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PCCW Limited
電訊盈科有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 00008)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The directors (“Directors”) of PCCW Limited (“PCCW” or the “Company”) hereby announce the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025.

- Viu added 1.3 million net paid subscribers, bringing the total to 16.8 million⁵, and driving 13% growth in subscription revenue
- ViuTV reached 3.4 million digital memberships; expects to return to growth in 2026 on the back of an exciting line-up of group concerts and an expanded talent roster
- Revenue increased 7% to HK\$40,252 million
 - HKT revenue increased by 5% to HK\$36,553 million
 - OTT Business revenue grew by 5% to HK\$2,579 million
 - Free TV & Related Business revenue was HK\$1,034 million
- EBITDA increased 3% to HK\$13,290 million
 - HKT EBITDA was up 4% to HK\$14,234 million
 - OTT Business EBITDA surged by 56% to HK\$620 million
 - Free TV & Related Business EBITDA was HK\$153 million
- Consolidated profit for the year increased by 35% to HK\$2,615 million
- Loss attributable to equity holders of the Company for the year further narrowed to HK\$253 million
- Final dividend of 28.48 HK cents per ordinary share resulting in full-year dividend of 38.25 HK cents per ordinary share

LETTER TO SHAREHOLDERS

Dear Shareholders,

Throughout 2025, Hong Kong's economic recovery progressed steadily, even as global trade uncertainties and cautious consumer sentiment persisted. Against this backdrop, PCCW delivered a solid performance, supported by the expanding scale of and prudent investments in our video streaming business, the broader scope of our domestic entertainment operations and the unwavering market leadership of HKT Limited ("HKT").

Viu – deeper viewer engagement, prudent investments and economies of scale

Building on its regional leadership, Viu continued its focus on delivering premium, regionally and locally relevant content to viewers across 15 markets in Southeast Asia ("SEA"), the Middle East, and South Africa. During the year, Viu added 1.3 million net paid subscribers, bringing the total to an impressive 16.8 million⁵. Strong performance was particularly evident in Thailand, Indonesia, and Malaysia, driven by deeper collaboration with local partners and strategic efforts to boost penetration in these key markets. Going forward, Viu will prioritise its investments in markets where it has established a strong foothold to achieve economies of scale.

Central to this growth is the ongoing expansion of a balanced and thoughtfully curated content slate spanning multiple genres and languages. With a sharpened focus on high-performing content, we introduced over 200 new titles, including a number of new Korean dramas, an expanded line-up of Chinese programmes in response to surging demand across the region, and a selection of Viu Originals tailored to local audiences. High-impact releases such as Korean title *Taxi Driver Season 3* and Chinese drama *Love's Ambition* (許我耀眼) generated extraordinary subscriber growth and engagement across multiple markets. The growing scale of Viu's subscriber base, coupled with prudent content investments, drove a 13% increase in Viu's subscription revenue and a 56% uplift in the over-the-top ("OTT") business EBITDA.

Entering 2026, our focus thus far has been on establishing new growth engines that will significantly expand market reach and enhance monetisation. In December 2025, we launched a first-of-its-kind regional streaming bundle in partnership with HBO Max in five markets. In early January 2026, we unveiled Viu Shorts, capitalising on the rapid rise of the micro-drama format, while also unlocking new advertising opportunities with cost-efficient content. The initial results have been extremely encouraging, with Viu Shorts viewership penetration exceeding 11% within the first three weeks of its launch. These initiatives reinforce our position as a leader in innovative digital entertainment and propel Viu towards sustainable profitability.

ViuTV – nurturing talent and elevating the impact of our integrated entertainment ecosystem

In 2025, our artiste management and event business focused on promoting the solo performances of select artistes to amplify their appeal and maximise their potential. This strategy gained significant traction, laying a solid foundation for a planned series of group concerts in the coming year, which are poised to drive further growth. Meanwhile, the growing influence of our artistes attracted collaboration opportunities with global brands such as *Sanrio* and the *NBA*, broadening our revenue streams beyond content and live events. While strengthening the presence of our existing talent, we remain committed to cultivating new talent to ensure the long-term sustainability of our roster. Through our iconic talent show, *King Maker Season VI* (全民造星 VI), we have identified a promising cohort of emerging artistes who will bolster our talent pipeline and sustain its growth momentum.

ViuTV, our domestic broadcasting arm, has garnered acclaim from both audiences and critics through its distinctive line-up of dramas and reality shows, cementing its position as Hong Kong's leading platform for younger audiences. Digital memberships grew by more than 3.6% to 3.4 million, while audience viewing time surged by 6.7%, underscoring the broadening appeal of our content. This young, highly engaged audience base,

LETTER TO SHAREHOLDERS (CONTINUED)

combined with our strengths in content production, multi-platform media, artiste representation and event management, enables us to provide comprehensive media solutions that offer advertisers a compelling value proposition.

Benefitting from HKT's market leadership and innovation edge

Despite the challenging operating environment, HKT has reinforced its position as Hong Kong's leading technology enabler. Through continuous upgrades to its superior digital infrastructure and accelerated integration of artificial intelligence ("AI") across services and operations, HKT remains committed to delivering cutting-edge solutions that empower public and private enterprises to realise digital transformation and strengthen their technology resilience. At the same time, HKT continues to elevate its premium consumer offerings with personalised services and a best-in-class customer experience, further deepening customer loyalty and its market foothold. Consequently, HKT achieved notable growth in key financial metrics, with total revenue growing by 5% to HK\$36,553 million, EBITDA increasing by 4% to HK\$14,234 million, and adjusted funds flow ("AFF") expanding by 4% to HK\$6,199 million.

Disciplined dividend policy delivers sustainable shareholder returns

Underpinned by HKT's robust financial results and the improved performance of our OTT Business, PCCW's revenue rose 7% to HK\$40,252 million and EBITDA increased by 3% to HK\$13,290 million. The Board of Directors has recommended the payment of a final dividend of 28.48 HK cents per ordinary share, bringing the full-year dividend to 38.25 HK cents per ordinary share for the year ended 31 December 2025.

Whilst PCCW continues to benefit from HKT's steady and robust growth, we remain firmly committed to a disciplined dividend policy that prioritises strengthening our financial position to support sustainable growth while striving to deliver returns for our shareholders. This policy will be reviewed regularly to ensure it remains aligned with evolving market conditions and continues to optimise shareholder value.

We will also strive to strengthen community engagement and contribute to Hong Kong's development as a centre for innovation and international cultural exchange. On behalf of our team, I would like to take the opportunity to thank you for your continued support and trust in our strategy.

Susanna Hui

Acting Group Managing Director

Hong Kong, 10 February 2026

FINANCIAL REVIEW BY SEGMENT

For the year ended 31 December HK\$ million	2024			2025			Better/ (Worse)
	H1	H2	Full Year	H1	H2	Full Year	y-o-y
Revenue							
HKT	16,669	18,084	34,753	17,322	19,231	36,553	5%
HKT (excluding Mobile Product Sales)	15,683	16,348	32,031	16,311	16,705	33,016	3%
Mobile Product Sales	986	1,736	2,722	1,011	2,526	3,537	30%
OTT Business	1,089	1,369	2,458	1,194	1,385	2,579	5%
Free TV & Related Business	480	577	1,057	343	691	1,034	(2)%
Other Businesses	373	430	803	743	1,202	1,945	142%
Eliminations	(913)	(601)	(1,514)	(680)	(1,179)	(1,859)	(23)%
Consolidated revenue	17,698	19,859	37,557	18,922	21,330	40,252	7%
Cost of sales	(8,939)	(10,188)	(19,127)	(9,978)	(11,553)	(21,531)	(13)%
Net operating costs before depreciation, amortisation, and gains on disposal of property, plant and equipment and right-of-use assets ("operating costs")	(3,087)	(2,494)	(5,581)	(2,934)	(2,497)	(5,431)	3%
EBITDA¹							
HKT	6,168	7,575	13,743	6,380	7,854	14,234	4%
OTT Business	229	169	398	346	274	620	56%
Free TV & Related Business	91	101	192	47	106	153	(20)%
Other Businesses	(309)	(437)	(746)	(364)	(373)	(737)	1%
Eliminations	(507)	(231)	(738)	(399)	(581)	(980)	(33)%
Consolidated EBITDA¹	5,672	7,177	12,849	6,010	7,280	13,290	3%
Consolidated EBITDA¹ Margin	32%	36%	34%	32%	34%	33%	
Depreciation	(1,267)	(1,279)	(2,546)	(1,257)	(1,136)	(2,393)	6%
Amortisation	(2,417)	(2,508)	(4,925)	(2,412)	(2,925)	(5,337)	(8)%
Gains on disposal of property, plant and equipment and right-of-use assets, net	10	-	10	1	3	4	(60)%
Operating profit	1,998	3,390	5,388	2,342	3,222	5,564	3%
Other gains, net & others	184	255	439	125	168	293	(33)%
Interest income	68	65	133	45	51	96	(28)%
Finance costs	(1,390)	(1,427)	(2,817)	(1,185)	(1,199)	(2,384)	15%
Share of results of associates and joint ventures	(183)	(172)	(355)	(123)	(23)	(146)	59%
Profit before income tax	677	2,111	2,788	1,204	2,219	3,423	23%
Income tax	(326)	(521)	(847)	(446)	(362)	(808)	5%
Holders of perpetual capital securities	(117)	(117)	(234)	(115)	(111)	(226)	3%
Non-controlling interests	(696)	(1,311)	(2,007)	(1,088)	(1,554)	(2,642)	(32)%
(Loss)/Profit attributable to equity holders of the Company	(462)	162	(300)	(445)	192	(253)	16%

- Note 1 EBITDA represents earnings before interest income, finance costs, income tax, depreciation and amortisation, gains/losses on disposal of property, plant and equipment, interests in leasehold land, right-of-use assets and intangible assets, net other gains/losses, losses on property, plant and equipment, restructuring costs, impairment losses on goodwill, tangible and intangible assets and interests in associates and joint ventures, and the Group's share of results of associates and joint ventures. While EBITDA is commonly used in the telecommunications industry worldwide as an indicator of operating performance, leverage and liquidity, it is not presented as a measure of operating performance in accordance with the HKFRS Accounting Standards and should not be considered as representing net cash flows from operating activities. The computation of the Group's EBITDA may not be comparable to similarly titled measures of other companies.*
- Note 2 Gross debt refers to the principal amount of short-term borrowings and long-term borrowings.*
- Note 3 Group capital expenditure includes additions to property, plant and equipment and interests in leasehold land.*
- Note 4 Adjusted funds flow is defined as EBITDA less capital expenditures, customer acquisition costs and licence fees paid, taxes paid, finance costs and interest expense paid, and adjusted for interest income received and changes in working capital. It is not presented as a measure of leverage or liquidity in accordance with HKFRS Accounting Standards and should not be considered as representing net cash flows or any other similar measures derived in accordance with HKFRS Accounting Standards, or an alternative to cash flow from operations or a measure of liquidity. HKT's AFF is computed in accordance with the above definition using financial information derived from HKT's audited consolidated financial statements. The AFF may be used for debt repayment and the repurchase of share stapled units of the HKT Trust and HKT ("Share Stapled Units").*
- Note 5 Exclude Myanmar.*

HKT

For the year ended 31 December HK\$ million	2024			2025			Better/ (Worse)
	H1	H2	Full Year	H1	H2	Full Year	y-o-y
TSS	12,063	12,394	24,457	12,527	12,601	25,128	3%
- Local TSS Services	8,289	9,061	17,350	8,714	9,071	17,785	3%
- International Telecommunications Services	3,774	3,333	7,107	3,813	3,530	7,343	3%
Mobile	4,976	6,508	11,484	5,200	7,494	12,694	11%
- Mobile Services	3,990	4,772	8,762	4,189	4,968	9,157	5%
- Mobile Product Sales	986	1,736	2,722	1,011	2,526	3,537	30%
Other Businesses	552	328	880	570	311	881	-
Eliminations	(922)	(1,146)	(2,068)	(975)	(1,175)	(2,150)	(4)%
HKT Revenue	16,669	18,084	34,753	17,322	19,231	36,553	5%
HKT EBITDA¹	6,168	7,575	13,743	6,380	7,854	14,234	4%
<i>HKT EBITDA¹ margin</i>	37%	42%	40%	37%	41%	39%	
HKT Adjusted Funds Flow⁴	2,495	3,478	5,973	2,562	3,637	6,199	4%

Despite a challenging operating environment during the year, HKT once again demonstrated resilience, underpinned by its robust digital infrastructure, disciplined execution and unwavering commitment to innovation. HKT delivered stellar financial performance, driven by sustained momentum across its core businesses, stringent cost efficiency, and prudent capital management.

The Mobile business recorded growth of 5% in services revenue to HK\$9,157 million for the year ended 31 December 2025, underpinned by continued growth in roaming services, expansion of the 5G post-paid customer base, and growing demand for mobile enterprise solutions. To meet customers' strong demand for travel connectivity, we have continued to introduce innovative and easy-to-use roaming services, ensuring users enjoy seamless, optimal network quality while overseas. This helped to drive sustained year-on-year growth of 8% in total roaming revenue, with consumer outbound roaming revenue recording notable year-on-year growth of 18%. We are the first mobile service provider in Hong Kong to deploy 25Gbps mobile backhaul, significantly enhancing network performance while providing the scalability required to support mega events. 5G upgrades continued, with our 5G plan users reaching 2.096 million as at the end of December 2025, an increase of 20% year-on-year, representing 60% of our total post-paid base. Overall, the Mobile business reported a net gain of 35,000 during the year in its post-paid customer base to reach 3.494 million by the end of December 2025. The customer base for our core 1010 and csl segment further expanded by 2% during the year. Mobile product sales increased by 30% to HK\$3,537 million for the year ended 31 December 2025, driven by the launch of flagship handsets in the second half of 2025. Accordingly, total Mobile revenue rose 11% to HK\$12,694 million for the year.

Mobile services EBITDA for the year rose by 5% to HK\$5,560 million, maintaining a stable EBITDA margin of 61%. Total Mobile EBITDA for the year also increased by 5% to HK\$5,568 million, up from HK\$5,311 million a year earlier, resulting in an EBITDA margin of 44% due to the higher contribution from lower margin Mobile product sales.

HKT (CONTINUED)

Local Telecommunication Services (“TSS”) revenue grew by 3% to HK\$17,785 million for the year ended 31 December 2025, underpinned by an increase of 6% to HK\$14,310 million in Local Data Services revenue, which comprises broadband and local data revenue. The broadband business recorded revenue growth for the 18th consecutive year, with revenue increasing by 3%, fuelled by sustained demand for our high-bandwidth, ultra-low latency fibre services which are necessary to support all of the multiple applications our consumers can enjoy at home including video streaming, online gaming, remote work and various immersive applications. Our fibre-to-the-home connections reached 1.086 million at the end of December 2025, representing a net increase of 46,000 or 4% growth from a year earlier.

On the enterprise side, local data revenue achieved robust growth of 8%, as HKT continues to leverage its network infrastructure alongside cloud computing, data analytics and AI technologies to help clients accelerate their digital transformation, drive business growth and enhance operational efficiency. During the year, our HKT Enterprise Solutions team secured new project wins with a total contract value of over HK\$5 billion, which will drive further revenue as they are delivered over the next 12 to 24 months. Furthermore, our business from Chinese Mainland enterprises sustained further growth, with revenue expanding by 13% year-on-year.

Our Pay TV business, as a super content aggregator in Hong Kong, remained resilient, generating revenue of HK\$2,264 million for the year ended 31 December 2025, compared with HK\$2,320 million a year earlier, navigating intense competition from an expanding array of free and paid entertainment services. The total installed base of Now TV continued to expand by 2% to 1.464 million as at the end of December 2025, up from 1.433 million a year earlier, with the OTT segment growing by 16% year-on-year.

International Telecommunications Services revenue grew by 3% to HK\$7,343 million for the year ended 31 December 2025, compared with HK\$7,107 million a year earlier. The revenue growth was driven by increased wholesale global voice revenue and growing demand for Console Connect, our software defined cloud connectivity platform. As a result, total TSS revenue increased by 3% to HK\$25,128 million for the year ended 31 December 2025.

HKT’s total revenue increased by 5% to HK\$36,553 million for the year ended 31 December 2025, while total revenue excluding Mobile product sales increased by 3% to HK\$33,016 million.

HKT’s operating costs decreased by 4% to HK\$3,179 million, reflecting HKT’s continued focus on operating efficiency and cost optimisation initiatives, which lifted HKT’s EBITDA by 4% year-on-year to HK\$14,234 million for year ended 31 December 2025.

Profit attributable to holders of Share Stapled Units was HK\$5,286 million for the year, an increase of 4% over the previous year. Basic earnings per Share Stapled Unit was 69.76 HK cents.

HKT’s adjusted funds flow for the year ended 31 December 2025 rose to HK\$6,199 million, an increase of 4% over the previous year.

HKT recommended the payment of a final distribution of 47.97 HK cents per Share Stapled Unit for the year ended 31 December 2025. This brings the 2025 full-year distribution to 81.77 HK cents per Share Stapled Unit (comprising 33.80 HK cents as interim distribution and 47.97 HK cents as final distribution) representing the full payout of the annual adjusted funds flow.

For a more detailed review of the performance of HKT, including detailed reconciliation between HKT’s EBITDA and adjusted funds flow as well as HKT’s EBITDA and profit before income tax, please refer to its 2025 annual results announcement released on 9 February 2026.

OTT Business

For the year ended 31 December HK\$ million	2024			2025			Better/ (Worse) y-o-y
	H1	H2	Full Year	H1	H2	Full Year	
OTT Business Revenue	1,089	1,369	2,458	1,194	1,385	2,579	5%
OTT Business EBITDA¹	229	169	398	346	274	620	56%
OTT Business EBITDA¹ margin	21%	12%	16%	29%	20%	24%	

For the year ended 31 December 2025, the OTT Business recorded revenue of HK\$2,579 million, an increase of 5% from HK\$2,458 million in the previous year, driven by the solid performance of our video streaming service, Viu. Bolstered by ongoing subscriber growth and a refined pricing strategy focusing on premium packages across multiple markets, Viu's subscription business delivered exceptionally robust results, with revenue rising by an impressive 13%. This growth was partly offset by softer advertising revenue amidst restrained corporate advertising expenditure.

A key strategic priority for our OTT Business has been to deliver captivating content and deepen viewer engagement. Leveraging advanced analytics powered by our vast viewership, we sharpened our content strategy to focus on high-performing titles that resonate with audiences while driving profitability. Among the over 200 new titles introduced this year were top-rated Korean dramas, a wider selection of Chinese titles reflecting their surging international appeal, and a range of Viu Original productions. This balanced portfolio has yielded strong results, with high-impact releases generating extraordinary subscriber acquisition and engagement. Our flagship Korean Viu Original, *Taxi Driver Season 3*, topped multiple regional charts and rekindled interest in the previous seasons, boosting the long-term value of our content library. Meanwhile, the highly successful Chinese drama *Love's Ambition* (許我耀眼) gained significant traction in various regions, including the Middle East.

To strengthen our economies of scale, we continued to focus on high-growth SEA markets in which we have established a strong foothold. We accelerated this expansion by deepening partnerships with leading local carriers such as Thailand's AIS and True, and Indonesia's Telkomsel. We also enhanced our customer acquisition capabilities and marketing effectiveness through business process upgrades, including the integration of advanced customer relationship management ("CRM") tools. As a result, our paid subscriber base (excluding Myanmar) rose to 16.8 million by December 2025. To further diversify our partnership ecosystem, we launched the Viu-HBO Max streaming bundle in December in five markets, a first-of-its-kind collaboration that combines premium Asian content with the "best of Hollywood" – an initiative expected to boost subscriber growth and expand our reach.

During the year, we broadened advertising opportunities while maintaining a disciplined paywall strategy. Despite subdued retail sentiment, we achieved a significant increase in the penetration of the ad-supported tier on Connected TVs and secured ad-funded projects with premium brands, including a brand-integrated variety show with Samsung in Indonesia. The launch of Viu Shorts in early 2026 capitalised on the rapidly growing micro-drama format, significantly expanding our library of cost-efficient content and advertising inventory while attracting a broader base of advertisers.

Benefitting from Viu's expanding subscriber base, enhanced operating efficiency and prudent content investments, the OTT Business delivered a remarkable EBITDA uplift of 56%, with margins rising from 16% to 24%. Entering 2026, the OTT Business is well positioned for its next phase of growth, backed by strong business momentum and new growth engines in distribution and content innovation.

Free TV & Related Business

For the year ended 31 December HK\$ million	2024			2025			Better/ (Worse) y-o-y
	H1	H2	Full Year	H1	H2	Full Year	
Free TV & Related Business Revenue	480	577	1,057	343	691	1,034	(2)%
Free TV & Related Business EBITDA¹	91	101	192	47	106	153	(20)%
<i>Free TV & Related Business EBITDA¹ Margin</i>	19%	18%	18%	14%	15%	15%	

The Free TV & Related Business recorded revenue of HK\$1,034 million for the year ended 31 December 2025. This performance reflects a strategic focus on sub-group and solo artiste performances, intended to build strong momentum ahead of the group concerts planned for 2026. Advertising revenue remained stable despite the persistently weak retail environment in Hong Kong.

Throughout the year, we continued to elevate the international profile of our artistes through participation in major productions and high-profile global events, including appearances in the prominent Korean drama *Taxi Driver Season 3* alongside A-list actor *Lee Je-hoon*, and performances at the *Coldplay* concerts in Hong Kong. The growing influence of our artistes also led to collaborations with international brands such as *Sanrio* and the *NBA*, thereby broadening monetisation channels beyond content and live events.

We have also made significant progress in ensuring the long-term sustainable development of our talent programme by maximising the potential of our established artistes while actively cultivating new talent. During the year, we delivered 28 shows across 11 concert series, with a strong emphasis on solo performances. This approach successfully showcased our individual artistes and amplified their appeal, and the momentum generated has laid the foundation for the large-scale group concerts planned for 2026, which are expected to drive further growth. Moreover, we are further strengthening our talent pipeline with a promising cohort of emerging artistes through our iconic talent show, *King Maker Season VI* (全民造星 VI). Our international footprint has also continued to expand, with content now distributed to more than 40 markets worldwide.

ViuTV, our domestic broadcasting arm, remains committed to deepening viewer engagement through high-quality, locally relevant content spanning a wide range of genres. Highlights during the year included extensive coverage of *The 15th National Games* (第十五屆全國運動會), inspiring sports reality shows such as *Goal to Success* (足球女將) and the critically acclaimed drama *What If* (三命). Digital memberships grew by more than 3.6% to 3.4 million, accompanied by a substantial 6.7% increase in viewing time. These achievements underscore the broadening appeal of our content, particularly among younger viewers. With a highly engaged audience and capabilities spanning content production, multi-platform media, artiste representation and live performance management, ViuTV and MakerVille are well positioned to attract advertisers and brands, especially in sectors such as finance, restaurants, beauty & fitness, and food & beverage.

EBITDA softened to HK\$153 million for the year ended 31 December 2025 with a margin of 15%, reflecting our focus on solo concerts during the year. With a strong line-up of group concerts scheduled for 2026 and a revitalised, expanded talent roster, we expect a rebound in the financial performance of the Free TV & Related Business in the coming year.

Other Businesses

Other Businesses primarily comprise the remaining Solutions Business and corporate support functions. It recorded an increase in revenue to HK\$1,945 million from HK\$803 million a year earlier, reflecting the completion of relevant milestones of IT solutions projects. EBITDA cost was HK\$737 million for the year ended 31 December 2025.

Eliminations

Eliminations for the year ended 31 December 2025 were HK\$1,859 million, compared with HK\$1,514 million a year earlier, reflecting greater collaboration among members of the Group for both internal and external initiatives.

Costs

Cost of Sales

For the year ended 31 December HK\$ million	2024			2025			Better/ (Worse) y-o-y
	H1	H2	Full Year	H1	H2	Full Year	
HKT	8,491	9,219	17,710	9,021	10,119	19,140	(8)%
Consolidated	8,939	10,188	19,127	9,978	11,553	21,531	(13)%

HKT's cost of sales for the year ended 31 December 2025 increased by 8% year-on-year to HK\$19,140 million, reflecting a change in its revenue mix. The cost of sales for Media Business increased, driven by subscription business growth in the OTT Business as well as event production costs. Overall, the Group's cost of sales increased by 13% to HK\$21,531 million for the year ended 31 December 2025.

General and Administrative Expenses

For the year ended 31 December 2025, the Group's operating costs decreased by 3% to HK\$5,431 million, driven by operating cost savings at both HKT and the OTT Business. Through deploying AI to reshape its workflows and network management and continued efforts in streamlining business structures, workforce optimisation as well as IT platform rationalisation, HKT was able to achieve a notable enhancement in operating efficiency and cost optimisation, reducing operating costs by 4% to HK\$3,179 million. The OTT Business also notably enhanced its operating efficiency and marketing effectiveness through business process upgrades, including the integration of advanced CRM tools. Overall operating cost-to-revenue ratio improved from 14.9% a year earlier to 13.5% for the year ended 31 December 2025.

Depreciation and amortisation expenses for the year increased by 3% to HK\$7,730 million. This is due to a 6% decline in depreciation expenses, which now stand at HK\$2,393 million, in line with lower capital expenditure at HKT over the past few years, whilst offset by an 8% rise in amortisation expenses to HK\$5,337 million. The higher amortisation expenses are linked to increased investments in research and development and intellectual property for various diversified enterprise projects including AI, automation and cybersecurity. Amortisation expenses for the Media Business decreased by 6%, reflecting the ongoing optimisation of our content investments.

Overall, general and administrative expenses increased by 2% year-on-year to HK\$13,270 million for the year ended 31 December 2025.

EBITDA¹

Overall, consolidated EBITDA for the year ended 31 December 2025 increased by 3% to HK\$13,290 million, with an EBITDA margin of 33%.

Other Gains, Net

Net other gains for the year ended 31 December 2025 were HK\$406 million, primarily reflecting gains from the revaluation of the Group's investments.

Interest Income and Finance Costs

Interest income for the year ended 31 December 2025 was HK\$96 million while finance costs decreased by 15% to HK\$2,384 million. The decrease in finance costs was largely driven by a reduction in average borrowings at HKT, as well as the downward trend in HIBOR during the year. Average cost of debt for the Group declined from 4.4% to 3.9% year-on-year. As a result, net finance costs decreased by 15% year-on-year, from HK\$2,684 million to HK\$2,288 million for the year ended 31 December 2025.

Income Tax

Income tax expense for the year ended 31 December 2025 was HK\$808 million, compared with HK\$847 million a year ago. The net decrease in income tax expense was mainly attributable to the one-off charge recognised in the prior year and the utilisation of deferred tax assets during the year.

Profit Attributable to Non-controlling Interests

Profit attributable to non-controlling interests was HK\$2,642 million for the year ended 31 December 2025 (31 December 2024: HK\$2,007 million), representing primarily the share of results attributable to the non-controlling shareholders of HKT and Viu International Limited.

Profit Attributable to Holders of Perpetual Capital Securities

Profit of HK\$226 million for the year ended 31 December 2025 was attributable to the holders of the perpetual capital securities, which represented distributions payable to the holders of the securities as accrued at 4% per annum on the principal amount of the perpetual capital securities issued by the Group in January 2021.

Loss Attributable to Equity Holders of the Company

Loss attributable to equity holders of the Company for the year ended 31 December 2025 further narrowed to HK\$253 million (31 December 2024: HK\$300 million).

LIQUIDITY AND CAPITAL RESOURCES

The Group actively and regularly reviews and manages its capital structure to maintain a balance between shareholder return and a sound capital position. Adjustments are made when necessary, to maintain an optimal capital structure in light of changes in economic conditions and to reduce the cost of capital.

The Group's gross debt² was HK\$59,180 million, as at 31 December 2025 (31 December 2024: HK\$52,393 million). Cash and short-term deposits totalled HK\$3,067 million, as at 31 December 2025 (31 December 2024: HK\$2,583 million).

As at 31 December 2025, the Group had a total of HK\$65,647 million in banking facilities available for liquidity management and investments, of which HK\$26,072 million remained undrawn. Of these banking facilities, HKT accounted for HK\$44,012 million, of which HK\$18,087 million remained undrawn.

The Group's gross debt²-to-total-assets was 56% as at 31 December 2025 (31 December 2024: 53%).

CREDIT RATINGS OF CAS HOLDING NO. 1 LIMITED AND HONG KONG TELECOMMUNICATIONS (HKT) LIMITED

As at 31 December 2025, CAS Holding No. 1 Limited, a direct wholly-owned subsidiary of the Company, had investment-grade ratings with Moody's Investors Service Hong Kong Limited ("Moody's") (Baa3) and S&P Global Ratings ("S&P") (BBB-). Hong Kong Telecommunications (HKT) Limited, an indirect non-wholly owned subsidiary of the Company, had investment grade ratings with Moody's (Baa2) and S&P (BBB).

CAPITAL EXPENDITURE³

The Group's capital expenditure for the year ended 31 December 2025 was HK\$2,198 million (2024: HK\$2,341 million), of which HKT accounted for about 96% (2024: 95%). The capital expenditure-to-revenue ratio was approximately 5.5% for the year (2024: 6.2%).

Capital expenditure for HKT's Mobile business was 4% lower during the year, reflecting the efficiency gains from capacity upgrades and network maintenance following the completion of its territory-wide 5G coverage. TSS capital expenditure was 2% lower during the year, with investments largely to support growing demand for its integrated fixed-mobile solutions for enterprise customers and the investments in subsea cable systems. Capital expenditure for the Media Business decreased after the completion of the initial phase of its new production studio facilities.

The Group will continue to invest in building digital capabilities to support its existing businesses and enable its growth in new areas, while taking into account the prevailing market conditions, using assessment criteria, including internal rate of return, net present value and payback period.

HEDGING

Market risk arises from foreign currency and interest rate exposure related to investments and financing. As a matter of policy, the Group continues to manage the market risk directly relating to its operations and financing and does not undertake any speculative derivative trading activities. The Group determines appropriate risk management activities with the aim of prudently managing the market risk associated with transactions undertaken in the normal course of the Group's business. All treasury risk management activities are carried out in accordance with the Group's policies and guidelines, which are reviewed on a regular basis.

Around three-quarters of the Group's consolidated revenue and costs are denominated in Hong Kong dollars. For those operations with revenues denominated in foreign currencies, the related costs and expenses are usually denominated in the same foreign currencies, and hence provide a natural hedge against each other. Therefore, the Group is not exposed to significant foreign currency fluctuation risk from operations.

A significant portion of the Group's financing is denominated in foreign currencies, including United States dollars. Accordingly, the Group has entered into forward and swap contracts in order to manage its exposure to adverse fluctuations in foreign currency exchange rates and interest rates. These instruments are executed with creditworthy financial institutions. As at 31 December 2025, the majority of the forward and swap contracts were designated as cash flow hedges for the related financing of the Group.

As a result, the impacts of these operational and financial risks to the Group are considered not material.

CHARGE ON ASSETS

As at 31 December 2025, no assets of the Group (31 December 2024: nil) were pledged to secure banking facilities for the Group.

CONTINGENT LIABILITIES

As at 31 December	2024	2025
HK\$ million		
Performance guarantees	1,227	1,201
Others	25	15
	1,252	1,216

The Group is subject to certain corporate guarantee obligations to guarantee the performance of its subsidiaries in the normal course of their businesses. The amount of liabilities arising from such obligations, if any, cannot be ascertained but the Directors are of the opinion that any resulting liability will not materially affect the financial position of the Group.

As at 31 December 2025, the Group had given a partial guarantee to a bank in respect of a credit facility granted to an associate of the Group amounting to HK\$575 million (31 December 2024: HK\$780 million), of which HK\$575 million (31 December 2024: HK\$780 million) had been utilised by the associate. The Group's share of the guarantee for the utilised amount was approximately HK\$173 million (31 December 2024: HK\$235 million) determined based on the percentage of interest held by the Group in the associate.

HUMAN RESOURCES

The Group had over 14,600 employees as at 31 December 2025 (31 December 2024: 14,600), located in 25 countries and cities. About 66% of these employees work in Hong Kong and the others are based mainly in Chinese Mainland. The Group has established performance-based bonus and incentive schemes designed to motivate and reward employees at all levels to achieve the Group's business performance targets. Payment of performance bonuses is generally based on the achievement of revenue, EBITDA and free cash flow targets for the Group as a whole and for each of the individual business units and performance ratings of employees.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of 28.48 HK cents (2024: 28.48 HK cents) per ordinary share for the year ended 31 December 2025 to shareholders whose names appear on the register of members of the Company on Friday, 29 May 2026, subject to the approval of shareholders of the Company at the forthcoming annual general meeting, which will be held on Thursday, 21 May 2026 ("AGM"). An interim dividend of 9.77 HK cents (2024: 9.77 HK cents) per ordinary share for the six months ended 30 June 2025 was paid to shareholders of the Company in September 2025.

CLOSURE OF REGISTER OF MEMBERS

The record date for the proposed final dividend will be Friday, 29 May 2026. The Company's register of members will be closed from Thursday, 28 May 2026 to Friday, 29 May 2026 (both days inclusive) in order to determine entitlements to the proposed final dividend. During such period, no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (the "Share Registrar"), for registration no later than 4.30pm on Wednesday, 27 May 2026. Subject to the approval of shareholders of the Company at the AGM, dividend warrants will be despatched to shareholders of the Company on or around Thursday, 18 June 2026.

RECORD DATE FOR DETERMINING ELIGIBILITY TO ATTEND AND VOTE AT THE AGM

The record date for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Friday, 15 May 2026. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Share Registrar for registration no later than 4.30pm on Friday, 15 May 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

AUDIT COMMITTEE

The Company's Audit Committee has reviewed the accounting policies adopted by the Group and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance, the principles of which serve to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of its business, and to ensure that its affairs are conducted in accordance with applicable laws and regulations.

The Company has applied the principles, and complied with all code provisions of the applicable Corporate Governance Code in each case as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the year ended 31 December 2025.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.pccw.com/ir) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The 2025 annual report will be despatched to shareholders of the Company and available on the above websites in due course.

By order of the Board of
PCCW Limited
Cheung Hok Chee, Vanessa
Group General Counsel and Company Secretary

Hong Kong, 10 February 2026

AUDITED CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

In HK\$ million (except for loss per share)	Note(s)	2024	2025
Revenue	2, 3	37,557	40,252
Cost of sales		(19,127)	(21,531)
General and administrative expenses		(13,042)	(13,270)
Other gains, net	4	439	406
Interest income		133	96
Finance costs		(2,817)	(2,384)
Share of results of associates		(343)	(135)
Share of results of joint ventures		(12)	(11)
Profit before income tax	2, 5	2,788	3,423
Income tax	6	(847)	(808)
Profit for the year		1,941	2,615
Profit/(Loss) attributable to:			
Equity holders of the Company		(300)	(253)
Holders of perpetual capital securities		234	226
Non-controlling interests		2,007	2,642
Profit for the year		1,941	2,615
Loss per share	8		
Basic		3.88 cents	3.27 cents
Diluted		3.88 cents	3.27 cents

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

In HK\$ million	2024	2025
Profit for the year	1,941	2,615
Other comprehensive income/(loss)		
Items that will not be reclassified subsequently to consolidated income statement:		
Remeasurements of defined benefit retirement schemes obligations	21	15
Changes in the fair value of financial assets at fair value through other comprehensive income	382	(660)
	403	(645)
Items that have been reclassified or may be reclassified subsequently to consolidated income statement:		
Translation exchange differences:		
- exchange differences on translating foreign operations of subsidiaries	(97)	89
- exchange differences on translating foreign operations of associates and joint ventures	(135)	23
Cash flow hedges:		
- effective portion of changes in fair value	(180)	22
- transfer from equity to consolidated income statement	208	(234)
Costs of hedging	118	5
Share of other comprehensive (loss)/income of an associate	(4)	3
	(90)	(92)
Other comprehensive income/(loss) for the year	313	(737)
Total comprehensive income for the year	<u>2,254</u>	<u>1,878</u>
Attributable to:		
Equity holders of the Company	(204)	(627)
Holders of perpetual capital securities	234	226
Non-controlling interests	2,224	2,279
Total comprehensive income for the year	<u>2,254</u>	<u>1,878</u>

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

In HK\$ million	Note	2024	2025
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		28,909	30,121
Right-of-use assets		2,007	2,658
Interests in leasehold land		275	260
Goodwill		17,963	18,007
Intangible assets		21,926	24,463
Fulfilment costs		2,097	2,298
Customer acquisition costs		872	951
Contract assets		261	236
Interests in associates		1,886	1,964
Interests in joint ventures		635	322
Financial assets at fair value through other comprehensive income		881	169
Financial assets at fair value through profit or loss		3,311	3,517
Other financial assets		805	–
Derivative financial instruments		93	121
Deferred income tax assets		811	751
Other non-current assets		995	910
		83,727	86,748
Current assets			
Inventories		2,122	1,705
Prepayments, deposits and other current assets		4,703	5,284
Contract assets		1,711	2,417
Trade receivables, net	9	3,677	4,502
Amounts due from related companies		23	645
Derivative financial instruments		–	44
Other financial assets		–	808
Tax recoverable		7	2
Restricted cash		205	187
Short-term deposits		295	475
Cash and cash equivalents		2,288	2,592
		15,031	18,661

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2025

In HK\$ million	Note	2024	2025
Current liabilities			
Short-term borrowings		(3,934)	(5,884)
Trade payables	10	(7,570)	(10,240)
Accruals and other payables		(8,131)	(8,131)
Derivative financial instruments		(45)	(42)
Carrier licence fee liabilities		(324)	(384)
Amounts due to related companies		(169)	(139)
Advances from customers		(301)	(313)
Contract liabilities		(1,561)	(1,840)
Lease liabilities		(1,103)	(969)
Current income tax liabilities		(2,153)	(2,213)
		(25,291)	(30,155)
Non-current liabilities			
Long-term borrowings		(47,985)	(53,038)
Derivative financial instruments		(798)	(835)
Deferred income tax liabilities		(5,028)	(5,425)
Defined benefit retirement schemes liability		(58)	(24)
Carrier licence fee liabilities		(3,198)	(3,494)
Contract liabilities		(974)	(937)
Lease liabilities		(919)	(1,643)
Amount due to a non-controlling interest		(344)	(337)
Other long-term liabilities		(2,649)	(2,715)
		(61,953)	(68,448)
Net assets		11,514	6,806

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2025

In HK\$ million	Note	2024	2025
CAPITAL AND RESERVES			
Share capital	11	12,954	12,954
Reserves		(11,350)	(14,920)
Equity attributable to equity holders of the Company		1,604	(1,966)
Perpetual capital securities		5,884	5,590
Non-controlling interests		4,026	3,182
Total equity		11,514	6,806

NOTES

1. BASIS OF PREPARATION

These consolidated financial statements of PCCW Limited (“PCCW” or the “Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025 have been prepared in accordance with all applicable HKFRS Accounting Standards, which is a collective term for all individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance (Cap. 622).

The following amended HKAS is adopted for the financial year beginning 1 January 2025, but has no material effect on the Group’s reported results and financial position for the current and prior accounting periods.

- HKAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates*

The Group has not early adopted any new or amended HKFRS Accounting Standards that are not yet effective for the current accounting period.

As at 31 December 2025, the current liabilities of the Group exceeded its current assets by HK\$11,494 million. After considering the Group’s ability to generate net operating cash inflows and raise additional debt financing, and the undrawn banking facilities available as at 31 December 2025, management considers the Group is able to meet its liabilities as and when they fall due within the next 12-month period. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

The financial information relating to the years ended 31 December 2024 and 2025 included in this preliminary announcement of annual results for the year ended 31 December 2025 does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622) and will deliver the financial statements for the year ended 31 December 2025 in due course.

The Company’s auditor has reported on the financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

1. BASIS OF PREPARATION (CONTINUED)

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management has also made judgements in applying the Group's accounting policies.

2. SEGMENT INFORMATION

The chief operating decision-maker (the "CODM") is the Group's senior executive management. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources and the segment information is reported below in accordance with this internal reporting.

The CODM considers the business from the product perspective and assesses the performance of the following segments:

- HKT Limited ("HKT") is Hong Kong's premier telecommunications service provider. The principal activities of HKT and its subsidiaries are the provision of technology and telecommunications and related services including enterprise solutions, mobile services, total home solutions, media entertainment and other new businesses such as loyalty platform, financial services and healthtech services. It operates primarily in Hong Kong, and also serves customers in Chinese Mainland and other parts of the world.
- Media Business provides over-the-top ("OTT") digital media entertainment services in Hong Kong, the Asia Pacific region, and other parts of the world, in addition to offering domestic free television service in Hong Kong. It is also engaged in content production, as well as artiste and event management.
- Other businesses of the Group ("Other Businesses") primarily comprise corporate support functions, other IT solutions businesses and others.

The CODM assesses the performance of the operating segments based on a measure of adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA"). EBITDA represents earnings before interest income, finance costs, income tax, depreciation and amortisation, gains/losses on disposal of property, plant and equipment, interests in leasehold land, right-of-use assets and intangible assets, net other gains/losses, losses on property, plant and equipment, restructuring costs, impairment losses on goodwill, tangible and intangible assets and interests in associates and joint ventures, and the Group's share of results of associates and joint ventures.

Segment revenue, expense and segment performance include transactions between segments. Inter-segment pricing is based on similar terms to those available to other external parties for similar services. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated income statement.

2. SEGMENT INFORMATION (CONTINUED)

Information regarding the Group's reportable segments as provided to the Group's CODM is set out below:

In HK\$ million	2024				
	HKT	Media Business	Other Businesses	Eliminations	Consolidated
REVENUE					
External revenue	33,775	3,024	758	–	37,557
Inter-segment revenue	978	491	45	(1,514)	–
Total revenue	34,753	3,515	803	(1,514)	37,557
External revenue from contracts with customers:					
Timing of revenue recognition					
At a point in time	8,299	561	–	–	8,860
Over time	25,408	2,463	756	–	28,627
External revenue from other sources:					
Rental income	68	–	2	–	70
	33,775	3,024	758	–	37,557
RESULTS					
EBITDA	13,743	590	(746)	(738)	12,849
In HK\$ million	2025				
	HKT	Media Business	Other Businesses	Eliminations	Consolidated
REVENUE					
External revenue	35,394	3,077	1,781	–	40,252
Inter-segment revenue	1,159	536	164	(1,859)	–
Total revenue	36,553	3,613	1,945	(1,859)	40,252
External revenue from contracts with customers:					
Timing of revenue recognition					
At a point in time	9,646	654	–	–	10,300
Over time	25,687	2,423	1,781	–	29,891
External revenue from other sources:					
Rental income	61	–	–	–	61
	35,394	3,077	1,781	–	40,252
RESULTS					
EBITDA	14,234	773	(737)	(980)	13,290

2. SEGMENT INFORMATION (CONTINUED)

A reconciliation of total segment EBITDA to profit before income tax is provided as follows:

In HK\$ million	2024	2025
Total segment EBITDA	12,849	13,290
Gains on disposal of property, plant and equipment and right-of-use assets, net	10	4
Depreciation and amortisation	(7,471)	(7,730)
Other gains, net	439	406
Interest income	133	96
Finance costs	(2,817)	(2,384)
Share of results of associates and joint ventures	(355)	(146)
Restructuring costs	–	(113)
Profit before income tax	2,788	3,423

The following table sets out information about the geographical location of the Group's revenue from external customers. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location that the Group derives revenue from customers.

In HK\$ million	2024	2025
Hong Kong (place of domicile)	29,145	31,327
Mainland and other parts of China	1,866	2,047
Singapore	1,404	1,557
Others	5,142	5,321
	37,557	40,252

As at 31 December 2025, the total of non-current assets, other than financial instruments and deferred income tax assets, located in Hong Kong was HK\$76,976 million (2024: HK\$72,749 million), and the total of these non-current assets located in other geographical locations was HK\$5,090 million (2024: HK\$4,961 million).

3. REVENUE

In HK\$ million	2024	2025
Revenue from contracts with customers	37,487	40,191
Revenue from other sources: rental income	70	61
	37,557	40,252

(a) Revenue recognition in relation to contract liabilities

In HK\$ million	2024	2025
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	1,659	1,561

3. REVENUE (CONTINUED)

(b) Unsatisfied long-term fixed-price contracts

In HK\$ million	2024	2025
Aggregate amount of the transaction price allocated to long-term fixed-price contracts that are partially or fully unsatisfied as at 31 December	35,489	33,788

As at 31 December 2025, management expected that 42% and 24% (2024: 39% and 23%) of the transaction price allocated to the unsatisfied long-term fixed-price contracts would be recognised as revenue during the first and second year respectively after the end of the reporting period. The remaining 34% (2024: 38%) would be recognised as revenue in the periods afterward. The amount disclosed above does not include unsatisfied performance obligation that is related to the Group's contracts with customers with duration of one year or less and contracts with customers billed directly according to performance completed to date.

4. OTHER GAINS, NET

In HK\$ million	2024	2025
Fair value movement of derivative financial instruments	7	25
Fair value movement on financial assets at FVPL ¹	264	102
Gain on deemed disposal of interests in an associate, net	86	104
Write-back of an amount due from a related company	79	251
(Loss)/Gain on disposal of other financial assets	(39)	11
Other	42	(87)
	439	406

^{1.} FVPL refers to fair value through profit or loss

5. PROFIT BEFORE INCOME TAX

Profit before income tax was stated after charging the following:

In HK\$ million	2024	2025
Cost of inventories sold	8,186	9,624
Cost of sales, excluding inventories sold	10,941	11,907
Depreciation of property, plant and equipment	1,159	1,062
Depreciation of right-of-use assets – land and buildings	1,272	1,218
Depreciation of right-of-use assets – network capacity and equipment	115	113
Amortisation of land lease premium – interests in leasehold land	16	15
Amortisation of intangible assets	3,182	3,608
Amortisation of fulfilment costs	484	486
Amortisation of customer acquisition costs	1,243	1,228

6. INCOME TAX

In HK\$ million	2024	2025
Current income tax:		
Hong Kong profits tax	531	280
Overseas tax	80	71
Movement of deferred income tax	236	457
	847	808

Hong Kong profits tax is provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year. Overseas tax is calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the respective jurisdictions.

In December 2021, the Organisation for Economic Co-operation and Development released the Global Anti-Base Erosion rules, also known as Pillar Two, aimed at reforming international corporate taxation. Hong Kong passed legislation to implement Pillar Two, with the Hong Kong minimum top-up tax and Income Inclusion Rule effective retroactively from 1 January 2025. The Group is within the scope of this legislation.

Following the amendments to HKAS 12 *Income Taxes* issued by the HKICPA in July 2023, the Group has applied the mandatory temporary exception under paragraph 4 of the amendments to HKAS 12 and has not recognised or disclosed deferred income tax assets and liabilities related to Pillar Two income taxes.

For the year ended 31 December 2025, the Group has completed its assessment and has identified current Pillar Two tax exposure of HK\$3 million arising from profits earned in the United Arab Emirates.

7. DIVIDENDS

In HK\$ million	2024	2025
Interim dividend declared and paid in respect of the current year of 9.77 HK cents (2024: 9.77 HK cents) per ordinary share	756	756
Less: dividend for shares held by share award schemes	(1)	(1)
	755	755
Final dividend declared in respect of the previous financial year, approved and paid during the year of 28.48 HK cents (2024: 28.48 HK cents) per ordinary share	2,204	2,205
Less: dividend for shares held by share award schemes	(2)	(2)
	2,202	2,203
	2,957	2,958
Final dividend proposed after the end of the reporting period of 28.48 HK cents (2024: 28.48 HK cents) per ordinary share	2,205	2,207

Final dividend proposed after the end of the reporting period is not recognised as a liability at the end of the reporting period.

The Company had total distributable reserves of HK\$17,180 million as at 31 December 2025 (2024: HK\$17,722 million).

8. LOSS PER SHARE

The calculations of basic and diluted loss per share were based on the following data:

	2024	2025
Loss (in HK\$ million)		
Loss for the purpose of basic and diluted loss per share	(300)	(253)
Number of shares		
Weighted average number of ordinary shares	7,740,012,052	7,741,687,404
Effect of shares held under the Company's share award schemes	(8,904,538)	(6,656,337)
Weighted average number of ordinary shares for the purpose of basic loss per share	7,731,107,514	7,735,031,067
Effect of shares awarded under the Company's share award schemes	—*	—*
Weighted average number of ordinary shares for the purpose of diluted loss per share	7,731,107,514	7,735,031,067

* The effect of shares awarded under the Company's share award schemes would result in anti-dilutive effect on loss per share for the years ended 31 December 2024 and 2025.

9. TRADE RECEIVABLES, NET

The ageing of trade receivables based on the date of invoice is set out below:

In HK\$ million	2024	2025
1 – 30 days	2,315	2,829
31 – 60 days	482	610
61 – 90 days	196	427
91 – 120 days	192	168
Over 120 days	854	830
	4,039	4,864
Less: loss allowance	(362)	(362)
	3,677	4,502

As at 31 December 2025, included in trade receivables, net were amounts due from related parties of HK\$129 million (2024: HK\$152 million).

9. TRADE RECEIVABLES, NET (CONTINUED)

The Group's normal credit period for customers is ranging up to 30 days from the date of invoice unless there is a separate mutual agreement on extension of the credit period. The Group maintains a well-defined credit policy and individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Debtors who have overdue balances are requested to settle all outstanding balances before any further credit is granted.

10. TRADE PAYABLES

The ageing of trade payables based on the date of invoice is set out below:

In HK\$ million	2024	2025
1 – 30 days	2,985	4,031
31 – 60 days	1,751	2,861
61 – 90 days	915	1,166
91 – 120 days	1,011	1,074
Over 120 days	908	1,108
	7,570	10,240

As at 31 December 2025, included in trade payables were amounts due to related parties of HK\$265 million (2024: HK\$264 million).

11. SHARE CAPITAL

	Year ended 31 December			
	2024		2025	
	Number of shares	Share capital HK\$ million	Number of shares	Share capital HK\$ million
Ordinary shares of no par value, issued and fully paid:				
As at 1 January	7,739,638,249	12,954	7,741,063,374	12,954
Shares issued (<i>note (a)</i>)	1,425,125	–	6,699,144	–
As at 31 December	7,741,063,374	12,954	7,747,762,518	12,954

(a) During the year ended 31 December 2025, the Company issued and allotted 6,699,144 (2024: 1,425,125) new fully paid shares for an aggregate consideration of HK\$66,991.44 (2024: HK\$14,251.25) (HK\$0.01 per share) under share award schemes.

12. CHANGE IN INTERESTS IN SUBSIDIARIES WITHOUT A LOSS OF CONTROL

- (a) During the year ended 31 December 2024, the Group has disposed 20,097,000 share stapled units of HKT Trust and HKT from the open market at an average price of HK\$9.50 per unit, resulting in a credit to non-controlling interest attributable to HKT Trust, HKT and its subsidiaries of HK\$9 million.
- (b) On 21 June 2023, the Company's wholly-owned subsidiary, PCCW Media Holdings Limited, and Viu International Limited ("Viu", a then wholly-owned subsidiary of PCCW Media Holdings Limited), entered into a share subscription agreement with an independent third party (the "Partner A"), pursuant to which Partner A shall subscribe for ordinary shares of Viu for an aggregate amount of US\$300 million (subject to the satisfaction or waiver of certain conditions), of which initial subscription of US\$200 million was completed on 21 June 2023. Following the completion of the initial subscription of US\$200 million and the further issuance of ordinary shares of Viu upon the availability of the audited financial statements of Viu, the Company's economic interest in Viu decreased from 100% to approximately 72.7%, resulting in an increase in non-controlling interests attributable to Viu of HK\$566 million. Viu is engaged in the provision of OTT video streaming service in Asia, the Middle East and South Africa. During the year ended 31 December 2024, the Company's economic interest in Viu further decreased from approximately 72.7% to approximately 62.8%, resulting in an increase in non-controlling interests attributable to Viu of HK\$411 million. During the year ended 31 December 2025, the Company's economic interest in Viu further decreased from approximately 62.8% to approximately 62.7%, resulting in an increase in non-controlling interests attributable to Viu of HK\$1 million.
- (c) On 26 June 2024, the Company's indirect non-wholly owned subsidiary, Apex Link Communications Holdings Limited (the "Seller") entered into a share purchase agreement with an independent third party (the "Partner B"), pursuant to which Partner B shall purchase (i) 40% interest in Fiber Link Global Limited (the "Passive Netco"), an indirect non-wholly owned subsidiary of the Company which would engage in the provision of copper and fibre connection access services in Hong Kong and the Greater Bay Area and operating, maintaining and extending the passive components of copper and fibre access networks and providing related services; and (ii) a receivable in the amount of HK\$344 million owing from Passive Netco to the Seller, for an aggregate consideration of US\$870 million (the "Transaction"). As at 31 December 2024, all conditions of the agreement had been fulfilled and the Transaction had been completed.

13. BUSINESS COMBINATION

Acquisition of Clermont Media Limited and its subsidiaries (together the “Clermont Group”)

On 4 February 2025, the Group completed the acquisition of the entire issued share capital of Clermont Media Limited, a private company incorporated in British Virgin Islands, and its subsidiaries. The Clermont Group is principally engaged in the business of, among other things, publication of newspapers and journals and operation of a variety of online platforms, websites, systems and portals relating to finance, economy, investment, lifestyle and education. The acquisition aims at expanding the Group’s business in these areas, expanding advertising and subscription revenues by strengthening content for the existing news channel and enhancing the experience across the Group’s various media platforms as well as delivering operational efficiencies by leveraging the Group’s extensive resources. The total consideration for the acquisition was HK\$70 million, payable in cash in full at completion and goodwill of HK\$29 million at the acquisition date is recognised. As at 31 December 2025, the allocation of the purchase price to the acquired assets and liabilities is finalised. The fair values of the acquirees’ identifiable assets and liabilities are concluded to be the same as their provisional amounts as at the date when the Group obtained control of the acquired companies. As a result, no adjustment to the provisional amounts and goodwill for the year ended 31 December 2025 is required.

14. SUBSEQUENT EVENT

On 13 January 2026, CAS Capital No. 2 Limited, an indirect wholly-owned subsidiary of the Company, issued US\$675 million perpetual subordinated guaranteed securities. The securities are listed on the Singapore Exchange Securities Trading Limited and are irrevocably and unconditionally guaranteed by CAS Holding No. 1 Limited (“CAS Holding”), a direct wholly-owned subsidiary of the Company. The securities will be accounted for as equity instruments in the consolidated financial statements of the Group.

Subsequently, on 14 January 2026, CAS Holding completed a tender offer by purchasing an aggregate principal amount of approximately US\$581 million for cash in respect of US\$750 million perpetual subordinated guaranteed securities issued by CAS Capital No. 1 Limited, an indirect wholly-owned subsidiary of the Company, and irrevocably and unconditionally guaranteed by CAS Holding (the “Securities”). Following the completion of the tender offer, the outstanding amount of the Securities was further reduced from US\$713 million to approximately US\$132 million.

As at the date of this announcement, the Directors are as follows:

Executive Directors

Li Tzar Kai, Richard (Chairman) and Hui Hon Hing, Susanna (Acting Group Managing Director and Group Chief Financial Officer)

Non-Executive Directors

Tse Sze Wing, Edmund, GBS; Tang Yongbo (Deputy Chairman); Feng Lanxiao; Zhao Xingfu and Wei Zhe, David

Independent Non-Executive Directors

Aman Mehta; Frances Waikwun Wong; Bryce Wayne Lee; Lars Eric Nils Rodert; David Christopher Chance and Sharhan Mohamed Muhseen Mohamed

Forward-Looking Statements

This announcement may contain certain forward-looking statements. These forward-looking statements include, without limitation, statements relating to revenues, earnings and prospects. The words “believe”, “intend”, “expect”, “anticipate”, “project”, “estimate”, “predict”, “is confident”, “has confidence” and similar expressions are also intended to identify forward-looking statements. These forward-looking statements are not historical facts. Rather, the forward-looking statements are based on the current beliefs, assumptions, expectations, estimates and projections of the Directors and management of PCCW relating to the business, industry and markets in which PCCW operates.