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HKT Trust

(a trust constituted on 7 November 2011 under the laws of Hong Kong and managed by HKT Management Limited)

and

HKT Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6823)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The directors of HKT Management Limited (in its capacity as the trustee-manager of the HKT Trust) (the “Trustee-Manager”) and HKT Limited (the “Company” or “HKT”) are pleased to announce the unaudited consolidated results of the HKT Trust and of the Company together with the Company’s subsidiaries (collectively the “Group”) for the six months ended 30 June 2025. This condensed consolidated interim financial information has not been audited, but has been reviewed by the Audit Committee of the Trustee-Manager and of the Company and, in accordance with the Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants, by the Group’s independent auditor, PricewaterhouseCoopers.

- Extended leading market position in broadband, with FTTH connections growing by 3% to 1.055 million; continued to upgrade users to 2.5G services with subscriber base expanding by 141%;
- Steady 5G adoption by our mobile customers led to a 21% increase in the 5G customer base to 1.894 million, and higher roaming revenue contributed to 5% growth in Mobile services revenue;
- Enterprise business expanded further, achieving an 11% revenue growth and securing new project wins exceeding HK\$2.2 billion in the first half;
- Total revenue increased by 4% to HK\$17,322 million; total revenue excluding Mobile product sales rose by 4% to HK\$16,311 million;
- Total EBITDA grew by over 3% to HK\$6,380 million, fuelled by efficiency improvements and cost optimisation from the reshaping of workflows through the deployment of AI;
- Adjusted funds flow also climbed by 3% to HK\$2,562 million;
- Profit attributable to holders of Share Stapled Units increased by 4% to HK\$2,070 million; basic earnings per Share Stapled Unit was 27.32 HK cents; and
- Interim distribution per Share Stapled Unit is 33.80 HK cents.

LETTER TO HOLDERS OF SHARE STAPLED UNITS

Dear Holders of Share Stapled Units,

During the first half of 2025, HKT continued to face difficult operating conditions, impacted by the rapidly shifting geopolitical environment, escalating trade frictions, and ongoing weakness in Hong Kong's consumer spending. Despite these headwinds, all of our main business lines demonstrated resilience, contributing to a total revenue increase of 4% to HK\$17,322 million, an EBITDA rise of over 3% to HK\$6,380 million, and an adjusted funds flow ("AFF") improvement of 3% to HK\$2,562 million. With our recent deleveraging and the positive impact of the recent downward trend in local interest rates yet to be fully realised, we are confident that AFF growth will gain further momentum for the remainder of this year and beyond.

Driving Growth through AI Innovation

In light of rapid advances in artificial intelligence ("AI") technology and applications, HKT is harnessing AI throughout its operations to fuel our competitive advantages by better serving consumer and enterprise customers while enhancing internal business processes. AI presents HKT with a unique opportunity to redefine solutions that are responsive and insightful to customer needs, expand the range of services offered to enterprise customers, and enhance our operations, fuelling HKT's future growth.

Our extensive deployment of AI is underpinned by our network architecture which can support both the latest technologies and those on the horizon. For example, our latest 800G AI Superhighway service, powered by our over 100T core network, is designed to support AI-driven workloads and multipath-routing for mission critical tasks.

Serving Our Customers Better

On the consumer side, AI is helping HKT to serve our customers with greater agility and intelligence enabling us to anticipate the specific needs of individuals and households, personalise their experiences as well as swiftly responding to feedback. Through our access to exclusive data sets and trusted data partnerships via The Club digital ecosystem, we have significantly improved our up-selling and cross-selling conversion rates.

With targeted offerings, customer upgrades to our 5G mobile services continued, with more than 54% of our mobile post-paid base on 5G plans as at the end of June 2025, totalling 1.894 million customers – a year-on-year increase of 21%. On the fibre front, we accelerated the upgrade of customers to our latest 2.5G service with the customer base increasing by 141% year-on-year at an uplift in average revenue per user ("ARPU") of around HK\$75.

The adoption of multiple services by HKT customers has also witnessed marked improvement with the number of customers subscribing to three or more HKT services growing by over 13%.

Tailored Solutions for Enterprise Customers

HKT is uniquely positioned to support Hong Kong's efforts to become a leading technology and innovation hub by promoting the adoption of technology by private and public organisations in their digital transformation. In particular, we have been assisting our enterprise customers to refresh their technology stacks for AI deployment and supply chain management.

LETTER TO HOLDERS OF SHARE STAPLED UNITS (Continued)

During the first half of the year, we successfully delivered over 130 large-scale projects across diverse industries incorporating the latest technologies including 5G, AI, Internet of Things (“IoT”), cybersecurity and multi-cloud to help our enterprise partners improve their customers’ experiences and enhance operational productivity. In the transportation sector, we deployed private 5G infrastructure for a logistics client to create an intelligent ecosystem that enables interconnection between autonomous electric tractors, patrol robots and a smart warehouse solution. Our team was particularly active in the healthcare industry where we provided an integrated communications solution for a Chinese medicine hospital that utilises our integrated 5G and ICT infrastructure and unified communications solution to improve both the patient experience and operational efficiency by facilitating fast data access, real-time monitoring and reliable communication.

We have expanded our portfolio of AI driven solutions built on our unique fibre mobile converged network infrastructure, empowering enterprise customers to fully harness the benefits of automation, machine learning and real-time analytics. Among the key AI-related projects in the first half is the delivery of an intelligent operations centre for a public utility. The centre leverages AI-powered video analysis to detect anomalies, identify safety hazards, and prevent security breaches in real time.

We continued to assist mainland Chinese enterprises in expanding internationally, particularly into Southeast Asian markets, as they respond to the present trade uncertainties. Specifically, we have deployed SD-WAN solutions for mainland Chinese enterprises to help them establish a presence in markets such as Thailand, Malaysia, Indonesia and Vietnam.

In the first six months of this year, our HKT Enterprise Solutions team secured new project wins with a total contract value exceeding HK\$2.2 billion, which will drive future revenue as they are delivered over the next six to 12 months.

To bolster the international connectivity of our individual and household customers in Hong Kong, and to support the growing international presence of our enterprise customers, HKT is planning to participate in the development of the Pan Asia Express and Asia-Africa-Europe-2 subsea cable systems building upon our recent investments in the SMW6 and JUNO systems. Our global connectivity network will be further expanded by low-Earth-orbit satellite links along Belt and Road corridors.

Reshaping Workflows with AI

Through the integration of smart automation, predictive analytics and natural language processing, HKT is enabling our teams to reshape workflows, eliminate repetitive manual tasks and focus resources on higher value objectives. In particular, we have achieved outstanding results in areas such as customer service, significantly reducing handling times at our customer service centres and accelerating the resolution of customer enquiries. These AI-led initiatives have already generated remarkable enhancements in productivity and overall cost savings of 7% year-on-year.

Supporting Hong Kong

By strengthening our digital infrastructure through territory-wide fibre and 5G upgrades, next-generation in-building connectivity, and high-capacity data networks, we are not only accelerating the expansion of the digital economy, but also streamlining cross-boundary data flows and driving deeper integration of the Greater Bay Area (“GBA”). This foundational work, coupled with our focus on digital fluency and talent development, will support Hong Kong’s continued progress towards innovation-driven growth.

LETTER TO HOLDERS OF SHARE STAPLED UNITS (Continued)

We thank our stakeholders, partners and employees for embracing this journey of transformation. As we look ahead, our commitment is steadfast: to continually invest in AI innovation that drives not only HKT's growth but the success of all the customers we are here to serve.

Susanna Hui

Group Managing Director

Hong Kong, 31 July 2025

FINANCIAL REVIEW BY SEGMENT

For the six months ended HK\$ million	30 Jun 2024	31 Dec 2024	30 Jun 2025	Better/ (Worse) y-o-y
Revenue				
TSS	12,063	12,394	12,527	4%
- Local TSS Services	8,289	9,061	8,714	5%
- International Telecommunications Services	3,774	3,333	3,813	1%
Mobile	4,976	6,508	5,200	5%
- Mobile Services	3,990	4,772	4,189	5%
- Mobile Product Sales	986	1,736	1,011	3%
Other Businesses	552	328	570	3%
Eliminations	(922)	(1,146)	(975)	(6)%
Total revenue	16,669	18,084	17,322	4%
Total revenue (excluding Mobile Product Sales)	15,683	16,348	16,311	4%
Cost of sales	(8,491)	(9,219)	(9,021)	(6)%
Operating costs before depreciation, amortisation, and gains on disposal of property, plant and equipment and right-of-use assets, net	(2,010)	(1,290)	(1,921)	4%
EBITDA¹				
TSS	4,296	5,236	4,421	3%
Mobile	2,302	3,009	2,412	5%
- Mobile Services	2,300	3,006	2,409	5%
- Mobile Product Sales	2	3	3	50%
Other Businesses	(430)	(670)	(453)	(5)%
Total EBITDA¹	6,168	7,575	6,380	3%
<i>TSS EBITDA¹ Margin</i>	<i>36%</i>	<i>42%</i>	<i>35%</i>	
<i>Mobile EBITDA¹ Margin</i>	<i>46%</i>	<i>46%</i>	<i>46%</i>	
- <i>Mobile Services EBITDA¹ Margin</i>	<i>58%</i>	<i>63%</i>	<i>58%</i>	
<i>Total EBITDA¹ Margin</i>	<i>37%</i>	<i>42%</i>	<i>37%</i>	
<i>Total EBITDA¹ Margin (excluding Mobile Product Sales)</i>	<i>39%</i>	<i>46%</i>	<i>39%</i>	
Depreciation and amortisation	(2,683)	(2,822)	(2,757)	(3)%
Gains on disposal of property, plant and equipment and right-of-use assets, net	9	1	1	(89)%
Other gains, net	16	115	4	(75)%
Finance costs, net	(1,092)	(1,146)	(885)	19%
Share of results of associates and joint ventures	(84)	(42)	(31)	63%
Profit before income tax	2,334	3,681	2,712	16%

ADJUSTED FUNDS FLOW³

For the six months ended HK\$ million	30 Jun 2024	31 Dec 2024	30 Jun 2025	Better/ (Worse) y-o-y
Total EBITDA¹	6,168	7,575	6,380	3%
Less cash outflows in respect of capital expenditures, customer acquisition costs and licence fees ² :				
Capital expenditures	(1,041)	(996)	(1,008)	3%
Customer acquisition costs and licence fees	(716)	(982)	(686)	4%
Fulfilment costs	(291)	(365)	(320)	(10)%
Right-of-use assets	(731)	(681)	(710)	3%
Adjusted funds flow³ before tax paid, net finance costs paid and changes in working capital	3,389	4,551	3,656	8%
Adjusted for:				
Net finance costs paid	(887)	(941)	(764)	14%
Tax payment	(182)	(75)	(196)	(8)%
Changes in working capital	175	(57)	(134)	NA
Adjusted funds flow³	2,495	3,478	2,562	3%

KEY OPERATING DRIVERS⁴

	30 Jun 2024	31 Dec 2024	30 Jun 2025	Better/(Worse) y-o-y	h-o-h
Exchange lines in service ('000)	2,168	2,114	2,070	(5)%	(2)%
Business lines ('000)	1,126	1,104	1,088	(3)%	(1)%
Residential lines ('000)	1,042	1,010	982	(6)%	(3)%
Total broadband access lines ('000)	1,646	1,650	1,657	1%	0.4%
(Consumer, business and wholesale)					
Retail consumer broadband access lines ('000)	1,472	1,474	1,482	1%	1%
Retail business broadband access lines ('000)	162	160	158	(2)%	(1)%
Mobile subscribers ('000)	4,884	4,805	4,875	—	1%
Post-paid subscribers ('000)	3,433	3,459	3,478	1%	1%
Prepaid subscribers ('000)	1,451	1,346	1,397	(4)%	4%
Pay TV installed base ('000)	1,430	1,433	1,448	1%	1%
The Club members ('000)	3,939	4,008	4,070	3%	2%

- 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 Group capital expenditures represent additions to property, plant and equipment and interests in leasehold land. Fulfilment costs and right-of-use assets are considered as part of customer acquisition costs and capital expenditures, respectively, for the purpose of adjusted funds flow calculation.*
- Note 3 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. The Group's adjusted funds flow is computed in accordance with the above definition using financial information derived from the Group's unaudited condensed consolidated interim financial information. The adjusted funds flow may be used for debt repayment and the repurchase of Share Stapled Units.*
- Note 4 Figures are stated as at the period end.*
- Note 5 Gross debt refers to the principal amount of short-term borrowings and long-term borrowings.*

Telecommunications Services

For the six months ended HK\$ million	30 Jun 2024	31 Dec 2024	30 Jun 2025	Better/ (Worse) y-o-y
TSS Revenue				
Local TSS Services	8,289	9,061	8,714	5%
International Telecommunications Services	3,774	3,333	3,813	1%
Total TSS Revenue	12,063	12,394	12,527	4%
Cost of sales	(6,664)	(6,416)	(7,052)	(6)%
Operating costs before depreciation and amortisation	(1,103)	(742)	(1,054)	4%
Total TSS EBITDA¹	4,296	5,236	4,421	3%
TSS EBITDA¹ margin	36%	42%	35%	

Revenue from Local TSS Services grew by 5% to HK\$8,714 million for the six months ended 30 June 2025, underpinned by an increase of 8% in Local Data Services revenue to HK\$6,867 million. Local Data Services is the largest component of the Local TSS Services segment, accounting for 79% of revenue. Pay TV Services generated revenue of HK\$1,160 million, while Local Telephony Services revenue was HK\$953 million. During the period, revenue from International Telecommunications Services increased by 1% to HK\$3,813 million. As a result, total TSS revenue rose by 4% to HK\$12,527 million.

Local Data Services. Revenue from Local Data Services, which comprises broadband revenue and local data revenue, increased by 8% year-on-year to HK\$6,867 million for the six months ended 30 June 2025.

Broadband revenue grew by 3% during the period as demand for our high-bandwidth, ultra-low latency fibre services remained strong. This demand was primarily driven by the accelerating adoption of smart, connected devices in the home and the escalating bandwidth requirements of data-intensive activities such as 4K/8K video streaming, online gaming and cloud storage, as well as the rapid development of immersive applications such as augmented reality, virtual reality and AI-driven home automation. HKT offers the most comprehensive range of broadband services, ranging from 1G/2G fibre services for basic users, 2.5G/5G/10G fibre services for mainstream users and 50G fibre services for advanced users, ensuring seamless, high-capacity connectivity even when multiple users or devices are online simultaneously.

Our fibre-to-the-home (“FTTH”) connections reached 1.055 million at the end of June 2025, representing a net increase of 27,000 or 3% growth from a year earlier. We sharpened our efforts to upgrade consumers to the 2.5G service, increasing the customer base by 141% year-on-year and achieving an uplift in ARPU of around HK\$75. As at the end of June 2025, FTTH connections represented 71% of our consumer broadband base of 1.482 million.

Telecommunications Services (Continued)

HKT is uniquely positioned to support Hong Kong's efforts to become a leading technology and innovation hub by promoting the adoption of technology by private and public organisations in their digital transformation. In particular, we have been assisting our enterprise customers to refresh their technology stacks for AI deployment and supply chain management. Consequently, our enterprise business continued to achieve robust growth in the first half of 2025, with local data revenue increasing by 11% year-on-year.

During the first half of 2025, we successfully delivered over 130 large-scale projects across diverse industries incorporating the latest technologies including 5G, AI, IoT, cybersecurity and multi-cloud. In the transportation sector, we deployed private 5G infrastructure for a logistics client to create an intelligent ecosystem that enables interconnection between autonomous electric tractors, patrol robots and a smart warehouse solution. Our team was particularly active in the healthcare industry where we provided an integrated communications solution for a Chinese medicine hospital that utilises our integrated 5G and ICT infrastructure and unified communications solution to improve both the patient experience and operational efficiency by facilitating fast data access, real-time monitoring and reliable communication.

Building on the rapid advancements in AI, we have integrated cutting-edge AI applications into our suite of fixed-mobile enterprise solutions, empowering customers to fully harness the benefits of automation, machine learning and real-time analytics. Key AI-related projects included the delivery of an intelligent operations centre for a public utility. The centre uses AI-powered video analysis to detect anomalies, identify safety hazards, and prevent security breaches in real time.

We continued to assist mainland Chinese enterprises in expanding internationally, particularly into Southeast Asian markets, as they respond to the present trade uncertainties. Specifically, we have deployed SD-WAN solutions for mainland Chinese enterprises to help them establish a presence in markets such as Thailand, Malaysia, Indonesia and Vietnam. As a result, our enterprise business in mainland China sustained further growth, with revenue expanding by 13% year-on-year.

In the first six months of this year, our HKT Enterprise Solutions team secured new project wins with a total contract value exceeding HK\$2.2 billion, which will drive further revenue as they are delivered over the next six to 12 months.

Pay TV Services. Our Pay TV business remained resilient, generating revenue of HK\$1,160 million for the six months ended 30 June 2025 versus HK\$1,180 million a year earlier, despite intense competition from a wide range of free and paid entertainment services.

As the leading content aggregator in Hong Kong, Now TV continues to deliver a diverse and compelling content portfolio, including premier live sporting events, world-class entertainment programmes ranging from Chinese, Asian and international blockbusters to documentaries, as well as OTT ("over-the-top") video streaming services. To cater to the evolving preferences of viewers, we also offer distinctive, customised premium sports and entertainment packages to provide customers with greater subscription flexibility. Our Now video streaming service maintained its momentum, with customer growth of 17% during the period. This contributed to an increase in the total installed base to 1.448 million, up from 1.430 million a year earlier.

Telecommunications Services (Continued)

Local Telephony Services. In line with the migration from basic voice services to mobile and data services as well as sustained weakness in the small and medium-sized enterprise (“SME”) segment particularly in the retail and food & beverage sectors, revenue from Local Telephony Services recorded a decline of 8% to HK\$953 million for the six months ended 30 June 2025 compared with HK\$1,031 million a year earlier. The total number of fixed lines in service at the end of June 2025 decreased to 2.070 million from 2.168 million in the previous year.

International Telecommunications Services. Revenue from International Telecommunications Services grew by 1% to HK\$3,813 million for the six months ended 30 June 2025, compared with HK\$3,774 million for the same period last year. The revenue growth was mainly attributable to increased data revenue and growing demand for Console Connect, our software defined cloud connectivity platform.

The TSS business achieved a year-on-year growth of 3% in EBITDA to HK\$4,421 million. This growth was fuelled by further improvements to operating efficiency during the period, offset by a change in the revenue mix of TSS, resulting in an EBITDA margin of 35%.

Mobile

For the six months ended HK\$ million	30 Jun 2024	31 Dec 2024	30 Jun 2025	Better/ (Worse) y-o-y
Mobile Revenue				
Mobile Services	3,990	4,772	4,189	5%
Mobile Product Sales	986	1,736	1,011	3%
Total Mobile Revenue	4,976	6,508	5,200	5%
Mobile EBITDA¹				
Mobile Services	2,300	3,006	2,409	5%
Mobile Product Sales	2	3	3	50%
Total Mobile EBITDA¹	2,302	3,009	2,412	5%
Mobile EBITDA¹ margin	46%	46%	46%	
<i>Mobile Services EBITDA¹ margin</i>	<i>58%</i>	<i>63%</i>	<i>58%</i>	

Mobile business recorded a 5% increase in services revenue to HK\$4,189 million for the six months ended 30 June 2025, underpinned by continued growth in roaming services, sustained expansion of the post-paid customer base, increased mobile wholesale revenue, and growing demand for enterprise solutions utilising 5G and IoT technologies.

With the full recovery of international travel, our total roaming revenue grew by 7% year-on-year in the first half of 2025. This was powered by year-on-year growth of 11% in consumer outbound roaming revenue, which reached 141% of pre-pandemic levels. Benefitting from our user-friendly and attractive roaming offerings, 69% of the outbound travellers in our consumer post-paid base used our roaming services in June 2025, an increase of 6 percentage points year-on-year.

With targeted offerings, customer upgrades to our 5G mobile services continued, with more than 54% of our mobile post-paid base on 5G plans as at the end of June 2025, totalling 1.894 million customers – a year-on-year increase of 21%. Our mobile customers benefit from Hong Kong's leading 5G network as well as the progressive roll out of the 5G Advanced standard. With 5G standalone capabilities, the network also supports large-scale mega events as well as location-based applications.

Overall, the Mobile business reported a net gain of 45,000 year-on-year in its post-paid customer base to reach 3.478 million as at the end of June 2025. This was achieved despite continued intense market competition, particularly in price-sensitive segments. The customer base for our core 1010 and csl segment further expanded by 4% year-on-year during the period.

Post-paid exit ARPU for June 2025 rose by 1% to HK\$193, up from HK\$192 for June 2024, benefitting from the higher contribution of roaming revenue and 5G plan fee uplift. The post-paid churn rate of our core 1010 and csl customers remained low at 0.7% during the period, as vigorous customer retention strategies, including initiatives implemented through The Club and 1010 HOME service, helped to deepen customer engagement and loyalty.

Higher Mobile product sales of HK\$1,011 million were recorded in the first half of 2025, with the initial AI features of new handset models driving sales despite weak consumer sentiment.

Mobile services EBITDA for the period rose by 5% to HK\$2,409 million, maintaining a stable margin of 58%. Total Mobile EBITDA also increased by 5% to HK\$2,412 million from HK\$2,302 million a year earlier, resulting in an EBITDA margin of 46%.

Other Businesses

Other Businesses primarily comprises businesses including our loyalty platform, The Club, and corporate support functions. These are an integral component of HKT's strategy to provide a wide range of lifestyle services beyond connectivity to cater to members' interests. For the six months ended 30 June 2025, revenue from Other Businesses grew by 3% to HK\$570 million from HK\$552 million a year earlier.

The Club's membership base expanded by 3% to 4.07 million in the first half of 2025 from 3.94 million a year earlier. To further broaden its range of value-added digital services, the loyalty and e-commerce platform has expanded its selection of merchandise and introduced unique, exclusive lifestyle experience vouchers, including dining and leisure options. It continues to emphasise local excellence and passion for lifestyle, while also offering attractive GBA travel benefits for members.

Our healthtech platform, DrGo, recorded a 3% year-on-year rise in registered users, reaching 406,000 as at the end of June 2025. To cater for the increased travel of consumers to the GBA, DrGo extended its telemedicine solutions beyond Hong Kong to the GBA and select Asian markets, enabling broader access to quality healthcare services. We have also expanded into the enterprise sector by offering tailored telemedicine solutions to corporate partners.

Eliminations

Eliminations were HK\$975 million for the six months ended 30 June 2025 versus HK\$922 million a year earlier, reflecting the increased collaboration across HKT's business segments.

Cost of Sales

Cost of sales for the six months ended 30 June 2025 increased by 6% year-on-year to HK\$9,021 million, reflecting a change in the revenue mix during the period.

General and Administrative Expenses

HKT has been reshaping its workflows through AI deployment, yielding notable improvements in operating efficiency and cost optimisation. Coupled with the Group's continued efforts in streamlining business structures and workforce optimisation as well as network and IT platform rationalisation, the overall operating costs before depreciation, amortisation, and gains on disposal of property, plant and equipment and right-of-use assets, net ("operating costs") improved by 4% year-on-year to HK\$1,921 million for the six months ended 30 June 2025. As such, overall operating costs-to-revenue ratio for the period reached 11.1% versus 12.1% a year earlier.

For the six months ended 30 June 2025, total depreciation and amortisation expenses increased by 3% to HK\$2,757 million. Lower depreciation expenses reflected our recent level of capital expenditure spending while higher amortisation expenses arose from increased investments in intangible assets as part of the Group's research and development efforts for our enterprise projects.

As a result of the above, general and administrative expenses decreased to HK\$4,677 million for the six months ended 30 June 2025 versus HK\$4,684 million a year earlier.

EBITDA¹

Reflecting the growth in TSS and Mobile services revenue and further operating efficiencies, total EBITDA increased by over 3% to HK\$6,380 million for the six months ended 30 June 2025 versus HK\$6,168 million a year earlier. The overall EBITDA margin held steady at 37% during the period. Total EBITDA excluding Mobile product sales also increased by 3% to HK\$6,377 million with a margin of 39%.

Finance Costs, Net

Net finance costs for the six months ended 30 June 2025 decreased significantly by 19% to HK\$885 million from HK\$1,092 million a year earlier, driven by the reduction in borrowings following our deleveraging at the end of 2024 and benefits from the recent downward trend in HIBOR starting in early May 2025. The average cost of debt was 3.96% during the year, compared to 4.26% a year earlier.

Income Tax

Income tax expense for the six months ended 30 June 2025 was HK\$414 million, as compared to HK\$342 million a year earlier. The effective tax rate for the period was 15.3%, as compared to 14.7% a year earlier. The increase in income tax expense was mainly due to an increase in profits during the period.

Profit Attributable to Non-controlling Interests

Profit attributable to non-controlling interests of HK\$228 million (30 June 2024: HK\$2 million) comprised the net profits/losses attributable to the non-controlling shareholders of the Group's subsidiaries.

Profit Attributable to Holders of Share Stapled Units/Shares of the Company

Profit attributable to holders of Share Stapled Units/shares of the Company for the six months ended 30 June 2025 increased by 4% to HK\$2,070 million (30 June 2024: HK\$1,990 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.

HKT's gross debt⁵ was HK\$43,433 million as at 30 June 2025 (31 December 2024: HK\$41,723 million), reflecting working capital requirements in the first half of 2025. Cash and short-term deposits totalled HK\$1,940 million as at 30 June 2025 (31 December 2024: HK\$2,145 million). HKT's gross debt⁵ to total assets was 37% as at 30 June 2025 (31 December 2024: 36%).

As at 30 June 2025, HKT had ample liquidity in the form of banking facilities totalling HK\$40,581 million, of which HK\$15,973 million remained undrawn.

CREDIT RATINGS OF HONG KONG TELECOMMUNICATIONS (HKT) LIMITED

As at 30 June 2025, Hong Kong Telecommunications (HKT) Limited, an indirect wholly-owned subsidiary of the Company, had investment grade ratings with Moody's Investors Service Hong Kong Limited (Baa2) and S&P Global Ratings (BBB).

CAPITAL EXPENDITURE²

Capital expenditure including capitalised interest for the six months ended 30 June 2025 was HK\$1,075 million (30 June 2024: HK\$1,103 million). Capital expenditure relative to revenue was 6.2% for the six months ended 30 June 2025 (30 June 2024: 6.6%).

Capital expenditure for HKT's Mobile business was 4% lower during the period, reflecting the efficiency gains from capacity upgrades and network maintenance following the completion of our territory-wide 5G coverage. TSS capital expenditure was 2% lower during the period, with investments largely to support growing demand for our integrated fixed-mobile solutions for enterprise customers.

HKT will continue to invest prudently 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.

ADJUSTED FUNDS FLOW³

AFF increased by 3% to HK\$2,562 million for the six months ended 30 June 2025 from HK\$2,495 million for the six months ended 30 June 2024.

Notably, our operating AFF in the first half of 2025 increased by 8% driven by the 3% expansion in EBITDA, disciplined capex investments, lower customer acquisition costs due to improved sales channel efficiencies as well as lower right-of-use assets payments. These positive factors were partially offset by increases in fulfilment costs to serve our growing base of enterprise customers. Benefitting from the reduction in borrowings following our successful deleveraging towards the end of 2024 and the recent downward trend in HIBOR, our net finance costs paid declined significantly by 14% year-on-year. After accounting for higher tax payments and seasonal movement in working capital, total AFF increased by 3% during the period.

The amounts presented in the AFF calculation represent the respective cash flows to the Group during the period, which may be different from the related corresponding amounts recognised in the consolidated income statement due to various reasons such as non-cash items recognised in the consolidated income statement and timing difference between accounting recognition and actual cash flows.

HEDGING

Market risk arises from foreign currency and interest rate exposure related to investments and financing. As a matter of policy, HKT continues to manage the market risk directly relating to its operations and financing and does not undertake any speculative derivative trading activities. The Finance and Management Committee, a sub-committee of the Executive Committee of the board of directors of the Company, determines the 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 policies and guidelines approved by the Finance and Management Committee, which are reviewed on a regular basis.

More than three quarters of HKT'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 30 June 2025, all forward and swap contracts were designated as cash flow hedges for the related financing of the Group.

As a result, the impact of these operational and financial risks to HKT is considered not material.

CHARGE ON ASSETS

As at 30 June 2025, no assets of the Group (31 December 2024: nil) were pledged to secure loans and banking facilities of the Group.

CONTINGENT LIABILITIES

HK\$ million	As at 31 Dec 2024 (Audited)	As at 30 Jun 2025 (Unaudited)
Performance guarantees	903	797
Others	2	2
	905	799

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.

HUMAN RESOURCES

HKT had over 12,500 employees as at 30 June 2025 (30 June 2024: 13,400) located in 22 countries and cities. About 66% of these employees work in Hong Kong and the others are based mainly in mainland China, the United States, the United Kingdom and the Philippines. HKT has established performance-based bonus and incentive schemes designed to motivate and reward employees at all levels to achieve business performance targets. Payment of performance bonuses is generally based on achievement of revenue, EBITDA and free cash flow targets for HKT as a whole and for each of the individual business units and performance ratings of employees.

INTERIM DIVIDEND/DISTRIBUTION

The board of directors of the Trustee-Manager declared an interim distribution by the HKT Trust in respect of the Share Stapled Units, of 33.80 HK cents per Share Stapled Unit (after deduction of any operating expenses permissible under the trust deed dated 7 November 2011 constituting the HKT Trust (the “Trust Deed”)), in respect of the six months ended 30 June 2025 (and in order to enable the HKT Trust to pay that distribution, the board of directors of the Company declared an interim dividend in respect of the ordinary shares in the Company held by the Trustee-Manager, of 33.80 HK cents per ordinary share, in respect of the same period) to holders of Share Stapled Units.

The board of directors of the Trustee-Manager has confirmed, in accordance with the Trust Deed, that (i) the auditor of the Group has performed limited assurance procedures in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Hong Kong Institute of Certified Public Accountants to review and verify the Trustee-Manager’s calculation of the above distribution entitlement per Share Stapled Unit and (ii) having made all reasonable enquiries, immediately after making the above distribution to the registered unitholders of the HKT Trust, the Trustee-Manager will be able to fulfil, from the Trust Property (as defined in the Trust Deed), the liabilities of the HKT Trust as they fall due.

CLOSURE OF BOOKS

The record date for the interim distribution will be Wednesday, 20 August 2025. The register of registered holders of Share Stapled Units, the register of holders of units, the principal and Hong Kong branch registers of members of the Company and the register of beneficial interests as maintained by the Trustee-Manager and the Company in accordance with the provisions of the Trust Deed will all be closed from Tuesday, 19 August 2025 to Wednesday, 20 August 2025 (both days inclusive), in order to determine entitlements to the interim distribution. During such period, no transfer of Share Stapled Units will be effected. In order to qualify for the interim distribution, all transfers of Share Stapled Units accompanied by the relevant certificates in respect of the Share Stapled Units must be lodged with the Share Stapled Units Registrar, Computershare Hong Kong Investor Services Limited, Transfer Office, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, for registration no later than 4.30pm on Monday, 18 August 2025. Distribution warrants will be despatched to holders of Share Stapled Units on or around Thursday, 4 September 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2025, none of the HKT Trust (including the Trustee-Manager), the Company or the Company’s subsidiaries purchased, sold or redeemed any Share Stapled Units.

AUDIT COMMITTEE

The Trustee-Manager’s Audit Committee and the Company’s Audit Committee have reviewed the accounting policies adopted by the Group and the Trustee-Manager, the unaudited condensed consolidated interim financial information of the HKT Trust and HKT Limited for the six months ended 30 June 2025 and the unaudited condensed interim financial information of the Trustee-Manager for the same period. Such financial information of the HKT Trust and HKT Limited and of the Trustee-Manager has not been audited but has been reviewed by the independent auditor of the Trustee-Manager and the Company.

CORPORATE GOVERNANCE CODE

The HKT Trust, the Trustee-Manager and the Company are 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 their businesses, and to ensure that their affairs are conducted in accordance with applicable laws and regulations.

The HKT Trust and the Company have applied the principles, and complied with all relevant code provisions of the Corporate Governance Code (the “CG 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 six months ended 30 June 2025, save and except for the code provisions set out below. The requirement to establish a separate Remuneration Committee with written terms of reference for the Trustee-Manager under the code provision E.1.2 of the CG Code is not relevant to the Trustee-Manager as its directors are not entitled to any remuneration under the Trust Deed, and therefore has not been complied with. In addition, given the unique circumstances of the HKT Trust i.e., the fact that the Trust Deed requires that the directors of the Company and the directors of the Trustee-Manager must always be the same individuals, the establishment of a separate Nomination Committee with written terms of reference for the Trustee-Manager as required by code provision B.3.1 of the CG Code is not relevant to the Trustee-Manager, and therefore has not been complied with.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

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

By order of the boards of
HKT Management Limited
and
HKT Limited
Cheung Hok Chee, Vanessa
Group General Counsel and Company Secretary

Hong Kong, 31 July 2025

CONSOLIDATED INCOME STATEMENT OF HKT TRUST AND OF HKT LIMITED

For the six months ended 30 June 2025

(In HK\$ million except for earnings per Share Stapled Unit/share of the Company)

	Note(s)	2024 (Unaudited)	2025 (Unaudited)
Revenue	2	16,669	17,322
Cost of sales		(8,491)	(9,021)
General and administrative expenses		(4,684)	(4,677)
Other gains, net		16	4
Finance costs, net		(1,092)	(885)
Share of results of associates		(78)	(29)
Share of results of joint ventures		(6)	(2)
Profit before income tax	2, 3	2,334	2,712
Income tax	4	(342)	(414)
Profit for the period		<u>1,992</u>	<u>2,298</u>
Profit attributable to:			
Holders of Share Stapled Units/shares of the Company		1,990	2,070
Non-controlling interests		2	228
Profit for the period		<u>1,992</u>	<u>2,298</u>
Earnings per Share Stapled Unit/share of the Company	6		
Basic		<u>26.27 cents</u>	<u>27.32 cents</u>
Diluted		<u>26.26 cents</u>	<u>27.32 cents</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF
HKT TRUST AND OF HKT LIMITED**

For the six months ended 30 June 2025

(In HK\$ million)

	2024 (Unaudited)	2025 (Unaudited)
Profit for the period	1,992	2,298
Other comprehensive (loss)/income		
Item that will not be reclassified subsequently to consolidated income statement:		
Changes in fair value of a financial asset at fair value through other comprehensive income	(9)	(225)
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	(40)	127
- exchange differences on translating foreign operations of joint ventures	(7)	13
Cash flow hedges:		
- effective portion of changes in fair value	(124)	(110)
- transfer from equity to consolidated income statement	56	(396)
Costs of hedging	57	5
Share of other comprehensive income of an associate	—	7
Other comprehensive loss for the period	(67)	(579)
Total comprehensive income for the period	1,925	1,719
Attributable to:		
Holders of Share Stapled Units/shares of the Company	1,923	1,491
Non-controlling interests	2	228
Total comprehensive income for the period	1,925	1,719

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF
HKT TRUST AND OF HKT LIMITED**

As at 30 June 2025

(In HK\$ million)

	Note	As at 31 December 2024 (Audited)	As at 30 June 2025 (Unaudited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		28,368	29,033
Right-of-use assets		1,826	1,893
Interests in leasehold land		153	147
Goodwill		49,799	49,813
Intangible assets		18,711	20,092
Fulfilment costs		2,097	2,187
Customer acquisition costs		872	831
Contract assets		261	217
Interests in associates		412	457
Interests in joint ventures		810	803
Financial assets at fair value through other comprehensive income		823	598
Financial assets at fair value through profit or loss		17	17
Derivative financial instruments		58	146
Deferred income tax assets		790	738
Other non-current assets		931	840
		105,928	107,812
Current assets			
Inventories		1,503	1,529
Prepayments, deposits and other current assets		3,702	4,000
Contract assets		601	480
Trade receivables, net	7	2,710	2,525
Amounts due from related companies		20	26
Financial assets at fair value through profit or loss		18	5
Derivative financial instruments		—	6
Tax recoverable		7	7
Restricted cash		179	169
Short-term deposits		295	503
Cash and cash equivalents		1,850	1,437
		10,885	10,687

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF
HKT TRUST AND OF HKT LIMITED (CONTINUED)**

As at 30 June 2025

(In HK\$ million)

	Note	As at 31 December 2024 (Audited)	As at 30 June 2025 (Unaudited)
Current liabilities			
Short-term borrowings		(3,934)	(55)
Trade payables	8	(7,212)	(8,167)
Accruals and other payables		(6,667)	(6,024)
Derivative financial instruments		(41)	–
Carrier licence fee liabilities		(324)	(379)
Amount due to a fellow subsidiary		(2,929)	(3,096)
Amounts due to related companies		(82)	(80)
Advances from customers		(301)	(298)
Contract liabilities		(1,415)	(1,380)
Lease liabilities		(1,028)	(920)
Current income tax liabilities		(1,888)	(1,851)
		(25,821)	(22,250)
Non-current liabilities			
Long-term borrowings		(37,372)	(43,384)
Derivative financial instruments		(769)	(986)
Deferred income tax liabilities		(5,746)	(5,947)
Carrier licence fee liabilities		(3,198)	(3,633)
Contract liabilities		(973)	(948)
Lease liabilities		(825)	(976)
Amount due to a non-controlling interest		(344)	(344)
Other long-term liabilities		(2,120)	(2,151)
		(51,347)	(58,369)
Net assets		39,645	37,880
CAPITAL AND RESERVES			
Share capital		8	8
Reserves		38,274	36,295
Equity attributable to holders of Share Stapled Units/shares of the Company		38,282	36,303
Non-controlling interests		1,363	1,577
Total equity		39,645	37,880

NOTES

1. BASIS OF PREPARATION AND PRESENTATION

The HKT Trust (the “HKT Trust”) is constituted by a Hong Kong law governed trust deed as supplemented, amended or substituted from time to time (the “Trust Deed”), entered into between HKT Management Limited (in its capacity as the trustee-manager of the HKT Trust) (the “Trustee-Manager”) and HKT Limited (the “Company”). In accordance with the Trust Deed, the HKT Trust and the Company are each required to prepare their own interim financial information on a consolidated basis. The HKT Trust unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 comprises the unaudited condensed consolidated interim financial information of the HKT Trust, the Company and its subsidiaries (together the “Group”), and the Group’s interests in associates and joint ventures. The HKT Limited unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 comprises the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (together the “HKT Limited Group”) and the HKT Limited Group’s interests in associates and joint ventures, and the Company’s statement of financial position.

The HKT Trust controls the Company and the sole activity of the HKT Trust during the six months ended 30 June 2025 was investing in the Company. Therefore, the consolidated financial results and financial position that would be presented in the unaudited condensed consolidated interim financial information of the HKT Trust are identical to the consolidated financial results and financial position of the Company with the only differences being disclosures of the capital of the Company. The directors of the Trustee-Manager and the directors of the Company believe therefore that it is clearer to present the unaudited condensed consolidated interim financial information of the HKT Trust and of the Company together. The unaudited condensed consolidated interim financial information of the HKT Trust and the unaudited condensed consolidated interim financial information of the Company are presented together to the extent they are identical and are hereinafter referred to as the “HKT Trust and HKT Limited unaudited condensed consolidated interim financial information”.

The Group and the HKT Limited Group are referred to as the “Groups”.

The share stapled units (the “Share Stapled Units”) structure comprises: (a) a unit in the HKT Trust; (b) a beneficial interest in a specifically identified ordinary share in the Company which is “linked” to the unit and held by the Trustee-Manager as legal owner in its capacity as the trustee-manager of the HKT Trust; and (c) a specifically identified preference share in the Company which is “stapled” to the unit. The Share Stapled Units, which are jointly issued by the HKT Trust and the Company, are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The HKT Trust and HKT Limited unaudited condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The HKT Trust and HKT Limited unaudited condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements of the HKT Trust and HKT Limited for the year ended 31 December 2024.

The HKT Trust and HKT Limited unaudited condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated. The HKT Trust and HKT Limited unaudited condensed consolidated interim financial information was approved for issue on 31 July 2025.

1. BASIS OF PREPARATION AND PRESENTATION (CONTINUED)

The HKT Trust and HKT Limited unaudited condensed consolidated interim financial information has been reviewed by the Audit Committee of the Trustee-Manager and of the Company and, in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA, by the Groups' independent auditor.

The financial information of the Trustee-Manager relating to the year ended 31 December 2024 that is included in this interim results announcement as comparative information does not constitute the Trustee-Manager's statutory annual financial statements for that year 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 Trustee-Manager's financial statements combined with the HKT Trust and HKT Limited consolidated financial statements for the year ended 31 December 2024 have been delivered to the Registrar of Companies.
- The Trustee-Manager's auditor has reported on those financial statements of the Trustee-Manager. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

The preparation of the HKT Trust and HKT Limited unaudited condensed consolidated interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

In preparing this unaudited condensed consolidated interim financial information, the significant judgements made by management in applying the Groups' accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

The accounting policies, basis of presentation and methods of computation used in preparing the HKT Trust and HKT Limited unaudited condensed consolidated interim financial information are consistent with those followed in preparing the Groups' annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKAS which is first effective for accounting periods beginning on or after 1 January 2025 as described below.

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

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

The Groups have not early adopted any new or amended Hong Kong Financial Reporting Standards, HKASs and Interpretations that are not yet effective for the current accounting period.

1. BASIS OF PREPARATION AND PRESENTATION (CONTINUED)

As at 30 June 2025, the current liabilities of the Groups exceeded their current assets by HK\$11,563 million. After considering the Groups' ability to generate net operating cash inflows and raise additional debt financing, and the undrawn banking facilities available as at 30 June 2025, management considers the Groups are able to meet their liabilities as and when they fall due within the next 12-month period. Accordingly, this unaudited condensed consolidated interim financial information has been prepared on a going concern basis.

2. SEGMENT INFORMATION

The chief operating decision-maker (the "CODM") is the Groups' senior executive management. The CODM reviews the Groups' 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:

- Telecommunications Services ("TSS") is the leading provider of technology and telecommunications and related services including enterprise solutions, total home solutions, and media entertainment. It operates primarily in Hong Kong, and also serves customers in mainland China and other parts of the world.
- Mobile includes the Groups' mobile telecommunications businesses in Hong Kong.
- Other businesses of the Groups ("Other Businesses") primarily comprise other new businesses such as The Club's loyalty platform, HKT Financial Services and healthtech services, as well as corporate support functions.

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 Groups' 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 Groups' reportable segments as provided to the Groups' CODM is set out below:

For the six months ended 30 June 2024

(In HK\$ million)

	TSS (Unaudited)	Mobile (Unaudited)	Other Businesses (Unaudited)	Eliminations (Unaudited)	Consolidated (Unaudited)
Revenue					
External revenue	11,459	4,684	526	–	16,669
Inter-segment revenue	604	292	26	(922)	–
Total revenue	12,063	4,976	552	(922)	16,669
External revenue from contracts with customers:					
Timing of revenue recognition					
At a point in time	2,076	831	471	–	3,378
Over time	9,342	3,853	55	–	13,250
External revenue from other sources:					
Rental income	41	–	–	–	41
	11,459	4,684	526	–	16,669
Results					
EBITDA	4,296	2,302	(430)	–	6,168

For the six months ended 30 June 2025

(In HK\$ million)

	TSS (Unaudited)	Mobile (Unaudited)	Other Businesses (Unaudited)	Eliminations (Unaudited)	Consolidated (Unaudited)
Revenue					
External revenue	11,914	4,861	547	–	17,322
Inter-segment revenue	613	339	23	(975)	–
Total revenue	12,527	5,200	570	(975)	17,322
External revenue from contracts with customers:					
Timing of revenue recognition					
At a point in time	3,153	864	506	–	4,523
Over time	8,723	3,997	41	–	12,761
External revenue from other sources:					
Rental income	38	–	–	–	38
	11,914	4,861	547	–	17,322
Results					
EBITDA	4,421	2,412	(453)	–	6,380

2. SEGMENT INFORMATION (CONTINUED)

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

In HK\$ million	Six months ended	
	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)
Total segment EBITDA	6,168	6,380
Gains on disposal of property, plant and equipment and right-of-use assets, net	9	1
Depreciation and amortisation	(2,683)	(2,757)
Other gains, net	16	4
Finance costs, net	(1,092)	(885)
Share of results of associates and joint ventures	(84)	(31)
Profit before income tax	2,334	2,712

3. PROFIT BEFORE INCOME TAX

Profit before income tax was stated after charging the following:

In HK\$ million	Six months ended	
	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)
Cost of inventories sold	3,152	4,240
Cost of sales, excluding inventories sold	5,339	4,781
Impairment loss for trade receivables	155	151
Depreciation of property, plant and equipment	512	519
Depreciation of right-of-use assets	668	640
Amortisation of land lease premium – interests in leasehold land	6	6
Amortisation of intangible assets	664	823
Amortisation of fulfilment costs	233	230
Amortisation of customer acquisition costs	600	539
Finance costs on borrowings	1,011	826

4. INCOME TAX

	Six months ended	
	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)
In HK\$ million		
Current income tax:		
Hong Kong profits tax	156	141
Overseas tax	23	19
Movement of deferred income tax	163	254
	342	414

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

In December 2021, the Organisation for Economic Co-operation and Development (“OECD”) released the Global Anti-Base Erosion (“GloBE”) rules, also known as Pillar Two, aimed at reforming international corporate taxation. Hong Kong gazetted legislation to implement Pillar Two, with the Hong Kong minimum top-up tax and Income Inclusion Rule effective retroactively from 1 January 2025. The Groups are within the scope of this legislation. Additionally, following the amendments to HKAS 12 *Income Taxes* issued by the HKICPA in July 2023, the Groups have applied a temporary mandatory exception and have not recognised or disclosed deferred income tax assets and liabilities related to Pillar Two income taxes. For the six months ended 30 June 2025, the Groups have assessed the potential top-up tax implications under the Pillar Two legislation. Based on this assessment, the Groups have no tax exposures under the Pillar Two legislation as of the reporting date.

5. DISTRIBUTIONS/DIVIDENDS

a. Distribution/Dividend attributable to the interim period

	Six months ended	
	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)
In HK\$ million		
Interim distribution/dividend declared after the end of the interim period of 33.80 HK cents (2024: 32.92 HK cents) per Share Stapled Unit/ ordinary share of the Company	2,495	2,562

At meetings held on 31 July 2025, the directors of the Trustee-Manager and the Company declared an interim distribution/dividend of 33.80 HK cents per Share Stapled Unit/ordinary share of the Company for the year ending 31 December 2025. This interim distribution/dividend is not recognised as a liability in the HKT Trust and HKT Limited unaudited condensed consolidated interim financial information.

5. DISTRIBUTIONS/DIVIDENDS (CONTINUED)

b. Distribution/Dividend approved and paid during the interim period

In HK\$ million	Six months ended	
	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)
Final distribution/dividend declared in respect of the previous financial year, approved and paid during the interim period of 45.88 HK cents (2024: 44.44 HK cents) per Share Stapled Unit/ordinary share of the Company	3,369	3,478
Less: distribution/dividend for Share Stapled Units/ordinary shares of the Company held by the Share Stapled Unit award schemes	(2)	(2)
	<u>3,367</u>	<u>3,476</u>

6. EARNINGS PER SHARE STAPLED UNIT/SHARE OF THE COMPANY

The calculations of basic and diluted earnings per Share Stapled Unit/share of the Company were based on the following data:

	Six months ended	
	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)
Earnings (in HK\$ million)		
Earnings for the purpose of basic and diluted earnings per Share Stapled Unit/share of the Company	<u>1,990</u>	<u>2,070</u>
Number of Share Stapled Units/shares of the Company		
Weighted average number of Share Stapled Units/ordinary shares of the Company	7,579,742,334	7,579,776,147
Effect of Share Stapled Units held under the Share Stapled Unit award schemes	(4,312,583)	(3,429,785)
Weighted average number of Share Stapled Units/ordinary shares of the Company for the purpose of basic earnings per Share Stapled Unit/share of the Company	7,575,429,751	7,576,346,362
Effect of Share Stapled Units awarded under the Share Stapled Unit award schemes	1,324,795	1,788,048
Weighted average number of Share Stapled Units/ordinary shares of the Company for the purpose of diluted earnings per Share Stapled Unit/share of the Company	<u>7,576,754,546</u>	<u>7,578,134,410</u>

7. TRADE RECEIVABLES, NET

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

In HK\$ million	As at 31 December 2024 (Audited)	As at 30 June 2025 (Unaudited)
1 – 30 days	1,580	1,446
31 – 60 days	389	288
61 – 90 days	177	257
91 – 120 days	170	185
Over 120 days	531	518
	2,847	2,694
Less: loss allowance	(137)	(169)
Trade receivables, net	<u>2,710</u>	<u>2,525</u>

As at 30 June 2025, included in trade receivables, net were amounts due from related parties of HK\$120 million (as at 31 December 2024: HK\$152 million).

The Groups' 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 Groups maintain 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.

8. TRADE PAYABLES

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

In HK\$ million	As at 31 December 2024 (Audited)	As at 30 June 2025 (Unaudited)
1 – 30 days	2,841	3,408
31 – 60 days	1,685	2,280
61 – 90 days	895	827
91 – 120 days	980	665
Over 120 days	811	987
	<u>7,212</u>	<u>8,167</u>

As at 30 June 2025, included in trade payables were amounts due to related parties of HK\$135 million (as at 31 December 2024: HK\$155 million).

**INCOME STATEMENT OF
HKT MANAGEMENT LIMITED**
For the six months ended 30 June 2025
(In HK\$'000)

	2024 (Unaudited)	2025 (Unaudited)
Management fee income	30	32
General and administrative expenses	(30)	(32)
Result before income tax	—	—
Income tax	—	—
Result for the period	—	—

**STATEMENT OF COMPREHENSIVE INCOME OF
HKT MANAGEMENT LIMITED**
For the six months ended 30 June 2025
(In HK\$'000)

	2024 (Unaudited)	2025 (Unaudited)
Result for the period	—	—
Other comprehensive income	—	—
Total comprehensive income for the period	—	—

**STATEMENT OF FINANCIAL POSITION OF
HKT MANAGEMENT LIMITED**

As at 30 June 2025

(In HK\$'000)

	As at 31 December 2024 (Audited)	As at 30 June 2025 (Unaudited)
ASSET AND LIABILITIES		
Current asset		
Amount due from a fellow subsidiary	667	699
	667	699
Current liabilities		
Accruals and other payables	(57)	(28)
Amounts due to fellow subsidiaries	(610)	(671)
	(667)	(699)
Net assets	—	—
CAPITAL AND RESERVES		
Share capital	—	—
Reserves	—	—
Total equity	—	—

As at the date of this announcement, the directors of the Trustee-Manager and the Company are as follows:

Executive Directors:

Li Tzar Kai, Richard (*Executive Chairman*) and Hui Hon Hing, Susanna (*Group Managing Director*)

Non-Executive Directors:

Peter Anthony Allen; Chung Cho Yee, Mico; Tang Yongbo and Zhao Xingfu

Independent Non-Executive Directors:

Chang Hsin Kang; Sunil Varma; Aman Mehta; Frances Waikwun Wong and Charlene Dawes

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 HKT relating to the business, industry and markets in which HKT operates.