

Chairman's Statement

The Group continued its upward trajectory from 2024, recording a modest profit in the first half of 2025 and providing a balanced footing for the remainder of the year. This milestone affirms the Group's commitment to sustainable growth through targeted revenue expansion and operational enhancements.

The Group's profit attributable to shareholders and earnings per share were HK\$6 million and 0.12 HK cents respectively for the period ended 30 June 2025, marking a gradual turnaround from the loss recorded in the same period the previous year.

Dividend

The Board declared an interim dividend of 2.28 HK cents per share for the six months ended 30 June 2025 (2024 interim dividend: 2.28 HK cents per share), in line with the same period the previous year, payable on Tuesday, 16 September 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 Friday, 5 September 2025, being the record date for determining shareholders' entitlement to the interim dividend. 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

Outbound and inbound roaming service revenue grew steadily in the first half of 2025, driven by favourable tourism trends and strong market uptake of the Group's comprehensive roaming offerings. Total roaming service revenue rose by 30% year-on-year to HK\$399 million, surpassing pre-pandemic levels. This growth has more than offset the 2% decline in local service revenue, which was impacted by the continued competitive landscape and evolving consumer spending patterns during the first half of 2025. Net customer service revenue increased by HK\$62 million or 4% year-on-year to HK\$1,822 million.

Hardware revenue also saw an uplift of HK\$96 million or 32%, which was attributed to increased sales volume of flagship mobile devices compared to the same period the previous year. Consequently, the Group's total revenue increased by HK\$158 million or 8% against the same period the previous year. Total margin remained stable at HK\$1,525 million, supported by improvements in both net customer service revenue and hardware revenue.

EBITDA rose by HK\$43 million or 6% year-on-year to HK\$771 million, primarily driven by sustained reductions in operating expenses, which amounted to 5% over the period, together with lower CACs. This reflected the Group's effective cost-saving efforts for network operations and financial discipline.

Building on the EBIT momentum established in the second half of 2024, the Group sustained its profitability in the first half of 2025, reporting an EBIT of HK\$6 million. This represented a gradual turnaround from the LBIT reported in the same period the previous year, largely attributable to improved EBITDA performance, while the depreciation and amortisation expenses remained broadly stable.

As at 30 June 2025, the Group's customer base reached approximately 6.1 million, underpinned by prepaid subscriber growth across both local and overseas markets. The Group's 5G penetration rate reached 57% (30 June 2024: 51%), reflecting the strength of its service offerings and network infrastructure. The monthly postpaid churn rate improved slightly to 0.9% (1H 2024: 1.0%), demonstrating effective customer engagement and retention in a competitive market landscape. Postpaid net ARPU increased by 2% to HK\$171 compared to the same period the previous year, primarily driven by strong performance in roaming service revenue.

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Outlook

The economic outlook of Hong Kong remains clouded by ongoing global geopolitical tensions and evolving monetary policies. To navigate this complex landscape, the Group continues to prioritise operational agility and resilience, while advancing its network infrastructure capabilities and upholding trusted service quality.

The Group will continue to strengthen its roaming business across both mass and wholesale segments, capitalising on the robust rebound in international travel by further enhancing its offerings with greater flexibility and value-added services. In addition, the Group has launched the 3Business Empower, a managed information technology service designed to enhance cybersecurity and improve operational efficiency, addressing the growing demands of small and medium-sized enterprises.

Upholding responsible business practices reflects the Group's commitment to sustainability. It continues to implement energy-efficient solutions that support long-term sustainable growth, striking a balance between capital and operational efficiency. In parallel, the Group fosters an inclusive workplace culture that prioritises employee wellbeing and professional development, ensuring a resilient and engaged workforce.

The Group's return to positive EBIT performance reflects its strategic agility and ability to navigate macroeconomic headwinds. With a measured outlook, the Board continues to focus on expanding revenue opportunities and driving efficiency. Through disciplined financial management, the Group is well-positioned to capture long-term value-enhancing opportunities and deliver consistent shareholder returns.

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

FOK Kin Ning, Canning

Chairman

Hong Kong, 8 August 2025