



HKT reports solid interim results for 2022

HKT (SEHK: 6823) – HONG KONG, 11 August 2022 – The directors of HKT Management Limited (the “Trustee-Manager”, in its capacity as the trustee-manager of the HKT Trust) and HKT Limited (the “Company” or “HKT”) are pleased to announce the unaudited consolidated results of the HKT Trust and of the Company together with the Company’s subsidiaries (collectively the “Group”) for the six months ended 30 June 2022. The key figures are as follows:

- Total revenue increased by 3% to HK\$16,157 million while total revenue excluding Mobile product sales grew by 5% to HK\$14,868 million; revenue growth was driven by continued strong demand for our reliable, high-speed broadband services alongside the growing adoption of our 5G services by both consumer and enterprise customers
- Total EBITDA increased by 2% to HK\$5,834 million
- Adjusted funds flow increased by 2% to HK\$2,377 million
- Profit attributable to holders of Share Stapled Units increased by 1% to HK\$1,910 million; basic earnings per Share Stapled Unit was 25.22 HK cents
- Interim distribution per Share Stapled Unit is 31.36 HK cents

The Hong Kong economy entered a pronounced slowdown in the first half of 2022 caused by the onset of the fifth wave of COVID-19 (the “fifth wave”). HKT remained focused on its strategic priorities in serving both the consumer and business segments and managed to achieve steady growth during the period.

With the subdued consumer sentiment in the first half, the Mobile business recorded a 2% growth in services revenue to HK\$3,647 million for the six months ended 30 June 2022. Local core revenue grew by 2%, benefiting from continued 5G adoption, growth in our post-paid customer base as well as higher revenue contribution from Mobile enterprise solutions. Comparatively lower Mobile product sales were recorded during the period as a result of elevated sales in the first half of 2021 following the delayed launch of popular handset models and the adverse impact of supply chain disruptions. EBITDA from the Mobile segment increased by 2% to HK\$2,122 million during the period, in line with growth in Mobile services revenue.

As individuals, households and enterprises returned to hybrid arrangements during the onset of the fifth wave, the Telecommunications Services (“TSS”) business continued to benefit on the back of its reliable and extensive fixed network with revenue growing by 5% to HK\$11,596 million. The consumer broadband business witnessed further uptake of its high-speed fibre-to-the-home (“FTTH”) services and Home Wi-Fi solutions helping to lift average revenue per user (“ARPU”). The enterprise segment continued to demonstrate robust growth as both private enterprises and the public sector accelerated their digital transformation and smart city initiatives. As a result, the local data services business registered a solid revenue growth of 6% during the period. The International Telecommunications Services business achieved 9% growth in revenue, driven by increased global voice revenue, resilient data revenue supported by recent cable projects as well as the growing adoption of our Console Connect platform. Total TSS EBITDA increased by 2% to HK\$4,104 million, reflecting further operating efficiencies.

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a PCCW Group member

As a result, HKT's total revenue for the six months ended 30 June 2022 increased by 3% to HK\$16,157 million, while total revenue excluding Mobile product sales increased by 5% to HK\$14,868 million. Total EBITDA for the period increased by 2% year-on-year to HK\$5,834 million.

Profit attributable to holders of share stapled units of the HKT Trust and HKT ("Share Stapled Units") was HK\$1,910 million for the period, an increase of 1% over the previous year. Profit growth was impacted by higher depreciation and amortisation expenses primarily arising from mobile spectrum re-assignment. Basic earnings per Share Stapled Unit was 25.22 HK cents.

Adjusted funds flow for the six months ended 30 June 2022 rose to HK\$2,377 million, an increase of 2% over the previous year. Adjusted funds flow per Share Stapled Unit was 31.36 HK cents.

The board of directors of the Trustee-Manager declared an interim distribution of 31.36 HK cents per Share Stapled Unit for the six months ended 30 June 2022.

HKT's Group Managing Director, Ms Susanna Hui, said, "This May, together with PCCW Limited and in partnership with The Sandbox, HKT became the first Hong Kong-based integrated communications, media and technology ("CMT") organisation to join the metaverse. We aim to leverage our digital ecosystem to explore opportunities presented by Web3 by connecting the physical world with the virtual."

Ms Hui said, "We are also pleased to announce today that Now TV has secured the exclusive broadcast rights for FIFA World Cup Qatar 2022™ to be held in November and December. All 64 matches will be broadcast in 4K starting from early evening, enabling a wider audience in Hong Kong to enjoy the matches during TV prime time."

Continuing our community support initiatives, we became Hong Kong's first mobile telecommunications operator to finish building 5G mobile network base stations for emergency treatment and isolation facilities at the Lok Ma Chau Loop, while providing free local mobile data to healthcare workers and quarantined individuals.

Adding to the much-needed business opportunities presented by the Consumption Voucher Scheme ("CVS"), HKT Merchant Services waived Tap & Go and FPS transaction fees for SMEs, social enterprises and NGOs via our SmartPOS device and FPS Payment Solution.

Ms Hui added, "As we capitalise on our resources for the good of the public and our business, we shall continue to closely observe the macroeconomic environment for effective contribution and efficient business judgement, to ensure our capabilities and resilience yield sustained returns for unitholders."

For further details of the 2022 interim results, please refer to the [announcement](#) that has been filed with The Stock Exchange of Hong Kong Limited.



HKT Group Managing Director Ms Susanna Hui announces solid results for the six months ended 30 June 2022.



HKT Group Managing Director Ms Susanna Hui and HKT Chief Financial Officer Mr Patrick Poon present HKT's 2022 interim results.

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About HKT

HKT (SEHK: 6823) is Hong Kong's premier telecommunications service provider and a leading innovator. Its fixed-line, broadband, mobile communication and media entertainment services offer a unique quadruple-play experience. HKT meets the needs of the Hong Kong public and local and international businesses with a wide range of services including local telephony, local data and broadband, international telecommunications, mobile, enterprise solutions, FinTech, e-Commerce, Big Data Analytics, media entertainment including the provision of interactive pay-TV services, and other telecommunications businesses such as customer premises equipment sales, outsourcing, consulting and contact centers.

HKT is the first local mobile operator to launch a true 5G network in Hong Kong with differentiated value-added services. Backed by its substantial holding of 5G spectrum across all bands and a robust and extensive fiber backhaul infrastructure, HKT is committed to providing comprehensive 5G network coverage across the city.

HKT delivers end-to-end integrated solutions employing emerging technologies such as 5G, cloud computing, Internet of Things ("IoT") and artificial intelligence ("AI") to accelerate the digital transformation of enterprises and contribute to Hong Kong's development into a smart city.

Riding on its massive loyal customer base, HKT has also built a digital ecosystem integrating its loyalty program, e-Commerce, travel, insurance, Big Data Analytics, FinTech and HealthTech services. The ecosystem deepens HKT's relationship with its customers thereby enhancing customer retention and engagement.

For more information, please visit www.hkt.com.

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