Department and the Corporate Secretarial team, the Group engages with and responds to requests for information and queries from the investment community including shareholders, analysts and the media through regular briefing meetings, webcasts, conference calls and presentations. In 2024, meetings were conducted with analysts by means of phone calls, video calls, conference calls, group and one-on-one meetings, with an increasing emphasis on sustainability strategies and priorities.

The Board also provides clear and full information on the Group to shareholders through the publication of notices, announcements, circulars, interim and annual reports. The Memorandum and Articles of Association of the Company is published on the websites of the Company and HKEx. Moreover, a wide range of information on the Group is available to shareholders and stakeholders through the Investor Relations page on the website of the Company, including details of the arrangements on dissemination of corporate communications of the Company and for requesting printed copies of corporate communications. A dedicated Corporate Governance section is also available on the website of the Company. This report and the corporate governance policies and practices are available and updated on a regular basis. There is also an expanded Sustainability section on the website containing further information on sustainability as well as the sustainability policies.

Annual general meetings and other general meetings of the Company provide one of the primary forums for communication with shareholders and for shareholder participation. Such meetings provide shareholders with the opportunity to share their views and to meet the Board and certain members of senior management. Question and answer sessions at general meetings foster constructive dialogues between shareholders of the Company, Board members and Management.

Shareholders are encouraged to participate at general meetings of the Company physically, through electronic means, or by proxy if they are unable to attend in person. Pursuant to the Articles of Association, any shareholder holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company has rights to call for extraordinary general meetings and put forward agenda items for consideration by shareholders, by sending the Board or the Company Secretary at the principal place of business of the Company in Hong Kong a written requisition for such general meetings, signed by the shareholders concerned together with the proposed agenda items and such meeting shall be held within two months of the deposit of such requisition.

All substantive resolutions at general meetings are decided on a poll which is conducted by the Company Secretary and scrutinised by the Hong Kong Share Registrar of the Company. The results of the poll are published on the websites of the Company and HKEx. In addition, regular updated financial, business and other information on the Group are made available to the shareholders and stakeholders on the website of the Company.

The Company held one shareholders' meeting in 2024, being the 2024 AGM held on 9 May 2024 at Harbour Grand Kowloon as a hybrid meeting at which shareholders could join physically or by electronic facilities and could also vote through the online platform. The 2024 AGM was attended by all Directors and PwC. The respective chairmen of the Board, the Audit Committee, the Nomination Committee, the Remuneration Committee and the Sustainability Committee all attended the 2024 AGM. Directors are requested and encouraged to attend shareholders' meetings.

Separate resolutions were proposed at the 2024 AGM on each substantive issue and the percentage of votes cast in favour of such resolutions as disclosed in the announcement of the Company dated 9 May 2024 are set out below:

Resolutions proposed at the 2024 AGM		Percentage of votes
Ordinary Resolutions		
1	Adoption of the audited financial statements together with the directors' report and the report of the independent auditor for the year ended 31 December 2023	99.90%
2	Declaration of a final dividend	99.98%
3(a)	Re-election of Mr LUI Dennis Pok Man as director	98.37%
3(b)	Re-election of Mr KOO Sing Fai as director	99.83%
4	Re-appointment of PricewaterhouseCoopers as independent auditor and authorisation of the directors to fix the auditor's remuneration	100%
5	Approval of the remuneration of the directors	99.99%
6	Granting of a general mandate to the directors to issue new shares of the Company	98.10%
7	Granting of a general mandate to the directors to repurchase shares of the Company	99.99%

Accordingly, all resolutions put to shareholders at the 2024 AGM were passed. The results of the voting by poll were published on the websites of the Company and HKEX.

Other corporate information relating to the Company is set out in the "Information for Shareholders" section of this report. This includes, among others, dates for key corporate events for 2024 and public float capitalisation as at 31 December 2024.

The Group values feedback from shareholders and other stakeholders on its efforts to promote transparency and foster investor relationship. Comments and suggestions to the Board or the Company are welcome and can be addressed to the Investor Relations Department or the Company Secretary by mail to 48th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong or by email at ir@hthkh.com. Institutional investors and analysts can contact the Investor Relations Department or the Company Secretary of the Company by mail to 15/F, Hutchison Telecom Tower, 99 Cheung Fai Road, Tsing Yi, Hong Kong or by email at ir@hthkh.com. Stakeholders who wish to provide feedback and suggestions on the sustainability report and sustainability issues can send email to ir@hthkh.com. The Board receives updates from the Company Secretary and the Investor Relations Department from time to time on key issues raised by shareholders and investors. In developing and formulating Group strategy, the Board considers such key issues raised and takes shareholder and stakeholder feedback into account.

Shareholders communication policy

The Audit Committee is responsible for regular review of the effectiveness and compliance with prevailing regulatory and other requirements of the policy. In February 2024, the policy was updated with respect to the arrangements for electronic dissemination of corporate communications of the Company to shareholders. In March 2025, the Audit Committee reviewed the policy and considered that the implementation of the policy was effective during 2024 (refer to "Audit Committee" on pages 61 to 63 of this report).

Dividend policy

The Board adopted a dividend policy for the Company and recognises the benefits of providing shareholders with dividends linked to the underlying earnings performance of the business. The policy is pursued to deliver value to the shareholders while maintaining a sustainable financial position and healthy operating cash flow. Subject to business conditions, market opportunities and maintenance of the Company's strong financial position, the Company has adopted a policy of paying regular dividends with a normal target payout ratio of 75% of recurring profit attributable to shareholders for the year. It is confirmed that all dividend decisions made by the Board were made in accordance with the dividend policy of the Company.

Sustainability

Sustainability governance

The key sustainability mission of the Group is to create long-term value for all stakeholders by aligning its sustainability goals with the strategic development of its businesses. Through a collaborative approach and leveraging its supreme network and advanced technology, the Group delivers secure, seamless and cutting-edge solutions. This commitment supports the United Nations Sustainable Development Goals ("UNSDGs") by promoting sustainable, inclusive and digitally-enabled societies while maintaining responsible and ethical business practices with all stakeholders. The Group actively fosters open and transparent dialogues with a diverse array of stakeholders, including employees, customers, suppliers and business partners, shareholders and investors, banks and creditors, governments and regulators, as well as local communities and non-governmental organisations. Further information is provided in the "Sustainability Report" on pages 86 to 147.

The sustainability governance framework of the Group has established a solid foundation for upholding its sustainability commitment. This structure is deeply integrated throughout the Group, including the Board, the Sustainability Committee, the Audit Committee, the Security Committee, working groups and business units. It provides the Group with comprehensive guidance on executing sustainability strategies, establishing goals, setting targets and implementing reporting processes. Moreover, it fosters robust stakeholder relationships and ensures accountability across all business operations. Further information is provided in the "Sustainability Report" on pages 86 to 147.

The Sustainability Committee was formed in 2020, and is chaired by Ms Shih, Non-executive Director, with Mr Koo, Executive Director and Chief Executive Officer, and Ms Chow, Independent Non-executive Director (appointed following the retirement of Dr Wong, a former Independent Non-executive Director, on 9 May 2024), as members.

The Sustainability Committee holds key responsibilities in making proposal and recommendations to the Board on the Group's corporate social responsibility and sustainability objectives, strategies, priorities, initiatives and goals. It plays a vital role in overseeing, reviewing and evaluating actions taken by the Group in furtherance of sustainability priorities and goals, including coordinating with business divisions of the Group and ensuring that operations and practices adhere to the relevant priorities and goals. In addition, the Sustainability Committee reviews and reports to the Board on sustainability risks and opportunities, monitors and assesses emerging sustainability issues and trends that could impact the business operations and performance of the Group. Moreover, it considers the impact of the Company's sustainability programmes on its stakeholders and the environment, and appraises and advises the Board on the Company's public communication, disclosure and publications as regards to its sustainability performance. The Sustainability Committee is authorised by the Board to obtain independent professional advice where necessary on matters within its terms of reference. Further information is provided in the "Sustainability Report" on pages 86 to 147.

The Sustainability Committee held two meetings in 2024 with 100% attendance.

Members	Attended/Eligible to attend
Edith Shih (<i>Chairman</i>)	2/2
Koo Sing Fai	2/2
Chow Ching Yee, Cynthia ⁽¹⁾	1/1
Wong Yick Ming, Rosanna ⁽²⁾	1/1

Notes:

(1) Appointed on 9 May 2024

(2) Retired on 9 May 2024

During 2024, the Sustainability Committee reviewed the framework of the sustainability governance of the Company; the sustainability key performance indicators ("KPIs") for the year and initiatives of the Company, including those with respect to employees, customers, community and environment. The Sustainability Committee also reviewed and approved the 2023 Sustainability Report which contained in the 2023 Annual Report. In March 2025, the Sustainability Committee reviewed the 2024 sustainability KPIs and related activities as well as the 2025 sustainability initiatives of the Company. It also reviewed the 2024 Sustainability Report which contained in this Annual Report and recommended to the Board for approval. It also adopted a new Workforce Diversity Policy and recommended to the Board for approval.

The adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's sustainability performance and reporting function was also examined and considered satisfactory by the Sustainability Committee in March 2024 for the 2023 annual review, in September 2024 for the interim review and in March 2025 for the 2024 annual review.

Supporting the Sustainability Committee is the Sustainability Working Group, comprising the Chief Executive Officer and the Chief Financial Officer as Co-Chairs, as well as other senior executives from key business functions that impact the material sustainability issues of the Group.

Sustainability is embedded in the risk management approach of the Group, through the bi-annual formal examination of all business units as to its respective material sustainability risks and presentations to senior management with plans on how these risks are managed as part of the bi-annual review of risk management and internal control systems. As an integral part of sustainability governance, these self-assessment results are subject to internal audits, then submission to the Chief Executive Officer and Chief Financial Officer bi-annually as well as the Audit Committee and Sustainability Committee respectively for review and approval.

Sustainability framework

The sustainability framework, approach and priorities of the Group are built upon four sustainability pillars: Governance, Sustainable Business Model & Innovation, Environment and Social. Each pillar is supported by the corresponding Group policies, leadership and collective efforts across the entire business. These four fundamental pillars serve as guiding principles for the Group to shape the overall direction of its sustainability strategies and the approach for an effective implementation across its businesses. The Group has identified eight Group-wide sustainability goals, being arranged into four sustainability pillars and mapped to the UNSDGs, ensuring a comprehensive approach to sustainability. Further information is provided in the "Sustainability Report" on pages 86 to 147.

The Sustainability Report further discusses the sustainability mission and strategies, management approach, progress, material quantitative data, as well as policies and key initiatives of the Group. It is set out on pages 86 to 147 of this Annual Report.

Compliance with laws and regulations

Regulatory frameworks are closely analysed and monitored and internal policies are prepared and updated accordingly. Trainings are conducted to strengthen awareness and understanding of the Group's internal controls and compliance procedures. In addition, refresher courses on ethical business practices are provided on a regular basis. Further, the internal audit function of the Group is responsible for the assessment of the Group's sustainability practices and relevant regulatory compliance. Further information is provided in the "Sustainability Report" on pages 86 to 147.

The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning employment, occupational health and safety or labour standards, product responsibility, anti-corruption, air and water discharges, and generation of waste during the year. Further information is provided in the "Sustainability Report" on pages 86 to 147.

By Order of the Board

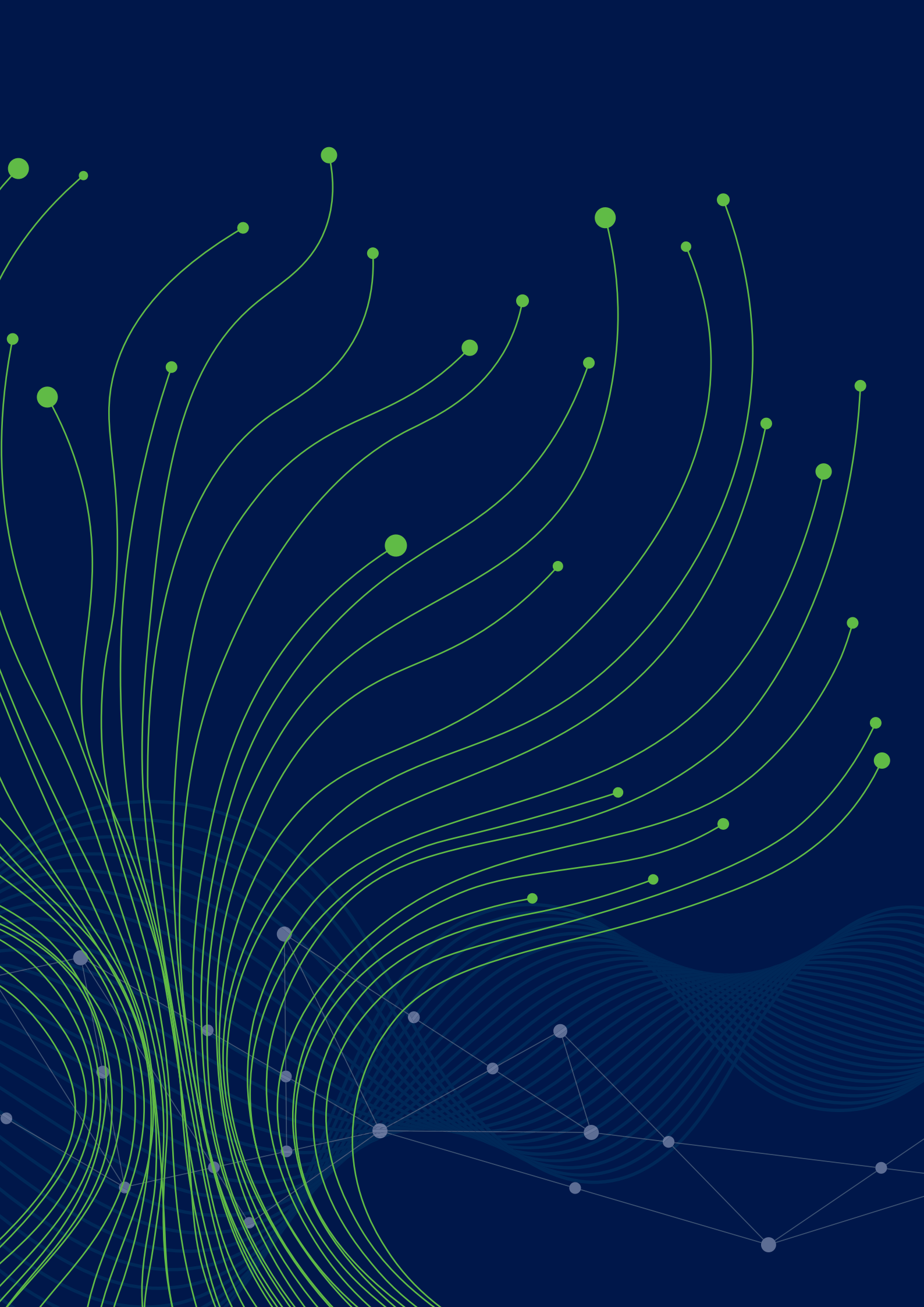
CHOW Yan Hing, Agnes
Company Secretary

Hong Kong, 14 March 2025

Sustainability Report

The Group creates long-term value for stakeholders by aligning sustainability objectives with strategic development, fostering a supportive and inclusive workplace while promoting a sustainable and digitally enabled smart city.





Sustainability Report

About this Report

Hutchison Telecommunications Hong Kong Holdings Limited (the “Company” or “HTHKH”) and its subsidiaries (collectively the “Group”) present the following 2024 Sustainability Report (the “Report”). This report highlights the Group’s sustainability strategies, policies, management approaches to material topics, and sustainability performance of the Group in 2024.

The Group’s key sustainability mission is to align its sustainability objectives with the strategic development of its businesses to create long-term value for all stakeholders. As a leading player in the telecommunications industry, the Group is dedicated to providing a broad range of secure, seamless and cutting-edge mobile telecommunications and data solutions to address the rapidly evolving digital landscape, enabling consumers and enterprises to capitalise on the digital evolution.

The Group upholds a high standard of business ethics and compliance. The Group conducts business activities responsibly and ethically, and engages with all its stakeholders in a transparent and accountable manner. The Group is also dedicated to supporting the United Nations Sustainable Development Goals (“UNSDGs”) to foster inclusive, sustainable and digitally-enabled societies.

Reporting period

This sustainability report covers the Group’s sustainability performance from 1 January to 31 December 2024 (the “Reporting Period”), unless otherwise specified.



Reporting scope

Information disclosed in this Report covers the mobile telecommunications businesses of the Group in Hong Kong and Macau.

Reporting framework

This report has been prepared in accordance with mandatory disclosure requirements and “comply or explain” provisions of the Environmental, Social and Governance Reporting Guide (“ESG Guide”) as set out in Appendix C2 to the Listing Rules. Please refer to the HKEx ESG Guide Content Index for information about the specific disclosures. The Group has also referenced selected standards from the Global Reporting Initiatives (“GRI”).

This report should be read in conjunction with the 2024 Annual Report (“Annual Report”), which provides a comprehensive view of the Group’s financial performance and corporate governance as well as the key policies of the Group published on the Company’s website [↔](#).



Reporting principles

The contents of this report follow the ESG Guide reporting principles:

Materiality: The Group focuses on matters that impact business growth and are of importance to its stakeholders. Active engagement with different stakeholders and materiality assessments facilitate the identification of material topics related to the Group's stakeholders and business operations. For more information, please refer to "Materiality Assessment" on page 94.

Quantitative: Information regarding methodologies, standards, calculation references, assumptions and sources of key conversion factors used for key performance indicators ("KPIs"), along with other relevant information, is stated wherever appropriate.

Balance: This Report discloses information in an objective manner, aiming to provide stakeholders with an unbiased picture of the Group's overall sustainability performance.

Consistency: Consistent methodologies are adopted when calculating the quantitative KPIs unless otherwise specified. Where applicable, any changes to the methods or KPIs used have been disclosed.

Feedback

The Group welcomes feedback and suggestions. Please contact us via the QR code below or email us at sustainability@hthk.com.



Sustainability at the Group

2024 Performance highlights



Notes:

- (1) Carbon emission intensity represents carbon emission per terabyte ("TB") of data traffic (kgCO₂e per TB). The Group has set a target to reduce carbon emission intensity by 2% annually.
- (2) The ratio of workforce by gender refers to the number of full-time employees by gender.
- (3) The number of average training hours refers to training hours completed by full-time employees.

Reporting what matters

Sustainability plays a pivotal role in ensuring that the Group maintains its position as a responsible digital service provider and upholds the well-being and prosperity of the communities in which it operates. The Group recognises the importance of understanding stakeholder views and considering stakeholder perspectives in shaping a strategy that places the interests of society and the environment at the forefront. Embracing sustainability is deeply ingrained in the Group's core values as manifested in its corporate strategies, demonstrating its commitment to responsible business practices and long-term societal and environmental impact.

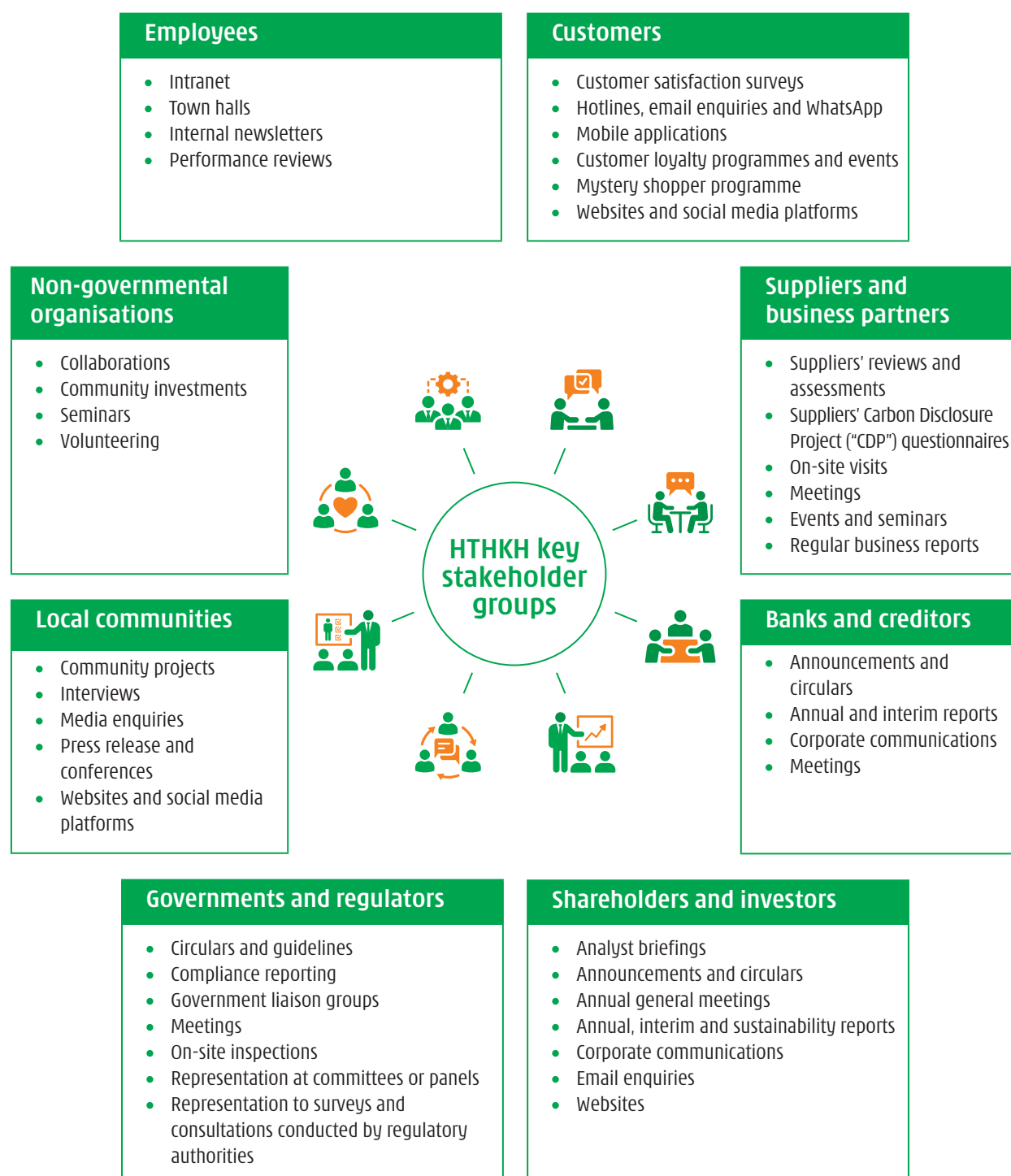
Stakeholder engagement

The Group actively fosters open and transparent dialogues with a diverse array of stakeholders, including employees, customers, suppliers and business partners, banks and creditors, shareholders and investors, governments and regulators, as well as local communities and non-governmental organisations. To effectively engage and communicate with that broad range of stakeholders, and gain insights into their views and expectations, the Group has established a wide range of channels for effective communication and stakeholder engagement. The following figure provides an overview of these channels, which serves as valuable avenues for understanding and responding to the needs and concerns of the Group's stakeholders.

ESG rating agency assessments support investors and other stakeholder groups to evaluate the Group's sustainability performance and efforts. In response to valuable feedback from investors regarding the Environmental, Social and Governance ("ESG") rating, the Group has addressed its disclosures on various sustainability topics to adequately meet the specific information requests from the rating agencies involved. The Group received a 'AA' ESG rating from Morgan Stanley Capital International ("MSCI") and a ESG risk rating of '26.7' from Sustainalytics ESG rating as at the publication of this report. These achievements underscore the Group's ongoing dedication to sustainable practices. In a bid to maintain these high ESG ratings, the Group continues to devote robust sustainability efforts and develop responsible business practices so as to enhance investors' and stakeholders' confidence and trust in the Group.

The Group values its relationships with stakeholders and continues to strengthen its sustainability performance in line with stakeholders' increasing expectations for sustainable development. During the Reporting Period, the Group actively engaged with stakeholders through multiple channels. Their insights and expectations are essential for formulating the Group's sustainability strategies, targets and goals.

Figure 1: Stakeholder Engagement



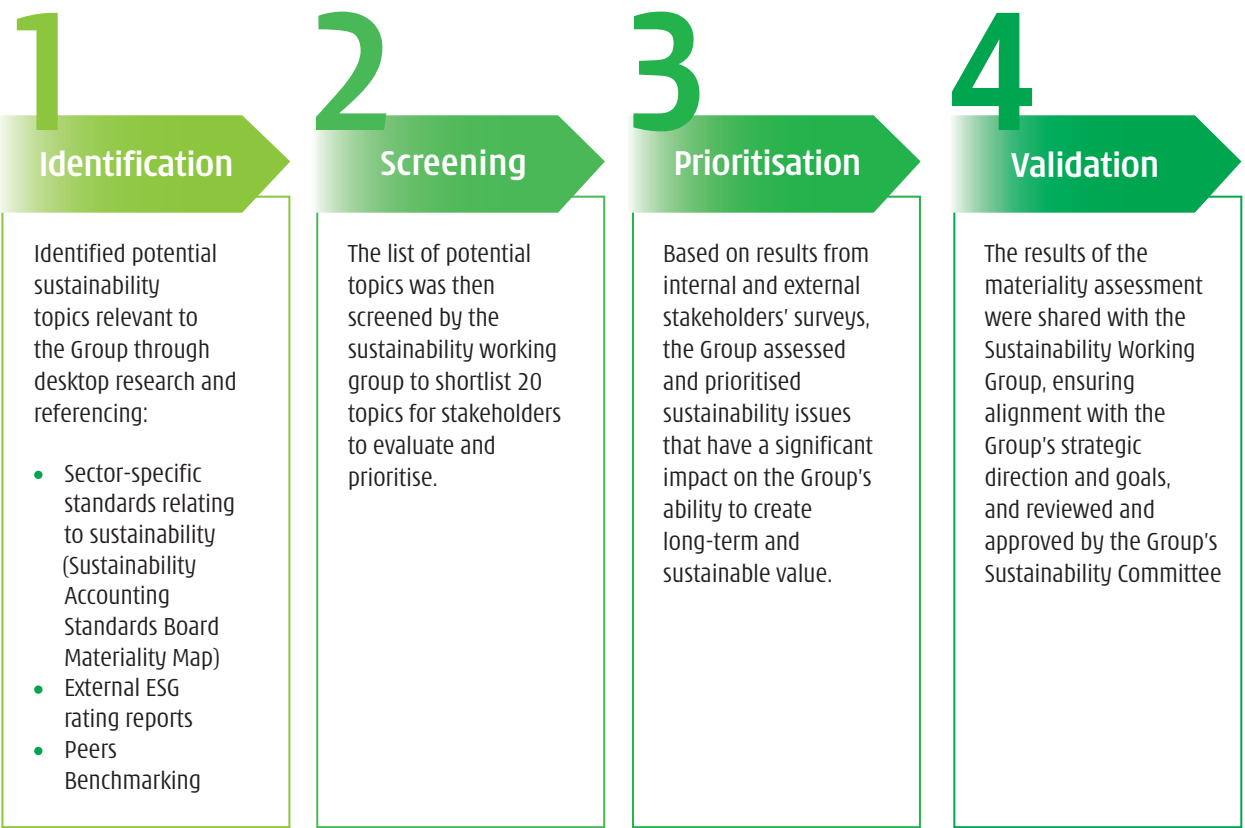
Materiality Assessment

Materiality assessment is an important process to understand the Group’s stakeholders’ expectations on the materiality of different sustainable topics and ensure that the Group’s sustainability commitments and strategies are aligned accordingly. In 2024, the Group conducted its materiality assessment in four stages, including identification, screening, prioritisation and validation.

During the Reporting Period, the Group actively engaged with different internal and external stakeholders. Their feedback helped the Group identify the key sustainability issues that hold great significance to the Group and its stakeholders. These evaluated topics are presented in a materiality matrix, with two dimensions, importance to the Group (internal stakeholders) and external stakeholders, represented along the horizontal and vertical axes.

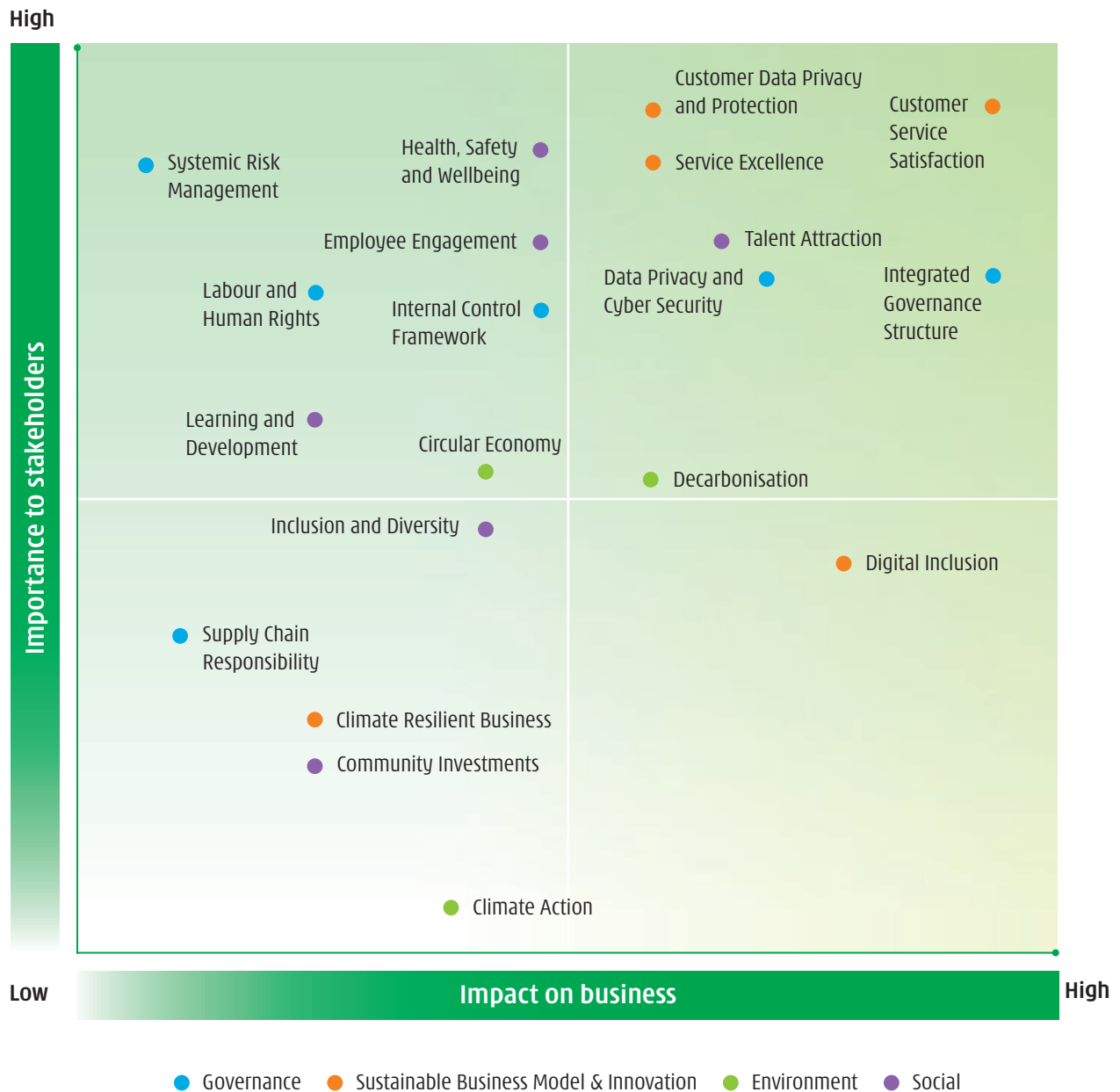
During the Reporting Period, the Group has identified and assessed 20 topics. Among these topics, seven are highly material, eight are moderately material and five are generally material. The results of the materiality assessment are confirmed by the Sustainability Committee.

Figure 2: The Four-step Iterative Approach for Group Materiality Assessment



The most material topics for the Group are identified in the top right-hand corner. During the Reporting Period, the Group integrated these highly material topics into its governance and management systems as well as its daily operations.

Figure 3: Materiality Matrix



Group Sustainability Framework

The Group acknowledges the importance of sustainable development and is committed to contributing to the achievements of the UNSDGs and the objectives outlined in the 2015 Paris Agreement through the integration of sustainability management into its governance and management structure. The Group's governance structure comprises both Board-level and management-level committees and working groups responsible for approving the results of the materiality assessment, implementing sustainability related policies, and monitoring their effectiveness.

To effectively manage its sustainability topics, which have been identified and assessed for materiality through a comprehensive materiality assessment, the Group has established a sustainability framework. The framework is built upon four pillars: Governance, Sustainable Business Model & Innovation, Environment and Social. Each pillar has its own goals, and is supported by the corresponding Group policies, leadership and collective efforts across the entire business. This framework provides clear direction for the Group's journey toward sustainable development, and the efforts associated with each pillar are discussed in the following sections.

Figure 4: Group Sustainability Framework

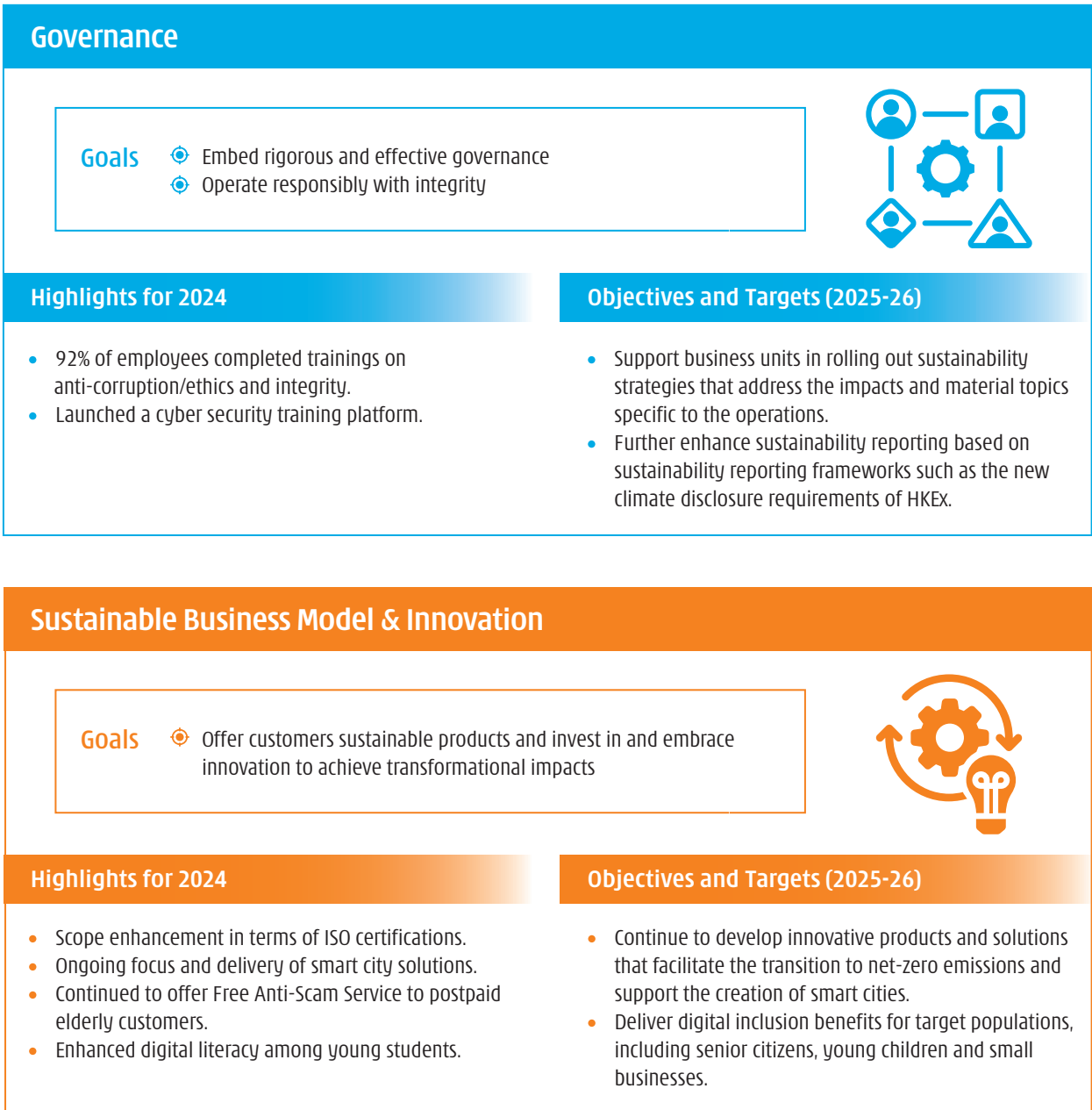
Pillars	Material Topics	Goals	Mapping to the UNSDGs
Governance	<ul style="list-style-type: none"> Integrated Governance Structure Internal Control Framework Data Privacy and Cyber Security Labour and Human Rights Supply Chain Responsibility Systematic Risk Assessment 	<ol style="list-style-type: none"> 1. Embed Rigorous and Effective Governance 2. Operate Responsibly with Integrity 	  
Sustainable Business Model & Innovation	<ul style="list-style-type: none"> Service Excellence Climate Resilient Business Digital Inclusion Customer Data Privacy and Protection Customer Service Satisfaction 	<ol style="list-style-type: none"> 3. Offer Customers Sustainable Products and Invest in and Embrace Innovation to Achieve Transformational Impacts 	  

Pillars	Material Topics	Goals	Mapping to the UNSDGs
Environment	<ul style="list-style-type: none"> Decarbonisation Climate Action Circular Economy 	4. Take Action on Climate Change 5. Protect Natural Resources 6. Promote a Circular Economy	      

Pillars	Material Topics	Goals	Mapping to the UNSDGs
Social	<ul style="list-style-type: none"> Talent Attraction Employee Engagement Learning and Development Health, Safety and Wellbeing Inclusion and Diversity Community Investment 	7. Create Great Places to Work 8. Invest in Developing Thriving & Resilient Communities	      

Process Highlights and Plans

Figure 5: Group Highlights and Ambitions



Environment

Goals

- Take action on climate change
- Protect natural resources
- Promote a circular economy



Highlights for 2024

- Participated in CK Hutchison Group Telecom Holdings Limited's ("CKHGT") initiatives to complete the external limited data assurance for the 2023 data.
- Collaborated with Huawei International Company Limited to adopt an industry-leading AI energy-saving solution to enhance the efficient use of energy at base stations.
- Performed a review of the GHG emissions and management practices of top suppliers by spend.
- Achieved 100% lead-acid battery recycling for Hong Kong operations.

Objectives and Targets (2025-26)

- Further develop energy reduction initiatives to align with the Science Based Targets Initiatives ("SBTi") target committed by CKHGT.
- Further expand scope 3 emissions reporting.

Social

Goals

- Create great places to work
- Invest in developing thriving and resilient communities



Highlights for 2024

- Organised health and wellness activities to promote employee well-being and foster a positive workplace culture.
- Invested HK\$12.5 million in community initiatives.
- Received the Asia's Best Employer Brand Award from the 15th Asia's Best Employer Brand Awards and the Good MPF Employer Award from the Mandatory Provident Fund Schemes Authority.

Objectives and Targets (2025-26)

- Continue to seek potential enhancements in employee benefits.
- Continue to make progress in addressing diversity and inclusion related issues, in addition to developing related targets.
- Continue to provide learning and development opportunities to all employees and talents.
- Promote healthcare and well-being initiatives in the workplace.
- Be an active member of the community, targeting investments to meet the needs of the community.

Awards, Honours and Certifications

HTHKH's sustainability efforts are recognised by various stakeholders. In addition to accolades from ESG rating agencies, the Group was honoured with several awards during the Reporting Period, as summarised below.

The Group has implemented the integrated management system several years ago to obtain certifications in the environmental management system and the occupational health and safety management system for certain office and cell sites. During the Reporting Period, the Group expanded the scope of ISO certification to additional sites. In addition, certifications related to data security and privacy were awarded. Detailed information regarding these certifications is provided in the following sections.

Certifications

- ISO 14001:2015 Environmental Management System Certificate
- ISO 45001:2018 Occupational Health and Safety Management system Certificate
- "Good Level" Wastewise Certificate - Hong Kong Green Organisation Certification
- "Good Level" Energywise Certificate - Hong Kong Green Organisation Certification
- Certificate of Compliance Payment Card Industry Data Security Standard (PCI DSS v4.0 - Merchants)

Award

- 2024 ESG Grand Award - Master-Insight.com x The Hang Seng University of Hong Kong ESG Awards 2024
- Award of Excellence in ESG (Other and GEM Companies category) - The Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University, Hong Kong Corporate Governance and ESG Excellence Awards 2024
- ESG Social Innovative Technology Award (Small market capitalisation / GEM) - TVB ESG Awards 2024

Rating

- 'AA' in MSCI ESG rating
- ESG risk rating of '26.7' in Sustainalytics ESG rating

Governance

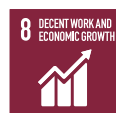
The Group has strived to integrate sustainability into its corporate governance and core strategy. A robust sustainability governance structure enhances its ability to align with the needs and interests of the Group and its stakeholders. Effective governance enables the Group to operate with integrity and make informed, ethical decisions in the best interests of all stakeholders.

This section should be read alongside the Corporate Governance Report in the Annual Report, which details the Group's corporate governance framework and practices.

Group Goals

- Embed rigorous and effective governance
- Operate responsibly with integrity

Mapping to the UNSDGs



Content in this Section

- Integrated Governance Structure
- Internal Control Framework
- Data Privacy and Cyber Security
- Labour and Human Rights
- Supply Chain Responsibility
- Systematic Risk Assessment

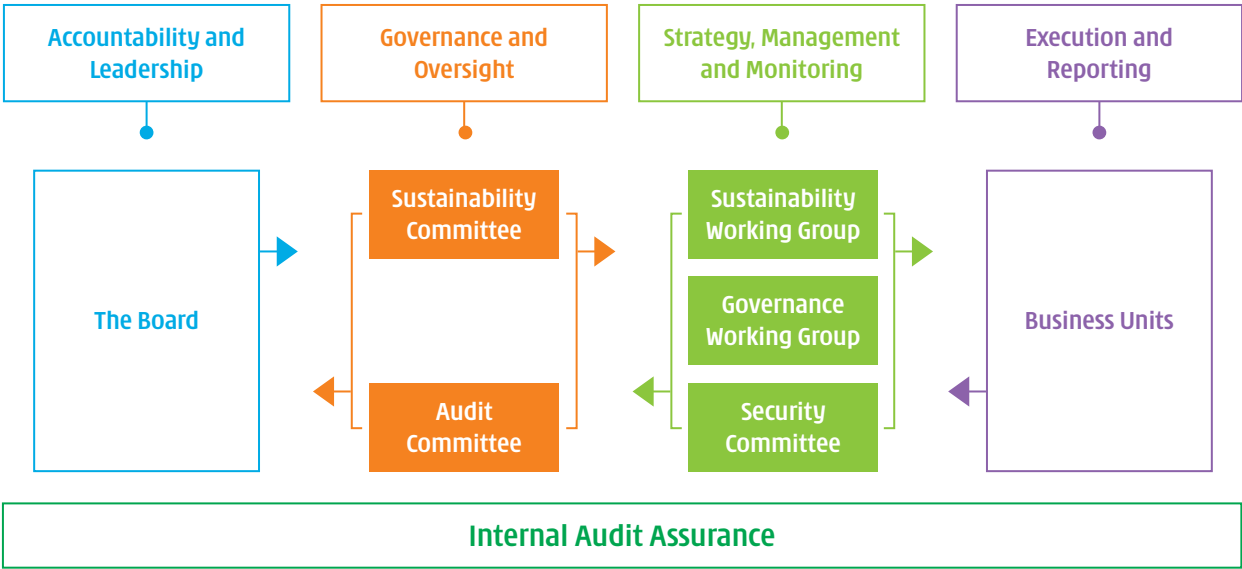
Integrated Governance Structure

The Group has established a comprehensive and robust governance structure, which includes the Board, specialised Board-level committees, and management-level working groups. This structure encompasses the Sustainability Committee, Audit Committee, Remuneration Committee, Nomination Committee, Security Committee, Sustainability Working Group, Governance Working Group, and various business units, all tasked with effectively addressing emerging trends, risks and opportunities.

The Group has embedded sustainability principles into its governance framework. A Board-level Sustainability Committee, supported by a management-level Sustainability Working Group, is responsible for executing and overseeing sustainability initiatives as well as climate-related risks across the Group reporting directly to the Board.

Each committee and working group hold regular meetings to discuss and monitor the latest trends, developments, and performance related to the Group's objectives. Additionally, bi-annual self-assessment reviews are conducted across business units, in conjunction with internal audit assurance, with findings reported to multiple specialised functions within the Group. The Group has adopted and implemented corporate governance principles and practices that prioritise a high-quality Board, effective risk management and internal control systems, rigorous disclosure practices, transparency and accountability.

Figure 6: HTHKH's Integrated Governance Structure



The Board

The Board is responsible for overseeing the Group's business operations, risk management frameworks, internal control systems, and sustainability-related matters. With the support of the Sustainability and Audit Committees, the Board conducts through reviews and evaluations of the Group's risks and opportunities, including those related to climate change and cyber risk, as well as the corresponding strategic management measures.

The Board considers and reviews reports from various committees and working groups, approving the annual report, interim report and sustainability report. Additionally, it evaluates the effectiveness of risk management structures and internal control systems through the Audit Committee. By cultivating a risk-aware culture among employees, the Board ensures that appropriate measures and policies are effectively implemented across the Group's operations.

Furthermore, the Board considers the results of sustainability assessments and stakeholder feedback, integrating these insights into its daily management practices.

Board ESG training

To effectively oversee sustainability strategies and understand the impacts of climate change, Board members are receiving regular training to ensure they have sufficient sustainability knowledge. Upon appointment, Directors are provided with comprehensive orientation materials comprising information on the Group, duties as a director and board committee member, as well as internal governance and sustainability policies of the Group.

Additionally, the Group arranges and provides Continuous Professional Development ("CPD") training to Directors in the form of formal training programmes, seminars, workshops, expert briefings, webcasts and selected reading materials. This training keeps Directors informed about current trends and issues, including those relating to sustainability and climate-related reporting. For further details please refer to the "Corporate Governance Report" of this Annual Report.

Board diversity

The Group acknowledges the significant benefits that diversity brings to the Board, enhancing its effectiveness and decision-making capabilities. To support this, the Group has established a Director Nomination Policy and a Board Diversity Policy. These policies ensure that a range of factors including gender, age, culture, ethnicity, educational background, professional experience, and other pertinent criteria are considered when nominating candidates for the Board. The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, ensuring that it has sound diversity and a balanced composition of skills and experience appropriate for the requirements of the businesses of the Group. Additionally, the Committee conducts regular evaluations of the Board Diversity Policy to ensure its ongoing effectiveness.

During the Reporting Period, the Group appointed two new Independent Non-executive Directors to succeed two who retired. The Board consists of 10 directors, including two Executive Directors, four Non-executive Directors, and four Independent Non-executive Directors, surpassing the minimum one-third requirement for Independent Non-executive Directors as stipulated by the Listing Rules. Female representation on the Board stands at 30%, a relatively high level amongst companies listed on the Stock Exchange ⁽⁴⁾.

Sustainability Committee

The Board-level Sustainability Committee serves as a fundamental component of the Group's sustainability strategy and impact management. The Sustainability Committee was formed in 2020, and is chaired by Ms Shih, Non-executive Director, with Mr Koo, Executive Director and Chief Executive Officer, and Ms Chow, Independent Non-executive Director (appointed following the retirement of Dr Wong, a former Independent Non-executive Director, on 9 May 2024), as members. The Sustainability Committee holds meetings bi-annually. Its responsibilities include overseeing, reviewing, and evaluating the measures and actions undertaken by the Group to advance its sustainability priorities and goals. Additionally, it provides recommendations to the Board regarding sustainability objectives, strategies and targets.

The Sustainability Committee further evaluates and monitors emerging sustainability trends and issues that may impact the Group's operations and performance, reviewing and reporting on climate-related risks and opportunities to the Board. Furthermore, it considers the impact of the Group's sustainability initiatives on stakeholders and provides the Board with value-accretive advice on external communication, disclosure and publications related to sustainability performance.

Audit Committee

The Audit Committee currently comprises three independent non-executive directors. It is responsible for supervising and ensuring the effectiveness and sufficiency of the Group's risk management and internal control systems (including cyber risks). This oversight includes financial, operational and compliance aspects, ensuring comprehensive coverage across these key areas.

Governance Working Group

The Governance Working Group is chaired by a non-executive director and includes representatives from key business functions of the Group. It supports the Audit Committee by providing timely updates on emerging matters of compliance.

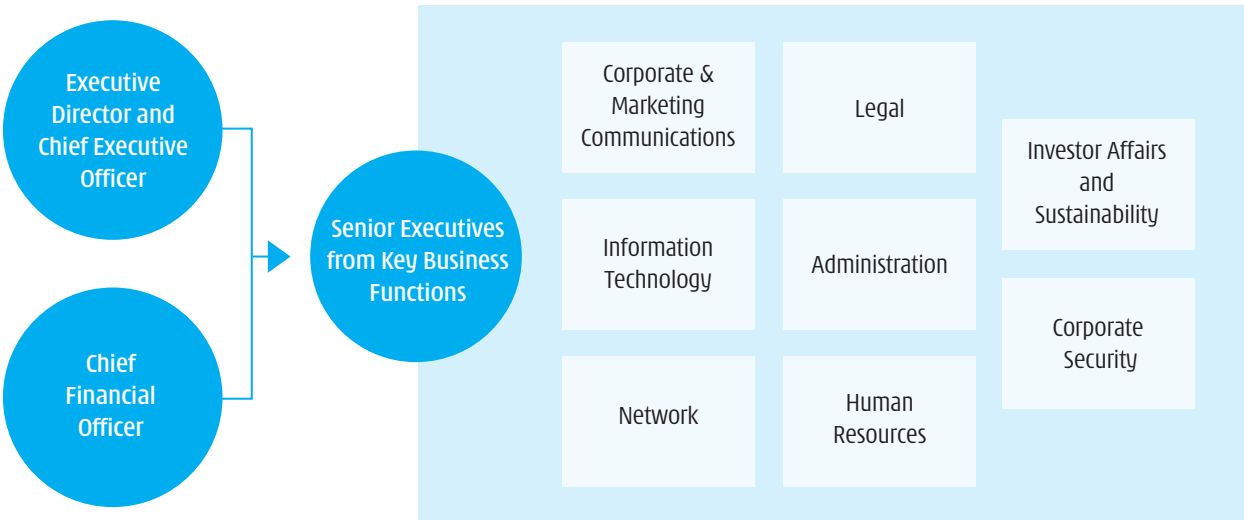
Note:

(4) Based on the information from HKEx Board Diversity Hub as of March 2025. ⇐

Sustainability Working Group

The Sustainability Working Group is a management-level group that supports the Sustainability Committee in its mission to implement the Group's sustainability management. It is co-chaired by the Chief Executive Officer and the Chief Financial Officer, and includes experienced senior executives from key business functions that have a significant influence on the Group's material sustainability topics. The primary role of the Sustainability Working Group is to support the Sustainability Committee to evaluate the latest sustainability-related trends, assess the Group's sustainability performance and targets, and provide insights on emerging sustainability risks and opportunities.

Figure 7: Sustainability Working Group Structure



Security Committee

The Security Committee is led by the Vice President - Digital Innovations & IT Development, and includes technical specialists from the Information Technology department and experts from the Corporate Security & Fraud Management function.

Its primary responsibility is to oversee the Group's defences against cybersecurity risks, fraud, and bribery risks, ensuring their effectiveness, coherence and coordination. The committee monitors the cyber threat landscape to gain valuable insights into existing and emerging security attacks and their implications through monthly cyber-as-a-service reports by third party experts, which include details of security alerts and prevented attacks, and meets regularly with senior management to discuss such threats and assess their potential impact on the Group's operations.

Internal audit assurance

Internal Audit, reporting directly to the Audit Committee, delivers independent assurance on the effectiveness of the Group's risk management activities and controls, including those associated with sustainability and cyber risk matters.

Each year, Internal Audit develops the audit strategy by assessing various business units, taking into account both internal and external factors, such as regulatory requirements, emerging trends in sustainability and cyber risk, and changes in business operations.

Risk management

The Group's risk management framework is based on the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") model to systematically manage risk. This model comprises five essential steps, which require each business unit to perform a comprehensive self-assessment to evaluate the effectiveness of its risk management practices.

The Group evaluates identified risks across four dimensions - strategic, financial, operational and compliance. This comprehensive assessment involves analysing the likelihood and potential impact of each risk, developing targeted risk mitigation measures, and assessing the likelihood and impact of any residual risks. Findings are compiled into a report for review and approval by both the Board and the Audit Committee, and this collaborative approach ensures that risk management practices align with the Group's overall strategic objectives and regulatory requirements. Relevant results are also shared with the external auditor to ensure transparency and accountability.

In addition, the Group's Crisis Management Team, which includes the Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, and representatives from business units conduct annual crisis drills, simulating various hypothetical scenarios to enhance the preparedness of each team in effectively managing crises and mitigating their impact.

Internal Control Framework

The Group prioritises compliance with laws and regulations, sound governance, and business integrity. To support this commitment, the Group has established a comprehensive internal control framework that encompasses anti-corruption measures, training programmes, due diligence processes, and a whistleblowing mechanism. Additionally, the Group has developed various policies addressing topics such as sustainability, anti-fraud initiatives, corporate governance and cybersecurity. These policies, alongside specific procedures and guidelines are implemented across the Group to meet operational needs and to comply with legal and regulatory requirements. The Group places a strong focus on monitoring and enforcing compliance with its policies, procedures and guidelines. Regular management reviews and reporting are conducted to assess the execution and adherence to these standards. The Group, through translating its values into actions, reaffirms its commitment to business integrity, its people, the environment and the communities in which it operates. For more detailed information on corporate governance, please refer to the "Corporate Governance Report" of this Annual Report.

Below is a list of the Group's key governance policies.

Figure 8: Governance Policies

Corporate governance <ul style="list-style-type: none"> • Board Diversity Policy • Code of Ethics • Director Nomination Policy • Corporate Communications Policy • Policy on Appointment of Third Party Representatives • Policy on Securities Dealings and Handling of Confidential and Price-sensitive Inside Information • Stakeholders Communication Policy 	Sustainability <ul style="list-style-type: none"> • Environmental Policy • Health and Safety Policy • Human Rights Policy • Modern Slavery and Human Trafficking Statement • Supplier Code of Conduct • Sustainability Policy • Biodiversity Policy • Workforce Diversity Policy
Cyber security <ul style="list-style-type: none"> • Information Security Policy • Policy on Personal Data Governance • Cyber Security Policy • Cyber Security Standard 	Anti-corruption <ul style="list-style-type: none"> • Anti-Fraud and Anti-Bribery Policy • Whistleblowing Policy • Purchasing Policy • Business Partner Evaluation Policies and Procedures

A zero tolerance approach to fraud and corruption

The Group has implemented several key policies, including the Code of Ethics and the Anti-Fraud and Anti-Bribery Policy. These policies set clear requirements and standards for employees to conduct business fairly, actively avoiding conflicts of interest and various forms of fraud and bribery.

The Code of Ethics specifically addresses the management of conflicts of interest, emphasising that employees must remain vigilant and avoid situations that could lead to such conflicts. Employees are required to promptly report any instances or activities that may involve potential conflicts of interest to the Human Resources Department. Such cases will be reviewed by the heads of the relevant departments, along with teams from the Human Resources, Legal and Regulatory Affairs, and Corporate Security, to determine appropriate actions. Non-compliance with the Code of Ethics may result in disciplinary actions, and any violations will be reported to regulatory authorities as deemed necessary.

Designated whistleblowing channels have been established for employees and third parties to report any illegal or unethical incidents that violate laws or the Code of Ethics. All reports will be treated as confidential to the extent possible as allowed by law.

Additionally, the Code of Ethics underscores the Group's commitment to business integrity, requiring employees to maintain high standards of honesty and transparency in interactions. The Group enforces a zero-tolerance policy towards all forms of bribery. The Anti-Fraud and Anti-Bribery Policy covers any improper payments, kickbacks or other bribery-related activities, explicitly prohibiting employees from using Group funds or assets for political or charitable contributions and sponsorships.

The Group is committed to treating all business partners with fairness, honesty and professionalism. The Group has established a Purchasing Policy and Supplier Code of Conduct to govern the selection and renewal of suppliers. Contractors or suppliers with a history of bribery or corruption will not be considered for collaboration with the Group. To ensure thoroughness, the Group assigns adequately skilled individuals to conduct due diligence during the selection and renewal processes for contractors and suppliers.

During the Reporting Period, the Group did not have any concluded legal cases regarding corrupt practices brought against the Group and its employees.

Communication and training

To ensure that all employees are aware of and understand the Group's corporate policies while maintaining integrity in daily operations, the Group organises annual policy training for all staff, including both full-time and part-time employees. Each employee is required to complete an assessment based on the training materials to confirm their knowledge and understanding of the content. These materials are developed by relevant departments to ensure that employees receive the latest information on governance and anti-corruption standards applicable to the Group's operations.

The training materials outline relevant policies and procedures in areas such as corporate governance, data privacy and protection, anti-corruption and sustainability. They include highlights of each policy's focus and requirements, updates on standards, and case studies for employee reference. Additionally, the Group addresses the roles of various departments in managing fraud effectively.



■ The Group organises seminars by inviting industry experts to share valuable experiences from time to time.

The Company also organises and offers CPD training including seminars, webcasts and relevant reading materials to Directors. This training enables Directors to keep pace with current trends and issues that are relevant to the Group. The topics covered in the training encompass latest change in commercial (including industry-specific and innovative technology changes), legal and regulatory environmental in which the Group's business operations. Furthermore, the training helps refresh the Directors' knowledge and skills regarding their roles, functions and duties as directors of a listed company. Directors are required to provide the company with details of CPD training undertaken by them from time to time, the training records are maintained by the Company Secretary and are made available for regular review by the Audit Committee. An average of approximately 28 hours of CPD training were undertaken by each Director during the Reporting Period. For more information, please refer to the "Training" section of the Corporate Governance report.

Business partners due diligence

The Group is dedicated to fostering a trustworthy and compliant business environment with its business partners and suppliers. To achieve this, the Group has established the Supplier Code of Conduct, Purchasing Policy, and Business Partner Evaluation Policies and Procedures. These frameworks enable the Group to assess its business partners and suppliers, ensuring that their operations are conducted legally and partnerships are sound.

The Group has established pre-defined criteria for evaluating business partners and suppliers to ensure they meet its required standards. Performance assessments are conducted regularly, focusing on factors such as technology, sustainability, quality, and reputation. Business partners and suppliers are required to provide supporting documentation for evaluation and record-keeping. Regular evaluations of project performance and the products/services provided will be conducted in accordance with contractual terms and agreed-upon standards.

The Supplier Code of Conduct stipulates that the Group adheres to all local and national standards to prevent any form of bribery and requires its business partners and suppliers to implement their own anti-corruption measures and programmes.

Additionally, the Supplier Code of Conduct outlines ethical standards that selected business partners and suppliers must sign an acknowledgment form confirming their awareness of the relevant terms, standards, and requirements, and their commitment to comply with the Supplier Code of Conduct.

Monitoring and review

The Group has established robust financial controls to safeguard against irregularities or misconduct, which include measures such as appropriate segregation of duties, authorisation controls, meticulous record-keeping, provision of supporting documentation and audit trails. This control system undergoes regular reviews and audits. Internal Audit, specifically responsible for evaluating the effectiveness and adequacy of the Group's internal control system, conducts independent audits of the Group's ethical standards and policies across various areas such as anti-corruption, fraud incident management, supplier code of conduct, fair treatment of suppliers, donations/sponsorships, handling of confidential/inside information, personal data governance, anti-trust compliance, workplace safety and accuracy of financial records. All audit findings are reported to the Audit Committee and the Executive Directors, and they are also shared with external auditor.

Whistleblowing

To maintain high standards of business integrity, honesty, fairness, and transparency, the Group has developed a Whistleblowing Policy and established confidential reporting channels for employees and third parties. This policy addresses all forms of impropriety, misconduct and malpractice, including but not limited to criminal offenses, discrimination, harassment, environmental damage and violations of legal or regulatory requirements, as well as breaches of the Group's rules, policies or internal controls.

All employees and relevant stakeholders, including customers, suppliers, creditors and debtors, are strongly encouraged to report any suspicions of misconduct, malpractice or fraud via the confidential reporting channels. Investigations on incidents or suspected incidents of fraud and corruption are conducted in a timely and highly confidential manner. Internal Audit assumes responsibility for reviewing each reported incident and promptly escalating significant incidents to the Audit Committee. A summary of reported incidents, alongside relevant statistics including the outcomes of independent investigations and actions taken, is presented to the Chief Financial Officer on a quarterly basis. As for substantiated concerns, appropriate disciplinary actions, including verbal or written warnings and termination of employment, are taken following due management consideration. Any violations of laws and regulations are reported to the police or other law enforcement organisations as applicable. The Whistleblowing Policy is readily accessible on the Company's website and intranet, providing detailed information about the reporting process and procedures.

The Group places a high priority on maintaining confidentiality throughout the investigation process and protecting whistleblowers. The identity of the whistleblower will remain confidential unless consent is given. Any harassment or victimisation of a whistleblower will be considered as misconduct and may lead to dismissal or other disciplinary actions.

Data Privacy and Cyber Security

Information security and personal data privacy are fundamental pillars of the telecommunications industry and are significant topics prioritised by the Group. The Group has developed policies for personal data governance and information security to ensure the confidentiality, integrity and availability of its information while protecting personal data in accordance with relevant data protection laws. Additionally, the Group has implemented a governance structure to oversee matters related to information security and personal data privacy within the Group.

During the Reporting Period, the Group did not violate any relevant laws and regulations regarding consumer data protection and privacy.



■ Security measures are implemented to prevent the unlawful processing, accidental loss, destruction or damage of personal data.

Personal data governance and information

The protection of personal data privacy is overseen by the Regulatory Advisory Committee, which includes the Chief Executive Officer and senior executives from the legal and corporate security departments, supported by the Data Protection Committee and local implementation teams. Employees are required to collect personal data in a lawful, fair and transparent manner, adhering to the data protection laws applicable in their jurisdiction.

Personal data must be collected solely for specified, clear and legitimate purposes, and measures should be taken to ensure that the data is accurate and up-to-date. Employees are expected to handle personal data lawfully, fairly, and transparently, ensuring compliance with relevant data protection laws. Access to personal data is restricted to employees whose roles necessitate its use for job responsibilities.

All personal data will be deleted when it is no longer necessary. For instance, customer personal data provided through application forms, the internet, or other means will be erased two years after the termination of the service subscription. Individuals have the right to access or amend their personal data. Security measures, such as pseudonymisation and encryption, are implemented to prevent unlawful processing, accidental loss, destruction or damage. The Group also conducts privacy impact assessments for new products, technologies, and business operations to meet regulatory requirements and manage privacy risks. The use of personal data by third parties is closely monitored, with access granted on a "need-to-know" basis.

To ensure secure online transactions for customers, the Group obtained the Certificate of Compliance with the Payment Card Industry Data Security Standard (PCI DSS v4.0 - Merchants) during the Reporting Period. PCI DSS is a global standard that establishes a baseline of technical and operational requirements for protecting account data. This certification demonstrates that the Group's services provide a secure environment for accepting, processing, storing or transmitting credit card information.

The Group periodically reviews and updates its policies to facilitate timely communication with employees. To acknowledge and confirm their compliance with all applicable Group policies, employees are required to submit an annual self-declaration. This reinforces employees' commitment to upholding the Group's policies and regulatory requirements.

Cyber security strategy and performance

The Group has implemented an information security framework that outlines specific roles and responsibilities, including those of the Head of IT Security and Compliance, Information Security Custodian, and Information Owner.

Roles	Responsibilities
Head of IT Security and Compliance	<ul style="list-style-type: none"> • Manage the development, deployment and maintenance of the Group's information security policies • Establish an information security culture across the Group • Monitor external and internal information security trends
Information Security Custodian	<ul style="list-style-type: none"> • Each business unit needs to establish its information security custodian and its responsibilities include: <ul style="list-style-type: none"> - Provide information security education and training - Deploy the methodologies, processes and risk management and reviewing the effectiveness of the measures - Assist business unit management to establish an effective response plan to handle information security incidents - Implement reporting procedures in business units
Information Owner	<ul style="list-style-type: none"> • Determine the authorisation and information handling process • Take appropriate controls in storage, handling, distribution and regular usage of information • Provide available information to relevant personnel on a need-to-know basis

To maintain high IT quality and identify potential vulnerabilities in the network, the Group conducts annual network assessments and penetration testing for both web and mobile applications. The results of these assessments are submitted to internal audit assurance for review as necessary.

Data security and protection

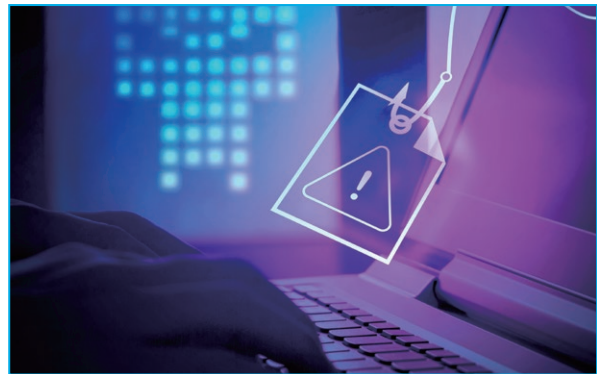
The Group has limited the use of corporate information and put in place appropriate security measures based on the value and sensitivity of the information, with access only granted to those with clear business justifications. Each business unit is required to develop an information security incident response plan that outlines the personnel responsible for addressing incidents, the communication processes with both internal and external stakeholders, and the technological tools and resources utilised to identify and recover compromised data. In the event of an incident, details regarding any compromised or potentially compromised data, along with the steps taken to address the situation and the resolution process, must be reported to relevant parties, including the Legal & Regulatory Affairs Department, Information Owner, Information Security Custodian, and any affected business units within the Group.

The Group has also created operational continuity and contingency planning, requiring business units to develop business continuity plans that ensure the confidentiality, integrity and availability of information during security incidents. Policies, standards and guidelines for data and information backup and recovery have been implemented to ensure data is backed up regularly. All storage media must be carefully stored and organised, and any recovery efforts should be requested beforehand and conducted under supervision. Additionally, data backup restoration tests and validations are mandated annually.

Cybersecurity awareness communications

Recognising the increasing prevalence of phishing emails and cybercrime, it is essential for the Group's employees to stay vigilant and keep up with the latest regulations and technological advancements in cybersecurity. During the Reporting Period, the Group initiated cybersecurity awareness training for all employees, both full-time and part-time, through a third-party training agency. This online training equips employees with the knowledge and skills needed to safeguard personal and sensitive company information from online threats. The cybersecurity awareness course covers various topics, including password management, and requires employees to complete an online assessment to ensure they understand the material.

In addition to the online cybersecurity training, the Group conducted an ethical phishing email campaign during Cybersecurity Awareness Month to assess employees' awareness of phishing threats. Throughout the campaign, the Group randomly dispatched simulated phishing emails to its employees. If employees click on any content in these fake emails, they will be required to retake the cybersecurity awareness training.



■ The Group provides employees with cybersecurity awareness training, equipping them with the skills needed to safeguard sensitive information from online threats.

Labour and Human Rights

The Group adheres to and has developed labor and human rights policies aligned with the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights. The Group has created a Human Rights Policy, a Statement on Modern Slavery and Human Trafficking and a Code of Ethics. In addition to integrating these into its operations, the Group also ensures compliance from its suppliers throughout the supply chain. Below are the key elements of these policies:

Policies	Commitment of the Group
Human Rights Policy	<ul style="list-style-type: none"> The Group upholds and advocates workforce diversity and inclusion, committing to equal opportunity and zero tolerance for discrimination and harassment in any form. Recruitment, training, compensation and career advancement within the Group are based on qualifications, performance, skills and experience. Unfair treatment, inappropriate behavior, retaliation and any form of misconduct will not be accepted. (For more detailed information, please refer to the "Inclusion and Diversity" section.)
Modern Slavery and Human Trafficking Statement	<ul style="list-style-type: none"> The Group is dedicated to preventing any form of slavery and human trafficking within its operations and supply chain. The Group will act ethically to establish effective systems and controls aimed at eliminating slavery and human trafficking from its practices and supply chain.
Code of Ethics	<ul style="list-style-type: none"> The Group prohibits all forms of discrimination and ensures equal opportunities for all employees in hiring, compensation, training, promotion and other employment terms. The Group values honesty, courtesy, adaptability, respect for individuals, personal dignity and privacy, actively promoting these principles among its employees. The Group maintains a zero-tolerance policy for harassment and will impose strict disciplinary measures on offenders, including termination of employment.

Supply Chain Responsibility

Business partners and suppliers play a crucial role in the Group's journey towards sustainability. In view of this, the Group has integrated sustainability principles into its procurement process. The Group has established Supplier Code of Conduct, Acknowledgement of Supplier Code of Conduct, Sustainability Questionnaire, Guidance on Environmental Protection and Occupational Health and Safety Standards, and a Business Partner Evaluation process. Recognising the importance of supplier engagement, the Group continually strives to strengthen its collaboration with business partners and suppliers. During the Reporting Period, the Group distributed CDP questionnaires to selected business partners and suppliers to understand their carbon emission and sustainability performance. This initiative enhances the Group's carbon measurement across the value chain and facilitates better tracking of the progress in its carbon reduction efforts.

Supplier code of conduct

The Group has established the Supplier Code of Conduct which serves as a guide for its business partners and suppliers, aiming to foster broader enhancements in sustainability practices and performance for the interests of stakeholders concerned as well as communities served by the Group. The Supplier Code of Conduct has been developed taking into consideration various international charters and conventions, such as the United Nation's Universal Declaration of Human Rights and the International Labour Organisation Conventions. It outlines standards specifically for the Group's business partners and suppliers, encompassing specific criteria and benchmarks regarding environmental performance, ethics, health and safety, quality and regulatory compliance.

The Supplier Code of Conduct alongside the Purchasing Policy, Business Partner Evaluation Policy, Anti-Fraud and Anti-Bribery Policy as well as other related controls and procedures, provides clear direction and guidelines in terms of the Group's evaluation and engagement with its business partners and suppliers. The Group regularly conducts adequate assessments and evaluations for the selected business partners and suppliers involved. Compliance with the Supplier Code of Conduct is mandatory for those falling within the scope of the Business Partner Evaluation Policy.

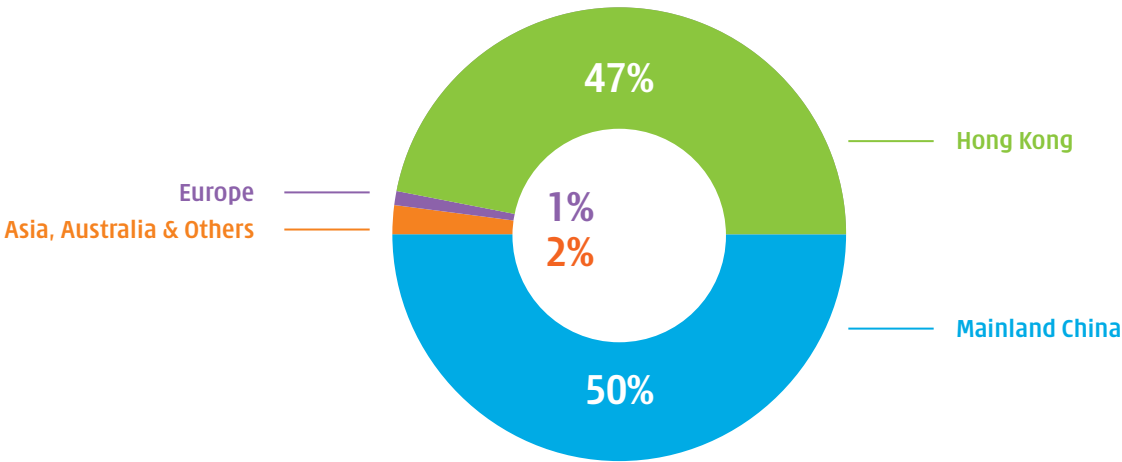
The Group encourages its suppliers to regularly evaluate their own compliance as well as that of their business partners and their suppliers, and to share their compliance status with the Group upon request. If any violations of this Supplier Code of Conduct are identified, the Group will work with them to address the issue. The Group expects the affected business partners and suppliers to create a corrective action plan to achieve compliance with the Supplier Code of Conduct. If they fail to develop or implement this plan, the Group may terminate the business relationship.

Supplier screening and assessments

The Group has invited selected business partners and suppliers to provide information on their sustainability performance by completion of the Sustainability Questionnaire. The questionnaire addresses the adoption of relevant practices and policies in areas such as sustainability governance, environmental protection, ISO adoption, health and safety, human rights, supply chain management and information security, and form part of the supplier evaluation process.

Following the Group's introduction of the ISO management system in designated locations, the Group has actively engaged with its suppliers to facilitate the implementation of similar systems or acquisition of related certifications. During the Reporting Period, the Group has 666 suppliers and 326 of them were evaluated.

Figure 9: Geographic Distribution of Suppliers



Sourcing guidelines

The Group supports the use of environmentally preferable products and collaborates with its business partners and suppliers to promote corporate social responsibility. As part of its sustainability strategy, the Group has included relevant action points in its Supplier Code of Conduct, requiring business partners and suppliers to minimise energy usage and carbon footprint in their operations. The Group also encourages the use of environmentally friendly, recycled, and sustainable products and technologies.

To minimise the use of plastic and promote a circular economy, the Group has stopped using plastic packaging for most of its prepaid SIM cards, opting instead for naked packaging. Since 2023, the Group has launched the EcoSIM card programme to promote the use of environmentally preferable products. EcoSIM cards are manufactured by suppliers using 100% recycled plastic that is certified as a carbon-neutral product. The Group will continue to engage and collaborate with its business partners and suppliers to explore sustainable options and products, contributing to a more sustainable future for the next generation.

Sustainable Business Model & Innovation

The Group's operations significantly impact the daily lives of millions by providing mobile multimedia telecommunications channels. The Group is committed to creating and enhancing value for its stakeholders by proactively and continuously adapting to social, environmental and market dynamics. The Group's dedication to safeguarding customer interests is reflected in its exceptional service delivery. In the face of complex challenges, the Group's core businesses remain focused on fostering innovation and collaboration to mitigate risks and seize opportunities related to sustainable development. This includes efforts to build resilience to climate change, promote digital inclusion and encourage sustainable lifestyles.

Group Goals

- Offer customers sustainable products and invest in and embrace innovation to achieve transformational impact

Mapping to the UNSDGs



Content in this Section

- Service Excellence
- Digital Inclusion
- Climate Resilient Business
- Customer Data Privacy and Protection
- Customer Service Satisfaction

Service Excellence

The Group strives to be a top-notch digital provider enabling Hong Kong as a smart city with state-of-the-art technology and excellent service. The Group explores how telecommunications technology can be applied in Hong Kong across different scenarios and sectors to deliver products that fulfill its customer needs and promote technological advancement in the market and society. Furthermore, the Group focuses on enhancing customer experience and gathering feedback, ensuring that the quality of its services and products meets its customers' expectations.

The Group also integrates the idea of climate resilience into business operation. For more details, please refer to the "Climate-related Risk, Opportunities, and Action Strategy" in the Environmental Section.

ISO integrated management system

The Group has maintained various management systems to improve environmental and occupational health and safety performance. ISO 14001:2015 Environmental Management Systems and ISO 45001:2018 Occupational Health and Safety Management Systems ("OHSMS") guide the Group's business units to perform their daily operations in a consistent and reliable manner by establishing and administering a set of robust processes and procedures incorporating management reviews. Since 2022, the Group has started implementing integrated management systems, covering network design, installation and maintenance operations in designated locations, in a bid to provide additional assurance for customers and business partners.

ISO 14001:2015 requires the implementation of policies that mitigate the adverse environmental impacts throughout the lifecycle of products and services. The Group remains committed to striking a balance between commercial operations and environmental preservation, with a view to minimising the carbon footprints of its business activities. The Group has established environmental policy, conducted awareness-raising campaigns, and provided adequate trainings to address the identified risks and compliance obligations and to adopt the best trade practices for managing significant environmental aspects. The Group strives to promote recycling, resource conservation and a paperless office which has been proven to be effective in reducing pollution and optimising resource utilisation. As far as procurement is concerned, the Group has regarded the environmental requirements as a selection criterion for its business partners. For more information about ISO 45001:2018, please visit the section on “Occupational Health and Safety Risk Management and Risk Mitigation”.

Customer experience

The Group fully adheres to the Code of Practice for Telecommunications Service Contracts, developed by the telecommunications industry in collaboration with the Communications Association of Hong Kong. The Group proactively engages with its customers and consistently strives to enhance its service quality to improve customer satisfaction and foster strong mutual trust, which helps strengthen its brands.

The Group continuously aims to offer its customers a broader range of services and convenient ways to interact. The Group has established multiple communication channels, including customer service centers, social media platforms, live web chat, email, its website and mobile applications. During the Reporting Period, the Group introduced a new WhatsApp channel to enhance customer service communication. The Group's website and applications have long served as essential tools for building customer relationships. They not only provide the latest updates and information but also allow customers to manage call time and data usage, pay bills, access roaming services, purchase handsets and accessories, and make top-ups. Customers can also reach out through the Group's online customer service platform.



■ Retail staff proactively engages with customers to improve customer satisfaction.

The Group's premium brand “SUPREME” offers exclusive benefits through exceptional communication services and tailored experiences, encompassing culture, entertainment, dining and leisure activities for its high-spending customers. SUPREME also delivers enhanced network usage priority and resources, allowing customers to enjoy a new digital lifestyle with faster and more reliable services. To further elevate its customer service experience, SUPREME has launched the “Dedicated Personal Executive Service” for Diamond customers, delivering personalised assistance with contract renewals and a range of services through seamless and attentive support.

Customer relationship management

The Group has implemented the Customer Feedback Management Policy and established multiple channels for customers to share their feedback, including a 24/7 hotline, email, an online enquiry form and a mailing address. The Group's goal is to offer convenient and effective feedback options, providing thoughtful solutions to its customers.

The Group has also participated in the Customer Complaint Settlement Scheme set up by the Communications Association of Hong Kong for the telecommunications industry. This mediation programme assists in resolving billing disputes between service providers and customers. To ensure the best and timeliest services are delivered to customers, internal targets for handling customer complaints have been developed to closely monitor the quality of the Group's customer service.

Figure 10: The Group's Performance Pledge - Customer Complaint Handling

Target	Parameter	General description	Performance target	2024 Actual performance
Customer Complaint Handling	Complaint Acknowledgement ⁽⁵⁾	The mean time to acknowledge a complaint, counting from the time the complaint lodged by a customer	95% within one working day	100%
Customer Complaint Handling	Complaint Resolution Time ⁽⁵⁾	The mean time to provide the first resolution to a customer within five working days	90%	94%

Intellectual property protection

The Group is committed to safeguarding intellectual property rights and has incorporated the relevant requirements and information into its cybersecurity policy and standards during the Reporting Period. The Group recognises the significance of protecting intellectual property and adheres to relevant policies and regulations. Each business unit is required to implement appropriate procedures and measures that ensure compliant use of intellectual property in the operations, thereby safeguarding the Group's intellectual property rights and products. Additionally, the use of software across business units is monitored to prevent any infringement of intellectual property rights, and necessary remedial actions will be taken if any issues arise.

During the Reporting Period, the Group did not violate any relevant laws and regulation regarding intellectual property rights.

Quality checking and assurance

The Group is dedicated to delivering innovative, fast, and secure technology and network services that meet both customer needs and relevant statutory and regulatory requirements.

The Group regularly performs inspections and audits to maintain the quality of its network services. Additionally, the 'HoneyBee' programme, launched in 2021, establishes and measures user experience metrics in Hong Kong. This ensures that the Group delivers stable and reliable services to its customers.

Note:

- (5) General complaints do not include scenarios where the relevant customer is not reachable or when the information and/or supporting documents provided by the customer are insufficient to carry out trouble-shooting. Testings which require on-site testing or joint testing with other service providers or contractors are also excluded.

Figure 11: The Group's Performance Pledge - Network Availability and Service Restoration

Target	Parameter	General description	Performance target	2024 Actual performance
Network availability ⁽⁶⁾	Availability of the core network	Percentage of the uptime of the core network in an observation period	99.99%	100%
Service Restoration ⁽⁶⁾	Time to repair	The mean time to recover a fault in the core network	95% within 10 minutes	100% within 10 minutes

Marketing practices and advertising

The Group has established standards and procedures to ensure external communications including marketing materials and messages are accurate, current, consistent, and compliant with intellectual property rights. Depending on the sensitivity and importance of the messages, social media posts, in-base materials, e-newsletters and advertising are reviewed and approved by relevant management including the Chief Executive Officer according to the Group's Corporate Communications Policy. During the Reporting Period, the Group did not violate any relevant laws and regulations regarding advertising and labelling.

Digital Inclusion

Anti-scam service

The Group remains committed to providing secure mobile and network services for its customers. The Group has implemented personal privacy and cybersecurity protection standards (for details, please refer to the section "Data Privacy and Cyber Security") to safeguard the information managed by the Group and the networks used by its customers. Recognising the growing demand for security services to defend customers against fraud and third-party attacks, the Group has introduced various security service packages, including anti-phishing, call blocking of fraudulent calls, anti-scam call services and digital footprint concealment enabled.

In response to the need for an anti-phishing solution, the Group offers ZoneAlarm services from Check Point Software Technologies to detect malwares, and protect users' critical personal data on devices. These value-added services provide customers with more personalised options to protect them from scams.



Customers aged 60 or above enjoy the "Incoming Calls Management Pack" for free, which helps them identify and block scam and nuisance calls.

Note:

- (6) The target does not apply to interruptions due to scheduled or emergency network maintenance and upgrade, as well as circumstances beyond the Group's reasonable control.

In 2023, the “Incoming Calls Management Pack” was launched, combining two services – “Anti-scam” and “Call Block”. This package helps customers identify and block scam and nuisance calls, supporting the Office of the Communications Authority (“OFCA”) and Hong Kong Police Force in their efforts to combat phone scams. The service allows users to create a call blacklist to block unknown numbers, reducing the likelihood of being disturbed or deceived by scam calls. During the Reporting Period, the Group expanded this service to include customers aged 60 and above, further broadening its reach to protect senior citizens from scams and unnecessary disturbances while using mobile services.

The Group has established a robust framework for data privacy and cyber security to safeguard our customers' privacy. For more details, please refer to the “Data Privacy and Cyber Security” in the Governance section.

3 Education

The Group is excited to introduce advanced mobile technology that supports digital inclusion and social development across all sectors, in particular the potential of 5G to transform education. By integrating 5G with technologies like artificial intelligence (“AI”), virtual reality (“VR”), augmented reality (“AR”) and robotics, the Group empowers schools and educators to facilitate technology-driven self-learning for the new generation. This is showcased in DIGIBox, the Group's 5G solution hub launched in 2023, which hosts visits by educational institutions and students, where they can engage in its interactive programmes to experience the transformative power of 5G and learn more on emerging fields like robotics solution and AI.

Business-school Partnership Programme



Kowloon True Light School, a participant in the Group's Business-School Partnership Programme, visited the DIGIBox 5G solution hub in 2024. The visit offered an immersive experience highlighting 5G capabilities through demonstrations of innovative applications across different sectors. This was followed by a workshop on ChatGPT and digital drawing, designed to introduce AI concepts and spark interest in innovation and creativity among the youth.

During the Reporting Period, the Group continued its collaboration with the Spanish School of Hong Kong to provide a complete 5G mobile network coverage for the entire campus, exemplifying its commitment to create a truly smart campus that enhances educational experiences and fosters innovation.

Environment

The impact of extreme weather events, such as super typhoons and flooding, has intensified in recent years due to climate change, disrupting supply chains and business operations. These climate variations pose risks to the Group's assets, leading to physical damage and financial losses, while also presenting additional challenges for stakeholders. In addition, governments worldwide are pursuing low-carbon economies by enacting legislation to limit emissions and offering incentives for environmental protection. The Group strives to align with the goals set out in to the 2015 Paris Agreement of limiting global warming to below 2 degrees Celsius, ideally below 1.5 degrees Celsius, and achieving net-zero GHG emissions by 2050, through innovations in energy efficiency and resource management.

Group Goals

- Take action on climate change
- Protect natural resources
- Promote a circular economy

Content in this Section

- Climate Action
- Decarbonisation
- Circular Economy

Mapping to the UNSDGs



Climate Action

Climate action strategy

The Group is dedicated to actively contributing to the transition to a low-carbon global economy and aims to contribute positively to combating climate change. In 2024, the Group made notable progress in several areas to deliver sustainable business and solutions strategies. These areas are outlined on the next page.

Figure 12: Climate Strategies

Initiatives	Strategies
Energy efficiency	<ul style="list-style-type: none"> Continue to explore options for enhancing energy efficiency including radio equipment modernisation, base stations reconfiguration from indoor to outdoor and AI energy-saving technology adoption Continue to improve energy efficiency in heating, ventilation and air conditioning systems Embrace digitalisation and implement an energy management system to support a green office Continue to promote innovation in Internet-of-Things ("IoT") applications and smart city solutions enabled by 5G connectivity
Circular economy	<ul style="list-style-type: none"> Reduce, reuse and recycle all forms of waste Embed circular economy principles into products manufacturing Engage customers in retail recycling campaigns
Finance and investment	<ul style="list-style-type: none"> Continue to manage capital expenditure towards a net-zero pathway
Supply chain engagement	<ul style="list-style-type: none"> Monitor suppliers' and business partners' contributions to the Group's scope 3 emissions Keep track of the sustainability performance and carbon emissions of key suppliers

Environmental management

The Group is dedicated to environmental stewardship and implements a range of practices and policies to govern, monitor and assess its environmental performance, with the Sustainability Committee responsible for reporting findings and making recommendations to the Board on environmental matters. The Sustainability Committee delegates responsibilities to the Sustainability Working Group, which oversees the Group's environmental actions and goals. Comprising senior management, the Sustainability Working Group is tasked with developing, discussing and evaluating the environmental performance of various departments and teams across the Group.

Additionally, in accordance with the requirement of ISO 14001:2015, the Group has internal procedures to address environmental aspects in network design, installation and maintenance operations to minimise impacts to the environment.

During the Reporting Period, the Group did not violate any laws and regulations related to environmental protection and biodiversity protection.

Energy efficiency

The Group has incorporated environmental factors into multiple facets of its operations by implementing energy efficient initiatives and energy management systems. Given that most of its electricity consumption comes from network facilities, the Group is dedicated to reducing carbon emissions by enhancing the energy efficiency of its mobile network.



Environmental factors are incorporated into the Group's operations through the implementation of energy-efficient initiatives and energy management systems.

Additionally, the Group implemented strategies to reduce energy consumption and collaborated with enterprises to adopt technologies such as IoT to lower electricity usage and improve heating, ventilation and air conditioning ("HVAC") efficiency. It has leveraged 5G and IoT technology to minimise energy waste. During the Reporting Period, a 5G-based IoT solution that models energy use in chiller plants at shopping malls was introduced, enabling the chiller performance to be optimised and operated under ideal conditions, thereby reducing overall energy consumption.

Figure 13: Sustainable Energy Efficiency Practices

Initiatives	Description
Network operation advancements	Energy-efficient practices have been implemented across the network operations to reduce consumption, including the installation of high-efficiency all-weather base station equipment at new outdoor sites, reconfiguring select base stations from indoor to outdoor locations to take advantage of natural cooling, and minimising air conditioning use at existing sites.
Green office	<p>Throughout the offices, the Group has implemented Building Management System ("BMS") to optimise cooling and lighting usage. The Group has adjusted the schedule for air conditioning and lighting activation to delay their switch-on, and introduced remote control capabilities to allow for manual adjustments during special circumstances, such as a typhoon.</p> <p>Up to the end of 2024 the Group has also replaced over 98% of fluorescent tubes with Light Emitting Diode ("LED") energy-saving tubes company-wide. For chiller units, the Group will continue to replace high-efficiency chillers in the office according to business needs.</p>
Electric vehicle adoption	The Group is actively working towards transitioning to a more sustainable fleet by gradually expanding its electric vehicle pool to replace ageing gasoline cars.
Chiller replacement	Mechanical ventilation and air conditioning ("MVAC") systems are a key contributor to the Group's energy consumption. To address this, the Group has regularly upgraded the chiller systems in the office and base stations to enhance cooling efficiency, enabling energy usage reduction while maintaining optimal performance.
AI technology adoption	The Group is employing intelligent energy-saving solutions in the base stations to enhance energy efficiency. In 2024, the Group signed a memorandum of understanding ("MOU") with Huawei International Company Limited to collaborate on a 5.5G green strategy. By implementing AI-driven energy-saving solutions, the base stations automatically switch to a smart energy-saving mode during low traffic periods, reducing energy consumption while maintaining superior customer service.

Climate-related risk, opportunities and action strategy

The Group has identified potential risks and opportunities associated with climate change, together with relevant strategies including risk mitigation measures and methods to seize these opportunities. The table below summarises the Group's climate change risk and opportunity profile.

Figure 14: Climate-related Risks and Opportunities Analysis

Risk Title	Type of Risk	Risk Description	Financial Impact	Response
Increased intensity, duration and frequency of extreme weather events	Acute physical risk	Damage to telecommunications infrastructure, customer service premises, retail shops and premises for outsourced service (e.g. call centres) due to extreme weather events (such as typhoons and rainstorms), the subsequent service interruption and detrimental impact on customer retention and revenues.	Increased operating costs	The Group deployed a checklist for extreme weather condition procedure to expedite cell site recovery following extreme weather events. Additionally, its network specialists closely monitored network continuity and alerts through the real-time GIS mapping system, ensuring prompt resolution of network and system issues.
Increased intensity, duration and frequency of flooding	Acute physical risk	Damage to telecommunications infrastructure, customer service premises, retail shops and premises for outsourced services (e.g. call centres) due to increased flooding, the subsequent service interruption and detrimental impact on customer retention and revenues.	Increased operating costs	The Group deployed a checklist for extreme weather condition procedure to expedite cell site recovery following extreme weather events. Additionally, its network specialists closely monitored network continuity and alerts through the real-time GIS mapping system, ensuring prompt resolution of network and system issues.
Increased regulatory requirements	Transition risk - policy and legal risk	Implementation of stringent policies and regulation by regulatory bodies and HKEX concerning climate change.	Increased operating costs	Develop a roadmap for adopting new international disclosure standards in order to mitigate potential cost escalation resulting from time constraints.

Risk Title	Type of Risk	Risk Description	Financial Impact	Response
Customer preferences shifting away from companies with lower climate related performance	Transition risk - reputation risk	Shifting customer preferences and priorities meaning that an approach to climate change that is seen as insufficient (including failure to meet public commitments, e.g., Net Zero by 2050 from Hong Kong's Climate Action Plan 2050) will severely impact the Group's social licence to operate.	Loss of market share	The Group continues to deploy energy-saving solutions to address the growing demand for carbon reduction in operation. Continue to enhance external communication to effectively demonstrate the Group's dedication to ESG-related issues.
Investor Preferences shifting away from companies with lower climate related performance	Transition risk - reputation risk	Shifting investor preferences and priorities meaning that an approach to climate change that is seen as insufficient (including failure to meet public commitments, e.g., Net Zero by 2050 from Hong Kong's Climate Action Plan 2050) will severely impact the Group's social licence to operate.	Reduced accessibility to capital from these investors and increased costs of capital	The Group continues to deploy low-carbon solutions to address the growing demand for carbon reduction in operations. Continue to enhance external communication to effectively demonstrate the Group's dedication to ESG-related issues.
Transition to low emission technology	Transition risk - technology risk	Transition to low carbon, energy technology may require more research and costs.	Increased operating costs	The Group's major telecom suppliers have committed to achieving net-zero emissions. The Group will collaborate with them to transition to low-emission technology.

Opportunity Title	Type of Opportunity	Opportunity Description	Financial Impact	Response
Development of innovative 5G services focused on climate-related solutions	Markets opportunities	Offering 5G technology solutions aimed at mitigating and adapting to climate change, including flood detection solution, energy-saving IoT devices, and electric vehicle chargers, enhancing community resilience.	Increased revenue and profit	3Business is committed to providing state-of-the-art 5G solutions that address climate change challenges and enhance community resilience.
Use of low emission technology	Energy source opportunities	Adoption of energy-saving and low carbon energy options to enhance sustainability performance and reduce GHG emissions.	Costs reduction	The Group is dedicated to collaborating with its suppliers to explore and implement low-emission technologies in operation and network equipment for energy saving.

Electric vehicle charging solution

Recognising the growing awareness of climate change mitigation and the increasing popularity of electric vehicles, the Group has capitalised on these opportunities by creating a smarter and more innovative electric vehicle charging solution. By integrating 5G technology into the charging system, users can monitor charger status and make payments through a designated app. The high-speed, low-latency capabilities of the 5G network not only enhance the existing technology but also support energy conservation and environmental protection efforts.



■ The Group offers a cutting-edge 5G electric vehicle charging solution.

Decarbonisation

GHG emissions reduction targets

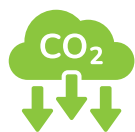
The Group is a member of CKHGT, which includes the telecommunications business units of 3 Group Europe, along with those in Hong Kong and Macau. The relevant business units hold regular meetings to advance climate-related initiatives and expedite transitions while establishing emission reduction targets and sharing best practices.

In addition to reporting its scope 1 and scope 2 GHG emissions, the Group is actively engaged in CKHGT's initiatives to enhance its scope 3 GHG emissions reporting. The Group is working towards integrating scope 3 emissions reporting.

During the Reporting Period, the Group participated in CKHGT'S EU Corporate Sustainability Reporting Directive disclosure project, providing financial and impact-related data along with feedback to assist in their double materiality assessment.

Regarding sustainability-related data consistency and transparency, the Group also participated in CKHGT's 2023 limited data assurance audit conducted by KPMG, demonstrating the Group's commitment to maintaining high standards in sustainability disclosure.

Science-based Emissions Reduction Targets



CKHGT has established absolute short-term targets for its scope 1, 2 and 3 GHG emissions, which were validated by the SBTi in 2022. The target for achieving net-zero emissions is currently awaiting validation by the SBTi. These targets include:

- Reduce absolute scope 1 and 2 GHG emissions by 50% by 2030, from a 2020 baseline
- Reduce absolute scope 3 GHG emissions by 42% by 2030, from a 2020 baseline
- Reduce absolute scope 1 and 2 GHG emissions by 90% by 2050, from a 2020 baseline.
- Reduce absolute scope 3 GHG emissions by 90% by 2050, from a 2020 baseline.

In alignment with CKHGT's reduction targets, the Group will continue to explore a range of strategies and initiatives to support the achievement of these goals.

Environmental targets

The Group is committed to advancing sustainability and reducing its environmental impact by establishing environmental targets for KPIs related to material topics.

Environmental Targets		Progress
Emissions	Reduce annual GHG emissions per TB of data traffic (kgCO ₂ e per TB) by 2%	Achieved in 2024
	Reduce GHG emissions ⁽⁷⁾ per TB of data traffic (kgCO ₂ e per TB) by 70% by 2025 and 90% by 2030 versus a 2020 baseline ⁽⁸⁾	On track
	Reduce the annual growth rate in electricity consumption by 30% by 2030 versus a 2022 baseline	On track
Paper ⁽⁹⁾	Reduce annual paper usage by 2%	Achieved in 2024
	Reduce paper usage by 60% by 2030 versus a 2018 baseline	On track
	Reduce annual printing paper usage by 2%	Achieved in 2024
	Reduce printing paper usage by 20% by 2030 versus a 2022 baseline	On track
Waste	Achieve a recycling rate of 35% for general office waste produced by the Hong Kong operation by 2030	On track

Notes:

(7) Limited to Scope 2 to better reflect the actual situation, as GHG emission of data traffic is related to the electricity usage only.


(8) Restatement of GHG emissions baseline from 2022 to 2020 to align with CKHGT's absolute near-term SBTi reduction targets.

(9) Since the previous targets were fulfilled in 2024, the Group has established new and more aggressive targets.

Natural Resources Protection

The Group is committed to preserving valuable natural resources and conserving biodiversity, and this is encompassed in its biodiversity policy established in 2023. The Group pledges to conduct business activities in a responsible and sustainable manner, actively preventing pollution of land, water and air while protecting biodiversity, also supporting biodiversity conservation and environmental protection initiatives in its communities. During the Reporting Period, the Group implemented several biodiversity conservation and energy-saving initiatives.

Earth Hour - Give an hour for Hutchison Telecom Tower




連繫地球
熄燈1小時
Light off 1 hour
For Earth
22.03.2024
13:00 - 14:00
OFF ON

In support of WWF Earth Hour 2024, the Group initiated the “Give an Hour for Hutchison Telecom Tower” campaign where non-essential lights were switched off from 1-2 pm on 22 March 2024. This initiative encourages employees to participate for one hour in energy saving and raise awareness of environmental issues affecting our planet.

VeggieLab

VeggieLab, the Group's rooftop organic farm, offers green spaces where staff can stop to smell the flowers and have the opportunity to learn to grow vegetables. Beyond promoting environmental greening and reducing carbon emissions, the initiative supports employees' work-life balance, enabling them to enjoy nature and the pleasures of farming while at work. It also encourages employees to appreciate food and reduce food waste.



The Group is dedicated to safeguarding and conserving water resources, and aims to ensure responsible water management and encourage sustainable water consumption behaviours.

Circular Economy

The Group has fully integrated the concept of “circular economy” into its business operations, reflecting its commitment to sustainability and resource efficiency. Throughout the Reporting Period, a range of recycling and waste reduction initiatives were launched to minimise the Group’s environmental impact and promote responsible consumption.

The Group’s efforts were recognised by the Good Level Wastewi\$e Certificate from the Hong Kong Green Organisation Certification.

Reduce, reuse and recycle

During the Reporting Period, the Group initiated several Reducing, Reusing and Recycling (3Rs) projects to promote waste minimisation and enhance resource efficiency across its operations.

Initiatives	Details
Recycling of <i>Lai See</i> packets and Mooncake boxes	During the campaign, used <i>Lai See</i> packets and mooncake boxes were collected, which were then processed by an NGO for either reuse or recycling.
Green Office	The Group has incorporated the principles of reducing, reusing and recycling into the daily operations by establishing a recycling corner in the office to collect metal, plastic and beverage cartons, as well as reusing single-sided printer paper trays.
Plastic-free July	The Group promoted Plastic-free July to encourage employees to minimise their use of plastic.
Product Innovation	The ECO SIM card, made entirely from 100% recycled plastic, was launched in 2023.

Focus on e-waste

To ensure proper recycling of e-waste, the Group has participated in the Green Friends initiative, led by Hong Kong Battery Recycling Centre Limited, starting from 2023. All disposed lead-acid batteries from the Group’s network sites in Hong Kong were delivered to the facility for further processing and responsible recycling, ensuring compliance with environmental regulations. In 2024, the Group successfully recycled 21 tonnes of damaged or aged lead-acid batteries.

Customer engagement in circular economy

To engage its customers in the circular economy efforts, the Group continues to provide one-stop handset recycling services in selected 3Shops that promote the recycling of used mobile phones and accessories. Collected items are then forwarded to the Computer and Communication Products Recycling Programme run by the government, in collaboration with industry partners and voluntary organisations. Electronic devices in good working condition are refurbished and donated to those in need, while other components and materials are recycled to minimise waste. During the Reporting Period, 1,225 pieces of electronic devices were collected from customers through this service.

Social

The Group is committed to creating shared value for stakeholders to foster strong relationships and establish a competitive advantage that underpins its long-term prosperity. By providing outstanding employment experiences, the Group aims to cultivate an excellent work environment for its workforce of over 1,000 employees across Hong Kong and Macau. Beyond outlining its sustainable development strategy, the Group actively promotes and supports the implementation of tailored human resource management strategies that meet the specific needs of its business operations.

Group Goals

- Create great places to work
- Invest in developing thriving and resilient communities

Content in this Section

- Talent attraction
- Employee engagement
- Learning and development
- Inclusion and diversity
- Health, safety and wellbeing
- Community investment

Mapping to the UNSDGs



Talent Attraction

Creating Great Places to Work - Recognition Received in 2024



Awarded the Asia's Best Employer Brand in the 15th Asia's Best Employer Brand Awards organised by Employer Branding Institute and World HRD Congress & Star of the Industry Group.

Attracting young talent

The Group recognises the value of its human capital and are committed to ensuring an equitable, harassment-free and discrimination-free workplace that is both ethical and safe for employees. To uphold these principles, the Group has established several key policies, including Human Rights Policy, Health and Safety Policy, Modern Slavery and Human Trafficking Statement and Code of Ethics. The Group maintains a zero-tolerance stance against child labour, forced labour and any forms of modern slavery.



■ The Graduate Trainee Programme and the Management Trainee Programme help nurture fresh talent for the company.

In 2024, the Group continued the Graduate Trainee Programme to nurture young talent by providing graduates with the opportunity to engage in diverse responsibilities and gain hands-on experience through job rotations.

In addition, the Management Trainee Programme was offered for young graduates, providing opportunities for accelerated career progression through knowledge sharing, skill development and exposure to best practices. These interactions help communicate the Group's vision and ignite a passion for the telecommunications industry while fostering open communication.

The Group also offers internships to undergraduates eager to pursue careers in telecommunications, providing them with valuable practical experience and commercial awareness through involvement in various business projects.

Employment conditions and benefits

The Group strictly adheres to all applicable laws and regulations in the jurisdictions where the Group operates, ensuring that these are clearly communicated to employees through the intranet. Child and forced labour are strictly prohibited in the Group's business operations. During the Reporting Period, the Group did not violate any laws and regulations relating to child labour and forced labour.

To guarantee equal opportunities for all candidates, the Human Resources Department conducts interviews with a diverse range of applicants during the recruitment process. Factors such as age, race, gender, religion will not lead to unfavourable treatment or discrimination. Upon employment, the Group provides not only a basic remuneration and benefits package that complies with labour laws in its operating jurisdictions but also performance-linked incentives and allowances to employees. Details regarding remuneration package and conflict of interest are outlined in the employment contracts and the employee handbook.

Full-time employees are entitled to various leave benefits, in addition to statutory holidays. To encourage work-life balance for its employees, the Group has implemented significant enhancements to employees' annual leave entitlement. The Group also offers a range of competitive benefits for employees, including medical insurance with online general practitioner consultation services and additional panel doctors services, shopping discounts, shuttle bus services and free staff SIM plans. To enhance its pay-for-performance culture, the Group conducts an annual salary review to support talent retention and ensure competitive employee remuneration.

Employee Engagement

The Group values employee feedback and strives to foster a harmonious relationship with staff. To facilitate internal communication, the Group has created an internal communications channel called “JoMeh” to feature highlights of employee activities, updates on corporate information, employee contributions, sustainability initiatives and employee benefits.

To foster a thriving work environment, the Group has organised diverse activities, including community volunteering and athletic classes, to support a healthy work-life balance and instill purpose among staff. During the Reporting Period, the Group offered yoga classes for employees to promote well-being and strengthen team bonds, alongside various benefits and training programmes.

In 2024, the Group continued to organise the Town Hall Meeting to further enhance internal communication. Leaders from different departments can interact and exchange ideas and gain insights with senior management, while management also shared important updates, strategic plans and future Group-wide initiatives at this meeting. By prioritising employee engagement through this event, the Group cultivates a stronger sense of collaborative work environment.



■ The Group organises town hall meetings to further enhance internal communications.

Learning and Development

The Group has established structured skills development programmes for all employees, including those in key operational roles. These targeted learning activities are tailored to address the specific skill development needs of each business unit while supporting employees' career advancement goals. To ensure relevance, the content and structure of the learning programmes are regularly updated to align with market trends.

Performance appraisal

All employees participate in an annual internal performance appraisal. During this process, they receive formal feedback on their strengths as well as areas for improvement. Additionally, direct managers work collaboratively with employees to set meaningful goals, creating a roadmap for success and personal development. This approach fosters two-way communication across different job levels and cultivates an environment where transparency, continuous improvement and development are central to everyone.

People development

To support the Group's business growth and employees' professional development, the Group continuously offers extensive learning and development opportunities. These initiatives help employees realise their potential, enhance their competencies, and improve their skills and knowledge. Examples include soft skills training, site visits, and mentoring programmes.

To further develop expertise in specific functional areas, employees are also assigned significant roles and participate in task force teams across different business units. Our goal is to keep employees engaged and contribute to the Group's overall growth.

Upskilling and reskilling

Employees are the foundation of the Group. The Group is committed to continuously investing and upskilling initiatives to enhance their capabilities, support professional growth and ensure they are equipped to meet the evolving demands of the industry. Examples of the Group's training programmes are shown in the table below:

Figure 15: Training Provided to Employees

Type of Training	Details
Sustainability	Promote awareness and understanding of the Group's sustainability initiatives and key sustainability concepts
Technology	Training programmes in Adobe Analytics, Microsoft Office 365 and Tableau were organised to enhance skills for the digital world
Cyber Security	The Group organised Cybersecurity Awareness Month to educate employees about fraudulent and phishing emails. Additionally, the Group provides training courses to equip employees with the knowledge and skills necessary to protect personal and sensitive company information from online threats
Engineering	Employees have been invited to the Group's Network Operation Centre for site visits to gain firsthand insights into the operations and technologies that drive the network's efficiency and effectiveness
Professional Development	The Group invited speakers from diverse sectors to share their expertise on various topics, helping employees stay informed about the latest innovation trends and technological advancements
Ethics and Compliance	To ensure accountability and integrity, the Group provides training on ethical standards and legal obligations, helping employees gain a deeper understanding of compliance requirements

The Group also actively supports employees in attending training programmes organised by external institutions. This encourages professional development and skill enhancement, allowing employees to gain fresh perspectives and expertise in respective fields. The Group nominated employees to attend a designated course on sustainability, to broaden their knowledge and expertise in sustainability, enabling them to contribute effectively towards the Group's sustainability objectives.

Inclusion and Diversity

The Group is committed to fostering fair and inclusive workplaces for employees. The Group implements policies and initiatives that reflect the diverse communities the Group serves, ensuring its workforce and operations are representative of this diversity. The Group's focus on inclusion and diversity is integral to its broader Sustainability Framework, which encompasses critical areas such as Labour and Human Rights and Digital Inclusion.

The Group is dedicated to promoting equitable employment practices and ensuring diversity and equal opportunity in recruitment, promotions and working conditions. In alignment with its Human Rights Policy and Code of Ethics, the Group prioritises the selection and hiring of employees based on their skills and abilities, free from discrimination based on race, gender, religion or any other legally protected status. Furthermore, all reports of misconduct are addressed in accordance with the Group's Whistleblowing Policy, reinforcing its commitment to a respectful and inclusive workplace.

Additionally, the Group is committed to safeguarding its employees' freedom of association and respecting their right to form and join labour or trade unions of their choice, without fear of intimidation or retaliation, as outlined in the Human Rights Policy.



■ The Group is committed to fostering an inclusive workplace to empower women both in the workplace and beyond.

Health, Safety and Wellbeing

The Group holds the health, safety and well-being of its employees as fundamental values and is dedicated to providing a secure and protected environment for its employees, customers and other stakeholders while they are present at the Group's facilities and premises. The Group adheres to all relevant laws and regulations in the applicable jurisdictions. In addition, the Group strives to meet industry-specific standards or best practices, along with adopting local or international health and safety guidelines. These measures are implemented to sustain a safe working environment, prevent injuries and promote good health among employees.

In addition to employees, the Group extends the health and safety standards to its suppliers throughout the supply chain. Health and safety-related certifications, policies and measures are integral to the Group's supplier scoring system, ensuring that suppliers implement adequate protections for their employees.

Fostering a culture of health and wellbeing

The Group prioritises the health and wellness of its employees, recognising that their well-being is essential to its success. In addition to comprehensive medical benefits, the Group periodically offers health checkup promotion plans to encourage proactive health management.

To ensure prompt care and treatment in case of an accident, the Group has designated first aiders and equipped each office floor with first aid kits. Regular fire drills and first aid training sessions are conducted to keep the first aiders prepared and responsive in emergencies. Occupational health and safety concerns are communicated to all employees through working instructions.

Additionally, the Group organises regular health-related talks and workshops to raise awareness about various health topics, empowering its employees to make informed choices about their well-being. During the Reporting Period, the Group organised a health talk and a follow-up cancer risk assessment to educate its employees about cancer prevention and early detection.

Occupational health and safety risk management and risk mitigation

The Group has established a comprehensive health and safety policy and adopted a systematic approach to protect the health, safety and well-being of its employees. The Group has certification in ISO 45001:2018 Occupational Health and Safety Management System for designated locations. The certification exemplifies the Group's commitment to providing its employees with safe and healthy workplaces. The comprehensive health and safety policy stated the Group's commitment to providing employees with safe and healthy workplaces for the prevention of work-related injuries and ill health. The Group also encourages employees' consultation and participation to determine the actions in eliminating the hazards in workplace and to report OHS risks.

Holistic wellbeing

To alleviate workplace stress and foster wellness and communication among employees, the Group is committed to promoting a healthy work-life balance. During the Reporting Period, the Group organised a variety of activities designed to enhance well-being and strengthen connections among different teams. These included yoga classes to promote mindfulness and relaxation, archery sessions for skill development and teamwork, and sports photography competitions to encourage creativity and camaraderie.

Family Fun Day

To promote work-life balance, the Group organised a Family Day during the Reporting Period, aimed at helping employees achieve a harmonious “work-play-educate balance” with their families. This event incorporated sustainability themes, allowing employees and their families to participate in various workshops and activities, such as handmade soap and natural mosquito repellent sachet making. Additionally, educational games focused on food waste reduction and low-carbon living were offered. Through this Family Day, employees not only alleviated work-related stress but also strengthened parent-child relationships while instilling important environmental concepts related to low-carbon living and the circular economy.



Community Investments


Community contributions

The Group is committed to building lasting partnerships with local communities and charitable organisations through mutually beneficial programmes. While the Group makes donations and contributions in line with internal compliance guidelines and controls, its employees participate in various volunteer work. In 2024, the Group donated a total of HK\$12.5 million across various outreach initiatives focused on education, youth engagement and others, supporting and positively impacting community projects in Hong Kong and Macau.

The Group has maintained “Caring Company” status granted by the Hong Kong Council of Social Service for more than 20 years. The following table summarises the Group’s contribution to the community.

Figure 16: Summary of the Group's Contributions to Various Areas in Communities

Focus Area	Activities
Cultural	<ul style="list-style-type: none"> Supported Art Basel Hong Kong 2024 as an official partner by providing dedicated 5G mobile broadband services for exhibitors and introducing the 5G Smart People Counting Solution. Year 2024 marked the Group's third consecutive year of collaboration with Art Basel Hong Kong. Acted as the 5.5G art-tech partner for Hong Kong's first 5.5G drama <i>Left Unsaid</i>, enabling actors and the audience to connect to a 5.5G network in the Hong Kong Cultural Centre and engage in an immersive 5.5G theatre. Served as the 5G strategic partner for "One Beat, One World: Connecting Through the Drum" Carnival and Hong Kong's first outdoor 5.5G live music event. 
Cyber Security	<ul style="list-style-type: none"> Offered the "Incoming Calls Management Pack" which comprises "Anti-scam" and "Call Block" value-added services to assist customers in identifying and blocking scam and nuisance calls. Collaborated with the Hong Kong Police to spread anti-phone scam messaging via Short Message Service ("SMS") and helped OFCA display Prefix # leaflets at shops to promote the SMS Sender Registration Scheme. Helped combat phone scams by offering customers aged 60 or above with free Incoming Calls Management Pack to block scam and nuisance calls.
Digital Inclusion	<ul style="list-style-type: none"> Supported senior citizens with the Lo-Yau-Kei Monthly Service Plans Sponsorship Programme and catered to the needs of vulnerable groups with "Tung Wah Group of Hospitals CEASE Crisis Centre Monthly Service Plans Sponsorship".
Environmental	<ul style="list-style-type: none"> Started VeggieLab in 2021, an urban organic farm on the rooftop of the Group's headquarters, to create green space, promote environmental greening and reduce carbon emissions. The farm has been running for three consecutive years. 

Focus Area	Activities
Healthcare	<ul style="list-style-type: none"> Participated in Hong Chi Climbathon by forming a team with Hong Chi students and raised funds to support people with intellectual disabilities.
Underprivileged	<ul style="list-style-type: none"> Strengthened community ties by encouraging employees to share home-grown harvests at VeggieLab with the underprivileged and through home visits as part of the Group's Farming for Charity initiative. 
Others	<p>In the form of provision of free publicity via multimedia messaging service ("MMS"), the Group supported social and charitable organisations in fund raising events, sports activities, health promotions and social welfare programmes including:</p> <ul style="list-style-type: none"> Principal Chan Free Tutorial World's Flag Day World Vision's Used Book Recycling and Charity Sale Programme Hats On Day organised by the Children's Cancer Foundation World Sight Day of The Fred Hollows Foundation Hong Kong Joyful Charity Run and Walk organised by Joyful (Mental Health) Foundation Walk for Nature by the World Wide Fund for Nature Hong Kong Tour around Hong Kong Charity Walk of the Arts with Disabled Association Hong Kong Charity Golf Tournament of the Hong Kong Federation of Youth Groups Friends of Christian Action Monthly Donation Programme Lok-lok & Yiu-yiu Sponsorship Scheme and Christmas Blessing Campaign organised by SKH St Christopher's Home

Environmental KPIs

	Unit	2022	2023	2024
GHG emissions ^{(1) (2)}				
Total scope 1 + 2 GHG emissions (location-based)	tonne CO ₂ e	106,049	109,598	117,628
Total scope 1 + 2 GHG emissions (market-based)	tonne CO ₂ e	78,448	80,424	85,007
Scope 1 GHG emissions ⁽³⁾	tonne CO ₂ e	1,797	1,394	2,450
Scope 2 GHG emissions (location-based)	tonne CO ₂ e	104,252	108,204	115,179
Scope 2 GHG emissions (market-based)	tonne CO ₂ e	76,651	79,030	82,558
Scope 3 GHG emissions ^{(4) (5)}	tonne CO ₂ e	N/A	N/A	1,074
Total scope 1 + 2 GHG emissions (location-based) intensity	tonne CO ₂ e/revenue HK\$'000	0.022	0.022	0.025
Total scope 1 + 2 GHG emissions (market-based) intensity	tonne CO ₂ e/revenue HK\$'000	0.016	0.016	0.018
Scope 1 GHG emissions intensity	tonne CO ₂ e/revenue HK\$'000	0.000	0.000	0.001
Scope 2 GHG emissions (location-based) intensity	tonne CO ₂ e/revenue HK\$'000	0.021	0.022	0.024
Scope 2 GHG emissions (market-based) intensity	tonne CO ₂ e/revenue HK\$'000	0.016	0.016	0.017
Use of energy ^{(1) (2)}				
Total energy consumption	000' kwh	163,135	169,527	179,328
Total direct energy consumption	000' kwh	165	182	128
Diesel/Gasoline/Petrol ⁽⁶⁾	000' kwh	165	182	128
Indirect energy consumption	000' kwh	162,970	169,345	179,200
Electricity	000' kwh	162,970	169,345	179,200
Total energy consumption intensity	kWh/revenue HK\$'000	33.41	34.62	37.50
Direct energy consumption intensity	kWh/revenue HK\$'000	0.03	0.03	0.03
Indirect energy consumption intensity	kWh/revenue HK\$'000	33.38	34.59	37.47
Air emissions				
NOx emissions	tonne	0.03	0.02	0.03
SOx emissions	tonne	0.00	0.00	0.00
Particulate matter emissions	tonne	0.00	0.00	0.00
Waste produced				
Total hazardous waste produced ⁽⁷⁾	tonne	34	72	21
Total hazardous waste produced intensity	kg/revenue HK\$'000	0.01	0.01	0.00
Total non-hazardous waste produced	tonne	42	39	41
Total non-hazardous waste produced intensity	kg/revenue HK\$'000	0.01	0.01	0.00
Waste recycled ⁽⁸⁾				
Paper	tonnes	13	8	9
Solid waste ⁽⁹⁾	tonnes	N/A	1.04	1.85
Batteries ⁽¹⁰⁾	tonnes	8	67	21
Electronic equipment	pieces	783	312	494
Use of water				
Water consumption	m ³	3,780	3,754	3,899
Water consumption intensity	m ³ /revenue HK\$'000	0.001	0.001	0.001
Packaging material ⁽¹¹⁾				
Total packaging material used for finished products	tonne	6.24	23.22	17.17
Plastic	tonne	5.68	21.43	15.35
Paper	tonne	0.44	1.34	1.49
Metal	tonne	0.12	0.46	0.33
Packaging material intensity	tonne/product '000	0.004	0.004	0.004

Notes:

- (1) The calculation of location-based emissions and energy consumption has adopted emission factors published by the International Energy Agency for the year ended 31 December 2024.
- (2) The Group has incorporated the calculation of market-based emissions and energy consumption by adopting emission factors sourced from energy providers as documented in their 2023 sustainability reports.
- (3) The increase in scope 1 emissions was mainly driven by the increase in refrigerant disposal, such variance is considered as normal fluctuation since the disposal of refrigerant is dependent on the decommissioning of air-conditioning equipment.
- (4) Scope 3 emissions included emissions from waste generated in operations (category 5), business travel (category 6), employee commuting (category 7) and franchises (category 14).
- (5) To further expand our GHG emission reporting, we have started to disclose certain aspects of our scope 3 emissions for the Reporting Period. The compilation of our scope 3 GHG emissions data is based on the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Relevant emission factors were sourced from environmentally-extended input output (EEIO) database and the UK Government GHG Conversion Factors for Company Reporting.
- (6) The decrease in gasoline and fuel consumption was driven by the disposal of company vehicle.
- (7) The decrease in hazardous waste was mainly driven by the decrease in battery waste, such variance is considered as normal fluctuation since the disposal of batteries is irregularly scheduled.
- (8) Waste recycled reporting format has been revised to list out the recycled items by major category.
- (9) Solid waste recycled includes cans, glass, beverage cartons and plastic bottles from office operation.
- (10) The reduction in recycled batteries was driven by fewer batteries being disposed in network sites.
- (11) The decrease in packaging material was mainly driven by the decrease in SIM card purchasing due to sufficient inventory level.

Social KPIs

		2022	2023	2024
Number of employees				
Total		1,155	1,240	1,181
By employment type	Full-time	1,066	1,157	1,105
	Part-time	89	83	76
Number of full-time employees				
By gender	Male	645	687	664
	Female	421	470	441
By employee category	Manager grade or above	105	118	110
	General staff	961	1,039	995
By age group	Under 30	160	174	160
	30-49	678	706	674
	50 or above	228	277	271
By geographical region	Hong Kong	966	1,061	1,020
	Mainland China	100	96	85
Turnover rate for full-time employees				
Overall		42%	32%	31%
By gender	Male	43%	33%	34%
	Female	42%	31%	27%
By age group	Under 30	76%	49%	43%
	30-49	41%	34%	30%
	50 or above	23%	17%	28%
By geographical region	Hong Kong	45%	34%	32%
	Mainland China	14%	17%	21%
Lost days due to work fatalities				
Number of lost days due to work fatalities		-	-	-
By employee type	Full-time employees	-	-	-
	Contractors	-	-	-
Rate of work-related fatalities		-	-	-
Lost days due to work injury ⁽¹²⁾				
Number of lost days due to work injury		182	72	697
Number of lost time injury incidents		3	2	8
Percentage of full-time employees who received training				
Overall		87%	89%	88%
By gender	Male	60%	60%	61%
	Female	40%	40%	39%
By employee category	Manager grade or above	8%	9%	10%
	General staff	92%	91%	90%

Notes:

(12) 2024 included two major injury cases contributing to 422 days out of 697 days which occurred in Hong Kong.

Social KPIs (Continued)

		2022	2023	2024
Average hours of training completed by full-time employees				
Overall		21 hours	22 hours	23 hours
By gender	Male	21 hours	25 hours	24 hours
	Female	20 hours	18 hours	21 hours
By employee category	Manager grade or above	6 hours	19 hours	21 hours
	General staff	22 hours	22 hours	23 hours
Number of suppliers				
Total		716	724	666
By geographical region	Hong Kong	332	379	315
	Mainland China	362	327	333
	Europe	8	6	8
	Canada	-	-	-
	Asia, Australia & Others	14	12	10
Percentage of total product sold or shipped subject to recalls for safety and health reasons				
Percentage of total product sold or shipped subject to recalls for safety and health reasons		-	-	-
Number of complaints received				
Products related		N/A	N/A	N/A
Services related		10,544	11,475	12,454
Number of concluded legal cases regarding corrupt practices				
Brought against the Group		-	-	-
Brought against employees		-	-	-
Full-time and part-time employees who received training on anti-corruption/ethics and integrity				
Total		1,070	1,135	1,092
By employment type	Full-time	1,002	1,084	1,047
	Part-time	68	51	45
Percentage of full-time and part-time employees who received training on anti-corruption/ethics and integrity		93%	92%	92%
Number of training hours on anti-corruption/ethics and integrity completed by full-time and part-time employees				
Total		357	378	2,190
By employment type	Full-time	334	361	2,094
	Part-time	23	17	96

HKEX ESG Guide Content Index

The ESG Guide Content Index set out below contains information about the extent to which the Group has applied the HKEX ESG Guide and cross-references the Group policies and initiatives outlined in this report.

Indicators	Section
Mandatory Disclosure Requirements	
Governance structure	
<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	Governance - Integrated Governance Structure
Reporting principles	
<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	About this Report - Reporting principles
Reporting Boundary	
A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About this Report - Reporting scope

A. Environmental			
Subject Areas, Aspects, General Disclosures and KPIs	Corresponding GRI Reference	Topic	Reporting Section
A1 Emissions			
General Disclosure	3-3 Management of material topics	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generations of hazardous and non-hazardous waste.	Environmental Management
KPI A1.1	305-4 GHG emissions intensity	The types of emissions and respective emissions data.	Environmental KPIs
KPI A1.2	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental KPIs
KPI A1.3	306-3 Waste generated	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental KPIs
KPI A1.4		Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental KPIs
KPI A1.5	305-5 Reduction of GHG emissions	Description of emissions target(s) set and steps taken to achieve them.	Decarbonisation – GHG Emissions Reduction Targets
KPI A1.6	306-2 Management of significant waste-related impacts	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Decarbonisation – Environmental Targets; Circular Economy
A2 Use of Resources			
General Disclosure	3-3 Management of material topics	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Management; Energy Efficiency; Natural Resources Protection
KPI A2.1	302-1 Energy consumption within the organisation 302-2 Energy consumption outside of the organisation	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental KPIs

A. Environmental (continued)

Subject Areas, Aspects, General Disclosures and KPIs	Corresponding GRI Reference	Topic	Reporting Section
A2 Use of Resources			
KPI A2.2	303-5 Water consumption	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental KPIs
KPI A2.3	302-4 Reduction of energy consumption	Description of energy use efficiency target(s) set and steps taken to achieve them.	Climate Action
KPI A2.4	303-1 Interactions with water as a shared resource	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Natural Resources Protection
KPI A2.5	301-1 Materials used by weight or volume	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental KPIs
A3 The Environment and Natural Resources			
General Disclosure	3-3 Management of material topics	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Natural Resources Protection
KPI A3.1	304-2 Significant impacts of activities, products and services on biodiversity	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Natural Resources Protection
A4 Climate Change			
General Disclosure	3-3 Management of material topics	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Action
KPI A4.1	201-2 Financial implications and other risks and opportunities due to climate change	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Action

B. Social			
Subject Areas, Aspects, General Disclosures and KPIs	Corresponding GRI Reference	Topic	Reporting Section
Employment and Labour Practices			
B1 Employment			
General Disclosure	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Talent Attraction
KPI B1.1	405-1 Diversity of governance bodies and employees	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social KPIs
KPI B1.2	401-1 New employee hires and employee turnover	Employee turnover rate by gender, age group and geographical region.	Social KPIs
B2 Health and Safety			
General Disclosure	403-1 Occupational health and safety management system	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health, Safety and Wellbeing
KPI B2.1	403-10 Work-related ill health	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social KPIs
KPI B2.2	403-9 Work-related injuries	Lost days due to work injury.	Social KPIs
KPI B2.3	403-3 Occupational health services	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health, Safety and Wellbeing

B. Social (continued)			
Subject Areas, Aspects, General Disclosures and KPIs	Corresponding GRI Reference	Topic	Reporting Section
B3 Development and Training			
General Disclosure	404-2 Programs for upgrading employee skills and transition assistance programs	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Attraction; Learning and Development
KPI B3.1	404-3 Percentage of employees receiving regular performance and career development reviews	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social KPIs
KPI B3.2	404-1 Average hours of training per year per employee	The average training hours completed per employee by gender and employee category.	Social KPIs
B4 Labour Standards			
General Disclosure	3-3 Management of material topics	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Talent Attraction; Labour and Human Rights
KPI B4.1	3-3 Management of material topics	Description of measures to review employment practices to avoid child and forced labour.	Talent Attraction; Labour and Human Rights
KPI B4.2	3-3 Management of material topics	Description of steps taken to eliminate such practices when discovered.	Talent Attraction; Labour and Human Rights; Whistleblowing
Operating Practices			
B5 Supply Chain Management			
General Disclosure	3-3 Management of material topics	Policies on managing environmental and social risks of the supply chain.	Supply Chain Responsibility
KPI B5.1		Number of suppliers by geographical region.	Supply Chain Responsibility
KPI B5.2	308-2 Negative environmental impacts in the supply chain and actions taken	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Responsibility
KPI B5.3	308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Responsibility

B. Social (continued)			
Subject Areas, Aspects, General Disclosures and KPIs	Corresponding GRI Reference	Topic	Reporting Section
Operating Practices			
B5 Supply Chain Management			
KPI B5.4	3-3 Management of material topics	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Responsibility
B6 Product Responsibility			
General Disclosure	3-3 Management of material topics	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Service Excellence; Data Privacy and Cyber Security
KPI B6.1	416-1 Assessment of the health and safety impacts of product and service categories	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Social KPIs
KPI B6.2	416-1 Assessment of the health and safety impacts of product and service categories	Number of products and service related complaints received and how they are dealt with.	Service Excellence - Customer Relationship Management; Social KPIs
KPI B6.3	3-3 Management of material topics	Description of practices relating to observing and protecting intellectual property rights.	Service Excellence - Intellectual property protection
KPI B6.4	3-3 Management of material topics	Description of quality assurance process and recall procedures.	Service Excellence - Quality checking and assurance
KPI B6.5	3-3 Management of material topics	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Privacy and Cyber Security

B. Social (continued)			
Subject Areas, Aspects, General Disclosures and KPIs	Corresponding GRI Reference	Topic	Reporting Section
B7 Anti-corruption			
General Disclosure	3-3 Management of material topics	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Internal Control Framework
KPI B7.1	205-3 Confirmed incidents of corruption and actions taken	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Social KPIs
KPI B7.2	205-3 Confirmed incidents of corruption and actions taken	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Internal Control Framework
KPI B7.3	205-2 Communication and training about anti-corruption policies and procedures	Description of anti-corruption training provided to directors and staff.	Internal Control Framework; Board ESG Training
Community			
B8 Community Investment			
General Disclosure	413-1 Operations with local community engagement, impact assessments, and development programs	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investments
KPI B8.1	203-2 Significant indirect economic impacts	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investments
KPI B8.2	201-1 Direct economic value generated and distributed 203-1 Infrastructure investments and services supported	Resources contributed (e.g. money or time) to the focus area.	Community Investments

Independent Auditor's Report

To the Shareholders of Hutchison Telecommunications Hong Kong Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Hutchison Telecommunications Hong Kong Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), which are set out on pages 153 to 211, comprise:

- the consolidated and Company statements of financial position as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024, and of its consolidated profit and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

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

Key audit matters identified in our audit are summarised as follows:

- Goodwill; and
- Revenue recognition.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Goodwill</p> <p><i>Refer to note 14 to the consolidated financial statements</i></p> <p>As at 31 December 2024, the Group had goodwill amounted to HK\$2,155 million.</p> <p>Goodwill is subject to impairment assessments annually and when there is an indication of impairment. In carrying out the impairment assessments, significant judgements are required to estimate the future cash flows of the Group's telecommunications businesses and to determine the key assumptions, including the growth rates used in the cash flow projections and the discount rate applied to bring the future cash flows back to their present values.</p> <p>Based on the result of the impairment assessment conducted, the Group determined that there is sufficient headroom and therefore there is no impairment of goodwill. This conclusion is based on the recoverable amount exceeding the book amount of the cash generating units including goodwill and telecommunications related assets.</p> <p>The significant assumptions are disclosed in note 14 to the consolidated financial statements.</p>	<p>The procedures to evaluate the Group's assessments of goodwill included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the Group's internal controls and management's assessment process of impairment of goodwill and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias; • Assessing the appropriateness of the valuation methodologies used; • Assessing the reasonableness of key assumptions used in the estimation of recoverable amount based on our knowledge of the business and industry and with the involvement of our valuation specialists; • Testing source data to supporting evidence, such as approved budgets and available market data, on a sample basis, and considering the reasonableness of these budgets; and • Performing sensitivity analyses on the key assumptions to evaluate the potential impacts on the recoverable amount, where we flexed the growth rates and discount rate as these are the key assumptions to which the calculation are most sensitive to. <p>We found the assumptions adopted in relation to the impairment assessment to be supportable and reasonable based on available evidence.</p>

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition <i>Refer to note 5 to the consolidated financial statements</i> The Group recognised revenue of HK\$4,782 million from the provisions of mobile telecommunications and other related services and from the sales of telecommunications hardware and other products during the year ended 31 December 2024. Significant effort was spent in auditing the revenue recognised by the Group because of the large volume of transactions, the complexity of the systems and the frequent changes in tariff structure.	<p>The procedures performed in addressing the risk around the accuracy of revenue recognised included:</p> <ul style="list-style-type: none">• Testing the IT environment in which billing and other relevant support systems reside;• Obtaining an understanding and evaluating the internal controls, and testing the key controls over revenue recognition; and• Testing a sample of revenue transactions recorded to the respective customer contracts, underlying invoices and cash receipts. <p>We found the revenue recorded to be supportable by the available evidence.</p>

Other Information

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

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

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

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Tong Wing Yin.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 14 March 2025

Consolidated Income Statement

For the year ended 31 December 2024

	Note	2024 HK\$ million	2023 HK\$ million
Revenue	5	4,782	4,896
Cost of inventories sold		(1,200)	(1,340)
Staff costs	7	(386)	(368)
Expensed customer acquisition and retention costs		(69)	(58)
Depreciation and amortisation		(1,491)	(1,481)
Other operating expenses	8	(1,658)	(1,735)
		(22)	(86)
Interest and other finance income	9	194	196
Interest and other finance costs	9	(83)	(80)
Share of result of a joint venture	21	(4)	(4)
Profit before taxation		85	26
Taxation	10	(79)	(78)
Profit/(loss) for the year		6	(52)
Earnings/(loss) per share attributable to shareholders of the Company (expressed in HK cents per share):			
- basic and diluted	11	0.12	(1.08)

Details of interim dividend paid and proposed final dividend payable to shareholders of the Company are set out in Note 12. The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	2024 HK\$ million	2023 HK\$ million
Profit/(loss) for the year	6	(52)
Other comprehensive income/(loss)		
Item that will not be reclassified subsequently to income statement in subsequent periods:		
– Remeasurements of defined benefit plans	30	3
Item that may be reclassified subsequently to income statement in subsequent periods:		
– Cumulative translation adjustments released upon de-registration of a subsidiary	-	(1)
Total comprehensive income/(loss) for the year attributable to shareholders of the Company, net of tax	36	(50)

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2024

	Note	2024 HK\$ million	2023 HK\$ million
Non-current assets			
Property, plant and equipment	13	2,888	2,983
Goodwill	14	2,155	2,155
Telecommunications licences	15	2,905	3,284
Right-of-use assets	16	474	512
Customer acquisition and retention costs	17	145	168
Contract assets	18	115	149
Other non-current assets	19	391	354
Deferred tax assets	20	1	1
Investment in a joint venture	21	113	109
Total non-current assets		9,187	9,715
Current assets			
Cash and cash equivalents	22	3,168	1,910
Short-term bank deposits with original maturity beyond 3 months	22	511	1,774
Trade receivables and other current assets	23	808	889
Contract assets	18	128	169
Inventories	24	168	103
Total current assets		4,783	4,845
Current liabilities			
Trade and other payables	25	1,442	1,637
Contract liabilities	26	218	212
Lease liabilities	27	333	312
Current income tax liabilities		16	2
Total current liabilities		2,009	2,163
Non-current liabilities			
Lease liabilities	27	130	170
Deferred tax liabilities	20	180	120
Other non-current liabilities	28	2,118	2,249
Total non-current liabilities		2,428	2,539
Net assets		9,533	9,858
Capital and reserves			
Share capital	29	1,205	1,205
Reserves	30	8,328	8,653
Total equity		9,533	9,858

The accompanying notes are an integral part of these financial statements.

LUI Dennis Pok Man
Director

KOO Sing Fai
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital HK\$ million	Share premium HK\$ million	Accumulated losses HK\$ million	Exchange reserve HK\$ million	Pension reserve HK\$ million	Other reserves HK\$ million	Total HK\$ million
At 1 January 2024	1,205	11,185	(2,483)	-	241	(290)	9,858
Profit for the year	-	-	6	-	-	-	6
Other comprehensive income: Remeasurements of defined benefit plans	-	-	-	-	30	-	30
Total comprehensive income, net of tax	-	-	6	-	30	-	36
Dividend paid	-	-	(361)	-	-	-	(361)
At 31 December 2024	1,205	11,185	(2,838)	-	271	(290)	9,533
At 1 January 2023	1,205	11,185	(2,071)	1	238	(289)	10,269
Loss for the year	-	-	(52)	-	-	-	(52)
Other comprehensive income/(loss): Remeasurements of defined benefit plans	-	-	-	-	3	-	3
Cumulative translation adjustments released upon de-registration of a subsidiary	-	-	-	(1)	-	-	(1)
Total comprehensive (loss)/income, net of tax	-	-	(52)	(1)	3	-	(50)
Dividend paid	-	-	(361)	-	-	-	(361)
Transfer between reserves	-	-	1	-	-	(1)	-
At 31 December 2023	1,205	11,185	(2,483)	-	241	(290)	9,858

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 HK\$ million	2023 HK\$ million
Cash flows from operating activities			
Cash generated from operations	31	1,115	1,152
Interest and other finance costs paid		(29)	(23)
Tax paid		(5)	(2)
Net cash from operating activities		1,081	1,127
Cash flows from investing activities			
Purchases of property, plant and equipment		(434)	(481)
Payments for short-term bank deposits with original maturity beyond 3 months		(2,555)	(2,976)
Proceeds from maturity of short-term bank deposits with original maturity beyond 3 months		3,818	1,815
Proceeds from disposals of property, plant and equipment		1	-
Interest received		202	162
Loan to a joint venture		(96)	(63)
Net cash from/(used in) investing activities		936	(1,543)
Cash flows from financing activities			
Principal elements of lease payments	27	(398)	(400)
Dividends paid		(361)	(361)
Net cash used in financing activities		(759)	(761)
Increase/(decrease) in cash and cash equivalents		1,258	(1,177)
Cash and cash equivalents at 1 January		1,910	3,087
Cash and cash equivalents at 31 December	22	3,168	1,910

The accompanying notes are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

1 General Information

Hutchison Telecommunications Hong Kong Holdings Limited (the "Company") was incorporated in the Cayman Islands on 3 August 2007 as a company with limited liability. Its registered office address is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.

The Company and its subsidiaries (together the "Group") are engaged in mobile telecommunications business in Hong Kong and Macau.

The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated. These financial statements set out on pages 153 to 211 were approved for issuance by the Board of Directors on 14 March 2025.

2 Material Accounting Policies

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

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The consolidated financial statements have been prepared under the historical cost convention, except that defined benefit plans plan assets are measured at fair values, and on a going concern basis. The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(b) Amendments to existing standards adopted by the Group

During the year, the Group has adopted the following amendments to existing standards which are relevant to the Group's operations and are mandatory for accounting periods beginning on 1 January 2024:

IAS 1 (Amendments)	Classification of Liabilities as Current or Non-Current
IAS 1 (Amendments)	Non-current Liabilities with Covenants
IAS 7 and IFRS 7 (Amendments)	Supplier Finance Arrangements
IFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback

The adoption of these amendments to existing standards does not have a material impact to the Group's results of operations or financial position.

2 Material Accounting Policies (Continued)

(c) New standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following new standards and amendments to existing standards have been issued but are not yet effective for the year ended 31 December 2024:

Annual Improvement Projects ⁽ⁱⁱ⁾	Annual Improvements – Volume 11
IAS 21 (Amendments) ⁽ⁱ⁾	Lack of Exchangeability
IFRS 7 and IFRS 9 (Amendments) ⁽ⁱⁱ⁾	Classification and Measurement of Financial Instruments
IFRS 7 and IFRS 9 (Amendments) ⁽ⁱⁱ⁾	Contracts Referencing Nature-dependent Electricity
IFRS 10 and IAS 28 (Amendments) ^(iv)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IFRS 18 ⁽ⁱⁱⁱ⁾	Presentation and Disclosures in Financial Statements
IFRS 19 ⁽ⁱⁱⁱ⁾	Subsidiaries without Public Accountability: Disclosures

(i) Effective for annual periods beginning on or after 1 January 2025

(ii) Effective for annual periods beginning on or after 1 January 2026

(iii) Effective for annual periods beginning on or after 1 January 2027

(iv) The original effective date of 1 January 2016 has been postponed until future announcement by the IASB

The Group is in the process of making an assessment of the impact of these new standards and amendments to existing standards upon initial application.

(d) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

2 Material Accounting Policies (Continued)

(d) Subsidiaries (Continued)

(i) Consolidation (Continued)

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interests over the fair value of the net identifiable assets acquired and liabilities assumed (Note 2(i)). If this consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated income statement.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Company's financial statements

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration arrangements. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(e) Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The results and assets and liabilities of joint ventures are accounted for in the consolidated financial statements using the equity method of accounting.

When the Group's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 Material Accounting Policies (Continued)

(f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

(g) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK\$, which is the Company's functional currency and the Group's presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

(iii) *Group companies*

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing at the transaction dates, in which case income and expenses are translated at the rates at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income (cumulative translation adjustments).

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2 Material Accounting Policies (Continued)

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Property, plant and equipment are depreciated on a straight-line basis to write off their costs over their estimated useful lives.

Buildings	50 years or over the unexpired period of the lease, whichever is the shorter
Telecommunications infrastructure and network equipment	2 – 15 years
Motor vehicles	4 years
Office furniture and equipment and computer equipment	4 – 10 years
Leasehold improvements	Over the unexpired period of the lease or at annual rate of 15%, whichever is the shorter

Subsequent costs on property, plant and equipment are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Construction in progress is stated at cost and no depreciation is provided on construction in progress until such time when the relevant assets are completed and available for intended use.

The assets' residual values and useful lives are reviewed, and adjusted if applicable, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(l)).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other operating expenses" in the consolidated income statement.

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill on acquisitions of subsidiaries is reported in the consolidated statement of financial position as a separate asset. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing.

2 Material Accounting Policies (Continued)

(j) Telecommunications licences

Telecommunications licences represent the upfront payments made for acquiring telecommunications spectrum licences plus the capitalised present value of fixed periodic payments to be made in subsequent years, together with the interest accrued prior to the date the related spectrum is ready for its intended use. Telecommunications licences with a finite useful life are carried at cost less accumulated amortisation and are tested for impairment when there is any indication that they may be impaired. Amortisation is calculated using the straight-line basis to allocate the cost of the telecommunications licences over their estimated useful lives from the date they are available for use. The telecommunications licences' useful lives are reviewed annually.

(k) Customer acquisition and retention costs eligible for capitalisation

The incremental costs of obtaining telecommunications service contracts are those costs that would not have been incurred if the contract had not been obtained, mainly representing commission expenses to internal sales personnel and external agents. These incremental costs are required to be capitalised as an asset when incurred, and amortised on a straight-line basis in the consolidated income statement over the enforceable contractual period.

Acquisition costs related to contracts with durations less than one year are expensed as incurred.

(l) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested at least annually for impairment and when there is any indication that they may be impaired. Assets that are subject to depreciation and amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 Material Accounting Policies (Continued)

(m) Financial assets

The Group classifies all of its financial assets as debt instruments measured at amortised cost including trade receivables, other receivables, deposits, cash and bank balances and loan to a joint venture. The classification depends on the entity's business model for managing financial assets and the contractual terms of the cash flows. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(i) *Debt instruments measured at amortised cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented in net basis as "loss allowance provision" within "other operating expenses" in the consolidated income statement.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchasing or selling the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

(ii) *Impairment of financial assets and contract assets*

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables (Note 3(a)(iii)).

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2 Material Accounting Policies (Continued)

(o) Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. Other receivables are measured at fair value at initial recognition. The Group holds trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method (Note 2(m)).

(p) Contract assets

Contract assets relating to bundled transactions are recognised when the Group has provided the service or delivered the product to the customer before the customer pays consideration or before payment is due.

(q) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(r) Contract liabilities

The Group recognises contract liabilities when a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group provides a service or delivers a product to the customer.

(s) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2 Material Accounting Policies (Continued)

(t) Taxation and deferred taxation

Taxation is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liabilities are provided in full on all taxable temporary differences while deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences (including tax losses) can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries and joint ventures, except for deferred tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of the obligation cannot be measured reliably.

A contingent liability is disclosed in the notes to the consolidated financial statements unless the possibility of outflow of resources embodying economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

2 Material Accounting Policies (Continued)

(v) Employee benefits

(i) Pension plans

Pension plans are classified into defined benefit and defined contribution plans. The pension plans are generally funded by the relevant group companies taking into account the recommendations of independent qualified actuaries and by payments from employees for contributory plans.

(a) Defined benefit plans

Pension costs for defined benefit plans are assessed using the project unit credit method. Under this method, the cost of providing pensions is charged to the consolidated income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The liability or asset recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The present value of the defined benefit obligation is measured by discounting the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations.

Remeasurements arising from defined benefits plans are recognised in other comprehensive income in the period in which they occur and reflected immediately in pension reserve. Remeasurements comprise actuarial gains and losses, the return of plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Pension costs are charged to the consolidated income statement within staff costs.

(b) Defined contribution plans

The Group's contributions to defined contribution plans are charged to the consolidated income statement in the year incurred and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The Group has no further payment obligations once the contributions have been paid.

(ii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably committed itself to terminating employment or to providing benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

2 Material Accounting Policies (Continued)

(w) Revenue recognition

The Group recognises revenue on the following bases:

(i) Sales of services

The Group provides mobile telecommunications and other related services to customers. Revenue is recognised using an output method, either as the service entitlement units are used or as time elapses, because it reflects the pattern by which the Group satisfies the performance obligation through the transfer of service to the customer. Monthly service revenue is generally billed in advance, which results in a contract liability (Note 2(r)).

For service plan based on usage, when monthly usage exceeds the entitlement, the overage usage represents options held by the customer for incremental services and the usage-based fee is recognised when the customer exercises the option. Revenue from other telecommunications services is recognised when the services are rendered.

Customers are invoiced on a monthly basis and consideration is payable when invoiced. The credit periods granted by the Group to customers generally range from 14 to 45 days, or a longer period for corporate or carrier customers based on the individual commercial terms.

(ii) Sales of products

The Group sells telecommunications hardware and other products to customers. Revenue is recognised upon delivery of product to customers as this is when control passes to the customers and the payment is due immediately.

(iii) Bundled transactions comprising provisions of mobile telecommunications services and sales of handset/other product

Under bundled contracts, the Group sells handset device/other product in exchange for entering into a fixed-term and fixed-price service contract, representing the two distinct performance obligations in these typical bundled contracts.

The amount of revenue recognised for each performance obligation is determined by considering the standalone selling prices of each of the service element and product element provided within the bundled contracts. The payment pattern is consistent with the sales of services and products.

The bundled contracts may include the sale of a handset device/other product and result in the creation of a contract asset when the Group delivered the product to the customer at the time of sale (Note 2(p)).

Financing components

The Group does not expect to have any contracts where the period between the provisions of the promised services to the customers and payment by the customers exceeds one year. The financing component in the bundled contracts where the period between the delivery of the promised handset device/other product to the customers and payment by the customers exceeds one year is not expected to be significant. Based on current facts and circumstances, the Group determined that the financing component within the bundled contracts with customers is not significant and therefore does not adjust any of the transaction prices for the time value of money.

2 Material Accounting Policies (Continued)

(x) Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Such determination is made on an evaluation of the substance of the arrangement, regardless of whether the arrangements take the legal form of a lease.

Leases are recognised as right-of-use assets and the corresponding lease liabilities at the dates at which the leased assets are available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis.

(i) Lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- lease payments to be made under an extension option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group, as a lessee, exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar term and condition.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease.

Lease payments are allocated between the principal and finance cost. The finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 Material Accounting Policies (Continued)

(X) Leases (Continued)

(ii) *Right-of-use assets*

Right-of-use assets are measured at cost comprising the followings:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date, less any lease incentive received;
- any initial direct costs; and
- restoration costs.

The right-of-use assets are amortised over the shorter of the assets' useful lives and the lease terms on a straight-line basis.

(iii) *Short-term leases*

Payments associated with short-term leases for all classes of underlying assets are recognised on a straight-line basis over the lease terms as expenses in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less.

3 Financial Risk Management

(a) Financial risk factors

The Group is exposed to market risk (from changes in interest rates and currency exchange rates), credit risk and liquidity risk. Interest rate risk exists with respect to the Group's financial assets bearing interest at floating rates. Interest rate risk also exists with respect to the fair value of fixed rate financial assets and liabilities. Exchange rate risk exists with respect to the Group's financial assets and liabilities denominated in a currency that is not the entity's functional currency. No instruments are held by the Group for speculative purposes.

(i) Foreign currency exposure

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with the surplus funds placed with banks, trade and other receivables, and trade and other payables denominated in United States dollars ("US\$") and Euro ("EURO"). Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The table below summarises the foreign exchange exposure on the net monetary position of the above assets and liabilities, expressed in the Group's presentation currency of HK\$.

	2024 HK\$ million	2023 HK\$ million
US\$	2,262	170
EURO	7	(21)
Total net exposure: net assets	2,269	149

As at 31 December, a 5% strengthening/weakening of the currencies of the above assets and liabilities against HK\$ would have increased/decreased post-tax profit (2023: decreased/increased post-tax loss) for the year by the amounts as shown below. This analysis assumes that all other variables remain constant.

	2024 HK\$ million	2023 HK\$ million
US\$	114	9
EURO	-	(1)
	114	8

There is no significant foreign currency transaction risk that would affect equity directly. The 5% movement represents management's assessment of a reasonably possible change in foreign exchange rates over the period until the next annual reporting period.

3 Financial Risk Management (Continued)

(a) Financial risk factors (Continued)

(ii) Interest rate exposure

The Group's main interest risk exposures relate to its investments of surplus funds placed with banks and loan to a joint venture. The Group manages its interest rate exposure of investments of surplus funds by placing such balances with various maturities and interest rate terms.

As at 31 December, the carrying amounts of the Group's financial assets and liabilities where their cash flows are subject to interest rate exposure are as follows:

	2024 HK\$ million	2023 HK\$ million
Cash at banks and short-term bank deposits	3,638	3,627
Loan to a joint venture (Note 21)	180	172
	3,818	3,799

The cash deposits placed with banks generate interest at the prevailing market interest rates and the loan to a joint venture bears interest at Hong Kong inter-bank offered rate ("HIBOR") plus 3% per annum (2023: Same).

As at 31 December, if interest rates had been 100 basis points higher, with all other variables held constant, post-tax profit for 2024 would have increased by HK\$38 million and post-tax loss for 2023 would have decreased by HK\$38 million, mainly as a result of higher interest income from cash at banks and bank deposits and interest bearing balance with a joint venture; there would have no direct impact on equity as the Group did not have financial instruments qualified for hedge accounting whereby all movement of interest expense and income as a result of interest rates changes would be charged to the consolidated income statement.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting date and had been applied to the exposure to interest rate risk for the above financial assets and liabilities in existence at that date. The 100 basis point movement represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting period.

3 Financial Risk Management (Continued)

(a) Financial risk factors (Continued)

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk arises from cash at banks and short-term bank deposits, trade and other receivables, contract assets, deposits and loan to a joint venture.

Risk management

Credit risk is managed on a group basis. Management has policies in place and exposures to the credit risk are monitored on an ongoing basis.

For banks and financial institutions, only independently rated parties with sound credit rating are accepted.

The Group controls its credit risk by assessing the credit quality of the counterparties, taking into account their credit ratings, past experience and other factors, in measuring the expected credit loss. Individual limits are set by the management with regular monitoring.

The credit periods granted by the Group to customers generally range from 14 to 45 days, or a longer period for corporate or carrier customers based on the individual commercial terms. The utilisation of credit limits is regularly monitored. Debtors who have overdue accounts are requested to settle all outstanding balances before any further credit is granted. There is no concentration of credit risk with respect to trade receivables and contract assets as the Group has a large number of customers. The Group does not have significant exposure to any individual debtor.

The Group considers its maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as follows:

	2024 HK\$ million	2023 HK\$ million
Cash and bank balances (Note 22)	3,679	3,684
Trade and other receivables (Note 23)	419	481
Contract assets (Note 18)	243	318
Current and non-current deposits	125	126
Loan to a joint venture (Note 21)	180	172
	4,646	4,781

3 Financial Risk Management (Continued)

(a) Financial risk factors (Continued)

(iii) Credit risk (Continued)

Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model of IFRS 9:

- trade receivables from the provisions of mobile telecommunications and other related services and the sales of telecommunications hardware and other products;
- contract assets relating to bundled transactions; and
- other financial assets at amortised cost.

(a) Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance provision against trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group considers the lifetime expected loss for contract assets relating to unbilled bundled transactions to be substantially the same as the trade receivables.

The expected loss rates are based on the payment profiles of the debtors over a period of 24 months before 31 December 2024 or 31 December 2023 respectively and the corresponding historical credit losses experienced within these periods. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

3 Financial Risk Management (Continued)

(a) Financial risk factors (Continued)

(iii) Credit risk (continued)

(a) Trade receivables and contract assets (Continued)

On that basis, the loss allowance provision as at 31 December 2024 and 2023 are determined as follows for trade receivables and contract assets:

	Trade receivables			Contract assets		
	Expected loss rate	Gross carrying amount HK\$ million	Loss allowance provision HK\$ million	Expected loss rate	Gross carrying amount HK\$ million	Loss allowance provision HK\$ million
At 31 December 2024:						
Not yet due	2% - 4%	144	3	4%	254	11
Past due 1 - 30 days	4% - 9%	87	3			
Past due 31 - 60 days	7% - 16%	27	3			
Past due 61 - 180 days	13% - 24%	46	7			
Past due over 180 days	18% - 24%	71	15			
		375	31			

	Trade receivables			Contract assets		
	Expected loss rate	Gross carrying amount HK\$ million	Loss allowance provision HK\$ million	Expected loss rate	Gross carrying amount HK\$ million	Loss allowance provision HK\$ million
At 31 December 2023:						
Not yet due	3% - 4%	168	5	4%	333	15
Past due 1 - 30 days	6% - 11%	104	4			
Past due 31 - 60 days	12% - 20%	31	4			
Past due 61 - 180 days	20% - 33%	49	12			
Past due over 180 days	29% - 33%	81	31			
		433	56			

3 Financial Risk Management (Continued)

(a) Financial risk factors (Continued)

(iii) Credit risk (Continued)

(a) Trade receivables and contract assets (Continued)

Movement of loss allowance provision of trade receivables and contract assets is as follows:

	Trade receivables		Contract assets	
	2024 HK\$ million	2023 HK\$ million	2024 HK\$ million	2023 HK\$ million
At 1 January	56	57	15	10
Increase in provision recognised in the consolidated income statement	40	43	3	6
Amounts recovered in respect of brought forward balance	(37)	(24)	(7)	(1)
Write-off during the year	(28)	(20)	-	-
At 31 December	31	56	11	15

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments past due for a period of greater than 365 days. Impairment losses on trade receivables and contract assets are presented in net basis as "loss allowance provision" within "other operating expenses" in the consolidated income statement (Note 8). Subsequent recoveries of amounts previously written off are credited against the same line item.

(b) Other financial assets at amortised cost

Other financial assets at amortised cost include loan to a joint venture, other receivables, deposits, and cash and bank balances. These financial assets are considered to be low credit risk as the counterparty has capacity to meet its contractual cash flow obligation. Therefore, applying the expected credit risk model resulted in an immaterial impact on the loss allowance provision for these financial assets.

3 Financial Risk Management (Continued)

(a) Financial risk factors (Continued)

(iv) Liquidity risk

Prudent liquidity risk management is adopted. Due to the dynamic nature of the underlying business, the Group maintains sufficient cash for operating and investing activities.

The following table details the contractual maturities at the reporting date of the Group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group is required to pay.

	Carrying amount HK\$ million	Contractual liabilities HK\$ million	Contractual undiscounted cash flow HK\$ million	Within 1 year HK\$ million	After 1 year but within 2 years HK\$ million	After 2 years but within 5 years HK\$ million	After 5 years HK\$ million
At 31 December 2024							
Trade payables (Note 25)	137	137	137	137	-	-	-
Other payables and accruals (Note 25)	985	187	187	187	-	-	-
Licence fees liabilities (Notes 25 and 28(a))	2,031	2,031	2,329	191	195	615	1,328
Lease liabilities (Note 27)	463	463	474	337	118	17	2
	3,616	2,818	3,127	852	313	632	1,330
	Carrying amount HK\$ million	Contractual liabilities HK\$ million	Contractual undiscounted cash flow HK\$ million	Within 1 year HK\$ million	After 1 year but within 2 years HK\$ million	After 2 years but within 5 years HK\$ million	After 5 years HK\$ million
At 31 December 2023							
Trade payables (Note 25)	174	174	174	174	-	-	-
Other payables and accruals (Note 25)	1,114	275	275	275	-	-	-
Licence fees liabilities (Notes 25 and 28(a))	2,166	2,166	2,515	186	191	600	1,538
Lease liabilities (Note 27)	482	482	496	316	152	27	1
	3,936	3,097	3,460	951	343	627	1,539

3 Financial Risk Management (Continued)

(b) Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk.

The Group defines capital as total equity, comprising issued share capital and reserves, as shown in the consolidated statement of financial position. The Group actively and regularly reviews and manages its capital structure to ensure capital and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, projected operating cash flows and projected capital expenditures.

(c) Fair value estimation

The carrying amounts of cash and bank balances, trade and other receivables, deposits, and trade and other payables are assumed to approximate their fair values due to short maturity. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4 Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant estimates and assumptions concerning the future may be required in selecting and applying accounting methods and policies in these financial statements. The Group bases its estimates and assumptions on historical experience and various other assumptions that it believes are reasonable under the circumstances. Actual results may differ from these estimates or assumptions.

The following is a review of the more significant estimates and assumptions used in the preparation of these financial statements.

(a) Estimated useful life for telecommunications infrastructure and network equipment

The Group has substantial investments in mobile telecommunications infrastructure and network equipment. As at 31 December 2024, the carrying amount of the mobile telecommunications infrastructure and network equipment was HK\$2,282 million (2023: HK\$2,220 million). Changes in technology or changes in the intended use of these assets may cause the estimated period of use or value of these assets to change.

(b) Estimated useful life for telecommunications licences

Telecommunications licences with a finite useful life are carried at cost less accumulated amortisation and are tested for impairment when there is any indication that they may be impaired. Judgement is required to estimate the useful lives of the telecommunications licences. The actual economic lives of these assets may differ from the current contracted or expected usage periods, which could impact the amount of amortisation expense charged to the consolidated income statement.

4 Critical Accounting Estimates and Judgements (Continued)

(c) Impairment of goodwill and other non-financial assets

Goodwill is tested for impairment annually and when there is indication that it may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, non-financial assets are grouped and tested for impairment at the respective CGUs or group of CGUs and the recoverable amount of the CGUs or group of CGUs is estimated in order to determine the extent of the impairment loss, if any.

In assessing whether these assets have suffered any impairment, the carrying value of the CGUs or group of CGUs is compared with its recoverable amount, which is the higher of the fair value less costs of disposal and value in use. The recoverable amounts of the CGUs or group of CGUs have been determined based on a discounted cash flow model. The cash flows are based on the latest approved financial budgets for the next five years. The Group prepared the financial budgets reflecting current and prior year performances, market development expectations, including the expected market share and growth momentum, and where available and relevant, observable market data. There are a number of assumptions and estimates involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and the estimated terminal value at the end of the budget period. The calculation of the recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Estimating the recoverable amount of the CGUs or group of CGUs requires the use of significant judgements that are based on a number of factors including actual operating results, internal forecasts, determination of an appropriate discount rate, growth rate and the estimated terminal value assumptions. It is reasonably possible that the judgements and estimates described above could change in future periods.

(d) Taxation

The Group is subject to income taxes in different jurisdictions. Significant judgement and estimate are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were previously recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilised, based on all available evidence. Recognition primarily involves judgement regarding the future financial performance of the particular legal entity or tax group. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, tax planning strategies and the periods in which estimated tax losses can be utilised.

5 Revenue

Revenue comprises revenues from the provisions of mobile telecommunications and other related services and the sales of telecommunications hardware and other products. An analysis of revenue is as follows:

	2024 HK\$ million	2023 HK\$ million
Mobile telecommunications and other related services	3,561	3,531
Telecommunications hardware and other products	1,221	1,365
	4,782	4,896

(a) Disaggregation of revenue

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

	2024 HK\$ million	2023 HK\$ million
Timing of revenue recognition:		
Over time	3,561	3,531
At a point in time	1,221	1,365
	4,782	4,896

(b) Unsatisfied mobile telecommunications service contracts

The aggregate amount of the transaction price allocated to the performance obligations arisen from fixed-price mobile telecommunications service contracts that are partially or fully unsatisfied as at 31 December 2024 was HK\$2,698 million (2023: HK\$2,899 million). Management expects that the transaction price allocated to these unsatisfied contracts will be recognised as revenue in the following future years:

	2024 HK\$ million	2023 HK\$ million
Not later than 1 year	1,665	1,781
After 1 year but within 5 years	1,023	1,108
After 5 years	10	10
	2,698	2,899

The performance obligations arisen from other mobile telecommunications service contracts are for period of one year or less or are billed based on usage incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6 Segment Information

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 reporting segment, which is mobile telecommunications business.

7 Staff Costs

	2024 HK\$ million	2023 HK\$ million
Wages and salaries	551	532
Pension costs		
- defined benefit plans	13	13
- defined contribution plans	10	9
Long service payments	2	2
	576	556
Less: - Amounts capitalised as property, plant and equipment	(124)	(124)
- Amounts capitalised as customer acquisition and retention costs	(66)	(64)
	386	368

(a) Directors' and chief executive's emoluments

Directors' emoluments comprise payments to directors from the Group. The amounts paid to each director and the chief executive for 2024 and 2023 are as follows:

	2024					
	Director's fees HK\$ million	Basic salaries, allowances and benefits- in-kind ^(iv) HK\$ million	Bonuses HK\$ million	Provident fund contributions HK\$ million	Inducement or compensation fees HK\$ million	Total HK\$ million
Fok Kin Ning, Canning	0.104	-	-	-	-	0.104
Lui Dennis Pok Man	0.084	-	-	-	-	0.084
Woo Chiu Man, Cliff	0.084	-	-	-	-	0.084
Koo Sing Fai ⁽ⁱ⁾	0.104	3.064	1.630	0.237	-	5.035
Lai Kai Ming, Dominic	0.084	-	-	-	-	0.084
Edith Shih	0.124	-	-	-	-	0.124
Chan Tze Leung ⁽ⁱⁱ⁾	0.113	-	-	-	-	0.113
Chow Ching Yee, Cynthia	0.110	-	-	-	-	0.110
Im Man Jeng ⁽ⁱⁱ⁾	0.100	-	-	-	-	0.100
Ip Yuk Keung	0.194	-	-	-	-	0.194
Lan Hong Tsung, David ⁽ⁱⁱⁱ⁾	0.062	-	-	-	-	0.062
Wong Yick Ming, Rosanna ⁽ⁱⁱⁱ⁾	0.069	-	-	-	-	0.069
Total	1.232	3.064	1.630	0.237	-	6.163

7 Staff Costs (Continued)

(a) Directors' and chief executive's emoluments (Continued)

	2023					
	Director's fees HK\$ million	Basic salaries, allowances and benefits- in-kind ^(iv) HK\$ million	Bonuses HK\$ million	Provident fund contributions HK\$ million	Inducement or compensation fees HK\$ million	Total HK\$ million
Fok Kin Ning, Canning	0.090	-	-	-	-	0.090
Lui Dennis Pok Man	0.070	-	-	-	-	0.070
Woo Chiu Man, Cliff	0.070	-	-	-	-	0.070
Koo Sing Fai ⁽ⁱ⁾	0.090	2.968	1.582	0.230	-	4.870
Lai Kai Ming, Dominic	0.070	-	-	-	-	0.070
Edith Shih	0.110	-	-	-	-	0.110
Chow Ching Yee, Cynthia	0.070	-	-	-	-	0.070
Ip Yuk Keung	0.180	-	-	-	-	0.180
Lan Hong Tsung, David	0.160	-	-	-	-	0.160
Wong Yick Ming, Rosanna	0.180	-	-	-	-	0.180
Total	1.090	2.968	1.582	0.230	-	5.870

(i) Mr Koo Sing Fai is the chief executive whose emoluments have been shown in directors' emoluments above.

(ii) Appointed on 9 May 2024.

(iii) Retired on 9 May 2024.

(iv) Benefits-in-kind included insurance and transportation.

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements or contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

7 Staff Costs (Continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest are as follows:

	2024 Number of individual	2023 Number of individual
Director of the Company	1	1
Management executives	4	4

The aggregate remuneration paid to these highest paid individuals is as follows:

	2024 HK\$ million	2023 HK\$ million
Basic salaries, allowances and benefits-in-kind	11	10
Bonuses	4	4
Provident fund contributions	1	1
	16	15

The emoluments of the above mentioned individuals with the highest emoluments fall within the following bands:

	2024 Number of individual	2023 Number of individual
HK\$2,000,001 - HK\$2,500,000	2	2
HK\$2,500,001 - HK\$3,000,000	1	1
HK\$3,000,001 - HK\$3,500,000	1	1
HK\$4,500,001 - HK\$5,000,000	-	1
HK\$5,000,001 - HK\$5,500,000	1	-

No emoluments were paid to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for the year ended 31 December 2024 (2023: Nil).

8 Other Operating Expenses

	2024 HK\$ million	2023 HK\$ million
Cost of services provided ⁽ⁱ⁾	1,528	1,571
General administrative and distribution costs	95	109
Expenses for short-term leases	31	32
Loss on disposals of property, plant and equipment	2	1
Auditors' remuneration	7	8
Loss allowance provision	(1)	24
Employment and other subsidies ⁽ⁱⁱ⁾	(4)	(10)
Total	1,658	1,735

(i) Include interconnection charges, roaming costs and other network operating costs.

(ii) Benefits received from governments and other companies under employment and other support schemes.

9 Interest and Other Finance Income, Net

	2024 HK\$ million	2023 HK\$ million
Interest and other finance income:		
Bank interest income	181	181
Interest income from a joint venture	13	15
	194	196
Interest and other finance costs:		
Notional interest accretion ⁽ⁱ⁾	(74)	(71)
Guarantee and other finance fees	(9)	(9)
	(83)	(80)
Interest and other finance income, net	111	116

(i) Notional interest accretion represents the notional adjustments to accrete the carrying amount of certain obligations recognised in the consolidated statement of financial position such as lease liabilities, licence fees liabilities and assets retirement obligations to the present value of the estimated future cash flows expected to be required for their settlement in the future.

10 Taxation

	2024			2023		
	Current taxation HK\$ million	Deferred taxation HK\$ million	Total HK\$ million	Current taxation HK\$ million	Deferred taxation HK\$ million	Total HK\$ million
Hong Kong	19	60	79	3	75	78

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits less available tax losses. Taxation outside Hong Kong has been provided at the applicable current rates of taxation ruling in the relevant countries on the estimated assessable profits less available tax losses. The differences between the Group's expected tax charge at respective applicable tax rates and the Group's tax charge for the year are as follows:

	2024 HK\$ million	2023 HK\$ million
Tax calculated at domestic rates	16	7
Income not subject to tax	(31)	(30)
Expenses not deductible for taxation purposes	78	79
Tax losses not recognised	-	2
Under-provision in prior years	16	20
Total taxation charge	79	78

The Group is within the scope of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development. The Group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. While the Pillar Two legislation is not yet enacted or substantially enacted in Hong Kong as of the reporting date, it is expected that the new regime will come into effect for the Group's accounting periods beginning on 1 January 2025. Based on the assessment for the year ended 31 December 2024 and the information currently available, the Group does not expect to have any Pillar Two exposure (including current tax) arising in the jurisdictions where the Group has operations, and the impact of these rules on the Group's income tax position is not expected to be material.

11 Earnings/(loss) per Share

The calculation of basic earnings/(loss) per share is based on profit attributable to shareholders of the Company of HK\$6 million (2023: loss of HK\$52 million) and on the weighted average number of 4,819,096,208 (2023: Same) ordinary shares in issue during the year.

The diluted earnings/(loss) per share for the year ended 31 December 2024 is the same as basic earnings/(loss) per share as there were no potential dilutive shares during the year (2023: Same).

12 Dividends

	2024 HK\$ million	2023 HK\$ million
Interim dividend, paid of 2.28 HK cents per share (2023: 2.28 HK cents per share)	110	110
Final dividend, proposed of 5.21 HK cents per share (2023: 5.21 HK cents per share)	251	251
	361	361

The final dividend proposed after the end of the reporting period has not been recognised as a liability at 31 December 2024.

13 Property, Plant and Equipment

The movements of property, plant and equipment for the years ended 31 December 2024 and 2023 are as follows:

	Buildings HK\$ million	Telecom- munications infrastructure and network equipment HK\$ million	Other assets HK\$ million	Construction in progress HK\$ million	Total HK\$ million
Cost					
At 1 January 2024	87	5,371	2,381	280	8,119
Additions	-	276	77	81	434
Disposals/write-off	-	(95)	(33)	-	(128)
Transfer between categories	-	162	51	(213)	-
At 31 December 2024	87	5,714	2,476	148	8,425
Accumulated depreciation					
At 1 January 2024	28	3,151	1,957	-	5,136
Charge for the year	3	376	147	-	526
Disposals/write-off	-	(95)	(30)	-	(125)
At 31 December 2024	31	3,432	2,074	-	5,537
Net book value					
At 31 December 2024	56	2,282	402	148	2,888

13 Property, Plant and Equipment (Continued)

	Buildings HK\$ million	Telecom- munications infrastructure and network equipment HK\$ million	Other assets HK\$ million	Construction in progress HK\$ million	Total HK\$ million
Cost					
At 1 January 2023	87	5,253	2,402	253	7,995
Additions	-	194	101	186	481
Disposals/write-off	-	(182)	(175)	-	(357)
Transfer between categories	-	106	53	(159)	-
At 31 December 2023	87	5,371	2,381	280	8,119
Accumulated depreciation					
At 1 January 2023	26	2,976	1,986	-	4,988
Charge for the year	2	357	145	-	504
Disposals/write-off	-	(182)	(174)	-	(356)
At 31 December 2023	28	3,151	1,957	-	5,136
Net book value					
At 31 December 2023	59	2,220	424	280	2,983

Other assets include motor vehicles, office furniture and equipment, computer equipment and leasehold improvements.

14 Goodwill

	2024 HK\$ million	2023 HK\$ million
Gross carrying amount and net book value at 1 January and 31 December	2,155	2,155
Accumulated impairment losses at 1 January and 31 December	-	-

Impairment test for the group of CGUs containing goodwill

Goodwill is allocated to the group of CGUs, the lowest level at which goodwill is monitored for internal management purposes, that are expected to benefit from the business combination in which the goodwill arose. In accordance with the Group's accounting policy on asset impairment (Note 2(I)), the carrying value of goodwill was tested annually for impairment and when there is indication that it may be impaired.

In performing the impairment assessment, the carrying value of the group of CGUs (including goodwill and telecommunications licences) is compared with its recoverable amount. The recoverable amount of the group of CGUs is determined based on value-in-use calculation. This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period to 2029 and the estimated terminal value at the end of the budget period. Information about the estimates and judgements relating to the impairment test are disclosed in Note 4(c).

Key assumptions used for value-in-use calculation are:

- (i) The expected growth in revenues, gross margin, operating costs, timing of future capital expenditures and growth rate. With reference to the impairment test model of the telecommunications industry, a growth rate of 2.0% into perpetuity is used to extrapolate cash flows beyond the budget period in order to determine the terminal value of the group of CGUs.
- (ii) The discount rate applied to cash flows of the group of CGUs is based on discount rate that reflects the specific risks relating to the relevant segment. The discount rate is adjusted to reflect the risk profile equivalent to those that the Group expects to derive from the assets. The pre-tax discount rate applied in the value-in-use calculation is 9.6% (2023: 11.0%) per annum.

A reasonably possible change in a key assumption would not cause the recoverable amount to fall below the carrying value of the group of CGUs. The results of the tests undertaken as at 31 December 2024 indicated no impairment charge was necessary (2023: Same).

15 Telecommunications Licences

	HK\$ million
At 1 January 2023	
Cost	5,601
Accumulated amortisation	(1,938)
Net book value	3,663
Year ended 31 December 2023	
Opening net book value	3,663
Amortisation for the year	(379)
Closing net book value	3,284
At 31 December 2023	
Cost	5,601
Accumulated amortisation	(2,317)
Net book value	3,284
Year ended 31 December 2024	
Opening net book value	3,284
Amortisation for the year	(379)
Closing net book value	2,905
At 31 December 2024	
Cost	5,601
Accumulated amortisation	(2,696)
Net book value	2,905

16 Right-of-use Assets

The Group leases various network sites, retail stores, office and warehouse. Rental contracts are typically made for fixed period of two to three years. Lease terms are negotiated on an individual basis and contained a wide range of different terms and conditions.

	2024 HK\$ million	2023 HK\$ million
Network sites	420	416
Retail stores	28	52
Office	26	43
Warehouse	-	1
	474	512

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Additions to the right-of-use assets with the corresponding increase in lease liabilities and the assets retirement obligations during the year ended 31 December 2024 were HK\$379 million (2023: HK\$426 million) and HK\$4 million (2023: HK\$7 million) respectively.

Amortisation charge of right-of-use assets recognised in the consolidated income statement is as follows:

	2024 HK\$ million	2023 HK\$ million
Network sites	370	363
Retail stores	32	29
Office	18	19
Warehouse	1	1
	421	412

17 Customer Acquisition and Retention Costs

	HK\$ million
At 1 January 2023	
Cost	373
Accumulated amortisation	(184)
Net book value	189
Year ended 31 December 2023	
Opening net book value	189
Additions	165
Amortisation for the year	(186)
Closing net book value	168
At 31 December 2023	
Cost	386
Accumulated amortisation	(218)
Net book value	168
Year ended 31 December 2024	
Opening net book value	168
Additions	142
Amortisation for the year	(165)
Closing net book value	145
At 31 December 2024	
Cost	355
Accumulated amortisation	(210)
Net book value	145

18 Contract Assets

	Non-current		Current		Total	
	2024 HK\$ million	2023 HK\$ million	2024 HK\$ million	2023 HK\$ million	2024 HK\$ million	2023 HK\$ million
Contract assets	120	156	134	177	254	333
Less: Loss allowance provision (Note 3(a)(iii))	(5)	(7)	(6)	(8)	(11)	(15)
Contract assets, net of provision	115	149	128	169	243	318

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

19 Other Non-Current Assets

	2024 HK\$ million	2023 HK\$ million
Prepayments	282	274
Non-current deposits	34	34
Pension assets (Note 34(a))	75	46
	391	354

Non-current deposits are carried at amortised cost, which approximate their fair values at the reporting date.

20 Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	2024 HK\$ million	2023 HK\$ million
Deferred tax assets	1	1
Deferred tax liabilities	(180)	(120)
Net deferred tax liabilities	(179)	(119)

The gross movement of the deferred tax assets/(liabilities) is as follows:

	Accelerated depreciation allowance HK\$ million	Tax losses HK\$ million	Total HK\$ million
At 1 January 2023	(146)	102	(44)
Net charge to consolidated income statement for the year (Note 10)	(27)	(48)	(75)
At 31 December 2023	(173)	54	(119)
At 1 January 2024	(173)	54	(119)
Net charge to consolidated income statement for the year (Note 10)	(6)	(54)	(60)
At 31 December 2024	(179)	-	(179)

20 Deferred Tax Assets and Liabilities (continued)

The potential deferred tax assets which have not been recognised in the consolidated financial statements are as follows:

	2024 HK\$ million	2023 HK\$ million
Arising from unused tax losses	3	3

The utilisation of unused tax losses depends on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences.

As at 31 December 2024, subject to the agreement by tax authorities, total unrecognised tax losses of HK\$21 million (2023: HK\$20 million) can be carried forward indefinitely.

21 Investment in a Joint Venture

	2024 HK\$ million	2023 HK\$ million
Loan to a joint venture	180	172
Share of undistributed post acquisition reserves	(67)	(63)
	113	109

As at 31 December 2024, the loan to a joint venture of HK\$180 million (2023: HK\$172 million) was unsecured, had no fixed term of repayment and bore interest at HIBOR plus 3% per annum (2023: Same).

Particulars of the principal joint venture are summarised as follows:

Name	Place of incorporation	Principal activities	Interest held
Genius Brand Limited	Hong Kong	Telecommunications business in Hong Kong	50%

21 Investment in a Joint Venture (Continued)

The Group's share of the result and capital commitments of its joint venture, which is unlisted, is as follows:

	2024 HK\$ million	2023 HK\$ million
Net loss and total comprehensive loss for the year	(4)	(4)
Capital commitments contracted but not provided for		
Property, plant and equipment	22	17
Telecommunications licences ^(a)	-	96
	22	113

- (a) As at 31 December 2024, the joint venture has lodged a performance bond with the Communications Authority of Hong Kong ("CA") in the amount of HK\$40 million, which was indemnified by a subsidiary of the Group, for payment of the Spectrum Utilisation Fee ("SUF") payable in ensuing five years for 10 MHz spectrum at the 2.6 GHz band and the amount has been included in the contingent liabilities of the Group in Note 32.

Save as disclosed above, there were no other contingent liabilities related to the Group's interest in a joint venture (2023: Nil) and no other contingent liabilities of joint venture itself (2023: Nil).

As at 31 December 2024, all the shares held by the Group in a joint venture were pledged as security in favour of the joint venture partner under a cross share pledge arrangement (2023: Same).

22 Cash and Bank Balances

	2024 HK\$ million	2023 HK\$ million
Cash at banks and in hand	61	87
Short-term bank deposits with original maturity within 3 months	3,107	1,823
Cash and cash equivalents	3,168	1,910
Short-term bank deposits with original maturity beyond 3 months	511	1,774
	3,679	3,684

As at 31 December 2024, the weighted average interest rate on short-term bank deposits was 4.73% (2023: 5.39%) per annum.

The carrying values of cash and bank balances approximate their fair values.

23 Trade Receivables and Other Current Assets

	2024 HK\$ million	2023 HK\$ million
Trade receivables ^(a)	375	433
Less: Loss allowance provision (Note 3(a)(iii))	(31)	(56)
Trade receivables, net of provision	344	377
Other receivables ^(b)	75	104
Prepayments and deposits ^(b)	389	408
	808	889

(a) Trade receivables

	2024 HK\$ million	2023 HK\$ million
The ageing analysis of trade receivables presented based on the invoice date is as follows:		
0 – 30 days	174	213
31 – 60 days	66	68
61 – 180 days	62	65
Over 180 days	73	87
	375	433

The carrying values of trade receivables approximate their fair values. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

(b) Other receivables, prepayments and deposits

The carrying values of other receivables and deposits approximate their fair values. Other receivables, prepayments and deposits do not contain impaired assets (2023: insignificant amount of loss allowance provision was made). The maximum exposure to credit risk is the fair value of each class of financial assets mentioned above. The Group does not hold any collateral as security.

24 Inventories

Inventories represent handsets and related accessories held for sale. As at 31 December 2024, the amount of inventories carried at net realisable value was HK\$4 million (2023: HK\$9 million).

25 Trade and Other Payables

	2024 HK\$ million	2023 HK\$ million
Trade payables ^(a)	137	174
Other payables and accruals ^(b)	985	1,114
Receipts in advance	132	165
Current portion of licence fees liabilities (Note 28(a))	188	184
	1,442	1,637

The carrying values of trade and other payables approximate their fair values.

(a) Trade payables

	2024 HK\$ million	2023 HK\$ million
The ageing analysis of trade payables is as follows:		
0 – 30 days	61	94
31 – 60 days	28	13
61 – 90 days	20	3
Over 90 days	28	64
	137	174

(b) Other payables and accruals

Other payables and accruals mainly represent payables and accruals for capital expenditures and network-related cost payables.

26 Contract Liabilities

	2024 HK\$ million	2023 HK\$ million
Contract liabilities		
- mobile telecommunications service contracts	218	212

Revenue in relation to mobile telecommunications service contracts, which was included in the contract liabilities balance at the beginning of the year amounting to HK\$209 million, was recognised during the year ended 31 December 2024 (2023: HK\$155 million). No revenue is recognised from performance obligations satisfied in previous periods during the year ended 31 December 2024 (2023: Nil).

27 Lease Liabilities

	2024 HK\$ million	2023 HK\$ million
Current	333	312
Non-current	130	170
	463	482

(a) Movement of lease liabilities is as follows:

	2024 HK\$ million	2023 HK\$ million
At 1 January	482	456
Additions	379	426
Interest accretion	20	14
Payments for lease liabilities (including interest) ⁽ⁱ⁾	(418)	(414)
At 31 December	463	482

(i) The payments include the principal elements of lease liabilities paid (included in "net cash used in financing activities") of HK\$398 million (2023: HK\$400 million) and interest elements of lease liabilities paid (included in "net cash from operating activities") of HK\$20 million (2023: HK\$14 million).

(b) The total cash outflow for short-term leases for the year ended 31 December 2024 was HK\$31 million (2023: HK\$32 million).

28 Other Non-Current Liabilities

	2024 HK\$ million	2023 HK\$ million
Non-current licence fees liabilities ^(a)	1,843	1,982
Assets retirement obligations ^(b)	271	265
Long service payments liabilities	4	2
	2,118	2,249

(a) Licence fees liabilities

	2024 HK\$ million	2023 HK\$ million
Licence fees liabilities - minimum annual fees payments:		
Not later than 1 year	191	186
After 1 year but within 5 years	810	791
After 5 years	1,328	1,538
	2,329	2,515
Future finance charges on licence fees liabilities	(298)	(349)
Carrying amount of licence fees liabilities	2,031	2,166
The carrying amount of licence fees liabilities is as follows:		
Current portion of licence fees liabilities (Note 25)	188	184
Non-current licence fees liabilities:		
After 1 year but within 5 years	751	733
After 5 years	1,092	1,249
	1,843	1,982
Total licence fees liabilities	2,031	2,166

(b) Assets retirement obligations

	2024 HK\$ million	2023 HK\$ million
At 1 January	265	258
Additions	4	7
Interest accretion	2	2
Utilisations	-	(2)
At 31 December	271	265

The provision for assets retirement obligations represents the present value of the estimated future costs of dismantling and removing property, plant and equipment when they are no longer used and restoring the sites on which they are located.

29 Share Capital

(a) Authorised share capital of the Company

The authorised share capital of the Company comprises 10 billion shares of HK\$0.25 each (2023: Same).

(b) Issued share capital of the Company

	Ordinary share of HK\$0.25 each Number of shares	Issued and fully paid HK\$ million
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	4,819,096,208	1,205

30 Reserves

	Share premium HK\$ million	Accumulated losses HK\$ million	Exchange reserve HK\$ million	Pension reserve HK\$ million	Other reserves ⁽ⁱ⁾ HK\$ million	Total HK\$ million
At 1 January 2023	11,185	(2,071)	1	238	(289)	9,064
Loss for the year	-	(52)	-	-	-	(52)
Remeasurements of defined benefit plans (Note 34(a))	-	-	-	3	-	3
Cumulative translation adjustments released upon de-registration of a subsidiary	-	-	(1)	-	-	(1)
Dividend paid	-	(361)	-	-	-	(361)
Transfer between reserves	-	1	-	-	(1)	-
At 31 December 2023	11,185	(2,483)	-	241	(290)	8,653
At 1 January 2024	11,185	(2,483)	-	241	(290)	8,653
Profit for the year	-	6	-	-	-	6
Remeasurements of defined benefit plans (Note 34(a))	-	-	-	30	-	30
Dividend paid	-	(361)	-	-	-	(361)
At 31 December 2024	11,185	(2,838)	-	271	(290)	8,328

- (i) In prior years, the Group acquired the interests in certain subsidiaries held by the non-controlling shareholders. The other reserves mainly represent the difference between the consideration paid for the additional interests acquired by the Group and the proportionate share of the carrying amount of net assets of these subsidiaries.

31 Cash Generated from Operations

	2024 HK\$ million	2023 HK\$ million
Cash flows from operating activities		
Profit before taxation	85	26
Adjustments for:		
- Interest and other finance income	(194)	(196)
- Interest and other finance costs	83	80
- Depreciation and amortisation	1,491	1,481
- Capitalisation of customer acquisition and retention costs	(142)	(165)
- Share of result of a joint venture	4	4
- Loss on disposals of property, plant and equipment	2	1
- Decrease/(increase) in trade receivables and other assets	127	(50)
- Increase in inventories	(65)	(3)
- Decrease in trade and other payables, and licence fees liabilities	(277)	(27)
- Decrease in pension assets	1	1
Cash generated from operations	1,115	1,152

Non-cash transactions from investing activities

Save as disclosed in elsewhere in the consolidated financial statements, the non-cash transactions during the year ended 31 December 2024 include (i) the network access fee payable to a joint venture of HK\$101 million (2023: HK\$122 million) and (ii) the interest income from the loan to a joint venture of HK\$13 million (2023: HK\$15 million), which have been settled by offsetting the loan to a joint venture.

32 Contingent Liabilities

As at 31 December, the Group had contingent liabilities in respect of the following:

	2024 HK\$ million	2023 HK\$ million
Performance guarantees ^(a)	484	134
Financial guarantees	1,281	1,091
Others	4	2
	1,769	1,227

The contingent liabilities mainly comprise of the performance guarantees and financial guarantees provided to the CA. The Group is required to lodge a performance bond with the CA to guarantee (i) the network and service rollout requirement and (ii) to maintain at all times throughout the whole assignment term for payment of the SUF payable in the ensuing five years, or the SUF payable for the remaining duration of the assignment term if it is less than five years, in respect of those spectrums which the Group elected to pay annually in 15 instalments.

32 Contingent Liabilities (Continued)

- (a) In June 2024, a subsidiary of the Group was successfully assigned 600 MHz spectrum at the 26 GHz band for a period of about 10 years from August 2024 to April 2034 (the "26 GHz Spectrum"). SUF for the 26 GHz Spectrum will not be charged by the CA until 75% or more of the spectrum at the 26 GHz or 28 GHz bands is assigned or occupied.

As at 31 December 2024, less than 75% of the spectrum at the 26 GHz or 28 GHz bands was assigned or occupied. A performance bond of HK\$400 million was provided to the CA to guarantee the network and service rollout requirement for the 26 GHz Spectrum.

33 Capital Commitments

As at 31 December, the Group had capital commitments contracted but not provided for as follows:

	2024 HK\$ million	2023 HK\$ million
Property, plant and equipment	129	121
Telecommunications licences ^(a)	617	-
	746	121

- (a) In November 2024, a subsidiary of the Group, successfully bid (i) 10 MHz spectrum at the 900 MHz band and (ii) 20 MHz spectrum at the 2.3 GHz band (collectively, the "2024 Bidded Spectrums"), for a 15-year period (commencing June 2026 for the 900 MHz band and March 2027 for the 2.3 GHz band) at aggregate SUFs of HK\$617 million. SUFs for the 2024 Bidded Spectrums are payable either (i) in full as a lump sum payment upfront (by April 2026 for the 900 MHz band and by January 2027 for the 2.3 GHz band); or (ii) annually in 15 instalments with the first instalment equivalent to the lump sum amount divided by 15 and for each subsequent instalment an amount equal to the SUF payable in the immediately preceding instalment increased by 2.5%.

As at 31 December 2024, a standby letter of credit of HK\$240 million for the auction of the 2024 Bidded Spectrums was issued in favour of the CA and the amount has been included in the contingent liabilities in Note 32. In January 2025, the standby letter of credit was subsequently released and replaced by two standby letters of credit totalling HK\$617 million covering the aggregate SUFs for the 2024 Bidded Spectrums.

34 Employee Retirement Benefits

The Group operates a number of defined benefit and defined contribution plans, the assets of which are held independently of the Group's assets in trustee administered funds.

(a) Defined benefit plans

The Group's defined benefit plans represent principally contributory final salary pension plans in Hong Kong. As at 31 December 2024, the Group's plans were valued by the independent qualified actuaries using the projected unit credit method to account for the Group's pension accounting costs (2023: Same).

	2024 HK\$ million	2023 HK\$ million
The amount recognised in the consolidated statement of financial position:		
Present value of funded plans' obligations	(166)	(167)
Less: Fair value of plan assets	241	213
Pension assets recognised in the consolidated statement of financial position (Note 19)	75	46

34 Employee Retirement Benefits (Continued)

(a) Defined benefit plans (Continued)

The movements in the defined benefit plans during the year are as follows:

	Present value of obligations HK\$ million	Fair value of plan assets HK\$ million	Total HK\$ million
At 1 January 2024	(167)	213	46
Amounts recognised in consolidated income statement			
Pension costs, included in staff costs (Note 7):			
– Current service cost	(15)	-	(15)
– Net interest (expense)/income	(5)	7	2
	(20)	7	(13)
Amounts recognised in other comprehensive income			
Remeasurements:			
– Gain on plan assets, excluding amounts included in interest income	-	31	31
– Loss from change in financial assumptions	(3)	-	(3)
– Experience gains	2	-	2
	(1)	31	30
Contributions:			
– Employers	-	12	12
Actual benefits paid	23	(23)	-
Net transfer	(1)	1	-
At 31 December 2024	(166)	241	75

34 Employee Retirement Benefits (Continued)

(a) Defined benefit plans (Continued)

	Present value of obligations HK\$ million	Fair value of plan assets HK\$ million	Total HK\$ million
At 1 January 2023	(164)	208	44
Amounts recognised in consolidated income statement			
Pension costs, included in staff costs (Note 7):			
- Current service cost	(15)	-	(15)
- Net interest (expense)/income	(6)	8	2
	(21)	8	(13)
Amounts recognised in other comprehensive income			
Remeasurements:			
- Gain on plan assets, excluding amounts included in interest income	-	4	4
- Loss from change in financial assumptions	(3)	-	(3)
- Gain from change in demographic assumptions	4	-	4
- Experience losses	(2)	-	(2)
	(1)	4	3
Contributions:			
- Employers	-	12	12
Actual benefits paid	20	(20)	-
Net transfer	(1)	1	-
At 31 December 2023	(167)	213	46

34 Employee Retirement Benefits (Continued)

(a) Defined benefit plans (Continued)

Plan assets consist of the following:

	2024 HK\$ million	2023 HK\$ million
Equity instruments	159	145
Debt instruments	46	41
Other assets	36	27
	241	213

The principal actuarial assumptions and the sensitivity of the defined benefit obligations to changes in the principal assumptions are:

	2024		
	Assumption used	Impact to the defined benefit obligations if rate increases by 0.25%	Impact to the defined benefit obligations if rate decreases by 0.25%
Discount rate	3.1%	-1.5%	+1.5%
Future salary rate	3.5%	+0.3%	-0.3%

	2023		
	Assumption used	Impact to the defined benefit obligations if rate increases by 0.25%	Impact to the defined benefit obligations if rate decreases by 0.25%
Discount rate	3.4% - 3.5%	-1.5%	+1.5%
Future salary rate	3.5%	+0.3%	-0.3%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions, the same method (present value of the defined benefit obligations calculated with the projected unit credit method at the end of the reporting period) has been applied in calculating the pension liability recognised within the consolidated statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change comparing to the previous period.

34 Employee Retirement Benefits (Continued)

(a) Defined benefit plans (Continued)

	2024	2023
Weighted average duration of defined benefit obligations	6 years	6 years

Expected contributions to defined benefit plans for the year ending 31 December 2025 are HK\$16 million.

Forfeited contributions totalling HK\$4 million (2023: HK\$2 million) were used to reduce the current year's level of contributions during the year and insignificant forfeited contributions were available as at 31 December 2024 (2023: insignificant forfeited contributions) to reduce future years' contributions.

Contributions to fund the obligations are based upon the recommendations of independent qualified actuaries for each of the Group's pension plans to fully fund the relevant schemes on an ongoing basis. The realisation of the surplus/deficit is contingent upon the realisation of the actuarial assumptions made which is dependent upon a number of factors including the market performance of plan assets. Funding requirements of the Group's major defined benefit plans are detailed below.

The Group operates two principal pension plans in Hong Kong. One plan, which has been closed to new entrants since 1994, provides pension benefits based on the greater of the aggregate of the employee and employer vested contributions plus a minimum interest thereon of 6% per annum, and pension benefits derived by a formula based on the final salary and years of service. An independent actuarial valuation, undertaken for funding purposes under the provision of Hong Kong's Occupational Retirement Schemes Ordinance ("ORSO"), at 30 June 2024 reported a funding level of 169% of the accrued actuarial liabilities on an ongoing basis. The valuation used the attained age valuation method and the main assumptions in the valuation are an investment return of 5% per annum, salary increases of 3.5% per annum and interest credited to balances of 6% per annum. The valuation was prepared by Tian Keat Aun - Director, Retirement Hong Kong (a Fellow of The Institute and Faculty of Actuaries), and Michael Lee - Consultant, Retirement Hong Kong of Towers Watson Hong Kong Limited. The second plan provides benefits equal to the employer vested contributions plus a minimum interest thereon of 5% per annum. As at 31 December 2024, vested benefits under this plan were fully funded in accordance with the ORSO funding requirements.

(b) Defined contribution plans

Employees of certain subsidiaries are entitled to receive benefits from a provident fund, which is a defined contribution plan. The employee and the employer both make monthly contributions to the plan at a predetermined rate of the employees' basic salary. The Group has no further obligations under the plan beyond its monthly contributions. The fund is administered and managed by the relevant agencies. Forfeited contributions totalling HK\$0.3 million (2023: HK\$0.1 million) were used to reduce the current year's level of contributions during the year and no forfeited contribution was available as at 31 December 2024 (2023: Nil) to reduce future years' contributions.

35 Ultimate Holding Company

As at 31 December 2024 and 2023, approximately 66% of the issued share capital of the Company was owned by CK Hutchison Holdings Limited ("CKHH"), which was incorporated in the Cayman Islands with limited liability. The directors regarded CKHH as the Company's ultimate holding company.

36 Related Party Transactions

Parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals.

Related Party Group:

- (1) CKHH Group - CKHH together with its direct and indirect subsidiaries, associated companies and joint ventures
- (2) Joint venture of the Group

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Save as disclosed elsewhere in the consolidated financial statements, transactions between the Group and other related parties during the year are summarised below.

(a) Key management personnel remuneration

No transaction has been entered with the directors of the Company (being the key management personnel) during the year other than the emoluments paid to them (being the key management personnel remuneration) as disclosed in Note 7.

36 Related Party Transactions (Continued)**(b) Transactions with related parties**

	2024 HK\$ million	2023 HK\$ million
CKHH Group		
Provisions of mobile telecommunications services	25	29
Sale of fixed-line telecommunications services	1	-
Sharing of services arrangement income	3	3
Purchase of telecommunications services	(7)	(7)
Purchase of telecommunications products	(3)	(2)
Purchase of non-telecommunications products	(8)	(21)
Rental expenses on lease arrangements	(4)	(5)
Dealership service expenses	(50)	(54)
Billing collection service expenses	(2)	(3)
Purchase of office supplies	(11)	(11)
Advertising and promotion expenses	(4)	(1)
Global procurement service arrangement expenses	(10)	(10)
Sharing of services arrangement expenses	(19)	(21)
Corporate guarantee expenses	(8)	(8)
Purchase of right-of-use assets	(2)	(3)
Purchase of property, plant and equipment	(1)	(1)
Joint Venture of the Group		
Interest income	13	15
Sharing of services arrangement income	1	1
Purchase of telecommunications services	(106)	(122)

In the opinion of the directors of the Company, the above related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties.

37 Statement of Financial Position of the Company as at 31 December 2024

	2024 HK\$ million	2023 HK\$ million
Non-current assets		
Investments in subsidiaries, at cost ^(a)	5,577	5,577
Receivables from subsidiaries ^(b)	3,972	3,873
Total non-current assets	9,549	9,450
Current assets		
Cash and cash equivalents ^(c)	2,634	1,630
Short-term bank deposits with original maturity beyond 3 months ^(c)	511	1,774
Other current assets	17	38
Receivable from a subsidiary ^(d)	1	-
Total current assets	3,163	3,442
Current liabilities		
Other payables	8	7
Payables to subsidiaries ^(d)	-	1
Current income tax liabilities	-	2
Total current liabilities	8	10
Net assets	12,704	12,882
Capital and reserves		
Share capital (Note 29)	1,205	1,205
Reserves ^(e)	11,499	11,677
Total equity	12,704	12,882

LUI Dennis Pok Man
Director

KOO Sing Fai
Director

37 Statement of Financial Position of the Company as at 31 December 2024 (continued)

- (a) Particulars regarding the principal subsidiaries are set out on page 211.
- (b) Receivables from subsidiaries are unsecured and not expected to be repayable within 12 months from the date of the financial statements. Except for the balance of HK\$560 million (2023: HK\$461 million) which bears interest at HIBOR plus 0.8% per annum (2023: Same), the remaining balance of HK\$3,412 million (2023: HK\$3,412 million) are interest-free.
- (c) As at 31 December 2024, the weighted average interest rate on short-term bank deposits was 4.61% (2023: 5.36%) per annum.

The carrying values of cash and bank balances approximate their fair values.

- (d) The balances with subsidiaries are interest-free, unsecured and repayable on demand.
- (e) Reserve movement of the Company

	Share premium HK\$ million	Retained earnings HK\$ million	Total HK\$ million
At 1 January 2023	11,185	657	11,842
Profit for the year	-	196	196
Dividend paid	-	(361)	(361)
At 31 December 2023	11,185	492	11,677
At 1 January 2024	11,185	492	11,677
Profit for the year	-	183	183
Dividend paid	-	(361)	(361)
At 31 December 2024	11,185	314	11,499

Reserve of the Company available for distribution to shareholders of the Company as at 31 December 2024 amounted to HK\$11,499 million (2023: HK\$11,677 million).

List of Principal Subsidiaries

Particulars of the principal subsidiaries as at 31 December 2024 are as follows:

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Direct interest held	Indirect interest held
Hutchison Telecommunications (BVI) Holdings Limited	The British Virgin Islands, limited liability company	Investment holding	11 ordinary shares of US\$1 each	100%	-
Hutchison Telecommunications (Hong Kong) Limited	Hong Kong, limited liability company	Investment holding	HK\$5,000,020	-	100%
Hutchison Telephone Company Limited	Hong Kong, limited liability company	Mobile telecommunications business in Hong Kong	HK\$2,730,684,340	-	100%
Hutchison Telephone (Macau) Company Limited	Macau, limited liability company	Mobile telecommunications business in Macau	MOP10,000,000	-	100%

Supplementary Financial Information

(1) Reconciliation of Key Financial Information between Consolidated Income Statement and Management Discussion and Analysis Section

	2024			2023		
	Company and Subsidiaries HK\$ million	Joint Venture HK\$ million	Total HK\$ million	Company and Subsidiaries HK\$ million	Joint Venture HK\$ million	Total HK\$ million
EBITDA ⁽ⁱ⁾	1,469	53	1,522	1,395	62	1,457
Depreciation and amortisation	(1,491)	(39)	(1,530)	(1,481)	(45)	(1,526)
(LBIT)/EBIT ⁽ⁱⁱ⁾	(22)	14	(8)	(86)	17	(69)
Interest and other finance income	194	-	194	196	-	196
Interest and other finance costs	(83)	(13)	(96)	(80)	(15)	(95)
Share of result of a joint venture	(4)	4	-	(4)	4	-
Profit before taxation	85	5	90	26	6	32
Taxation	(79)	(5)	(84)	(78)	(6)	(84)
Profit/(loss) attributable to shareholders of the Company	6	-	6	(52)	-	(52)

(i) EBITDA is defined as earnings before interest and other finance income, interest and other finance costs, taxation, and depreciation and amortisation.

(ii) (LBIT)/EBIT is defined as (losses)/earnings before interest and other finance income, interest and other finance costs, and taxation.

(2) Five-year Financial Summary ⁽ⁱ⁾

	2024 HK\$ million	2023 HK\$ million	2022 HK\$ million	2021 HK\$ million	2020 HK\$ million
RESULTS					
Revenue	4,782	4,896	4,882	5,385	4,545
Net profit/(loss) attributable to shareholders of the Company	6	(52)	(158)	4	361
ASSETS					
Total non-current assets	9,187	9,715	10,179	10,469	8,391
Cash and bank balances	3,679	3,684	3,700	3,975	5,251
Other current assets	1,104	1,161	1,077	1,002	1,172
Total assets	13,970	14,560	14,956	15,446	14,814
LIABILITIES					
Other current liabilities	2,009	2,163	2,117	2,145	2,013
Other non-current liabilities	2,428	2,539	2,570	2,486	754
Total liabilities	4,437	4,702	4,687	4,631	2,767
Net assets	9,533	9,858	10,269	10,815	12,047
CAPITAL AND RESERVES					
Share capital	1,205	1,205	1,205	1,205	1,205
Reserves	8,328	8,653	9,064	9,610	10,842
Total equity	9,533	9,858	10,269	10,815	12,047

(i) Details of the basis of preparation of the consolidated financial statements are set out in Note 2 to the consolidated financial statements.

Glossary

In this Annual Report, unless the context otherwise requires, the following expressions have the following meanings:

Terms	Definitions
"Articles of Association"	the Articles of Association of the Company as amended from time to time
"Board"	the Board of Directors
"CACs"	expensed customer acquisition and retention costs plus the related staff costs, rental and other expenses
"CKHH"	CK Hutchison Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1)
"CKHH Group"	CKHH and its subsidiaries
"Company" or "HTHKH"	Hutchison Telecommunications Hong Kong Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 215)
"Director(s)"	director(s) of the Company
"EBIT/LBIT"	earnings or losses before net interest and other finance income, taxation, adjusted to include the Group's proportionate share of joint venture's EBIT
"EBITDA"	earnings before net interest and other finance income, taxation, depreciation and amortisation, adjusted to include the Group's proportionate share of joint venture's EBITDA
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"HK" or "Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HKEx"	Hong Kong Exchanges and Clearing Limited

Terms	Definitions
"HWL"	Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability, whose shares were previously listed on the Main Board of the Stock Exchange (Stock Code: 13) and was privatised by way of a scheme of arrangement on 3 June 2015; the then substantial shareholder of the Company
"HWL Group"	HWL and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"net customer service margin"	net customer service revenue less direct variable costs (including interconnection charges and roaming costs)
"Postpaid gross ARPU"	monthly average spending per postpaid user including a customer's contribution to mobile devices and other products in a bundled plan
"Postpaid net AMPU"	average net margin per postpaid user; postpaid net AMPU equals postpaid net ARPU less direct variable costs (including interconnection charges and roaming costs)
"Postpaid net ARPU"	monthly average spending per postpaid user excluding revenue related to hardware and other product under the non-subsidised hardware and other product business model
"PricewaterhouseCoopers" or "PwC"	PricewaterhouseCoopers, Certified Public Accountants and Registered Public Interest Entity Auditor
"service EBITDA/EBIT/LBIT"	EBITDA/EBIT/LBIT excluding standalone hardware and other product sales margin
"SFO"	Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

Information for Shareholders

Listing

The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited

Stock Code

215

Public Float Capitalisation

As at 31 December 2024:
Approximately HK\$1,118 million (approximately 25.20% of the issued share capital of the Company)

Financial Calendar

Payment of 2024 Interim Dividend:	6 September 2024
2024 Final Results Announcement:	14 March 2025
Closure of Register of Members:	9 May 2025 to 14 May 2025
Annual General Meeting:	14 May 2025
Record Date for 2024 Final Dividend:	20 May 2025
Payment of 2024 Final Dividend:	29 May 2025
2025 Interim Results Announcement:	August 2025

Registered Office

P.O. Box 31119 Grand Pavilion, Hibiscus Way,
802 West Bay Road, Grand Cayman,
KY1-1205 Cayman Islands

Head Office and Principal Place of Business

48th Floor, Cheung Kong Center, 2 Queen's Road Central,
Hong Kong
Telephone: +852 2128 1188
Facsimile: +852 2128 1705

Principal Executive Office

19th Floor, Hutchison Telecom Tower, 99 Cheung Fai Road,
Tsing Yi, Hong Kong
Telephone: +852 2128 2828
Facsimile: +852 2128 3388

Cayman Islands Share Registrar and Transfer Office

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D,
P.O. Box 1586, Gardenia Court,
Camana Bay, Grand Cayman,
KY1-1100, Cayman Islands
Telephone: +1 345 949 9107
Facsimile: +1 345 949 5777

Hong Kong Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Wanchai, Hong Kong
Telephone: +852 2862 8628
Facsimile: +852 2865 0990

Investor Information

Corporate press releases, financial reports and other investor information are available online on the website of the Company

Investor Relations Contact

Please direct enquiries to:
Telephone: +852 2128 6828
Facsimile: +852 3909 0966
Email: ir@hthkh.com

Website Address

www.hthkh.com



Hutchison Telecom
Hong Kong Holdings

Hutchison Telecommunications Hong Kong Holdings Limited

19/F, Hutchison Telecom Tower, 99 Cheung Fai Road, Tsing Yi, Hong Kong
Telephone: +852 2128 2828 Facsimile: +852 2128 3388



www.hthkh.com