

**SmarTone core business remains resilient in 2020  
despite unprecedented challenge from COVID-19****Highlights**

- The business environment has been very challenging due to COVID-19; especially because of the impact on roaming revenues
- Underlying profit attributable to equity holders decreased by 24%, from \$581 million to \$440 million, excluding a one-off cost adjustment in FY19 and an impairment in FY20
- Excluding roaming, SmarTone core business remained resilient; customer numbers increased 6% to 2.7 million; postpaid churn rate improved to an industry-low of 0.7%
- In May, 5G was launched providing the widest network coverage using industry-leading Dynamic Spectrum Sharing technology; 5G uptake has exceeded expectations despite the limited choice of 5G handsets at this stage
- The Board proposes a final dividend of 15 cents per share, bringing full year dividend to 29.5 cents per share, in line with the 75% payout policy of underlying profit attributable to equity holders (excluding one-off items)

**Hong Kong 2 September 2020** - SmarTone Telecommunications Holdings Limited (“SmarTone”; SEHK: 315), the telecommunication subsidiary of Sun Hung Kai Properties (SEHK: 0016), today announced its financial results for the year ended 30 June 2020.

SmarTone was faced with one of the most challenging years as the COVID-19 pandemic severely affected both business operations, as well as our customers’ way of life. In the last financial year, SmarTone recorded a 24% drop in underlying profit from \$581 million to \$440 million, excluding the one-off cost adjustment in FY19 and an impairment in FY20. The decline was primarily due to the collapse in roaming revenues (both inbound and outbound) as international travel was severely restricted.

Leaving the impact of roaming aside, the core business of SmarTone was resilient during the last financial year. The number of subscribers increased by 6% to 2.7 million, with postpaid churn rate improved to an industry-low of 0.7% due to SmarTone’s outstanding network performance and customer services. Under the non-HKFRS 16 accounting standard, service revenues excluding roaming increased 1% and operating costs have been kept flat. The company also saw strong growth in the enterprise business with its solutions widely recognised for helping corporations to improve performance and enhance efficiency.

With the launch of 5G service in May, the service uptake has exceeded expectation. SmarTone will continue to invest in the network to provide the unparalleled 5G network experience with the widest network coverage.

In line with the company's 75% payout policy, the Board proposes a final dividend of 15 cents, making a full-year dividend of 29.5 cents per share, based on underlying profit attributable to equity holders of \$440 million (excluding one-off items).

Mr. Allen Fung, Deputy Chairman and Executive Director of SmarTone Telecommunications Holdings Ltd., said: "Looking ahead, the coming year is still likely to be a very difficult one with the uncertain economic environment, but SmarTone sees a number of opportunities for the company to expand revenue streams. Our commitment in providing an outstanding network and superior customer service only becomes more steadfast. I believe SmarTone already has the strongest 5G network with the best coverage in Hong Kong, and we will continue to invest in 5G to reinforce our technology leadership."

For further details of the 2019/2020 annual results, please refer to website:

<https://bit.ly/3bdLw9Y>

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