

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