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PCCW Limited
電 訊 盈 科 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0008)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024.

- Viu subscriber base grew by 17% to reach 15.5 million[5] with strong growth recorded in Indonesia, Malaysia and Thailand

- Free TV & Related Business revenue crossed HK$1 billion mark on the back of strong performance in artiste management and event business

- Revenue increased 3% to HK$37,557 million
  - HKT revenue excluding Mobile product sales increased by 2% to HK$32,031 million
  - OTT Business revenue reached HK$2,458 million
  - Free TV & Related Business revenue up by 11% to HK$1,057 million

- EBITDA increased to HK$12,849 million
  - HKT EBITDA up 3% to HK$13,743 million
  - OTT Business recorded EBITDA of HK$398 million
  - Free TV & Related Business EBITDA resilient at HK$192 million

- Loss attributable to equity holders of the Company for the year narrowed significantly to HK$300 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,

2024 was a relatively challenging year characterised by sluggish and uncertain economic conditions, with subdued consumption in Hong Kong. Nevertheless, our strategic focus remained on driving profitability by prudently scaling our video streaming and domestic television platforms while benefitting from the stability and resilience of HKT Limited ("HKT"). Overall performance was solid, with revenue up 3% to HK$37,557 million and EBITDA of HK$12,849 million.

A Leading Video Streaming Platform in the Region

Available in 16 markets across Southeast Asia, the Middle East and South Africa, Viu is the leading Asian streaming platform in the region. During the year, Viu added 2.2 million paid subscribers, bringing the total to 15.5 million[5], with significant inroads made in Indonesia, Malaysia and Thailand. New partnerships with digital economy companies such as Grab, Trip.com and Zalora and the launch of our Premium+ subscription tier in selected markets also helped to drive a 15%[5] increase in subscription revenue during the year.

Subscribers to Viu have access to premium content across a broad range of genres and languages. With its growing subscriber base and a large number of active users on its freemium service, Viu can quickly and accurately identify the content genres and themes that resonate most with viewers. In response to growing demand, Viu expanded its Chinese drama offering during the year, streaming 52% more titles and 17% more programming hours. We also increased our Chinese simulcast titles by 50%, allowing viewers to watch their favourite Chinese dramas as soon as they become available.

During the year, Viu partnered with numerous advertisers and attracted local and regional sponsorships through bespoke content that incorporates the products and services of these advertisers. Furthermore, in an effort to increase advertising inventory and advertising rates, Viu launched an advertising-based video on demand ("AVOD") tier for connected TV users in 2024. As a result, advertising revenue on the platform grew 17%[5] during the year.

Significant Progress in Artiste Management & Event Business

Due to the appeal of our expanding media ecosystem, we increased the roster of artistes that we manage to almost 70. During the year, we successfully organised 31 sold-out concerts in Hong Kong featuring some of these artistes. We also continued to expand their reach into new markets, providing them with opportunities across diverse entertainment formats, including dramas, commercials, films, music and events. Our artistes subsequently garnered numerous accolades from both local and international bodies throughout the year.

In terms of our broadcasting operations, ViuTV is recognised for its vibrant brand and fresh, engaging content that attracts a greater share of younger audiences. ViuTV's strong appeal to these viewers positions it as an ideal platform to support advertisers and public service providers in initiatives aimed at this demographic. By leveraging the Group's extensive resources, ViuTV is uniquely equipped to offer a comprehensive range of effective advertising and marketing services, including production, media (both broadcast and digital), event management and artiste representation. This is further complemented by the breadth of our distribution platform that spans TV, digital and print media.

Benefitting from HKT's Advancement and Stability

In these uncertain times, HKT has remained steadfast in executing its strategic priorities of delivering high-quality, reliable and innovative services to customers, furthering its transformation into a dynamic technology solutions provider and fortifying its financial position. In 2024, HKT once again delivered a solid performance, achieving growth in revenue, EBITDA and, most notably, adjusted funds flow ("AFF"). With its leading integrated network, growing digital ecosystem and burgeoning enterprise business, HKT is well-positioned to sustain its growth trajectory.

Prudent Long-Term Dividend Policy

Supported by HKT's solid financial position, PCCW is committed to fostering a dynamic creative ecosystem. We will continue to contribute Hong Kong's rise as a centre for international cultural exchange through integrated media platforms while creating long-term value for our stakeholders.

In light of the uncertain and rapidly changing economic and industry conditions, we will continue adhering to a prudent dividend policy that prioritises a strong financial position while providing attractive total returns to our shareholders. In this regard, we are pleased to announce that 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 2024.

I would like to express my sincere thanks to all of our colleagues for their tireless efforts over the past year and to our shareholders for their unwavering support.

Susanna Hui
Acting Group Managing Director
Hong Kong, 21 February 2025

FINANCIAL REVIEW BY SEGMENT

For the year ended 31 December HK$ million	2023			2024			Better/ (Worse)
	H1	**H2**	**Full Year**	**H1**	**H2**	**Full Year**	y-o-y
Revenue							
HKT	16,400	17,930	**34,330**	16,669	18,084	**34,753**	1%
HKT (excluding Mobile Product Sales)	15,247	16,123	**31,370**	15,683	16,348	**32,031**	2%
Mobile Product Sales	1,153	1,807	**2,960**	986	1,736	**2,722**	(8)%
OTT Business	971	1,481	**2,452**	1,089	1,369	**2,458**	-
Free TV & Related Business	390	562	**952**	480	577	**1,057**	11%
Other Businesses	369	398	**767**	373	430	**803**	5%
Eliminations	(1,280)	(874)	**(2,154)**	(913)	(601)	**(1,514)**	30%
Consolidated revenue	16,850	19,497	**36,347**	17,698	19,859	**37,557**	3%
Cost of sales	(8,292)	(9,824)	**(18,116)**	(8,939)	(10,188)	**(19,127)**	(6)%
Operating costs before depreciation, amortisation, and (losses)/gains on disposal of property, plant and equipment and right-of-use assets, net ("operating costs")	(2,927)	(2,473)	**(5,400)**	(3,087)	(2,494)	**(5,581)**	(3)%
EBITDA[1]							
HKT	6,009	7,391	**13,400**	6,168	7,575	**13,743**	3%
OTT Business	165	427	**592**	229	169	**398**	(33)%
Free TV & Related Business	83	107	**190**	91	101	**192**	1%
Other Businesses	(294)	(403)	**(697)**	(309)	(437)	**(746)**	(7)%
Eliminations	(332)	(322)	**(654)**	(507)	(231)	**(738)**	(13)%
Consolidated EBITDA[1]	5,631	7,200	**12,831**	5,672	7,177	**12,849**	-
Consolidated EBITDA[1] Margin	*33%*	*37%*	***35%***	*32%*	*36%*	***34%***	
Depreciation	(1,308)	(1,495)	**(2,803)**	(1,267)	(1,279)	**(2,546)**	9%
Amortisation	(2,499)	(2,561)	**(5,060)**	(2,417)	(2,508)	**(4,925)**	3%
(Losses)/Gains on disposal of property, plant and equipment and right-of-use assets, net	-	(2)	**(2)**	10	-	**10**	n/a
Operating Profit	1,824	3,142	**4,966**	1,998	3,390	**5,388**	8%
Other gains, net	218	63	**281**	184	255	**439**	56%
Interest income	87	78	**165**	68	65	**133**	(19)%
Finance costs	(1,153)	(1,508)	**(2,661)**	(1,390)	(1,427)	**(2,817)**	(6)%
Share of results of associates and joint ventures	(102)	(150)	**(252)**	(183)	(172)	**(355)**	(41)%
Profit before income tax	874	1,625	**2,499**	677	2,111	**2,788**	12%
Income tax	(362)	(47)	**(409)**	(326)	(521)	**(847)**	(107)%
Holders of perpetual capital securities	(118)	(117)	**(235)**	(117)	(117)	**(234)**	-
Non-controlling interests	(880)	(1,446)	**(2,326)**	(696)	(1,311)	**(2,007)**	14%
(Loss)/Profit attributable to equity holders of the Company	(486)	15	**(471)**	(462)	162	**(300)**	36%

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 Hong Kong Financial Reporting Standards ("HKFRSs") 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 HKFRSs and should not be considered as representing net cash flows or any other similar measures derived in accordance with HKFRSs, 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	2023			2024			Better/ (Worse)
	H1	**H2**	**Full Year**	**H1**	**H2**	**Full Year**	y-o-y
TSS	11,685	12,485	**24,170**	12,063	12,394	**24,457**	1%
- Local TSS Services	8,159	8,714	**16,873**	8,289	9,061	**17,350**	3%
- International Telecommunications Services	3,526	3,771	**7,297**	3,774	3,333	**7,107**	(3)%
Mobile	4,968	6,340	**11,308**	4,976	6,508	**11,484**	2%
- Mobile Services	3,815	4,533	**8,348**	3,990	4,772	**8,762**	5%
- Mobile Product Sales	1,153	1,807	**2,960**	986	1,736	**2,722**	(8)%
Other Businesses	596	286	**882**	552	328	**880**	-
Eliminations	(849)	(1,181)	**(2,030)**	(922)	(1,146)	**(2,068)**	(2)%
HKT Revenue	16,400	17,930	**34,330**	16,669	18,084	**34,753**	1%
HKT EBITDA[1]	6,009	7,391	**13,400**	6,168	7,575	**13,743**	3%
HKT EBITDA[1] margin	*37%*	*41%*	***39%***	*37%*	*42%*	***40%***	
HKT Adjusted Funds Flow[4]	2,429	3,369	**5,798**	2,495	3,478	**5,973**	3%

In these uncertain times, we at HKT have remained steadfast in executing our strategic priorities of delivering high-quality, reliable and innovative services to customers, furthering our transformation into a dynamic technology solutions provider and fortifying our financial position. 2024 was a solid year for HKT in terms of performance, with all of our main business lines experiencing growth.

The Mobile business recorded growth of 5% in services revenue to HK$8,762 million for the year ended 31 December 2024, underpinned by a higher contribution from roaming, further 5G upgrades alongside growth in our post-paid customer base, and an increase in mobile wholesale revenue. With travel fully recovered, consumer outbound roaming revenue surpassed pre-pandemic levels of 2019, fuelling a 37% year-on-year growth in total roaming revenue during the year. Total roaming revenue fully rebounded in 2024, reaching 98% of pre-pandemic levels. 5G upgrades continued, with our 5G customer base reaching 1.747 million by the end of December 2024, an increase of 25% year-on-year. Overall, the Mobile business reported a net gain of 31,000 year-on-year in its post-paid customer base to reach 3.459 million by the end of December 2024, despite continued market competition, particularly in the price-sensitive segment.

Total Mobile revenue rose 2% to HK$11,484 million for the year, partially offset by softer Mobile product sales as consumers delayed handset upgrades due to weak consumer sentiment and limited new handset features. Total Mobile EBITDA for the year increased by 5% to HK$5,311 million from HK$5,060 million a year earlier. The overall EBITDA margin improved to 46% as the contribution from lower margin Mobile product sales was reduced.

Local Telecommunication Services ("TSS") revenue grew by 3% to HK$17,350 million for the year ended 31 December 2024, underpinned by an increase of 6% to HK$13,552 million in Local Data Services revenue, which comprises of broadband and local data revenue. The broadband business recorded revenue growth for the 17th consecutive year, with revenue increasing by 3% as demand for our high-speed, reliable fibre services continued during the year, driven by the growing number of intelligent, connected devices in the home and the escalating bandwidth requirements of applications. Our fibre-to-the-home connections reached 1.04 million at the end of December 2024, representing a net increase of 33,000 or 3% growth from a year earlier.

HKT (CONTINUED)

On the enterprise side, local data revenue achieved robust growth of 8%, reflecting HKT's position as a long-term trusted partner to both public and private enterprises in providing unique fixed-mobile integrated solutions utilising the latest technologies such as 5G, Internet of Things, artificial intelligence ("AI"), cloud and cybersecurity. During the year, HKT Enterprise Solutions secured new project wins with a total contract value of over HK$5 billion, an increase of 11% year-on-year, which will fuel further growth in this segment. Furthermore, the enterprise business in mainland China successfully achieved its 2024 revenue target of HK$1 billion, growing 37% year-on-year, and is well positioned to maintain this upward trajectory.

Our Pay TV business, as the leading content aggregator in Hong Kong, remained resilient with revenue of HK$2,320 million for the year ended 31 December 2024 versus HK$2,365 million a year earlier, despite intense competition from a wide range of free and paid entertainment services. With the flourishing popularity of video streaming services, we launched a refreshed Now OTT service in January 2024 and saw a strong uptake, with subscriber growth of 15% during the year. This contributed an increase in the Now TV installed base to 1.433 million from 1.429 million a year earlier. Consequently, Local TSS Services revenue grew by 3% to HK$17,350 million for the year ended 31 December 2024.

International Telecommunications Services revenue was HK$7,107 million for the year ended 31 December 2024 versus HK$7,297 million a year earlier. The drop in revenue primarily stemmed from the weaker wholesale voice business although the business recorded increased data revenue and growing demand for our Console Connect service. As a result, total TSS revenue increased by 1% to HK$24,457 million for the year ended 31 December 2024.

HKT's total revenue, excluding Mobile product sales, for the year ended 31 December 2024 increased by 2% to HK$32,031 million, while total revenue increased by 1% to HK$34,753 million.

HKT operating costs improved by 5% to HK$3,300 million, reflecting HKT's continued focus on operating efficiency and cost optimisation initiatives, which lifted HKT EBITDA by 3% year-on-year to HK$13,743 million for year ended 31 December 2024 with EBITDA margin improved to 40% during the year.

Profit attributable to holders of Share Stapled Units was HK$5,070 million for the year, an increase of 2% over the previous year. Basic earnings per Share Stapled Unit was 66.92 HK cents.

HKT adjusted funds flow for the year ended 31 December 2024 rose to HK$5,973 million, an increase of 3% over the previous year. Annual adjusted funds flow per Share Stapled Unit was 78.80 HK cents.

HKT recommended the payment of a final distribution of 45.88 HK cents per Share Stapled Unit for the year ended 31 December 2024. This brings the 2024 full-year distribution to 78.80 HK cents per Share Stapled Unit (comprising 32.92 HK cents as interim distribution and 45.88 HK cents as final distribution) representing the full payout of the annual adjusted funds flow per Share Stapled Unit.

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 2024 annual results announcement released on 20 February 2025.

OTT Business

For the year ended 31 December HK$ million	2023			2024			Better/ (Worse)
	H1	**H2**	**Full Year**	**H1**	**H2**	**Full Year**	y-o-y
OTT Business Revenue	971	1,481	**2,452**	1,089	1,369	**2,458**	-
OTT Business EBITDA[1]	165	427	**592**	229	169	**398**	(33)%
OTT Business EBITDA[1] margin	*17%*	*29%*	***24%***	*21%*	*12%*	***16%***	

For the year ended 31 December 2024, the over-the-top ("OTT") Business recorded revenue of HK$2,458 million, increasing from HK$2,452 million in the previous year. Revenue from the Viu video streaming service, which is the main contributor to the OTT Business, increased by 5%, but this was partially offset by softer revenues from fewer music events under our music streaming service, MOOV. Whilst subscription and advertising revenue continued to show strong growth of 15%[5] and 17%[5] respectively and remain the core source of Viu's revenue, overall revenue was impacted by decreased revenues in the second half of 2024 from content syndication and events, which are more variable in nature and depend on the timing of key content launches.

Viu remains one of Asia's leading video streaming services in terms of the number of subscribers and user engagement. Central to Viu's popularity is its rich and diverse content portfolio, which serves as a robust foundation for driving paid subscriptions and attracting local and regional sponsorship from advertisers. By leveraging audience preference analytics across its large base of subscribers and active users, Viu is able to adeptly identify content genres and themes that resonate with viewers. In response to the growing popularity of Chinese dramas, Viu has broadened its offerings by increasing both the quantity and accessibility of Chinese titles while also curating an enticing selection of Korean and Southeast Asian content that appeals to viewers across the region.

To bolster subscription revenue in 2024, Viu expanded its distribution partnerships beyond telecommunications service providers. New partners include key players in the digital economy such as Grab, Trip.com and Zalora. In addition, with the introduction of the Premium+ subscription tier in selected markets, Viu's value proposition and subscriber experience has been significantly enhanced. As a result of these initiatives, Viu's paid subscriber base grew by 17% to 15.5 million[5] and subscription revenue increased by 15%[5] year-on-year.

Viu has always operated a dual revenue model that includes advertising revenue. To boost advertising revenue, Viu launched an AVOD tier for connected TVs, which increased advertising inventory and attracted advertisers eager to engage with the mass affluent segment, allowing Viu to command higher rates. This initiative, together with an increase in advertiser funded programmes such as title sponsorships for popular content across the region, led to a 17%[5] rise in advertising revenue year-on-year.

The OTT Business recorded EBITDA of HK$398 million for the year ended 31 December 2024, driven by increased spending, particularly in Indonesia, Malaysia and Thailand, to enhance penetration in the non-metro areas of these high-potential markets. Together with fresh content in 2025 that will support the next cycle of syndication revenues, these investments will help drive Viu's next phase of growth.

Free TV & Related Business

For the year ended 31 December HK$ million	2023			2024			Better/ (Worse)
	H1	**H2**	**Full Year**	**H1**	**H2**	**Full Year**	y-o-y
Free TV & Related Business Revenue	390	562	**952**	480	577	**1,057**	11%
Free TV & Related Business EBITDA[1]	83	107	**190**	91	101	**192**	1%
Free TV & Related Business EBITDA[1] Margin	*21%*	*19%*	***20%***	*19%*	*18%*	***18%***	

The Free TV & Related Business recorded a revenue increase of 11% to HK$1,057 million, underpinned by a strong performance from our artiste and event management business. This growth was tempered by softer advertising revenue, reflecting the subdued retail market in Hong Kong.

2024 was a solid year for our artiste and event management business. We doubled our concert revenue with a series of sold-out concerts featuring a number of our talented in-house artistes, such as MIRROR, COLLAR, Sica, and P1X3L. Several of our artistes also performed at concerts and festivals across the region. Additionally, we organised concerts outside of Hong Kong that showcased performers from Japan and Thailand.

In terms of ViuTV, we continued to make strides in increasing the quality of content and engagement with viewers. Our content continues to resonate strongly with younger audiences, positioning ViuTV as an ideal platform for initiatives targeting this demographic. This group is also highly digitally engaged, as evidenced by a 6% year-on-year increase in registered members across ViuTV's online platforms, which now exceed 3.2 million. As a result, ViuTV has successfully attracted advertisers from sectors such as restaurants, beverages, food delivery services, and finance.

We continued to leverage the collective strengths of our Group to provide a comprehensive suite of services to advertisers and public service providers. Our offerings encompass large-scale production, media (both airtime and digital), customer activation events, and, crucially, talent engagement. Our notable projects included the Carbon Reduction Action initiative in collaboration with the Hong Kong Government's Environment and Ecology Bureau and Environmental Campaign Committee and the Hong Kong Tourism Board's Hong Kong New Year Countdown Celebrations.

Overall, the Free TV & Related Business recorded resilient EBITDA of HK$192 million for the year ended 31 December 2024 and a margin of 18%, reflecting the shift in revenue mix during the year.

Other Businesses

Other Businesses primarily comprise the remaining Solutions Business and corporate support functions. It recorded HK$803 million in revenue and an EBITDA cost of HK$746 million for the year ended 31 December 2024.

Eliminations

Eliminations for the year ended 31 December 2024 were HK$1,514 million, compared to HK$2,154 million a year earlier, encompassing projects completed among members of the Group for both internal and external initiatives.

Costs

Cost of Sales

For the year ended 31 December HK$ million	**2023**			**2024**			Better/ (Worse)
	H1	**H2**	**Full Year**	**H1**	**H2**	**Full Year**	y-o-y
HKT	8,279	9,175	**17,454**	8,491	9,219	**17,710**	(1)%
Consolidated	8,292	9,824	**18,116**	8,939	10,188	**19,127**	(6)%

HKT's cost of sales for the year ended 31 December 2024 increased by 1% year-on-year to HK$17,710 million, which was in line with revenue growth during the year. The cost of sales in the OTT Business decreased due to a change in the revenue mix towards less cost-intensive, event-oriented activities. However, there was an increase in the cost of sales in the Free TV & Related Business, primarily due to the production of concerts for our artistes. Overall, the Group's cost of sales increased by 6% to HK$19,127 million for the year ended 31 December 2024.

General and Administrative Expenses

For the year ended 31 December 2024, the Group's operating costs increased by 3% to HK$5,581 million. This was largely due to an increase in publicity and promotion costs at the OTT Business, aimed at supporting new initiatives to drive advertising revenue growth and further enhance market penetration and uptake of paid subscriptions in high-potential markets such as Indonesia, Malaysia and Thailand. This was partially offset by a 5% decrease in operating costs at HKT, reflecting its continued focus on operating efficiency and cost optimisation initiatives across each of the business segments, including enhancing business processes via the adoption of AI, consolidation of business operations and rationalisation of IT platforms. Overall operating costs-to-revenue ratio was stable at 15% for the year ended 31 December 2024.

Depreciation and amortisation expenses for the year decreased by 5% to HK$7,471 million, with depreciation declining by 9% to HK$2,546 million and amortisation falling by 3% to HK$4,925 million. The lower depreciation expenses were mainly attributable to HKT's recent level of capital expenditure spending while the reduced amortisation expenses were due to more prudent content investments in the Media Business. Content-related amortisation decreased 1% to HK$1,833 million for the year compared to HK$1,851 million a year ago.

Overall, general and administrative expenses decreased by 2% year-on-year to HK$13,042 million for the year ended 31 December 2024.

EBITDA[1]

Overall, consolidated EBITDA for the year ended 31 December 2024 was stable at HK$12,849 million with EBITDA margin of 34%.

Other Gains, Net

Net other gains for the year ended 31 December 2024 were HK$439 million, compared to net other gains of HK$281 million in the previous year, primarily reflecting gains from the revaluation of the Group's investments.

Interest Income and Finance Costs

Interest income for the year ended 31 December 2024 was HK$133 million while finance costs increased by 6% to HK$2,817 million. The increase in finance costs was largely driven by higher HIBOR during the year with the average cost of debt for the Group increasing from 4.2% to 4.4% year-on-year. As a result, net finance costs increased by 8% year-on-year from HK$2,496 million to HK$2,684 million for the year ended 31 December 2024.

Income Tax

Income tax expense for the year ended 31 December 2024 was HK$847 million, as compared to HK$409 million a year ago. The increase in the tax expense was primarily due to a reversal of income tax provisions that occurred in the prior year at HKT.

Profit Attributable to Non-controlling Interests

Profit attributable to non-controlling interests was HK$2,007 million for the year ended 31 December 2024 (31 December 2023: HK$2,326 million), representing primarily 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$234 million for the year ended 31 December 2024 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 US$750 million 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 2024 narrowed significantly to HK$300 million (31 December 2023: HK$471 million).

LIQUIDITY AND CAPITAL RESOURCES

The Group actively and regularly reviews and manages its capital structure to maintain a balance between shareholder return and 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 debt[2] was HK$52,393 million as at 31 December 2024 (31 December 2023: HK$52,329 million). Cash and short-term deposits totalled HK$2,583 million as at 31 December 2024 (31 December 2023: HK$2,706 million).

As at 31 December 2024, the Group had a total of HK$53,690 million in banking facilities available for liquidity management and investments, of which HK$24,802 million remained undrawn. Of these banking facilities, HKT accounted for HK$37,610 million, of which HK$18,612 million remained undrawn.

The Group's gross debt[2] to total assets was 53% as at 31 December 2024 (31 December 2023: 55%).

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

As at 31 December 2024, 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 EXPENDITURE[3]

Group capital expenditure for the year ended 31 December 2024 was HK$2,341 million (2023: HK$2,324 million), of which HKT accounted for about 95% (2023: 98%). The capital expenditure to revenue ratio was approximately 6.2% for the year (2023: 6.4%).

Capital expenditure for HKT's Mobile business was 5% lower during the year, reflecting the efficiency gains from capacity upgrades and network maintenance following the completion of our territory-wide 5G coverage. TSS capital expenditure was 4% lower during the year reflecting the already extensive geographic fibre coverage and phased timing of subsea cable investments. Capital expenditure for the Media Business increased mainly due to relocation, renovation and equipment setup for 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, and prudently invest in expanding and upgrading its 5G network 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 2024, 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 2024, no assets of the Group (31 December 2023: nil) were pledged to secure banking facilities for the Group.

CONTINGENT LIABILITIES

As at 31 December **HK$ million**	2023	**2024**
Performance guarantees	1,384	**1,227**
Others	41	**25**
	1,425	**1,252**

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 2024, 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$780 million (as at 31 December 2023: same), of which HK$780 million (as at 31 December 2023: HK$470 million) had been utilised by the associate. The Group's share of guarantee for the utilised amount was approximately HK$235 million (as at 31 December 2023: HK$141 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 2024 (31 December 2023: 15,000) located in 25 countries and cities. About 64% of these employees work in Hong Kong and the others are based mainly in mainland China. 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 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 (2023: 28.48 HK cents) per ordinary share for the year ended 31 December 2024 to shareholders whose names appear on the register of members of the Company on Thursday, 22 May 2025, subject to the approval of shareholders of the Company at the forthcoming annual general meeting which will be held on Thursday, 15 May 2025 ("AGM"). An interim dividend of 9.77 HK cents (2023: 9.77 HK cents) per ordinary share for the six months ended 30 June 2024 was paid to shareholders of the Company in September 2024.

CLOSURE OF REGISTER OF MEMBERS

The record date for the proposed final dividend will be Thursday, 22 May 2025. The Company's register of members will be closed from Wednesday, 21 May 2025 to Thursday, 22 May 2025 (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 Tuesday, 20 May 2025. 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 Friday, 20 June 2025.

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, 9 May 2025. 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, 9 May 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2024, 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 2024.

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 2024.

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 2024 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, 21 February 2025

AUDITED CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2024

In HK$ million (except for loss per share)	Note(s)	2023	**2024**
Revenue	2, 3	36,347	**37,557**
Cost of sales		(18,116)	**(19,127)**
General and administrative expenses		(13,265)	**(13,042)**
Other gains, net	4	281	**439**
Interest income		165	**133**
Finance costs		(2,661)	**(2,817)**
Share of results of associates		(236)	**(343)**
Share of results of joint ventures		(16)	**(12)**
Profit before income tax	2, 5	2,499	**2,788**
Income tax	6	(409)	**(847)**
Profit for the year		2,090	**1,941**
Profit/(Loss) attributable to:			
Equity holders of the Company		(471)	**(300)**
Holders of perpetual capital securities		235	**234**
Non-controlling interests		2,326	**2,007**
Profit for the year		2,090	**1,941**
Loss per share	8		
Basic		6.10 cents	**3.88 cents**
Diluted		6.10 cents	**3.88 cents**

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

In HK$ million	2023	**2024**
Profit for the year	2,090	**1,941**
Other comprehensive (loss)/income		
Items that will not be reclassified subsequently to consolidated income statement:		
Remeasurements of defined benefit retirement schemes obligations	(44)	**21**
Changes in the fair value of financial assets at fair value through other comprehensive income	(215)	**382**
	(259)	**403**
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	32	**(97)**
- exchange differences on translating foreign operations of associates and joint ventures	(24)	**(135)**
Cash flow hedges:		
- effective portion of changes in fair value	(179)	**(180)**
- transfer from equity to consolidated income statement	(147)	**208**
Costs of hedging	(41)	**118**
Share of other comprehensive loss of an associate	–	**(4)**
	(359)	**(90)**
Other comprehensive (loss)/income for the year	(618)	**313**
Total comprehensive income for the year	1,472	**2,254**
Attributable to:		
Equity holders of the Company	(919)	**(204)**
Holders of perpetual capital securities	235	**234**
Non-controlling interests	2,156	**2,224**
Total comprehensive income for the year	1,472	**2,254**

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

In HK$ million		The Group		(Additional Information) The Company	
	Note*	2023	**2024**	2023	**2024**
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment		27,787	**28,909**	–	**–**
Right-of-use assets		2,074	**2,007**	–	**–**
Interests in leasehold land		291	**275**	–	**–**
Goodwill		17,976	**17,963**	–	**–**
Intangible assets		20,286	**21,926**	–	**–**
Fulfilment costs		1,925	**2,097**	–	**–**
Customer acquisition costs		912	**872**	–	**–**
Contract assets		324	**261**	–	**–**
Interests in subsidiaries		–	**–**	36,770	**36,805**
Interests in associates		2,281	**1,886**	–	**–**
Interests in joint ventures		301	**635**	–	**–**
Financial assets at fair value through other comprehensive income		219	**881**	–	**–**
Financial assets at fair value through profit or loss		3,050	**3,311**	–	**–**
Other financial assets		1,369	**805**	–	**–**
Derivative financial instruments		29	**93**	–	**35**
Deferred income tax assets		913	**811**	–	**–**
Other non-current assets		615	**995**	–	**–**
		80,352	**83,727**	36,770	**36,840**
Current assets					
Amounts due from subsidiaries		–	**–**	7,741	**10,624**
Inventories		1,608	**2,122**	–	**–**
Prepayments, deposits and other current assets		4,020	**4,703**	39	**46**
Contract assets		1,504	**1,711**	–	**–**
Trade receivables, net	9	4,135	**3,677**	–	**–**
Amounts due from related companies		25	**23**	–	**–**
Tax recoverable		2	**7**	–	**–**
Restricted cash		211	**205**	–	**–**
Short-term deposits		79	**295**	–	**–**
Cash and cash equivalents		2,627	**2,288**	431	**111**
		14,211	**15,031**	8,211	**10,781**

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 December 2024

In HK$ million				(Additional Information)	
		The Group		The Company	
	Note*	2023	**2024**	2023	**2024**
Current liabilities					
Short-term borrowings		(1,049)	**(3,934)**	–	**–**
Trade payables	10	(6,297)	**(7,570)**	–	**–**
Accruals and other payables		(7,917)	**(8,131)**	(25)	**(34)**
Derivative financial instruments		(151)	**(45)**	–	**(4)**
Carrier licence fee liabilities		(338)	**(324)**	–	**–**
Amounts due to related companies		(118)	**(169)**	–	**–**
Advances from customers		(279)	**(301)**	–	**–**
Contract liabilities		(1,659)	**(1,561)**	–	**–**
Lease liabilities		(1,107)	**(1,103)**	–	**–**
Current income tax liabilities		(1,853)	**(2,153)**	(3)	**(2)**
		(20,768)	**(25,291)**	(28)	**(40)**
Non-current liabilities					
Long-term borrowings		(50,997)	**(47,985)**	(6,701)	**(9,839)**
Amounts due to subsidiaries		–	**–**	(7,023)	**(7,043)**
Derivative financial instruments		(635)	**(798)**	(5)	**–**
Deferred income tax liabilities		(4,889)	**(5,028)**	–	**–**
Defined benefit retirement schemes liability		(95)	**(58)**	–	**–**
Carrier licence fee liabilities		(3,086)	**(3,198)**	–	**–**
Contract liabilities		(980)	**(974)**	–	**–**
Lease liabilities		(1,036)	**(919)**	–	**–**
Amount due to a non-controlling interest		–	**(344)**	–	**–**
Other long-term liabilities		(2,376)	**(2,649)**	–	**–**
		(64,094)	**(61,953)**	(13,729)	**(16,882)**
Net assets		9,701	**11,514**	31,224	**30,699**

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 December 2024

In HK$ million				(Additional Information)	
		The Group		The Company	
	Note*	2023	**2024**	2023	**2024**
CAPITAL AND RESERVES					
Share capital	11	12,954	**12,954**	12,954	**12,954**
Reserves		(10,473)	**(11,350)**	18,270	**17,745**
Equity attributable to equity holders of the Company		2,481	**1,604**	31,224	**30,699**
Perpetual capital securities		5,886	**5,884**	–	**–**
Non-controlling interests		1,334	**4,026**	–	**–**
Total equity		9,701	**11,514**	31,224	**30,699**

* The notes referenced above pertain solely to the consolidated statement of financial position. The above Company statement of financial position as at 31 December 2023 and 2024 is presented only as additional information to these consolidated financial statements.

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 2024 have been prepared in accordance with all applicable Hong Kong Financial Reporting 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 and the requirements of the Hong Kong Companies Ordinance (Cap. 622).

The following amended Hong Kong Financial Reporting Standards are adopted for the financial year beginning 1 January 2024, but have no material effect on the Group's reported results and financial position for the current and prior accounting periods.

- HKAS 1 (Revised) (Amendments), *Presentation of Financial Statements*
- HKAS 7 (Amendments), *Statement of Cash Flows*
- HKFRS 7 Amendments), *Financial Instruments: Disclosures*
- HKFRS 16 (Amendments), *Leases*
- HK Interpretation 5 (Revised), *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

The Group has not early adopted any new or amended Hong Kong Financial Reporting Standards that are not yet effective for the current accounting period.

As at 31 December 2024, the current liabilities of the Group exceeded its current assets by HK$10,260 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 2024, 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 2023 and 2024 included in this preliminary announcement of annual results for the year ended 31 December 2024 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 2023 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 2024 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 mainland China 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 and other IT solutions businesses.

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	2023				
	HKT	Media Business	Other Businesses	Eliminations	Consolidated
REVENUE					
External revenue	32,740	2,840	767	–	36,347
Inter-segment revenue	1,590	564	–	(2,154)	–
Total revenue	34,330	3,404	767	(2,154)	36,347
External revenue from contracts with customers:					
Timing of revenue recognition					
At a point in time	7,038	648	–	–	7,686
Over time	25,619	2,192	762	–	28,573
External revenue from other sources:					
Rental income	83	–	5	–	88
	32,740	2,840	767	–	36,347
RESULTS					
EBITDA	13,400	782	(697)	(654)	12,831

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**

2. SEGMENT INFORMATION (CONTINUED)

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

In HK$ million	2023	**2024**
Total segment EBITDA	12,831	**12,849**
(Losses)/Gains on disposal of property, plant and equipment and right-of-use assets, net	(2)	**10**
Depreciation and amortisation	(7,863)	**(7,471)**
Other gains, net	281	**439**
Interest income	165	**133**
Finance costs	(2,661)	**(2,817)**
Share of results of associates and joint ventures	(252)	**(355)**
Profit before income tax	2,499	**2,788**

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	2023	**2024**
Hong Kong (place of domicile)	28,477	**29,145**
Mainland and other parts of China	1,590	**1,866**
Singapore	1,551	**1,404**
Others	4,729	**5,142**
	36,347	**37,557**

As at 31 December 2024, the total of non-current assets, other than financial instruments and deferred income tax assets, located in Hong Kong was HK$72,749 million (2023: HK$69,745 million), and the total of these non-current assets located in other geographical locations was HK$4,961 million (2023: HK$4,884 million).

3. REVENUE

In HK$ million	2023	**2024**
Revenue from contracts with customers	36,259	**37,487**
Revenue from other sources: rental income	88	**70**
	36,347	**37,557**

(a) Revenue recognition in relation to contract liabilities

In HK$ million	2023	**2024**
Revenue recognised that was included in the contract liability balance at the beginning of the year	1,606	**1,659**

3. REVENUE (CONTINUED)

(b) Unsatisfied long-term fixed-price contracts

In HK$ million	2023	**2024**
Aggregate amount of the transaction price allocated to long-term fixed-price contracts that are partially or fully unsatisfied as at 31 December	33,645	**35,489**

As at 31 December 2024, management expected that 39% and 23% (2023: 34% and 25%) 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 38% (2023: 41%) 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	2023	**2024**
Fair value movement of derivative financial instruments	(31)	**7**
Fair value movement on financial assets at FVPL[1]	169	**264**
Gain on deemed disposal of interests in an associate, net	–	**86**
Recovery of investment from re-organisation	–	**79**
Gain/(Loss) on disposal of other financial assets	103	**(39)**
Other	40	**42**
	281	**439**

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	2023	**2024**
Cost of inventories sold	6,954	**8,186**
Cost of sales, excluding inventories sold	11,162	**10,941**
Depreciation of property, plant and equipment	1,385	**1,159**
Depreciation of right-of-use assets – land and buildings	1,296	**1,272**
Depreciation of right-of-use assets – network capacity and equipment	122	**115**
Amortisation of land lease premium – interests in leasehold land	17	**16**
Amortisation of intangible assets	3,456	**3,182**
Amortisation of fulfilment costs	386	**484**
Amortisation of customer acquisition costs	1,201	**1,243**

6. INCOME TAX

In HK$ million	2023	**2024**
Current income tax:		
Hong Kong profits tax	(42)	**531**
Overseas tax	73	**80**
Movement of deferred income tax	378	**236**
	409	**847**

Hong Kong profits tax is provided at the rate of 16.5% (2023: 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.

7. DIVIDENDS

In HK$ million	2023	**2024**
Interim dividend declared and paid in respect of the current year of 9.77 HK cents (2023: 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 (2023: 28.48 HK cents) per ordinary share	2,204	**2,204**
Less: dividend for shares held by share award schemes	(3)	**(2)**
	2,201	**2,202**
	2,956	**2,957**
Final dividend proposed after the end of the reporting period of 28.48 HK cents (2023: 28.48 HK cents) per ordinary share	2,204	**2,205**

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

8. LOSS PER SHARE

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

	2023	**2024**
Loss (in HK$ million)		
Loss for the purpose of basic and diluted loss	(471)	**(300)**
Number of shares		
Weighted average number of ordinary shares	7,739,638,249	**7,740,012,052**
Effect of shares held under the Company's share award schemes	(12,150,819)	**(8,904,538)**
Weighted average number of ordinary shares for the purpose of basic loss per share	7,727,487,430	**7,731,107,514**
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	7,727,487,430	**7,731,107,514**

* 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 2023 and 2024.

9. TRADE RECEIVABLES, NET

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

In HK$ million	2023	**2024**
1 – 30 days	2,525	**2,315**
31 – 60 days	652	**482**
61 – 90 days	231	**196**
91 – 120 days	191	**192**
Over 120 days	868	**854**
	4,467	**4,039**
Less: loss allowance	(332)	**(362)**
	4,135	**3,677**

As at 31 December 2024, included in trade receivables, net were amounts due from related parties of HK$152 million (2023: HK$112 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	2023	**2024**
1 – 30 days	3,201	**2,985**
31 – 60 days	1,207	**1,751**
61 – 90 days	861	**915**
91 – 120 days	375	**1,011**
Over 120 days	653	**908**
	6,297	**7,570**

As at 31 December 2024, included in trade payables were amounts due to related parties of HK$264 million (2023: HK$197 million).

11. SHARE CAPITAL

	Year ended 31 December			
	2023		**2024**	
	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	**7,739,638,249**	**12,954**
Shares issued *(note (a))*	–	–	**1,425,125**	**–**
As at 31 December	7,739,638,249	12,954	**7,741,063,374**	**12,954**

(a) During the year ended 31 December 2024, the Company issued and allotted 1,425,125 new fully paid shares for an aggregate consideration of 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 2023, the Group has purchased 16,331,000 share stapled units of HKT Trust and HKT ("Share Stapled Units") from the open market at an average price of HK$8.14 per unit, resulting in a credit to non-controlling interest attributable to HKT Trust, HKT and its subsidiaries (collectively the "HKT Group") of HK$7 million.

During the year ended 31 December 2024, the Group has disposed 20,097,000 Share Stapled Units 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 Group 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 2024.

(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 have been fulfilled and the Transaction has been completed.

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); Meng Shusen; 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.