

SmarTone Recorded Resilient Financial Performance amid Intense Market Competition

- *Service revenue recorded a 3% growth excluding revenue from MVNO, SMS and prepaid*
- *Strong roaming revenue recovery, increased 64% and reached 86% of pre-pandemic level*
- *5G Home Broadband service and Enterprise Solution Business remain driver of growth*
- *Mobile postpaid ARPU increased 1% to \$224; Customer number grew 1% to 2.65 million; 5G penetration reached 38% as of December 2023*
- *Profit attributable to equity holders was \$246 million*
- *Net cash reached \$1 Billion*
- *The Board declares an interim dividend of 14.5 cents per share, same as last year*

(Hong Kong, 22 February 2024) SmarTone Telecommunications Holdings Limited ("SmarTone"; SEHK: 315), the telecommunication subsidiary of Sun Hung Kai Properties (SEHK: 0016), today announced its financial results for the six months ended 31 December 2023.

During the period under review, the market experienced strong price competition and a challenging economic environment. Despite this competitive landscape, mobile postpaid ARPU and customer base saw an improvement by 1%, to \$224 and 2.65 million respectively. At the same time, 5G customers now represent 38% of SmarTone's customer base, with an increase of 5% since December 2022. Service revenue, with the exclusion of Mobile Virtual Network Operator (MVNO), SMS, and prepaid services, rose by 3%. For this period, the profit attributable to equity holders amounted to \$246 million.

SmarTone recorded a strong recovery in roaming revenues which grew by 64% year on year, reaching 86% of its pre-pandemic levels marking a consistent quarter over quarter increase since the resumption of travel. The proportion of SmarTone customers opting for our roaming services over third-party alternatives has more than doubled compared to the period before the pandemic.

SmarTone's 5G Home Broadband service has emerged as a material driver of growth for the company since its launch in 2020, as it offers an advantageous alternative for households lacking fiber connectivity, providing a faster, more affordable, and convenient service. There was also an increasing number of individuals, together with SMEs, subscribing to this service, as they are attracted by the service's flexibility, ease of installation and cost-effectiveness.

SmarTone's Enterprise Solutions division continued to deliver solid growth. With the introduction of the SmartHome solution in partnership with the SHKP Group in December 2023, this innovative offering leverages SmarTone's pre-installed estate-wide 5G network, coupled with a smart home platform and an in-wall Wi-Fi 6 network system, enabling homeowners to connect their devices effortlessly for an unmatched smart living experience. SmarTone is committed to pioneering new ideas, investing in platform and product development, and expanding this emerging market in collaboration with the SHKP Group.

SmarTone has solidified its leadership in the premium consumer market, earning widespread recognition for its exceptional network quality, outstanding customer service, and status as a leading brand. SmarTone received prestigious awards such as the "Best 5G Mobile Network Operator" by the Communications Association of Hong Kong (CAHK), gold award in the "2023 Service Talent Award" organized by the Hong Kong Retail Management Association (HKRMA) for excellent service performance at both supervisory and junior frontline levels. Moreover, SmarTone's online store was also distinguished with the HKRMA's annual "Top 10 Quality Trusted E-Shops" award.

Ms. Fiona Lau, Executive Director and Chief Executive Officer at SmarTone, said, "SmarTone's direction is clear – we have a long term commitment to delivering unparalleled customer service and outstanding network. In addition, we aspire to be more than a network provider: we will do more to enhance our customers' ability to embrace a broader range of technology in daily lives and to offer them protection against cybersecurity threats – our vision is to be our customers' "trusted partner in digital life."

The Board declared an interim dividend of 14.5 cents per share, consistent with last year. With a strong net cash position of \$1 billion, SmarTone stands to benefit from the high interest rate environment.

For further details of the 2023/2024 interim results, please refer to website:

https://www.smartoneholdings.com/jsp/site/investor_relations/results/english/index.jsp

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