

## HKT reports solid financial results for 2021

**HKT (SEHK: 6823) – HONG KONG, February 24, 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 audited consolidated results of the HKT Trust and of the Company together with the Company’s subsidiaries (collectively the “Group”) for the year ended December 31, 2021. The key figures are as follows:

- Total revenue increased by 5% to HK\$33,961 million, reflecting continued strong demand for fixed broadband services, the broader 5G adoption by both consumers and enterprises and robust handset sales
- Total EBITDA increased by 2% to HK\$12,733 million; increased by 5% if adjusted for impact of Employment Support Scheme (“ESS”) in 2020
- Adjusted Funds Flow increased by 2.4% to HK\$5,513 million
- Reflecting the breadth and scale of our diversified business portfolio, resilient demand for our core services while improvements on operational efficiencies continued
- Profit attributable to holders of Share Stapled Units amounted to HK\$4,808 million; basic earnings per Share Stapled Unit was 63.49 HK cents
- Final distribution per Share Stapled Unit is 42.07 HK cents, resulting in a total distribution of 72.77 HK cents representing the full payout of Adjusted Funds Flow per Share Stapled Unit for the year

HKT recorded solid results and a steady rise in adjusted funds flow for the year ended December 31, 2021 as the second half of the year was buoyed by government economic stimulus, a stabilized COVID situation and a resumption of economic activities.

With demand for fast and reliable connectivity remaining strong, the Telecommunications Services (“TSS”) benefited on the back of its well-established and resilient network as well as its enterprise focused services. The consumer broadband business witnessed an expansion in its subscriber base with further subscriptions to its fiber-to-the-home (“FTTH”) services and take-up of Home Wi-Fi solutions lifting average revenue per user (“ARPU”). The enterprise segment demonstrated robust growth as enterprise customers accelerated their digital transformation during the year. As a result, the local data services business registered 4% growth in revenue during the year.

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The International business was impacted by a moderation in wholesale voice revenue and the absence of lumpy one-off cable revenues from the prior year. Consequently, total TSS revenue edged down by 2% to HK\$21,812 million. However, after excluding the International Telecommunications Services business, revenue from our local TSS business increased by 1% year-on-year. Total TSS EBITDA increased by 1% to HK\$8,468 million with the margin improving to 39%, reflecting the shift in revenue mix towards local data services and productivity improvements achieved during the year.

The Mobile business recorded healthy 13% growth in total revenue to HK\$11,748 million during the year. The 2% growth in local core revenue reflected the ARPU uplift from new subscriptions and upgrades to our 5G plans as well as a continued expansion in our customer base. Roaming overhang persisted due to the strict travel conditions in Hong Kong which partially offset the local revenue growth resulting in Mobile services revenue growth of 1%. Mobile product sales returned to more than pre-pandemic levels reflecting consumer upgrades to new 5G handset models amid improved sentiment stimulated by the Government's Consumption Voucher Scheme. EBITDA from the Mobile segment increased by 1% to HK\$4,780 million during the year, in line with growth in Mobile services revenue.

The Pay TV business, which included the first full-year contribution from Now TV, generated revenue of HK\$2,456 million and EBITDA of HK\$481 million for the year ended December 31, 2021. Despite rising competition from over-the-top ("OTT") players, Now TV delivered resilient business performance due to its unrivalled sports content offering, growing subscriptions on its Now E streaming service and healthy growth in advertising revenue. Pro-forma EBITDA grew by 6% during the year, aided by savings in content costs and the benefits accruing from HKT's quadplay platform.

As a result, HKT's total revenue for the year increased by 5% to HK\$33,961 million and total EBITDA increased by 2% to HK\$12,733 million. Profit attributable to holders of share stapled units of the HKT Trust and HKT ("Share Stapled Units") was HK\$4,808 million for the year. Basic earnings per Share Stapled Unit was 63.49 HK cents.

Adjusted funds flow for the year ended December 31, 2021 rose to HK\$5,513 million, an increase of 2.4% over the previous year. Annual adjusted funds flow per Share Stapled Unit was 72.77 HK cents.

The board of directors of the Trustee-Manager has recommended the payment of a final distribution of 42.07 HK cents per Share Stapled Unit for the year ended December 31, 2021. This brings the 2021 full-year distribution to 72.77 HK cents per Share Stapled Unit (comprising 30.70 HK cents as interim distribution and 42.07 HK cents as final distribution) representing the full payout of the annual adjusted funds flow per Share Stapled Unit.

Ms. Susanna Hui, HKT's Group Managing Director, said, "In addition to developing its core telecommunications operations, HKT has diversified into various new businesses in recent years, laying a solid foundation for the Group. We shall transform Hong Kong and the public's way of living with even more game-changing products and services."

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Ms. Hui added, “Just as Hong Kong was gradually pulling itself out of the economic quagmire, the Omicron variant strain has thrown a spanner in the works. As before, HKT will continue to exercise vigilance against any escalation of the pandemic situation and respond appropriately to protect our employees and customers while ensuring business continuity and our quality services. HKT is poised for rapid growth upon the wane of the coronavirus.”

On November 29, 2021, HKT celebrated the 10<sup>th</sup> anniversary of its Hong Kong stock exchange listing. The numerous milestones achieved by the Company in the past decade have been a collective effort of our staff, business partners, customers, and other supporters, for which we are truly grateful. Such collaborative efforts form a part of HKT’s DNA, driving our energy and progress to give us a competitive advantage.

With increasing consumer uptake, we will be able to further unlock the value of our 5G network and realize ARPU uplift through the development of augmented reality (“AR”) and virtual reality (“VR”) applications and content as part of our foray into the metaverse.

As a technological innovator in full support of Hong Kong’s aspiration to become a smart city, HKT is also committed to helping enterprises and public bodies navigate their digital transformation journeys. Farther afield, we are constantly on the lookout for opportunities to contribute to the development of the Greater Bay Area.

Under the new normal, consumers are increasingly gravitating toward all things digital. HKT will continue to nurture its digital ecosystem, integrating its loyalty program and a host of online services meeting customers’ health, banking, and other needs.

Ms. Hui said, “Looking ahead, HKT will continue to maximize the synergy of our quad-play businesses and leverage the group assets of PCCW Limited to establish new competitive edges to bolster our market-leading fiber broadband, mobile and pay-TV businesses. ”

For further details of the 2021 annual 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 year ended December 31, 2021.



HKT Group Managing Director Ms. Susanna Hui and HKT Chief Financial Officer Mr. Evan Wong present HKT's 2021 annual 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](http://www.hkt.com).

LinkedIn: [linkedin.com/company/hkt](https://www.linkedin.com/company/hkt)

### **For media enquiries, please call:**

Stella Wong  
Group Communications  
Tel: +852 2888 2253  
Email: [stella.wm.wong@pccw.com](mailto:stella.wm.wong@pccw.com)

### **For investor enquiries, please call:**

Marco Wong  
Investor Relations  
Tel: +852 2514 5084  
Email: [ir@hkt.com](mailto:ir@hkt.com)

Ivan Ho  
Group Communications  
Tel: +852 2883 8747  
Email: [ivan.wy.ho@pccw.com](mailto:ivan.wy.ho@pccw.com)

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