

HKT reports solid interim results for 2021

HKT (SEHK: 6823) – HONG KONG, August 5, 2021 – 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 June 30, 2021. Some of the key figures are as follows:

- Total revenue increased by 7% to HK\$15,643 million benefiting from a continued strong demand for broadband and data services alongside the growing adoption of our 5G services by both consumers and enterprises, as well as higher handset sales; and total revenue excluding Mobile product sales also rose by 3% to HK\$14,112 million;
- Total EBITDA increased by 3% to HK\$5,715 million;
- Adjusted funds flow increased by 2% to HK\$2,326 million;
- Reflecting the breadth and scale of our diversified business portfolio, resilient performance across the board as well as continuous improvements in operational efficiencies;
- Profit attributable to holders of Share Stapled Units held steady at HK\$1,900 million; basic earnings per Share Stapled Unit was 25.09 HK cents; and
- Interim distribution per Share Stapled Unit of 30.70 HK cents.

HKT delivered a solid set of financial results for the six months ended June 30, 2021, amid the ongoing impacts of the pandemic on consumer and business activities set against a gradually improving operating environment.

The pandemic has highlighted the importance of connectivity and digital transformation services to consumer and business communities under the new normal where social distancing measures are maintained. As Hong Kong’s premier information and communications technology (“ICT”) service provider, HKT remained focused on its customers by delivering superior networks and digital platforms and offering innovative value-added services and compelling entertainment content to consumers and businesses.

Leveraging its solid fundamentals, the Telecommunications Services (“TSS”) business continued to demonstrate resilience and diversity during the period. The superior quality and reliability of HKT’s fiber network continued to drive strong demand for our home broadband services alongside the Smart Living solutions. The enterprise segment also achieved robust growth momentum as business customers intensified their digital transformation efforts in response to the pandemic and the changing behavior and requirements of their end users. As a result, the local data services business registered a 5% growth in revenue during the period. The slowdown in international telecommunications business was mainly attributed to a decline in wholesale voice related revenue. As such, the TSS revenue edged down 1% to HK\$10,243 million, with EBITDA increasing by 1% to HK\$3,824 million during the period. Excluding international telecommunications revenue, the revenue from our local TSS business increased by 5%, compared to the corresponding period in the previous year.

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The Mobile business recorded a 12% growth in revenue to HK\$5,108 million during the period. The Mobile services revenue held steady at HK\$3,577 million, as the surge in local core revenue of 5% year-on-year more than compensated for the reduced contributions from the roaming business depressed by ongoing global travel restrictions. The surge in local core revenue benefited from the average revenue per user (“ARPU”) uplift from new subscriptions and upgrades to our 5G services. Meanwhile, handset sales also performed well benefiting from the 5G handset upgrade cycle, improved consumer confidence and more traffic captured by our digital channel Club Shopping. EBITDA from the Mobile segment increased by 1% to HK\$2,072 million, with the overall margin at 41% during the period.

The Pay TV business, which included the full six-month contribution from Now TV, generated revenue of HK\$1,231 million and EBITDA of HK\$212 million in the first half of the year, reflecting the impact of our exclusive broadcast of UEFA EURO 2020™ on the subscription service and revenue generated from event-specific passes. During the period, Now TV enjoyed a significant year-on-year growth of 48% in advertising revenue.

Consequently, total EBITDA for the period increased by 3% year-on-year to HK\$5,715 million. Profit attributable to holders of the share stapled units of the HKT Trust and HKT (“Share Stapled Units”), however, remained stable at HK\$1,900 million due to higher amortization expenses largely attributed to the integration of the Now TV business. Basic earnings per Share Stapled Unit was 25.09 HK cents.

Adjusted funds flow for the six months ended June 30, 2021 rose to HK\$2,326 million, an increase of 2% over the previous year. The adjusted funds flow per Share Stapled Unit was 30.70 HK cents.

The board of directors of the Trustee-Manager declared an interim distribution of 30.70 HK cents per Share Stapled Unit for the six months ended June 30, 2021.

HKT’s Group Managing Director, Ms. Susanna Hui, said, “To create favorable conditions for a full-fledged revival of the economy, the Government has urged the public to actively participate in COVID-19 vaccination. HKT believes this is vital to keeping the pandemic under control and is extending paid leave to its employees to facilitate their receiving the vaccines.”

Ms. Hui said, “Going forward, we will continue to embrace new innovations in our unique quadplay propositions, which are achieving synergy through cross-selling. In addition, we aim to create compelling digital experiences for customers by further growing and making breakthroughs in our new businesses including e-commerce, HealthTech and FinTech, diversifying our revenue and creating value in the medium term.”

Riding the current wave of economic rebound, HKT will strengthen its focus on 5G development to spur consumer and commercial adoption and consolidate its leadership in innovation in Hong Kong. The Group is determined to fulfill its role as a technology enabler to enterprises as digitalization takes hold in different industries. These efforts will help advance Hong Kong’s transformation into a smart city.

Ms. Hui added, “In the coming months, we will remain vigilant to the development of the pandemic situation. Economic indicators so far have shown that Hong Kong’s recovery is progressing well. Indeed, with our diverse business portfolio, strong fixed-mobile convergence propositions, demand from enterprise customers and the general public for digital initiatives and our resilient financial position, we are well placed to benefit from the improving economic conditions, and create value for our unitholders.”

For further details of the 2021 interim results, please refer to the [announcement](#) that has been filed with The Stock Exchange of Hong Kong Limited.

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HKT Group Managing Director Ms. Susanna Hui announces solid results for the six months ended June 30, 2021.



HKT Group Managing Director Ms. Susanna Hui and HKT Chief Financial Officer Mr. Evan Wong present HKT's 2021 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, media entertainment, enterprise solutions 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 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, 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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