



HKT reports solid results for FY2022

HKT (SEHK: 6823) – HONG KONG, 23 February 2023 – 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 31 December 2022. The key highlights are as follows:

- HKT demonstrated its business resilience as evidenced by its solid performance, attributed to its robust network, innovative solutions and multifarious products and services
- Total revenue (excluding Mobile product sales) increased by 2% to HK\$30,501 million, reflecting continued strong demand for our reliable, high-speed broadband services, further momentum in 5G adoption and the successful delivery of digital transformation projects for enterprise customers; all inclusive, total revenue amounted to HK\$34,125 million
- Total EBITDA increased by 3% to HK\$13,064 million year on year thanks to improved cost efficiencies across the Group
- Adjusted funds flow (AFF) increased by 2.4% to HK\$5,648 million year on year
- The Board of Directors has recommended a final distribution of 43.15 HK cents per share. Together with interim distribution, total distribution for the year will amount to 74.51 cents per share, representing a growth of 2.4% compared to 2021
- 5G customers surpassed the million mark to reach 1.061 million, representing 32% of our post-paid customer base, exceeding forecast. Post-paid average revenue per user (“ARPU”) rose to HK\$188. Despite the pandemic's impact on roaming service revenue in the past three years, travel resumption has stimulated roaming and IDD business revenue in Q4 2022, which jumped by 41% compared to Q3, driving a 6% growth in full-year revenue. Roaming revenue is expected to rebound significantly in 2023 to 60-70% of pre-COVID levels. As we unwind the headwinds from COVID in 2023 alongside forecast economic growth, we believe that further 5G adoption and roaming return will be the dual growth engines for the mobile business in 2023
- For the broadband business, as individuals, households and enterprises embrace a permanent shift to hybrid arrangements, demand for high-speed, reliable broadband service continued to rise. Despite the emigration headwind, we recorded a net gain of about 4,000 broadband subscribers to reach a total of 1.465 million

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- For Pay TV, the number of subscribers increased by 2% to close to 1.4 million. Now TV's exclusive broadcast of FIFA World Cup Qatar 2022™ successfully drove advertising revenue to soar by 52% half on half. Going forward, Now TV will continue to focus on the three customer segments of sports fans, family with kids and drama/movie fans, providing a rich slate of exclusive world-class content and embracing our OTT partners to bring a seamless viewing experience to our audiences
- For the Enterprise business, Local Data Services recorded a solid revenue growth of 3%, reflecting increasing demand from different industries for our unique integrated fixed-mobile network solutions. We have been actively building our cross-border service capabilities to support our customers' business in mainland China. Despite periodic lockdowns on the mainland in 2022, our mainland business registered a growth of 57%
- The Group's integrated loyalty and digital commerce online platform The Club saw its member base expanding to over 3.7 million and non-phone Gross Merchandise Value ("GMV") rising by 16%. The Club also announced its partnership with Agoda to provide its members with a greater selection of flights and accommodations on Club Travel
- The Group welcomes the Government's launch of a new round of Consumption Voucher Scheme ("CVS"), which we will continue to support via our Tap & Go mobile wallet, driving mass market uptake and assisting with merchant adoption of digital payments, particularly SMEs which are looking to accelerate technology adoption in order to cater to the evolving spending habits of consumers
- DrGo, our healthtech business, demonstrated strong performance, with registered members totalling over 350,000, benefiting from the growing acceptance and convenience of video consultations, which increased 15-fold during the year

Susanna Hui, HKT Group Managing Director, said, "The results reflect the diversity and stability of our business, which enable us to seize the immense opportunities presented by the resumption of normal operating conditions. We will continue to leverage our strength in network infrastructure, which complements the rest of the Group's assets to enhance synergy."

"Through emerging technologies such as artificial intelligence ("AI"), Internet of Things ("IoT"), blockchain and big data, we shall drive the digital transformation of public and private organisations as part of our efforts to contribute towards Hong Kong's smart city development. We will also integrate our loyalty programme and array of digital services to strengthen the Group's digital ecosystem, with a view to building a 'super app' that offers comprehensive digital services for our customers."

In regard to the recent attention on Hong Kong's pay TV market development, Susanna remarked, "As one of the core businesses of HKT, Now TV offers a unique proposition as an unparalleled entertainment platform that differs from traditional pay TV services. In addition to attracting target audience from among the Group's enormous customer base, it leverages our robust network infrastructure to offer entertainment ranging from linear channels to on-demand programmes, as well as spectacular content through the Now Player app and Now E OTT via television, mobile phone, tablet, laptop computer and more. Now TV has also introduced an open platform turning competitors into content partners to seamlessly present content from OTT channels such as Viu, HBO and Netflix, which complement the exceptional sports and edutainment lineup to cater for the needs of our diverse audience."

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Susanna Hui (right), HKT Group Managing Director, and Patrick Poon, HKT Chief Financial Officer, announce that the Company reported solid annual results for 2022.



Susanna Hui,
HKT Group Managing Director



Patrick Poon,
HKT Chief Financial Officer

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About HKT

HKT is a technology, media, and telecommunication leader with more than 150 years of history in Hong Kong. As the city's true 5G provider, HKT connects businesses and people locally and globally. Our end-to-end enterprise solutions make us a market-leading digital transformation partner of choice for businesses; whereas our comprehensive mobile communication and smart living offerings enrich people's lives and cater for their diverse needs for work, entertainment, education, well-being, and even a sustainable low-carbon lifestyle. Together with our digital ventures which support digital economy development and help connect Hong Kong to the world as an international financial centre, HKT endeavours to contribute to smart city development and help our community tech forward.

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

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