

a **PCCW** Group member

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**HKT**

**INTERIM REPORT 2024**  
Stock Code: 6823

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## ABOUT HKT

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

## MESSAGE FROM THE CHAIRMAN

Hong Kong's economy recorded moderate growth in the first half of 2024, amid global inflationary pressures and geopolitical tensions. Against this backdrop, HKT supported the city as an international hub for innovation and technology by providing reliable services to promote digital transformation.

As a leading provider of mobile communications solutions, we are constantly advancing connectivity with cutting-edge technology, enabling customers to maintain contact even in remote areas. Our wide array of user-friendly roaming options served an increased number of travellers, spurring a total roaming revenue growth of 55% year-on-year and the full recovery of outbound roaming revenue to pre-COVID levels. A long-time champion of smart city development, our 5G subscribers now represent 46% of our post-paid base.

Readying ourselves for tomorrow's digital needs, we became the first telecom service provider in Hong Kong to adopt 50G PON technology. We complement the high speed and low latency with the city's widest selection of Wi-Fi 7 routers, optimising premium customers' at-home enjoyment including 8K video streaming, artificial intelligence ("AI") and virtual reality. Our use of XGSPON technology continues to set us apart by offering equally fast uploads and downloads at symmetrical speeds of 2.5G, 5G and 10G. Catering for varied needs, we evolve alongside customers towards a connected future.

While focusing on the latest technology, we have relentlessly pursued quality user experiences both within and outside the home. We upgraded the Now TV app with an over-the-top ("OTT") streaming option, allowing simultaneous viewing on different devices for the entire family to enjoy our diverse content anytime, anywhere. Our exclusive UEFA European Championship broadcasts this summer accelerated the rise in both subscription numbers and advertising revenue and helped food and beverage ("F&B") outlets capture business from the resulting nightlife boost. Addressing rising expectations for smart home integration, we deliver premium services across mobile, fibre, entertainment and Smart Living through 1010 HOME.

Our Commercial business has been driving digital transformation in various sectors, both public and private. We have improved healthcare efficiency through advanced 5G systems and ICT infrastructure, enhanced safety and reliability in public utilities worksites and upgraded communication systems in the hospitality industry. In the Greater Bay Area, we have modernised equestrian facilities and gaming venues. We assist Chinese enterprises in expanding into ASEAN countries, as well as Hong Kong and multinational companies venturing into the mainland. We also supported a pioneering transcontinental telesurgery with low-latency connectivity.

Our launch of the world's first cross-border telecom rewards programme in collaboration with six Asia-Pacific operators further strengthens regional connectivity. Leveraging our ecosystem, we brought together ViuTV under PCCW and our partners to stimulate the local economy through the "Reward Yourself, Recharge the City" campaign in support of the retail and F&B industries.

Our unwavering commitment to embracing digital evolution drives us to explore new opportunities while standing firmly alongside our stakeholders. We will continue to invest in technology and harness state-of-the-art applications to foster business growth and create shared value for society.



**Richard Li**  
Chairman  
25 July 2024

## MESSAGE FROM THE GROUP MANAGING DIRECTOR

HKT has been building upon its solid foundation to transform our business from a telecom service provider to a technology solutions enabler. Leveraging our unique integrated fibre and mobile network, we have extended our service from connectivity to a broad array of innovative solutions for our customers, whether they be individuals, households, or enterprises. Our strategic initiatives have enabled us to navigate the complex economic landscape whilst our continuous progression and latest technology applications provide the fuel for our future growth.

### Premium consumer experience inside and outside the home

Our consumer business has seen remarkable growth, driven by increasing demand for high-speed connectivity. Household broadband usage requirement is now over 2Gbps, with a sustained rise that reflects the proliferation of bandwidth-intensive applications. In response, we have launched fibre plans ranging from symmetric 2.5G, 5G to 10G which, coupled with the latest Wi-Fi 7 routers, provide an unparalleled broadband experience that can be enjoyed via the latest high-capacity smart devices. Our fibre-to-the-home (“FTTH”) connections now total 1.028 million, representing 70% of our consumer broadband base at the end of June 2024. Paving the way to a connected future, we were the first to market in March 2024 with a 50G PON service in Hong Kong. It allows us to pre-empt and address potential network issues to enhance service quality, in addition to future-proofing our network for next-generation applications such as 8K video streaming, virtual reality and artificial intelligence (“AI”) that are available to a fast-growing number of consumers. To elevate the smart living experience, we launched 1010 HOME in January 2024. This premium home solution integrates HKT’s services, the latest connected devices, dedicated customer support as well as exciting lifestyle offers to provide a cohesive one-stop customer journey and foster loyalty.

Outside the home, HKT customers enjoy seamless connectivity with our 5G mobile service, which complements our robust fibre network. We have grown our 5G mobile customer base to 1.571 million, accounting for 46% of our post-paid base at the end of June 2024. These customers are able to efficiently and securely work, shop, bank as well as be entertained on our upgraded Now TV video streaming service while on the go. As travel activity continues to rebound, HKT customers can also enjoy a high-quality roaming experience with our partners, including members of the Bridge Alliance, through a wide selection of flexible plans. Our consumer outbound

roaming revenue now exceeds pre-COVID levels, driving total roaming revenue to grow 55% year-on-year. In anticipation of ever-more data-heavy applications, our mobile network is evolving towards 5G Advanced with its ultra-high speed, stability and ultra-low latency showcased during recent mega events in Hong Kong. This enables us to deploy features such as network slicing to extend service capabilities to our enterprise customers.

As we plan to expand our physical network into the city’s newly developed areas such as the Northern Metropolis and potentially into the Greater Bay Area (“GBA”), we announced a partnership with China Merchants Capital Holdings Co., Ltd.\* (招商局資本控股有限責任公司) (“CMC”) in June 2024. In addition to helping to share future capital expenditure, the partnership will enable HKT to strengthen resources in enhancing and broadening its service offerings to consumers as well as providing innovative, advanced technology solutions to its enterprise customers.

### Trusted partner to enterprises in their digital transformation

We are working with enterprises, both public and private, in Hong Kong and mainland China to deploy technology solutions that improve the online and offline experience for their customers, increase business process efficiencies and boost data analysis to gain better insights. In the healthcare sector, we are installing 5G infrastructure that provides the backbone for advanced smart healthcare applications which enhance patient experience and improve resource management. In the hospitality sector, we are enhancing the guest experience by upgrading hotels and clubhouses to Wi-Fi 7 and unified communications systems. We are improving enterprise operational performance by assisting with generative AI (“genAI”) adoption. These successful wins as well as numerous others led to a healthy secured order book with a total contract value exceeding HK\$2.5 billion for the first half of 2024, an increase of 27% year-on-year, demonstrating the resilience of our business model in the face of lingering macroeconomic headwinds.

\* For identification purpose only

### **Enriching our digital ecosystem**

The Club expanded its membership base to almost 4 million with continued strong growth expected, buoyed by mainland China and Macau registrations. In order to deepen engagement with members, The Club focused on lifestyle promotions such as travel and insurance. To enrich our mobile customers' travelling experience, HKT announced the launch of the world's first cross-border rewards programme with telecommunications operators in the Asia Pacific region that facilitates the use of Clubpoints while members are abroad in six popular destinations. It has the added benefit of stimulating spending by tourists while they are in Hong Kong.

### **Solid financial performance**

Although conditions remained challenging with weak retail spending in Hong Kong and cautious enterprise investments, HKT delivered another set of solid interim results for the six months ended 30 June 2024, with 3% growth in total revenue excluding Mobile product sales, 3% growth in EBITDA on the back of improved cost efficiencies and, more importantly, 3% increase in adjusted funds flow. As a result, the board of directors of the Trustee-Manager declared an interim distribution of 32.92 HK cents per Share Stapled Unit for the six months ended 30 June 2024. Upon completion of the strategic partnership with CMC, the proceeds will further reduce leverage and related interest payments, enhancing our financial strength and adjusted funds flow.



#### **Susanna Hui**

Group Managing Director  
25 July 2024

# BOARD OF DIRECTORS

## EXECUTIVE DIRECTORS

### **LI Tzar Kai, Richard**

#### **Executive Chairman**

Mr Li, aged 57, was appointed the Executive Chairman and an Executive Director of HKT Limited (HKT) and HKT Management Limited, the trustee-manager of the HKT Trust, in November 2011. He is the Chairman of HKT's Executive Committee and a member of the Nomination Committee of the HKT Board. Mr Li has also been an Executive Director and the Chairman of PCCW Limited (PCCW) since August 1999, the Chairman of PCCW's Executive Committee and a member of the Nomination Committee of the board of directors of PCCW. He is also the Chairman and Chief Executive of the Pacific Century Group, a Director of FWD Group Holdings Limited, an Executive Director of Pacific Century Premium Developments Limited (PCPD), the Chairman of PCPD's Executive Committee, a member of PCPD's Remuneration Committee and Nomination Committee, the Chairman and an Executive Director of Singapore-based Pacific Century Regional Developments Limited (PCRD), and the Chairman of PCRD's Executive Committee.

Mr Li is a member of the Center for Strategic and International Studies' International Councillors' Group in Washington, D.C. He was awarded the Lifetime Achievement Award by the Cable & Satellite Broadcasting Association of Asia in November 2011.

### **HUI Hon Hing, Susanna**

#### **Group Managing Director**

Ms Hui, aged 59, has been the Group Managing Director of HKT Limited (HKT) and HKT Management Limited (Trustee-Manager), the trustee-manager of the HKT Trust, since September 2018. She has also been an Executive Director of HKT and the Trustee-Manager since November 2011. She is a member of HKT's Executive Committee and holds directorships in various Group companies. She was the Group Chief Financial Officer of HKT from November 2011 to August 2018 primarily responsible for overseeing the financial matters of the Group. Ms Hui is also the Acting Group Managing Director, Group Chief Financial Officer and Executive Director of PCCW Limited (PCCW), and a member of PCCW's Executive Committee.

Ms Hui joined Cable & Wireless HKT Limited (which was subsequently acquired by PCCW) in September 1999. Since then, she has served the PCCW Group in various capacities in the past 25 years, including as Director of Group Finance of the PCCW Group from September 2006 to April 2007, and the Director of Finance of the PCCW Group with responsibility for the telecommunications services sector and regulatory accounting. Ms Hui was also an Executive Director of Pacific Century Premium Developments Limited (PCPD) from May 2018 to December 2021 and the Chief Financial Officer of PCPD from July 2009 to November 2011.

Prior to joining Cable & Wireless HKT Limited, Ms Hui was the chief financial officer of a listed company engaged in hotel and property investment and management.

Ms Hui graduated with a bachelor's degree in social sciences from the University of Hong Kong with first class honours. She is a qualified accountant and a member of both the Hong Kong Institute of Certified Public Accountants and the American Institute of Certified Public Accountants.

Ms Hui is a Board member of Hong Kong Science and Technology Parks Corporation. She is also a fellow and council member of The Hong Kong Management Association and a vice-chairman of the Employers' Federation of Hong Kong. In addition, Ms Hui is a member of the Hong Kong Trade Development Council Belt and Road & Greater Bay Area Committee and its Greater Bay Area Task Force on Innovation and Technology, a non-official member of the Digital Economy Development Committee of the Hong Kong Special Administrative Region (HKSAR) Government, and a Director of Mox Bank Limited. In 2024, Ms Hui was awarded the Medal of Honour by the HKSAR Government in recognition of her dedicated and valuable community service, particularly in youth development and supporting underprivileged students.

## NON-EXECUTIVE DIRECTORS

### **Peter Anthony ALLEN**

#### Non-Executive Director

Mr Allen, aged 69, was appointed a Non-Executive Director of HKT Limited (HKT) and HKT Management Limited (Trustee-Manager), the trustee-manager of the HKT Trust, in November 2011. He is a member of HKT's Audit Committee and the Trustee-Manager's Audit Committee. Mr Allen also holds directorships in certain Group companies. He is an Executive Director and the Group Managing Director of Pacific Century Regional Developments Limited, an Executive Director and the Chief Financial Officer of the Pacific Century Group and Senior Advisor to PCCW Limited (PCCW). He is also a Director of certain other companies controlled by Mr Li Tzar Kai, Richard, the Executive Chairman of HKT and the Trustee-Manager. Mr Allen was an Executive Director of PCCW from August 1999 to November 2011.

Prior to joining the Pacific Century Group, Mr Allen joined KPMG in 1976 before taking up an appointment at Occidental International Oil Incorporated in 1980. In 1983, he joined Schlumberger Limited and worked in various countries holding key management positions. In 1989, he moved to Singapore as Regional Financial Director of the Vestey Group.

Mr Allen joined Boustead Singapore Limited as the Group Operations Controller in 1992 before taking up an appointment with Morgan Grenfell Investment Management (Asia) Limited as a Director and Chief Operating Officer in 1995. He joined the Pacific Century Group in 1997.

Mr Allen was educated in England and graduated from the University of Sussex with a degree in economics. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow Member of CPA Australia, a Fellow of the Hong Kong Institute of Directors and a Fellow of the Institute of Singapore Chartered Accountants.

### **CHUNG Cho Yee, Mico**

#### Non-Executive Director

Mr Chung, aged 63, was appointed a Non-Executive Director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust, in November 2011. Mr Chung was a Non-Executive Director of PCCW Limited (PCCW) from May 2010 to November 2011. He was an Executive Director of PCCW from November 1996 who was responsible for merger and acquisition activities and was re-designated to a Non-Executive Director of PCCW in May 2010. He joined the Pacific Century Group in March 1999.

Mr Chung graduated from University College London in the United Kingdom with a law degree in 1983.

Mr Chung is currently the Chairman and an Executive Director of CSI Properties Limited which he joined in 2004. He was an Independent Non-Executive Director of HKC (Holdings) Limited.

### **TANG Yongbo**

#### Non-Executive Director

Mr Tang, aged 50, was appointed a Non-Executive Director of HKT Limited (HKT) and HKT Management Limited, the trustee-manager of the HKT Trust, in August 2023. He is a member of HKT's Remuneration Committee, Nomination Committee and Executive Committee. Mr Tang became a Non-Executive Director and the Deputy Chairman of the board of directors of PCCW Limited (PCCW) in August 2023. He is a member of PCCW's Executive Committee.

Mr Tang is a vice general manager of China United Network Communications Group Company Limited, a senior vice president of China United Network Communications Limited, a senior vice president of China Unicom (Hong Kong) Limited, and a director and a senior vice president of China United Network Communications Corporation Limited. In addition, he serves as a non-executive director of China Tower Corporation Limited and China Communications Services Corporation Limited.

Mr Tang was a deputy general manager and a general manager of Hunan Branch of China Unicom, and a general manager of marketing department of China United Network Communications Group Company Limited. He was a deputy to the 13th National People's Congress.

Mr Tang received a master's degree in Business Administration from Central South University. He has extensive experience in management and the telecommunications industry.



## INDEPENDENT NON-EXECUTIVE DIRECTORS

### **CHANG Hsin Kang**

#### **Independent Non-Executive Director**

Mr Chang, aged 84, was appointed an Independent Non-Executive Director of HKT Limited (HKT) and HKT Management Limited (Trustee-Manager), the trustee-manager of the HKT Trust, in November 2011. He is the Chairman of HKT's Regulatory Compliance Committee, a member of HKT's Audit Committee, Remuneration Committee and Nomination Committee, and a member of the Trustee-Manager's Audit Committee. Mr Chang was an Independent Non-Executive Director of PCCW Limited from October 2000 to November 2011.

Mr Chang became an Honorary Professor of Peking University in 2006 and an Honorary Professor of Tsinghua University in September 2007. He was the President and University Professor of City University of Hong Kong from 1996 to 2007. Prior to that, he was the Dean of the School of Engineering at the University of Pittsburgh in the United States from 1994 to 1996, Founding Dean of the School of Engineering at Hong Kong University of Science and Technology from 1990 to 1994 and the Chairperson of the Department of Biomedical Engineering at the University of Southern California in the United States from 1985 to 1990.

Mr Chang is a Foreign Member of the Royal Academy of Engineering of the United Kingdom, a Member of International Eurasian Academy of Sciences; and Chevalier dans l'Ordre National de la Légion d'Honneur as well as Commandeur dans l'Ordre des Palmes Académiques of France. He was appointed Justice of the Peace in July 1999 and awarded the Gold Bauhinia Star by the Hong Kong Government in July 2002.

Mr Chang obtained his bachelor's degree in civil engineering from the National Taiwan University, a master's degree in structural engineering from Stanford University in the United States and a doctorate in biomedical engineering from Northwestern University in the United States.

Mr Chang was an Independent Non-Executive Director of Hang Lung Properties Limited, Hon Kwok Land Investment Company, Limited, Brightoil Petroleum (Holdings) Limited and Nanyang Commercial Bank, Limited.

### **Sunil VARMA**

#### **Independent Non-Executive Director**

Mr Varma, aged 80, was appointed an Independent Non-Executive Director of HKT Limited (HKT) and HKT Management Limited (Trustee-Manager), the trustee-manager of the HKT Trust, in November 2011. He is also the Chairman of both HKT's Audit Committee and the Trustee-Manager's Audit Committee and a member of HKT's Nomination Committee, Remuneration Committee and Regulatory Compliance Committee.

Mr Varma is a certified chartered accountant as well as a cost and management accountant. He has extensive working experience of over 40 years including with Price Waterhouse Management Consultants and the IBM Consulting Group, specialising in management and business-problem consulting. He was the partner responsible for establishing and developing the Price Waterhouse consulting practice in Indonesia and was the Head of the Price Waterhouse consulting practice in Hong Kong until 1994. Mr Varma was the Vice President and Principal responsible for the IBM

Consulting Group in India between 1996 and 1998. He was the Interim Chief Financial Officer and Managing Director of Asia Online, Ltd. from 1999 to 2000 and was the Interim Chief Financial Officer of HCL – Perot Systems in India in 2003.

Mr Varma had previously worked in a number of countries in Africa and the Asia Pacific region including Australia, India, Indonesia, Hong Kong, Thailand and the PRC. He advised large multinationals as well as domestic companies in the areas of corporate governance, financial management, organisational strengthening, efficiency improvement, process re-engineering and business systems. He is experienced in a cross-section of industries including financial services, information technology, energy, fertilisers and steel. He had previously conducted several large assignments for public sector organisations, funded by World Bank, Asian Development Bank and other multi-lateral funding agencies. Mr Varma was a Lead Independent Director, the Chairman of Audit Committee and a member of various committees of Dr. Lal PathLabs Limited in India.

Mr Varma obtained his Bachelor of Arts degree in mathematics and economics from Panjab University in July 1962. He has been an Associate member of the Institute of Chartered Accountants of India since August 1966 and a Fellow since June 1972, and an associate member of the Institute of Cost and Management Accountants of India since September 1975.

## **Aman MEHTA**

### **Independent Non-Executive Director**

Mr Mehta, aged 77, was appointed an Independent Non-Executive Director of HKT Limited (HKT) and HKT Management Limited, the trustee-manager of the HKT Trust, in May 2014. He is the Chairman of HKT's Nomination Committee. Mr Mehta has been an Independent Non-Executive Director of PCCW Limited (PCCW) since February 2004. He is also the Chairman of the Audit Committee, the Nomination Committee and the Remuneration Committee of the board of directors of PCCW.

Mr Mehta joined the board of directors of PCCW following a distinguished career in the international banking community.

Mr Mehta held the position of Chief Executive Officer of The Hongkong and Shanghai Banking Corporation Limited (HSBC) until December 2003, when he retired.

Born in India in 1946, Mr Mehta joined HSBC group in Bombay in 1967. After a number of assignments throughout HSBC group, he was appointed Manager – Corporate Planning at HSBC's headquarters in Hong Kong in 1985. After a three-year posting to Riyadh in Saudi Arabia, he was appointed Group General Manager in 1991, and General Manager – International the following year, with responsibility for overseas subsidiaries. He subsequently held senior positions in the United States, overseeing HSBC group companies in the Americas and later becoming responsible for HSBC's operations in the Middle East.

In 1998, Mr Mehta was reappointed General Manager – International, after which he became Executive Director International. In 1999, he was appointed Chief Executive Officer, a position he held until retirement.

Following his retirement in December 2003, Mr Mehta took up residence in New Delhi. He is an Independent Non-Executive Director of Max Financial Services Limited in New Delhi, India. He was an Independent Non-Executive Director of Emaar MGF Land Limited, Jet Airways (India) Limited, Cairn India Limited, Vedanta Resources plc, Tata Consultancy Services Limited, Vedanta Limited, Godrej Consumer Products Limited, Tata Steel Limited and Wockhardt Limited; and an Independent Director on the Supervisory Board of ING Groep N.V., a Netherlands company.

Mr Mehta is also a member of the Governing Board of Indian School of Business, Hyderabad.

## **Frances Waikwun WONG**

### **Independent Non-Executive Director**

Ms Wong, aged 62, was appointed an Independent Non-Executive Director of HKT Limited (HKT) and HKT Management Limited, the trustee-manager of the HKT Trust, in May 2015. She is the Chairwoman of HKT's Remuneration Committee. Ms Wong has been an Independent Non-Executive Director of PCCW Limited (PCCW) since March 2012 and is the Chairwoman of the Regulatory Compliance Committee and a member of the Nomination Committee and the Remuneration Committee of the board of directors of PCCW. She was an Independent Non-Executive Director of Pacific Century Regional Developments Limited from June 2013 to April 2023.

Ms Wong is currently a financial advisor of Good Harbour Finance Limited.

She began her career as a management consultant at McKinsey & Company in the United States. Ms Wong returned to Hong Kong and joined the Hutchison Whampoa group of companies in 1988, taking on various positions. She was managing director of Weatherite Manufacturing Limited, an air conditioning manufacturer. Later, Ms Wong became chief executive officer of Metro Broadcast Corporation Limited. Eventually, she became chief financial officer of Star TV, Asia's first satellite television company. After leaving the Hutchison Whampoa Group, she became group chief financial officer for the Pacific Century Group. After she resigned from the Pacific Century Group, she founded the Independent Schools Foundation in Hong Kong in 2000.

Ms Wong was educated in the United States at Stanford University where she received a Bachelor of Science degree. She holds a Master of Science degree from the Massachusetts Institute of Technology. Ms Wong was a member of the Central Policy Unit, the Government of the Hong Kong Special Administrative Region (think tank). She has served on many educational boards including the Canadian International School of Hong Kong, Hong Kong Metropolitan University and was a member of the Joint Committee on Student Finance of Student Financial Assistance Agency.

**Charlene DAWES**

**Independent Non-Executive Director**

Ms Dawes, aged 45, was appointed an Independent Non-Executive Director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust, in February 2024. She has been an Independent Non-Executive Director of Pacific Century Regional Developments Limited since December 2022.

Ms Dawes is the founding owner and Managing Director of Tastings Group Limited, a food and beverage management company operating Michelin-starred restaurants, World's 50 Best bars and ready-to-drink cocktail brands. She completed her Wine and Spirit Education Trust (WSET) Level 3 Certification in 2011. Ms Dawes is an established beverage judge in Hong Kong for various competitions and events including the renowned yearly Cathay Hong Kong International Wine & Spirit Competition.

Ms Dawes obtained her Bachelor of Arts degree from Pepperdine University in the United States of America, majoring in International Studies and a minor in Marketing.

Ms Dawes is an Associate Member of the Singapore Institute of Directors. She is also a Mentor under The Women's Foundation Mentoring Programme for Women Leaders.

Set out above are the directors of HKT and the Trustee-Manager, and their biographies, as at 25 July 2024.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

- Entrenched market leadership in broadband with 2.5G/5G/10G and Wi-Fi 7 Smart Living service and first to market with 50G PON; FTTH connections increased to 1.028 million;
- 5G mobile customers reached 1.571 million with our network evolving towards 5G Advanced;
- Secured wins from enterprise customers with a total contract value of over HK\$2.5 billion, an increase of 27% year-on-year;
- The Club membership base reached almost 4 million;
- Total revenue increased by 2% to HK\$16,669 million; total revenue excluding Mobile product sales increased by 3% to HK\$15,683 million;
- Total EBITDA increased by 3% to HK\$6,168 million, spurred by cost efficiency improvements that included the deployment of AI applications across the Group;
- Adjusted funds flow also increased by 3% to HK\$2,495 million;
- Profit attributable to holders of Share Stapled Units increased by 2% to HK\$1,990 million; basic earnings per Share Stapled Unit was 26.27 HK cents; and
- Interim distribution per Share Stapled Unit is 32.92 HK cents.

## FINANCIAL REVIEW BY SEGMENT

For the six months ended HK\$ million	30 Jun 2023	31 Dec 2023	30 Jun 2024	Better/ (Worse) y-0-y
<b>Revenue</b>				
TSS	11,685	12,485	<b>12,063</b>	3%
– Local TSS Services	8,159	8,714	<b>8,289</b>	2%
– International Telecommunications Services	3,526	3,771	<b>3,774</b>	7%
Mobile	4,968	6,340	<b>4,976</b>	–
– Mobile Services	3,815	4,533	<b>3,990</b>	5%
– Mobile Product Sales	1,153	1,807	<b>986</b>	(14)%
Other Businesses	596	286	<b>552</b>	(7)%
Eliminations	(849)	(1,181)	<b>(922)</b>	(9)%
<b>Total revenue</b>	16,400	17,930	<b>16,669</b>	<b>2%</b>
<b>Total revenue (excluding Mobile Product Sales)</b>	15,247	16,123	<b>15,683</b>	<b>3%</b>
<b>Cost of sales</b>	(8,279)	(9,175)	<b>(8,491)</b>	(3)%
<b>Operating costs before depreciation, amortisation, and (losses)/gains on disposal of property, plant and equipment and right-of-use assets, net</b>	(2,112)	(1,364)	<b>(2,010)</b>	5%
<b>EBITDA<sup>1</sup></b>				
TSS	4,219	5,152	<b>4,296</b>	2%
Mobile	2,194	2,866	<b>2,302</b>	5%
– Mobile Services	2,194	2,863	<b>2,300</b>	5%
– Mobile Product Sales	–	3	<b>2</b>	NA
Other Businesses	(404)	(627)	<b>(430)</b>	(6)%
<b>Total EBITDA<sup>1</sup></b>	6,009	7,391	<b>6,168</b>	<b>3%</b>
<b>TSS EBITDA<sup>1</sup> Margin</b>	36%	41%	<b>36%</b>	
<b>Mobile EBITDA<sup>1</sup> Margin</b>	44%	45%	<b>46%</b>	
– Mobile Services EBITDA <sup>1</sup> Margin	58%	63%	<b>58%</b>	
<b>Total EBITDA<sup>1</sup> Margin</b>	37%	41%	<b>37%</b>	
<b>Total EBITDA<sup>1</sup> Margin (excluding Mobile Product Sales)</b>	39%	46%	<b>39%</b>	
Depreciation and amortisation	(2,700)	(2,952)	<b>(2,683)</b>	1%
(Losses)/Gains on disposal of property, plant and equipment and right-of-use assets, net	–	(2)	<b>9</b>	NA
Other gains, net	9	1	<b>16</b>	78%
Finance costs, net	(925)	(1,209)	<b>(1,092)</b>	(18)%
Share of results of associates and joint ventures	(60)	(54)	<b>(84)</b>	(40)%
<b>Profit before income tax</b>	2,333	3,175	<b>2,334</b>	–

### ADJUSTED FUNDS FLOW<sup>3</sup>

For the six months ended HK\$ million	30 Jun 2023	31 Dec 2023	30 Jun 2024	Better/ (Worse) y-o-y
<b>Total EBITDA<sup>1</sup></b>	6,009	7,391	<b>6,168</b>	<b>3%</b>
Less cash outflows in respect of capital expenditures, customer acquisition costs and licence fees <sup>2</sup> :				
Capital expenditures	(1,078)	(1,060)	<b>(1,041)</b>	3%
Customer acquisition costs and licence fees	(794)	(937)	<b>(716)</b>	10%
Fulfilment costs	(270)	(383)	<b>(291)</b>	(8)%
Right-of-use assets	(686)	(744)	<b>(731)</b>	(7)%
<b>Adjusted funds flow<sup>3</sup> before tax paid, net finance costs paid and changes in working capital</b>	3,181	4,267	<b>3,389</b>	<b>7%</b>
Adjusted for:				
Net finance costs paid	(693)	(865)	<b>(887)</b>	(28)%
Tax payment	(251)	(56)	<b>(182)</b>	27%
Changes in working capital	192	23	<b>175</b>	(9)%
<b>Adjusted funds flow<sup>3</sup></b>	2,429	3,369	<b>2,495</b>	<b>3%</b>

### KEY OPERATING DRIVERS<sup>5</sup>

	30 Jun 2023	31 Dec 2023	30 Jun 2024	Better/(Worse) y-o-y	h-o-h
Exchange lines in service ('000)	2,283	2,227	<b>2,168</b>	(5)%	(3)%
Business lines ('000)	1,160	1,148	<b>1,126</b>	(3)%	(2)%
Residential lines ('000)	1,123	1,079	<b>1,042</b>	(7)%	(3)%
Total broadband access lines ('000) (Consumer, business and wholesale)	1,642	1,647	<b>1,646</b>	0.2%	(0.1)%
Retail consumer broadband access lines ('000)	1,468	1,471	<b>1,472</b>	0.3%	0.1%
Retail business broadband access lines ('000)	162	164	<b>162</b>	–	(1)%
Mobile subscribers ('000)	4,656	4,764	<b>4,884</b>	5%	3%
Post-paid subscribers ('000)	3,383	3,428	<b>3,433</b>	1%	0.1%
Prepaid subscribers ('000)	1,273	1,336	<b>1,451</b>	14%	9%
Pay TV installed base ('000)	1,428	1,429	<b>1,430</b>	0.1%	0.1%
The Club members ('000)	3,778	3,847	<b>3,939</b>	4%	2%
Tap & Go accounts in use ('000)	3,711	3,772	<b>3,824</b>	3%	1%
DrGo registered users ('000)	371	386	<b>395</b>	6%	2%

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- 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 Adjusted funds flow per Share Stapled Unit is calculated by dividing the adjusted funds flow for the period by the number of Share Stapled Units in issue as at 30 June 2024.
- Note 5 Figures are stated as at the period end.
- Note 6 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 2023	31 Dec 2023	<b>30 Jun 2024</b>	Better/ (Worse) y-o-y
<b>TSS Revenue</b>				
Local TSS Services	8,159	8,714	<b>8,289</b>	2%
International Telecommunications Services	3,526	3,771	<b>3,774</b>	7%
<b>Total TSS Revenue</b>	11,685	12,485	<b>12,063</b>	<b>3%</b>
Cost of sales	(6,306)	(6,516)	<b>(6,664)</b>	(6)%
Operating costs before depreciation and amortisation	(1,160)	(817)	<b>(1,103)</b>	5%
<b>Total TSS EBITDA<sup>1</sup></b>	4,219	5,152	<b>4,296</b>	<b>2%</b>
<b>TSS EBITDA<sup>1</sup> margin</b>	36%	41%	<b>36%</b>	

Local TSS Services revenue grew by 2% to HK\$8,289 million for the six months ended 30 June 2024, underpinned by an increase of 5% in Local Data Services revenue to HK\$6,345 million. Local Data Services is the largest component of the Local TSS Services segment comprising 77% of revenue. Pay TV Services generated revenue of HK\$1,180 million while Local Telephony Services revenue was HK\$1,031 million. During the period, International Telecommunications Services revenue grew by 7% to HK\$3,774 million. As a result, total TSS revenue rose by 3% year-on-year to HK\$12,063 million.

*Local Data Services.* Comprising broadband revenue and local data revenue, Local Data Services revenue rose by 5% year-on-year to HK\$6,345 million for the six months ended 30 June 2024.

Broadband revenue grew by 2% year-on-year as demand for our high-speed, reliable fibre services continued during the period spurred by the proliferation of multiple smart, connected devices at home and the increasing bandwidth intensity of applications. Our FTTH connections reached 1.028 million at the end of June 2024, which represented a net increase of 42,000 or 4% growth from a year earlier. Of note, the 2.5G service notched the fastest growth with average revenue per user (“ARPU”) uplift of HK\$80, as consumers upgrade their home broadband connections to accommodate working from home and video meetings, 4K high-resolution video streaming content and online gaming. FTTH connections represented 70% of our consumer broadband base of 1.472 million as at the end of June 2024.

Paving the way for an even more connected future, HKT was the first to market in March 2024 with a 50G PON service in Hong Kong. Continuous enhancements to our fibre network allow us to pre-empt and address potential network issues to enhance service quality, as well as future proof our network for next-generation applications such as 8K video streaming, virtual reality and AI that are available to a fast-growing number of consumers.

To elevate the proposition to our customers, we launched the 1010 HOME service in January 2024 to extend our premium 1010 brand to home broadband. 1010 HOME is a bespoke solution integrating HKT’s services, the latest connected devices, dedicated customer support as well as exciting lifestyle offers to provide a seamless customer experience which we expect should lead to increased customer spending and loyalty.

On the enterprise side, our local data revenue achieved impressive growth of 7% year-on-year as HKT remains the trusted partner to enterprises, both public and private, in their digital transformation journey. We also secured a healthy order book during the first half of 2024 with a total contract value of over HK\$2.5 billion, an increase of 27% year-on-year, reflecting the continued demand for our converged solutions that include smart city and digital transformation solutions incorporating 5G, GenAI, Internet of Things (“IoT”) and cyber security applications across diverse industries.



**Telecommunications Services (CONTINUED)**

Leveraging our strong reputation and track record in the healthcare sector, HKT Enterprise Solutions won two additional contracts during the period, taking the total to 16 public and private hospitals where we have installed 5G infrastructure that provides the backbone for advanced smart healthcare applications, which enhance patient experience as well as improve management of hospital resources. We also witnessed successes in the hospitality and utility sectors including the upgrade to Wi-Fi 7 solutions and unified communications systems across six hotels and a clubhouse for a renowned hotel brand that will lead to a better guest experience, and the implementation of an ICT infrastructure system and digital twin systems to facilitate operations monitoring for one of the public utility companies in Hong Kong. We also won contracts to assist enterprises adopt the latest GenAI solutions to improve operational efficiencies.

Beyond Hong Kong, there is an increasing demand for integrated solutions from Hong Kong and international enterprises to upgrade and expand their businesses in the mainland market as well as mainland enterprises to enter new countries. HKT Enterprise Solutions brings its deep industry expertise and proven track record to support them. Successful contract wins during the period included the provision of systems integration solution for a sports and gaming venue in the GBA, technology refreshment projects for various gaming venues in Macau and the provision of our connectivity and ICT solutions to help mainland enterprises expand internationally. As such, our enterprise business in mainland China continued to register robust growth with revenue expanding by 51% year-on-year.

*Pay TV Services.* Our Pay TV business remained resilient with revenue of HK\$1,180 million for the six months ended 30 June 2024 versus HK\$1,205 million a year earlier, amidst competition from a wide range of free and paid entertainment services. With its unique position as a leading content aggregator in Hong Kong, Now TV is committed to delivering a diverse and comprehensive content portfolio including top-notch live sporting events and world-class entertainment programmes with greater subscription flexibility to our customers. As a result, the Now TV business continued to grow its installed base to 1.430 million from 1.428 million a year earlier, with Now OTT customer base up by 13% year-on-year.

Undoubtedly, one of the highlights in the first half of the year was the exclusive broadcast of the UEFA European Football Championship 2024, in partnership with PCCW Limited's ViuTV, which helped drive both subscription and advertising revenue as well as delivered benefits to our mobile and broadband businesses. The event provided the opportunity to cross sell promotions that helped acquire new mobile subscriptions with specially priced EURO event passes, highlighting the benefits of our quad-play capabilities and data analytics. We enhanced the viewer experience and engagement by launching new features including "EURO Home", mobile widgets, betting channel as well as "EURO Everywhere" and "AR Shooting Challenge" AR Lens games. With the favourable kick-off times, there were over 350 outlets primarily in the food & beverage and hospitality sectors subscribing to our commercial package, an increase of 52% in the number of outlets as compared to the last EURO tournament in 2021.

In January 2024, we launched a refreshed Now TV video streaming app that delivered better flexibility to users. It offers a seamless viewing experience across devices and facilitates instant activation thereby leading to better customer conversion and increased spending. Now TV also launched an addressable TV advertising service, the first in Hong Kong, which applies the latest technology to enable precise campaign targeting. This new service offering provides advertisers and sponsors with the flexibility to deliver targeted commercials to specific customer segments to enhance customer engagement and optimise their promotion efficiency.

*Local Telephony Services.* Local Telephony Services revenue registered a decline of 12% to HK\$1,031 million for the six months ended 30 June 2024 versus HK\$1,173 million a year earlier. The total number of fixed lines in service at the end of June 2024 dropped to 2.168 million from 2.283 million a year earlier as the business continued to be affected by the shift away from basic voice services to mobile and data as well as weakness in the small and medium-sized enterprise ("SME") segment.

*International Telecommunications Services.* International Telecommunications Services revenue increased by 7% to HK\$3,774 million for the six months ended 30 June 2024 versus HK\$3,526 million a year earlier. The revenue growth was driven by increased global voice revenue, resilient data revenue and growing demand for our software defined cloud connectivity services.

The TSS business registered an increase of 2% year-on-year in EBITDA to HK\$4,296 million. This growth was fuelled by further operating efficiencies during the period offset by a change in gross margin from the TSS revenue mix shift, resulting in a stable EBITDA margin of 36%.

## Mobile

For the six months ended HK\$ million	30 Jun 2023	31 Dec 2023	<b>30 Jun 2024</b>	Better/ (Worse) y-o-y
<b>Mobile Revenue</b>				
Mobile Services	3,815	4,533	<b>3,990</b>	5%
Mobile Product Sales	1,153	1,807	<b>986</b>	(14)%
<b>Total Mobile Revenue</b>	<b>4,968</b>	<b>6,340</b>	<b>4,976</b>	–
<b>Mobile EBITDA<sup>1</sup></b>				
Mobile Services	2,194	2,863	<b>2,300</b>	5%
Mobile Product Sales	–	3	<b>2</b>	NA
<b>Total Mobile EBITDA<sup>1</sup></b>	<b>2,194</b>	<b>2,866</b>	<b>2,302</b>	<b>5%</b>
<b>Mobile EBITDA<sup>1</sup> margin</b>	<b>44%</b>	<b>45%</b>	<b>46%</b>	
<i>Mobile Services EBITDA<sup>1</sup> margin</i>	<i>58%</i>	<i>63%</i>	<i>58%</i>	

The Mobile business recorded growth of 5% in services revenue to HK\$3,990 million for the six months ended 30 June 2024. Services revenue was lifted by higher contribution from roaming revenue, further momentum in 5G adoption and net additions to our post-paid customer base.

As travel resumed, consumer outbound roaming revenue in the first half of 2024 exceeded pre-pandemic levels in 2019 driving total roaming revenue to grow 55% year-on-year. As a result, roaming revenue represented 11% of Mobile services revenue, in line with pre-pandemic levels.

The Mobile business reported a net gain of 50,000 year-on-year in its post-paid customer base to reach 3.433 million at the end of June 2024 despite continued market competition particularly in the price-sensitive segment. In the premium segment, our 1010 customer base expanded by 5% year-on-year. Our 5G customer base has further grown to 1.571 million at the end of June 2024, representing 46% of our total post-paid base and over 55% of our 1010 and csl customer base.

The post-paid exit ARPU for June 2024 rose by 2% to HK\$192 versus HK\$189 for June 2023, benefitting from the roaming recovery and broader adoption of higher value 5G tariff plans. The post-paid churn rate for our 1010 customers improved to 0.6% in the first half of 2024 from 0.8% a year earlier due to vigorous customer retention efforts including initiatives through The Club and recently launched 1010 HOME service which helped to deepen customer engagement and loyalty.

Mobile product sales of HK\$986 million for the six months ended 30 June 2024 was comparatively softer as consumers delayed handset upgrades due to weak consumer sentiment and limited new handset features.

Mobile services EBITDA for the period rose by 5% to HK\$2,300 million with an improved margin of 57.6%, reflecting operating cost improvements. Total Mobile EBITDA for the period also increased by 5% to HK\$2,302 million from HK\$2,194 million a year earlier. The overall EBITDA margin improved to 46% from 44% a year earlier as the contribution from Mobile product sales was lower.

## Other Businesses

Other Businesses primarily comprise new businesses such as The Club's loyalty platform, HKT Financial Services and healthtech services, as well as corporate support functions. These new businesses are an integral component of HKT's strategic focus in providing a wide range of lifestyle services beyond connectivity to cater to members' interests. For the six months ended 30 June 2024, revenue from Other Businesses was HK\$552 million versus HK\$596 million a year earlier.

The Club's membership base further expanded by 4% to 3.94 million from 3.78 million a year earlier. In order to deepen engagement with members, The Club focused on lifestyle promotions such as travel and insurance. To enrich our mobile customer's travelling experience, HKT together with major leading telecommunications partners in Asia Pacific announced a loyalty programme initiative that facilitates the use of Clubpoints while members are abroad in six popular destinations including Singapore, Thailand, Indonesia, the Philippines, Australia and Taiwan. It has the added benefit of stimulating spending by tourists while they are travelling in Hong Kong.

With more Hong Kong consumers embracing mobile payments, Tap & Go's number of accounts rose to 3.82 million, an increase of 3% from 3.71 million a year earlier. To further promote digital payment adoption among SMEs, we introduced a cost-effective app-based POS solution, which enables merchants to accept payments through Tap & Go, Faster Payment System ("FPS"), major credit cards and other digital wallets anytime, anywhere, enhancing convenience for their customers and processing transactions more quickly.

Our healthtech platform, DrGo, recorded a 6% year-on-year rise in registered users to 395,000 as at the end of June 2024. With increased telemedicine adoption since the pandemic, DrGo saw a 12% year-on-year growth in the number of video consultations completed in the first half of 2024. Expanding its ecosystem through increasing partnerships with insurance providers in Hong Kong and the GBA, it continues to promote telemedicine adoption as part of the digital way of life.

## Eliminations

Eliminations were HK\$922 million for the six months ended 30 June 2024 versus HK\$849 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 2024 increased by 3% year-on-year to HK\$8,491 million, which was in line with the revenue growth during the period.

## General and Administrative Expenses

For the six months ended 30 June 2024, operating costs before depreciation, amortisation, and (losses)/gains on disposal of property, plant and equipment and right-of-use assets, net ("operating costs") improved by 5% to HK\$2,010 million, reflecting the Group's continued focus on operating efficiency and cost optimisation initiatives across each of the business segments, including enhancing business processes via the adoption of GenAI, consolidation of business operations and rationalisation of IT platforms. As such, overall operating costs-to-revenue ratio for the period further improved to 12.1% versus 12.9% a year earlier.

For the six months ended 30 June 2024, total depreciation and amortisation expenses were lower at HK\$2,683 million.

As a result of the above, general and administrative expenses decreased by 3% to HK\$4,684 million for the six months ended 30 June 2024 versus HK\$4,812 million a year earlier.

## EBITDA<sup>1</sup>

With the steady growth in the TSS and Mobile businesses and further operating efficiencies, total EBITDA increased by 3% to HK\$6,168 million for the six months ended 30 June 2024 versus HK\$6,009 million a year earlier. The overall EBITDA margin held steady at 37% during the period. Excluding Mobile product sales, the EBITDA margin was 39%.

## Finance Costs, Net

Net finance costs for the six months ended 30 June 2024 increased by 18% to HK\$1,092 million from HK\$925 million a year earlier, mainly due to higher HIBOR during the period. The average cost of debt was 4.26% during the period, compared to 3.77% a year earlier, with the impact of higher HIBOR mitigated by our healthy mix of fixed and floating rate debt. With interest rates expected to decline in the second half of 2024, we will closely monitor our gearing levels and the mix of fixed to floating rate debt. Proceeds from the strategic partnership with CMC will further reduce leverage and related interest payments, enhancing our financial strength and adjusted funds flow.

## Income Tax

Income tax expense for the six months ended 30 June 2024 was HK\$342 million, as compared to HK\$379 million a year earlier. The effective tax rate for the period was 14.7%, as compared to 16.2% a year earlier, mainly due to an increase in tax benefits enjoyed.

## Profit Attributable to Non-controlling Interests

Profit attributable to non-controlling interests of HK\$2 million (30 June 2023: 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 2024 increased by 2% to HK\$1,990 million (30 June 2023: HK\$1,952 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 debt<sup>6</sup> was HK\$46,344 million as at 30 June 2024 (31 December 2023: HK\$44,804 million). Cash and short-term deposits totalled HK\$1,667 million as at 30 June 2024 (31 December 2023: HK\$1,709 million). HKT's gross debt<sup>6</sup> to total assets was 41% as at 30 June 2024 (31 December 2023: 40%).

As at 30 June 2024, HKT had ample liquidity in the form of banking facilities totalling HK\$35,611 million, of which HK\$11,992 million remained undrawn.

## CREDIT RATINGS OF HONG KONG TELECOMMUNICATIONS (HKT) LIMITED

As at 30 June 2024, 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 EXPENDITURE<sup>2</sup>

Capital expenditure including capitalised interest for the six months ended 30 June 2024 was HK\$1,103 million (30 June 2023: HK\$1,134 million). Capital expenditure relative to revenue was 6.6% for the six months ended 30 June 2024 (30 June 2023: 6.9%).

Capital expenditure for HKT's Mobile business was 5% 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 slightly lower during the period, with investments largely to support growing demand for our integrated fixed-mobile solutions for enterprises.

HKT 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.

## ADJUSTED FUNDS FLOW<sup>3</sup>

Adjusted funds flow ("AFF") increased by 3% to HK\$2,495 million for the six months ended 30 June 2024 from HK\$2,429 million for the six months ended 30 June 2023.

Notably, our operating AFF in the first half of 2024 increased by 7% driven by the 3% expansion in EBITDA, disciplined capex investments and lower customer acquisition costs due to improved sales channel efficiencies. These positive factors were partially offset by increases in right-of-use assets and fulfilment costs to serve our growing base of consumer and enterprise customers. After accounting for higher net finance costs, lower tax payment and seasonal movement in working capital, our 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 2024, 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 on HKT is considered not material.

## CHARGE ON ASSETS

As at 30 June 2024, no assets of the Group (31 December 2023: nil) were pledged to secure loans and banking facilities of the Group.

## CONTINGENT LIABILITIES

HK\$ million	As at 31 Dec 2023 (Audited)	As at 30 Jun 2024 (Unaudited)
Performance guarantees	1,027	<b>849</b>
Others	2	<b>2</b>
	1,029	<b>851</b>

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 13,400 employees as at 30 June 2024 (30 June 2023: 14,700) located in 22 countries and cities. About 64% 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 32.92 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 2024 (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 32.92 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.

# CONSOLIDATED INCOME STATEMENT OF HKT TRUST AND OF HKT LIMITED

For the six months ended 30 June 2024

In HK\$ million (except for earnings per Share Stapled Unit/share of the Company)	Note(s)	2023 (Unaudited)	2024 (Unaudited)
Revenue	3	16,400	<b>16,669</b>
Cost of sales		(8,279)	<b>(8,491)</b>
General and administrative expenses		(4,812)	<b>(4,684)</b>
Other gains, net		9	<b>16</b>
Finance costs, net		(925)	<b>(1,092)</b>
Share of results of associates		(52)	<b>(78)</b>
Share of results of joint ventures		(8)	<b>(6)</b>
Profit before income tax	3, 4	2,333	<b>2,334</b>
Income tax	5	(379)	<b>(342)</b>
Profit for the period		1,954	<b>1,992</b>
Profit attributable to:			
Holders of Share Stapled Units/shares of the Company		1,952	<b>1,990</b>
Non-controlling interests		2	<b>2</b>
Profit for the period		1,954	<b>1,992</b>
Earnings per Share Stapled Unit/share of the Company	7		
Basic		25.77 cents	<b>26.27 cents</b>
Diluted		25.77 cents	<b>26.26 cents</b>

The notes on pages 28 to 42 form an integral part of this unaudited condensed consolidated interim financial information. As explained in note 1, the unaudited condensed consolidated interim financial information of the HKT Trust and the unaudited condensed consolidated interim financial information of HKT Limited are presented together.

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

For the six months ended 30 June 2024

In HK\$ million	2023 (Unaudited)	2024 (Unaudited)
Profit for the period	1,954	<b>1,992</b>
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	–	<b>(9)</b>
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	(2)	<b>(40)</b>
– exchange differences on translating foreign operations of joint ventures	(1)	<b>(7)</b>
Cash flow hedges:		
– effective portion of changes in fair value	18	<b>(124)</b>
– transfer from equity to consolidated income statement	(177)	<b>56</b>
Costs of hedging	(33)	<b>57</b>
Other comprehensive loss for the period	(195)	<b>(67)</b>
Total comprehensive income for the period	1,759	<b>1,925</b>
Attributable to:		
Holders of Share Stapled Units/shares of the Company	1,757	<b>1,923</b>
Non-controlling interests	2	<b>2</b>
Total comprehensive income for the period	1,759	<b>1,925</b>

The notes on pages 28 to 42 form an integral part of this unaudited condensed consolidated interim financial information. As explained in note 1, the unaudited condensed consolidated interim financial information of the HKT Trust and the unaudited condensed consolidated interim financial information of HKT Limited are presented together.

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

As at 30 June 2024

In HK\$ million	Note	As at 31 December 2023 (Audited)	As at 30 June 2024 (Unaudited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		27,278	27,825
Right-of-use assets		1,988	1,966
Interests in leasehold land		165	159
Goodwill		49,806	49,802
Intangible assets		17,675	18,191
Fulfilment costs		1,925	1,983
Customer acquisition costs		912	886
Contract assets		324	272
Interests in associates		484	422
Interests in joint ventures		478	454
Financial assets at fair value through other comprehensive income		130	121
Financial assets at fair value through profit or loss		28	21
Derivative financial instruments		29	9
Deferred income tax assets		895	857
Other non-current assets		558	959
		102,675	103,927
<b>Current assets</b>			
Inventories		959	1,363
Prepayments, deposits and other current assets		3,176	3,478
Contract assets		511	521
Trade receivables, net	8	2,838	2,543
Amounts due from related companies		22	26
Financial assets at fair value through profit or loss		15	8
Derivative financial instruments		–	7
Tax recoverable		2	21
Restricted cash		211	161
Short-term deposits		79	187
Cash and cash equivalents		1,630	1,480
		9,443	9,795
<b>Current liabilities</b>			
Short-term borrowings		(1,049)	(3,951)
Trade payables	9	(5,781)	(5,733)
Accruals and other payables		(6,002)	(6,555)
Derivative financial instruments		(151)	(37)
Carrier licence fee liabilities		(338)	(362)
Amount due to a fellow subsidiary		(2,349)	(3,095)
Amounts due to related companies		(84)	(83)
Advances from customers		(279)	(287)
Contract liabilities		(1,450)	(1,324)
Lease liabilities		(1,070)	(1,030)
Current income tax liabilities		(1,576)	(1,593)
		(20,129)	(24,050)



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

As at 30 June 2024

In HK\$ million	Note	As at 31 December 2023 (Audited)	As at 30 June 2024 (Unaudited)
<b>Non-current liabilities</b>			
Long-term borrowings		(43,518)	(42,124)
Derivative financial instruments		(602)	(664)
Deferred income tax liabilities		(5,498)	(5,624)
Carrier licence fee liabilities		(3,086)	(3,341)
Contract liabilities		(980)	(927)
Lease liabilities		(979)	(969)
Other long-term liabilities		(1,944)	(2,082)
		(56,607)	(55,731)
<b>Net assets</b>		<b>35,382</b>	<b>33,941</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	10(a)	8	8
Reserves		35,304	33,866
<b>Equity attributable to holders of Share Stapled Units/shares of the Company</b>		<b>35,312</b>	<b>33,874</b>
Non-controlling interests		70	67
<b>Total equity</b>		<b>35,382</b>	<b>33,941</b>

The notes on pages 28 to 42 form an integral part of this unaudited condensed consolidated interim financial information. As explained in note 1, the unaudited condensed consolidated interim financial information of the HKT Trust and the unaudited condensed consolidated interim financial information of HKT Limited are presented together.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF HKT TRUST AND OF HKT LIMITED

For the six months ended 30 June 2024

In HK\$ million	2023 (Unaudited)													Non-controlling interests	Total equity
	Attributable to holders of Share Stapled Units/shares of the Company														
	Share capital	Share premium	Capital contribution reserve	Merger reserve	Treasury stock	Employee share-based compensation reserve	Currency translation reserve	Hedging reserve	Costs of hedging reserve	Other reserves	Retained profits	Total			
<b>As at 1 January 2023</b>	8	7,860	26,250	(347)	(64)	13	64	119	(116)	124	2,458	36,369	60	36,429	
<b>Total comprehensive income/(loss) for the period</b>															
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,952	1,952	2	1,954	
Other comprehensive (loss)/income															
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	-	-	-	-	-	-	(2)	-	-	-	-	(2)	-	(2)	
– exchange differences on translating foreign operations of joint ventures	-	-	-	-	-	-	(1)	-	-	-	-	(1)	-	(1)	
Cash flow hedges:															
– effective portion of changes in fair value	-	-	-	-	-	-	-	18	-	-	-	18	-	18	
– transfer from equity to consolidated income statement	-	-	-	-	-	-	-	(183)	6	-	-	(177)	-	(177)	
Costs of hedging	-	-	-	-	-	-	-	-	(33)	-	-	(33)	-	(33)	
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	-	-	-	(3)	(165)	(27)	-	1,952	1,757	2	1,759	
<b>Transactions with equity holders</b>															
Purchase of Share Stapled Units under the HKT Share Stapled Units Purchase Scheme	-	-	-	-	(2)	-	-	-	-	-	-	(2)	-	(2)	
Employee share-based compensation	-	-	-	-	-	7	-	-	-	-	-	7	-	7	
Vesting of Share Stapled Units under the Share Stapled Unit Award Schemes	-	-	-	-	15	(14)	-	-	-	-	(1)	-	-	-	
Distribution/Dividend for Share Stapled Units/shares of the Company granted under the Share Stapled Unit Award Schemes	-	-	-	-	-	(1)	-	-	-	-	-	(1)	-	(1)	
Distribution/Dividend paid in respect of the previous year (note 6(b))	-	-	-	-	-	-	-	-	-	-	(3,269)	(3,269)	-	(3,269)	
Dividend declared and paid to the non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(7)	(7)	
<b>Total transactions with equity holders</b>	-	-	-	-	13	(8)	-	-	-	-	(3,270)	(3,265)	(7)	(3,272)	
<b>As at 30 June 2023</b>	8	7,860	26,250	(347)	(51)	5	61	(46)	(143)	124	1,140	34,861	55	34,916	

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF HKT TRUST AND OF HKT LIMITED (CONTINUED)**

For the six months ended 30 June 2024

	2024 (Unaudited)													Non- controlling interests	Total equity
	Attributable to holders of Share Stapled Units/shares of the Company														
	Share capital	Share premium	Capital contribution reserve	Merger reserve	Treasury stock	Employee share-based compensation reserve	Currency translation reserve	Hedging reserve	Costs of hedging reserve	Financial assets at FVOCI <sup>1</sup> reserve	Other reserves	Retained profits	Total		
<b>As at 1 January 2024</b>	8	7,860	26,250	(347)	(52)	11	88	(219)	(145)	(17)	124	1,751	35,312	70	35,382
<b>Total comprehensive income/(loss) for the period</b>															
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	1,990	1,990	2	1,992
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)	-	-	(9)	-	(9)
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)	-	-	-	-	-	(40)	-	(40)
- exchange differences on translating foreign operations of joint ventures	-	-	-	-	-	-	(7)	-	-	-	-	-	(7)	-	(7)
Cash flow hedges:															
- effective portion of changes in fair value	-	-	-	-	-	-	-	(124)	-	-	-	-	(124)	-	(124)
- transfer from equity to consolidated income statement	-	-	-	-	-	-	-	50	6	-	-	-	56	-	56
Costs of hedging	-	-	-	-	-	-	-	-	57	-	-	-	57	-	57
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	-	-	-	(47)	(74)	63	(9)	-	1,990	1,923	2	1,925
<b>Transactions with equity holders</b>															
Employee share-based compensation	-	-	-	-	-	7	-	-	-	-	-	-	7	-	7
Vesting of Share Stapled Units under the Share Stapled Unit Award Schemes	-	-	-	-	13	(12)	-	-	-	-	-	(1)	-	-	-
Distribution/Dividend for Share Stapled Units/shares of the Company granted under the Share Stapled Unit Award Schemes	-	-	-	-	-	(1)	-	-	-	-	-	-	(1)	-	(1)
Distribution/Dividend paid in respect of the previous year (note 6(b))	-	-	(352)	-	-	-	-	-	-	-	-	(3,015)	(3,367)	-	(3,367)
Dividend declared and paid to the non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(5)	(5)
<b>Total transactions with equity holders</b>	-	-	(352)	-	13	(6)	-	-	-	-	-	(3,016)	(3,361)	(5)	(3,366)
<b>As at 30 June 2024</b>	8	7,860	25,898	(347)	(39)	5	41	(293)	(82)	(26)	124	725	33,874	67	33,941

**Note:**

1 FVOCI refers to fair value through other comprehensive income.

The notes on pages 28 to 42 form an integral part of this unaudited condensed consolidated interim financial information. As explained in note 1, the unaudited condensed consolidated interim financial information of the HKT Trust and the unaudited condensed consolidated interim financial information of HKT Limited are presented together.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS OF HKT TRUST AND OF HKT LIMITED

For the six months ended 30 June 2024

In HK\$ million	2023 (Unaudited)	2024 (Unaudited)
<b>Net cash generated from operating activities</b>	4,760	5,345
<b>Investing activities</b>		
Investment in an associate	(82)	(53)
Investment in a joint venture	(30)	–
Other investing activities	(2,051)	(2,675)
<b>Net cash used in investing activities</b>	(2,163)	(2,728)
<b>Financing activities</b>		
New borrowings raised	14,636	13,418
Other financing activities (including repayments of borrowings)	(17,402)	(16,193)
<b>Net cash used in financing activities</b>	(2,766)	(2,775)
<b>Net decrease in cash and cash equivalents</b>	(169)	(158)
Exchange differences	(6)	8
Cash and cash equivalents as at 1 January	1,997	1,630
<b>Cash and cash equivalents as at 30 June</b>	1,822	1,480
Analysis of cash and cash equivalents:		
Total cash and bank balances	2,276	1,828
Less: restricted cash	(375)	(161)
Less: short-term deposits	(79)	(187)
<b>Cash and cash equivalents as at 30 June</b>	1,822	1,480

The notes on pages 28 to 42 form an integral part of this unaudited condensed consolidated interim financial information. As explained in note 1, the unaudited condensed consolidated interim financial information of the HKT Trust and the unaudited condensed consolidated interim financial information of HKT Limited are presented together.

## 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 2024 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 2024 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 2024 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 2023.

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 25 July 2024.

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 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 2023.

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 2023, except for the adoption of the following amended Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and Interpretation which are first effective for accounting periods beginning on or after 1 January 2024 as described below.

## 1 BASIS OF PREPARATION AND PRESENTATION (CONTINUED)

The following amended HKFRSs, HKASs and Interpretation are adopted for the financial year beginning 1 January 2024, but have no material effect on the Groups' 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 Groups have not early adopted any new or amended HKFRSs, HKASs and Interpretations that are not yet effective for the current accounting period.

As at 30 June 2024, the current liabilities of the Groups exceeded their current assets by HK\$14,255 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 2024, 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 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

In HK\$ million	Note	As at 31 December 2023 (Audited)	As at 30 June 2024 (Unaudited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Interests in subsidiaries		31,125	30,725
		31,125	30,725
<b>Current assets</b>			
Prepayments and deposits		13	14
Amounts due from subsidiaries		4,360	4,305
		4,373	4,319
<b>Current liabilities</b>			
Accruals and other payables		(4)	(4)
Amounts due to subsidiaries		(158)	(58)
Current income tax liabilities		(23)	(40)
		(185)	(102)
<b>Net assets</b>		<b>35,313</b>	<b>34,942</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	10(a)	8	8
Reserves	10(b)	35,305	34,934
<b>Total equity</b>		<b>35,313</b>	<b>34,942</b>

### 3 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.

Information regarding the Groups’ reportable segments as provided to the Groups’ CODM is set out below:

In HK\$ million	Six months ended 30 June 2023 (Unaudited)				Consolidated
	TSS	Mobile	Other Businesses	Eliminations	
<b>Revenue</b>					
External revenue	11,114	4,707	579	–	16,400
Inter-segment revenue	571	261	17	(849)	–
<b>Total revenue</b>	<b>11,685</b>	<b>4,968</b>	<b>596</b>	<b>(849)</b>	<b>16,400</b>
External revenue from contracts with customers:					
Timing of revenue recognition					
At a point in time	1,359	1,043	371	–	2,773
Over time	9,714	3,664	208	–	13,586
External revenue from other sources:					
Rental income	41	–	–	–	41
	11,114	4,707	579	–	16,400
<b>Results</b>					
EBITDA	4,219	2,194	(404)	–	6,009

### 3 SEGMENT INFORMATION (CONTINUED)

Information regarding the Groups' reportable segments as provided to the Groups' CODM is set out below: (continued)

In HK\$ million	Six months ended 30 June 2024 (Unaudited)				Consolidated
	TSS	Mobile	Other Businesses	Eliminations	
<b>Revenue</b>					
External revenue	11,459	4,684	526	–	16,669
Inter-segment revenue	604	292	26	(922)	–
<b>Total revenue</b>	<b>12,063</b>	<b>4,976</b>	<b>552</b>	<b>(922)</b>	<b>16,669</b>
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
<b>Results</b>					
EBITDA	4,296	2,302	(430)	–	6,168

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

In HK\$ million	Six months ended 30 June	
	2023 (Unaudited)	2024 (Unaudited)
Total segment EBITDA	6,009	6,168
Gains on disposal of property, plant and equipment and right-of-use assets, net	–	9
Depreciation and amortisation	(2,700)	(2,683)
Other gains, net	9	16
Finance costs, net	(925)	(1,092)
Share of results of associates and joint ventures	(60)	(84)
Profit before income tax	2,333	2,334



#### 4 PROFIT BEFORE INCOME TAX

Profit before income tax was stated after charging the following:

In HK\$ million	Six months ended 30 June	
	2023 (Unaudited)	2024 (Unaudited)
Cost of inventories sold	2,547	3,152
Cost of sales, excluding inventories sold	5,732	5,339
Impairment loss for trade receivables	107	155
Depreciation of property, plant and equipment	579	512
Depreciation of right-of-use assets	642	668
Amortisation of land lease premium – interests in leasehold land	6	6
Amortisation of intangible assets	638	664
Amortisation of fulfilment costs	215	233
Amortisation of customer acquisition costs	620	600
Finance costs on borrowings	901	1,011

#### 5 INCOME TAX

a. Income tax in the consolidated income statement represents:

In HK\$ million	Six months ended 30 June	
	2023 (Unaudited)	2024 (Unaudited)
Current income tax:		
Hong Kong profits tax	201	156
Overseas tax	12	23
Movement of deferred income tax	166	163
	379	342

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

## 5 INCOME TAX (CONTINUED)

### b. Pillar Two income taxes

In December 2021, the Organisation for Economic Co-operation and Development (“OECD”) released the Pillar Two model rules (the Global Anti-Base Erosion Proposal, the “GloBE”) to reform international corporate taxation.

The Groups are within the scope of the OECD Pillar Two model rules. Pillar Two legislation has come into effect, or is expected to come into effect, on or after 1 January 2024 in several jurisdictions in which the Groups operate, including Australia, Belgium, Canada, France, Germany, Greece, Japan, South Africa, South Korea, Sweden, Switzerland, the Netherlands, and the United Kingdom. Malaysia has also enacted the Pillar Two legislation, but it will only come into effect for financial years beginning on or after 1 January 2025.

The Groups have applied the temporary mandatory exception provided in the amendments to HKAS 12 *Income Taxes* issued by the HKICPA in July 2023, thereby not recognising or disclosing information about deferred income tax assets and liabilities associated with Pillar Two income taxes.

Under the OECD Pillar Two model rules, the Groups are liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. Given the complexities involved in calculating GloBE income using the 2024 interim financial information, the Groups have assessed the top-up tax implication under the Pillar Two legislation based on its financial data for the year ended 31 December 2023. For jurisdictions that is subject to Pillar Two rules in 2024 but did not meet the Transitional CbCR Safe Harbour (as defined in the Safe Harbours and Penalty Relief released by the OECD) criteria based on the financial data for the year ended 31 December 2023, interim financial information for 2024 was used to perform additional Pillar Two assessment. According to the assessments, the Groups have no related current tax exposures under the Pillar Two legislation as of the reporting date.

The Groups will continue to monitor global developments related to the Pillar Two legislation and reassess any potential impacts accordingly.

## 6 DISTRIBUTIONS/DIVIDENDS

### a. Distribution/Dividend attributable to the interim period

In HK\$ million	Six months ended 30 June	
	2023 (Unaudited)	2024 (Unaudited)
Interim distribution/dividend declared after the end of the interim period of 32.92 HK cents (2023: 32.05 HK cents) per Share Stapled Unit/ordinary share of the Company	2,429	2,495

At meetings held on 25 July 2024, the directors of the Trustee-Manager and the Company declared an interim distribution/dividend of 32.92 HK cents per Share Stapled Unit/ordinary share of the Company for the year ending 31 December 2024. This interim distribution/dividend is not recognised as a liability in the HKT Trust and HKT Limited unaudited condensed consolidated interim financial information.

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

In HK\$ million	Six months ended 30 June	
	2023 (Unaudited)	2024 (Unaudited)
Final distribution/dividend declared in respect of the previous financial year, approved and paid during the interim period of 44.44 HK cents (2023: 43.15 HK cents) per Share Stapled Unit/ordinary share of the Company	3,271	3,369
Less: distribution/dividend for Share Stapled Units/ordinary shares of the Company held by the Share Stapled Unit Award Schemes	(2)	(2)
	3,269	3,367

## 7 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	
	2023 (Unaudited)	2024 (Unaudited)
<b>Earnings (in HK\$ million)</b>		
Earnings for the purpose of basic and diluted earnings per Share Stapled Unit/share of the Company	1,952	1,990
<b>Number of Share Stapled Units/shares of the Company</b>		
Weighted average number of Share Stapled Units/ordinary shares of the Company	7,579,742,334	7,579,742,334
Effect of Share Stapled Units held under the Share Stapled Unit Award Schemes	(5,316,578)	(4,312,583)
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	7,574,425,756	7,575,429,751
Effect of Share Stapled Units awarded under the Share Stapled Unit Award Schemes	1,272,701	1,324,795
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	7,575,698,457	7,576,754,546

## 8 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 2023 (Audited)	30 June 2024 (Unaudited)
1 – 30 days	1,873	1,878
31 – 60 days	363	160
61 – 90 days	175	359
91 – 120 days	139	51
Over 120 days	427	274
	2,977	2,722
Less: loss allowance	(139)	(179)
Trade receivables, net	2,838	2,543

As at 30 June 2024, included in trade receivables, net were amounts due from related parties of HK\$92 million (as at 31 December 2023: HK\$104 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.

## 9 TRADE PAYABLES

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

In HK\$ million	As at	
	31 December 2023 (Audited)	30 June 2024 (Unaudited)
1 – 30 days	3,015	2,790
31 – 60 days	1,084	783
61 – 90 days	804	555
91 – 120 days	340	607
Over 120 days	538	998
	5,781	5,733

As at 30 June 2024, included in trade payables were amounts due to related parties of HK\$174 million (as at 31 December 2023: HK\$96 million).

## 10 EQUITY OF HKT LIMITED

### a. Share capital of HKT Limited

	Six months ended 30 June			
	2023		2024	
	Number of shares (Unaudited)	Nominal value (Unaudited) HK\$	Number of shares (Unaudited)	Nominal value (Unaudited) HK\$
Authorised:				
Ordinary shares of HK\$0.0005 each				
Balances as at 1 January and 30 June	20,000,000,000	10,000,000	20,000,000,000	10,000,000
Preference shares of HK\$0.0005 each				
Balances as at 1 January and 30 June	20,000,000,000	10,000,000	20,000,000,000	10,000,000
Issued and fully paid:				
Ordinary shares of HK\$0.0005 each				
Balances as at 1 January and 30 June	7,579,742,334	3,789,871	7,579,742,334	3,789,871
Preference shares of HK\$0.0005 each				
Balances as at 1 January and 30 June	7,579,742,334	3,789,871	7,579,742,334	3,789,871

For the six months ended 30 June 2024

**10 EQUITY OF HKT LIMITED (CONTINUED)**
**b. Movements in reserves of the Company are as follows:**

In HK\$ million	Six months ended 30 June 2023 (Unaudited)		
	Share premium	Retained profits	Total
As at 1 January 2023	35,204	42	35,246
Total comprehensive income for the period	–	3,333	3,333
Dividend paid in respect of the previous year	–	(3,271)	(3,271)
As at 30 June 2023	35,204	104	35,308

In HK\$ million	Six months ended 30 June 2024 (Unaudited)		
	Share premium	Retained profits	Total
As at 1 January 2024	35,204	101	35,305
Total comprehensive income for the period	–	2,998	2,998
Dividend paid in respect of the previous year	(352)	(3,017)	(3,369)
As at 30 June 2024	34,852	82	34,934

**11 SHARE AWARD SCHEMES OF PCCW LIMITED (“PCCW”) AND SHARE STAPLED UNIT AWARD SCHEMES OF THE HKT TRUST AND THE COMPANY**

Pursuant to the share incentive award schemes of PCCW, namely the PCCW Purchase Scheme, the PCCW Subscription Scheme, and the PCCW Limited 2024 Share Award Scheme adopted on 30 May 2024, (collectively the “PCCW Share Award Schemes”); and the award schemes of the HKT Trust and the Company, namely the HKT Share Stapled Units Purchase Scheme, the HKT Share Stapled Units Subscription Scheme, and the HKT Trust and HKT Limited 2024 Share Stapled Unit Award Scheme adopted on 30 May 2024, (collectively the “Share Stapled Unit Award Schemes”), PCCW, and the HKT Trust and the Company have awarded a number of shares of PCCW Limited (“PCCW Shares”) and Share Stapled Units to selected participants (including any director or employee of PCCW and its participating companies for the PCCW Share Award Schemes, and any director or employee of the Company or any of its subsidiaries for the Share Stapled Unit Award Schemes) during the six months ended 30 June 2024.

A summary of movements in the number of PCCW Shares held under the PCCW Share Award Schemes and the Share Stapled Units held under the Share Stapled Unit Award Schemes are as follows:

	Six months ended 30 June 2023	
	Number of PCCW Shares (Unaudited)	Number of Share Stapled Units (Unaudited)
As at 1 January 2023	10,202,635	5,751,222
Purchases from the market by the trustee at weighted average market price of HK\$3.92 per PCCW Share/HK\$10.32 per Share Stapled Unit	518,000	213,000
PCCW Shares/Share Stapled Units vested	(3,385,485)	(1,412,000)
As at 30 June 2023	7,335,150	4,552,222

## 11 SHARE AWARD SCHEMES OF PCCW LIMITED (“PCCW”) AND SHARE STAPLED UNIT AWARD SCHEMES OF THE HKT TRUST AND THE COMPANY (CONTINUED)

A summary of movements in the number of PCCW Shares held under the PCCW Share Award Schemes and the Share Stapled Units held under the Share Stapled Unit Award Schemes are as follows: (continued)

	Six months ended 30 June 2024	
	Number of PCCW Shares (Unaudited)	Number of Share Stapled Units (Unaudited)
As at 1 January 2024	7,916,150	4,774,222
PCCW Shares/Share Stapled Units vested	(3,042,789)	(1,244,156)
As at 30 June 2024	4,873,361	3,530,066

The weighted average fair values of the PCCW Shares and the Share Stapled Units awarded during the six months ended 30 June 2024 at the dates of award were HK\$3.91 (2023: HK\$4.00) per PCCW Share and HK\$8.77 (2023: HK\$10.09) per Share Stapled Unit respectively, which were measured by the respective quoted market prices of the PCCW Shares and the Share Stapled Units at the respective award dates.

## 12 COMMITMENTS

### a. Capital

In HK\$ million	As at	
	31 December 2023 (Audited)	30 June 2024 (Unaudited)
Authorised and contracted for acquisition of property, plant and equipment	1,632	1,444

Additions of property, plant and equipment were HK\$1,134 million and HK\$1,103 million for the six months ended 30 June 2023 and 2024 respectively.

### b. Others

In HK\$ million	As at	
	31 December 2023 (Audited)	30 June 2024 (Unaudited)
Purchase of rights to broadcast certain TV content	833	532
Operating expenditure commitments	506	44
	1,339	576

### 13 CONTINGENT LIABILITIES

In HK\$ million	As at	
	31 December 2023 (Audited)	30 June 2024 (Unaudited)
Performance guarantees	1,027	849
Others	2	2
	1,029	851

The Groups are subject to certain corporate guarantee obligations to guarantee the performance of their 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 Groups.

### 14 RELATED PARTY TRANSACTIONS

During the period, the Groups had the following significant transactions with related parties:

In HK\$ million	Note	Six months ended 30 June	
		2023 (Unaudited)	2024 (Unaudited)
Telecommunications service fees, data centre service fees and contact centre service charges received or receivable from a substantial shareholder of PCCW	a	94	84
Telecommunications service fees and data centre service fees paid or payable to a substantial shareholder of PCCW	a	80	82
Telecommunications service fees, IT development and support service charges, contact centre service charges, hotline services fees, consultancy service charges, interest income and other costs recharge received or receivable from joint ventures	a	25	24
Telecommunications service fees, outsourcing fees, rental charges and interest expense paid or payable to joint ventures	a	137	142
Telecommunications service fees, connectivity service fees, contact centre service charges, equipment sales, customer acquisition service fees, consultancy service charges and other costs recharge received or receivable from an associate	a	12	9
Advertising fees and licence fees received or receivable from an associate of PCCW	a	7	6
IT charges, logistics charges and other contractor services fees paid or payable to associates of PCCW	a	323	301
Telecommunications service fees, data centre service fees, connectivity service fees, equipment sales, insurance premium, insurance agency service charges, management fee, travel agency service fees, advertising fees and other costs recharge received or receivable from related parties under a common holder of Share Stapled Units/shareholder with the Company	a	47	60
Insurance premium and rental charges paid or payable to related parties under a common holder of Share Stapled Units/shareholder with the Company	a	108	78
Telecommunications service fees, carriage service fees, marketing and sales services fees, connectivity service fees, management fee, equipment sales, content provision fees, insurance premium, travel agency service fees, rental charges, software licence and other costs recharge received or receivable from fellow subsidiaries	a	1,617	763

## 14 RELATED PARTY TRANSACTIONS (CONTINUED)

During the period, the Groups had the following significant transactions with related parties: (continued)

In HK\$ million	Note	Six months ended 30 June	
		2023 (Unaudited)	2024 (Unaudited)
Content provision fees, outsourcing fees, marketing and sales services fees and other costs recharge paid or payable to fellow subsidiaries	a	114	123
Key management compensation	b	18	21

- a. The above transactions were carried out after negotiations between the Groups and the related parties in the ordinary course of business and on the basis of estimated market value as determined by the directors. In respect of transactions for which the price or volume has not yet been agreed with the relevant related parties, the directors have determined the relevant amounts based on their best estimation.

### b. Details of key management compensation

In HK\$ million	Six months ended 30 June	
	2023 (Unaudited)	2024 (Unaudited)
Salaries and other short-term employee benefits	15	18
Share-based compensation	3	3
	18	21

## 15 FINANCIAL INSTRUMENTS

### a. Financial risk factors

Exposure to credit, liquidity and market risk (including foreign currency risk and interest rate risk) arises in the normal course of the Groups' business. The Groups are also exposed to equity price risk arising from their equity investments in other entities. Exposure to these risks is controlled by the Groups' financial management policies and practices.

The HKT Trust and HKT Limited unaudited condensed consolidated interim financial information does not include all financial risk management information and disclosures as required in the Groups' annual consolidated financial statements. It should be read in conjunction with the Groups' annual consolidated financial statements for the year ended 31 December 2023. There have been no material changes in the financial management policies and practices since 31 December 2023.

### b. Estimation of fair values

Financial instruments carried at fair value are analysed by valuation method and the different levels are defined as follows:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for the financial assets held by the Groups is the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.



**15 FINANCIAL INSTRUMENTS (CONTINUED)**
**b. Estimation of fair values (continued)**

The following tables present the Groups' financial assets and liabilities that were measured at fair value:

In HK\$ million	As at 31 December 2023 (Audited)			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
Financial assets at FVOCI				
– Unlisted securities (non-current)	–	–	130	130
Financial assets at FVPL <sup>1</sup>				
– Unlisted securities (non-current)	–	–	10	10
– Listed securities (non-current)	18	–	–	18
– Listed securities (current)	15	–	–	15
Derivative financial instruments				
– Non-current	–	29	–	29
<b>Total assets</b>	<b>33</b>	<b>29</b>	<b>140</b>	<b>202</b>
<b>Liabilities</b>				
Derivative financial instruments				
– Current	–	(151)	–	(151)
– Non-current	–	(602)	–	(602)
<b>Total liabilities</b>	<b>–</b>	<b>(753)</b>	<b>–</b>	<b>(753)</b>

In HK\$ million	As at 30 June 2024 (Unaudited)			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
Financial assets at FVOCI				
– Unlisted securities (non-current)	–	–	121	121
Financial assets at FVPL <sup>1</sup>				
– Unlisted securities (non-current)	–	–	10	10
– Listed securities (non-current)	11	–	–	11
– Listed securities (current)	8	–	–	8
Derivative financial instruments				
– Non-current	–	9	–	9
– Current	–	7	–	7
<b>Total assets</b>	<b>19</b>	<b>16</b>	<b>131</b>	<b>166</b>
<b>Liabilities</b>				
Derivative financial instruments				
– Current	–	(37)	–	(37)
– Non-current	–	(664)	–	(664)
<b>Total liabilities</b>	<b>–</b>	<b>(701)</b>	<b>–</b>	<b>(701)</b>

**Note:**

1 FVPL refers to fair value through profit or loss.

## 15 FINANCIAL INSTRUMENTS (CONTINUED)

### b. Estimation of fair values (continued)

Instruments included in level 1 comprised PCCW Shares acquired or subscribed under PCCW Share Award Schemes and classified as financial assets at FVPL.

Instruments included in level 2 comprised cross currency swap contracts, interest rate swap contracts and foreign exchange forward contracts classified as derivative financial instruments. In measuring the swap transactions, the fair value is the net present value of the estimated future cash flows discounted at the market quoted swap foreign exchange rates and interest rates. The fair value of the foreign exchange forward contracts is calculated based on the prevailing market foreign exchange rates quoted for contracts with the same notional amounts adjusted for maturity differences.

Instruments included in level 3 comprised investments in unlisted instruments classified as financial assets at FVOCI or financial assets at FVPL. During the six months ended 30 June 2024, there was no movement in the unlisted instruments classified as financial assets at FVPL included in level 3 (2023: no movement) and except for a change in fair value of HK\$9 million, there was no movement in the unlisted instruments classified as financial assets at FVOCI included in level 3 (2023: no movement).

For unlisted securities or financial assets without an active market, the Groups establish the fair value by using valuation techniques including the use of recent arm's length transactions, reference to other instruments that are substantially the same, and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

There were no transfers of financial assets and liabilities between fair value hierarchy classifications during the six months ended 30 June 2023 and 2024.

There were no material changes in valuation techniques during the six months ended 30 June 2023 and 2024.

### c. Groups' valuation process

The Groups perform and monitor the valuations of financial instruments required for financial reporting purposes, including level 3 fair values. Material movements in valuations are reported to senior management immediately. Valuation results are reviewed by senior management at least on a semi-annual basis.

### d. Fair values of financial instruments measured at amortised cost

All financial instruments were carried at amounts not materially different from their fair values as at 31 December 2023 and 30 June 2024 except as follows:

In HK\$ million	As at 31 December 2023		As at 30 June 2024	
	Carrying amount (Audited)	Fair value (Audited)	Carrying amount (Unaudited)	Fair value (Unaudited)
Short-term borrowings	1,049	1,049	3,951	3,900
Long-term borrowings	43,518	42,128	42,124	40,759

The fair values of borrowings are the net present value of the estimated future cash flows discounted at the prevailing market rates. The fair values are within level 2 of the fair value hierarchy.

**16 CHANGE IN INTERESTS IN SUBSIDIARIES WITHOUT A LOSS OF CONTROL**

On 26 June 2024, the Company's indirect wholly-owned subsidiary, Apex Link Communications Holdings Limited (the "Seller"), entered into a share purchase agreement with an independent third party (the "Partner"), pursuant to which the Partner shall purchase (i) 40% interest in Fiber Link Global Limited (the "Passive Netco"), an indirect 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 30 June 2024, the Transaction has not been completed, subject to the satisfaction or waiver of certain conditions. Upon completion of the Transaction, (i) the financial results of the Passive Netco will continue to be consolidated in the consolidated financial statements of the Groups; (ii) the Passive Netco will remain as an indirect subsidiary of the Company; and (iii) the total consideration received from the Partner will be accounted for as an equity transaction and will not result in the recognition of any gain or loss in the consolidated income statement of the Groups.

# INCOME STATEMENT OF HKT MANAGEMENT LIMITED

For the six months ended 30 June 2024

In HK\$'000	Note	2023 (Unaudited)	2024 (Unaudited)
Management fee income		29	30
General and administrative expenses		(29)	(30)
Result before income tax	2	–	–
Income tax	3	–	–
Result for the period		–	–

The notes on pages 48 to 49 form an integral part of this unaudited condensed interim financial information.

# STATEMENT OF COMPREHENSIVE INCOME OF HKT MANAGEMENT LIMITED

For the six months ended 30 June 2024

In HK\$'000	2023 (Unaudited)	2024 (Unaudited)
Result for the period	–	–
Other comprehensive income	–	–
Total comprehensive income for the period	–	–

The notes on pages 48 to 49 form an integral part of this unaudited condensed interim financial information.

# STATEMENT OF FINANCIAL POSITION OF HKT MANAGEMENT LIMITED

As at 30 June 2024

In HK\$'000	Note	As at 31 December 2023 (Audited)	As at 30 June 2024 (Unaudited)
<b>ASSET AND LIABILITIES</b>			
<b>Current asset</b>			
Amount due from a fellow subsidiary		606	636
		606	636
<b>Current liabilities</b>			
Accruals and other payables		(55)	(83)
Amounts due to fellow subsidiaries		(551)	(553)
		(606)	(636)
<b>Net assets</b>		–	–
<b>CAPITAL AND RESERVES</b>			
Share capital	4	–	–
Reserves		–	–
<b>Total equity</b>		–	–

The notes on pages 48 to 49 form an integral part of this unaudited condensed interim financial information.

# STATEMENT OF CHANGES IN EQUITY OF HKT MANAGEMENT LIMITED

For the six months ended 30 June 2024

In HK\$'000	2023 (Unaudited)		
	Share capital	Retained profits	Total
<b>As at 1 January 2023</b>	–	–	–
<b>Total comprehensive income for the period</b>			
Result for the period	–	–	–
Other comprehensive income	–	–	–
<b>Total comprehensive income for the period</b>	–	–	–
<b>Transactions with the equity holder of the Company</b>	–	–	–
<b>As at 30 June 2023</b>	–	–	–

In HK\$'000	2024 (Unaudited)		
	Share capital	Retained profits	Total
<b>As at 1 January 2024</b>	–	–	–
<b>Total comprehensive income for the period</b>			
Result for the period	–	–	–
Other comprehensive income	–	–	–
<b>Total comprehensive income for the period</b>	–	–	–
<b>Transactions with the equity holder of the Company</b>	–	–	–
<b>As at 30 June 2024</b>	–	–	–

The notes on pages 48 to 49 form an integral part of this unaudited condensed interim financial information.

# CONDENSED STATEMENT OF CASH FLOWS OF HKT MANAGEMENT LIMITED

For the six months ended 30 June 2024

In HK\$'000	2023 (Unaudited)	2024 (Unaudited)
Net cash generated from operating activities	–	–
Net cash generated from investing activities	–	–
Net cash generated from financing activities	–	–
Net change in cash and cash equivalents	–	–
Cash and cash equivalents as at 1 January	–	–
Cash and cash equivalents as at 30 June	–	–

The notes on pages 48 to 49 form an integral part of this unaudited condensed interim financial information.



# NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION OF HKT MANAGEMENT LIMITED

For the six months ended 30 June 2024

## 1 BASIS OF PREPARATION

The unaudited condensed interim financial information of HKT Management Limited (the “Company”) 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”). This unaudited condensed interim financial information should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2023.

This unaudited condensed interim financial information is presented in Hong Kong dollars, unless otherwise stated. This unaudited condensed interim financial information was approved for issue on 25 July 2024.

The unaudited condensed interim financial information has been reviewed by the Company’s Audit Committee 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 Company’s independent auditor.

The financial information relating to the year ended 31 December 2023 that is included in this unaudited condensed interim financial information as comparative information does not constitute the Company’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 Company’s financial statements combined with the HKT Trust and HKT Limited consolidated financial statements for the year ended 31 December 2023 have been delivered to the Registrar of Companies.
- The Company’s auditor has reported on those financial statements of the Company. 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 unaudited condensed 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 interim financial information, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2023.

The accounting policies, basis of presentation and methods of computation used in preparing this unaudited condensed interim financial information are consistent with those followed in preparing the Company’s annual financial statements for the year ended 31 December 2023, except for the adoption of the following amended Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and Interpretation which are first effective for accounting periods beginning on or after 1 January 2024 as described below.

The following amended HKFRSs, HKASs and Interpretation are adopted for the financial year beginning 1 January 2024, but have no material effect on the Company’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 Company has not early adopted any new or amended HKFRSs, HKASs and Interpretations that are not yet effective for the current accounting period.

## 2 RESULT BEFORE INCOME TAX

Result before income tax was stated after charging the following:

In HK\$'000	Six months ended 30 June	
	2023 (Unaudited)	2024 (Unaudited)
Auditor's remuneration	27	28

## 3 INCOME TAX

No Hong Kong profits tax has been provided as the Company did not have any assessable profit during the six months ended 30 June 2023 and 2024.

## 4 SHARE CAPITAL

	Number of share (Unaudited)	Share capital (Unaudited) HK\$
Issued and fully paid: Ordinary share of no par value Balances as at 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	1	1

## 5 RELATED PARTY TRANSACTION

During the period, the Company had the following significant transaction with a related party:

In HK\$'000	Six months ended 30 June	
	2023 (Unaudited)	2024 (Unaudited)
Management fee receivable from a fellow subsidiary	29	30

- a. This transaction was carried out after negotiations between the Company and the related party in the ordinary course of business and on the basis of estimated market value as determined by the directors.
- b. The directors' emoluments of the Company were borne by a fellow subsidiary of the Company for the six months ended 30 June 2023 and 2024.

# GENERAL INFORMATION

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARE STAPLED UNITS AND UNDERLYING SHARE STAPLED UNITS OF HKT TRUST AND HKT LIMITED, AND THE SHARES, UNDERLYING SHARES AND DEBENTURES OF HKT LIMITED AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the directors of HKT Limited (the "Company") and the directors of HKT Management Limited (in its capacity as the trustee-manager of the HKT Trust) (the "Trustee-Manager") (collectively referred to as the "Directors"), the chief executives of the Company and the Trustee-Manager (collectively referred to as the "Chief Executives") and their respective close associates had the following interests or short positions in the share stapled units of HKT Trust and the Company (the "Share Stapled Units") and underlying Share Stapled Units, and the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register(s) required to be kept under Section 352 of the SFO or as otherwise notified to the Company, the Trustee-Manager and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"):

### 1. Interests in HKT Trust and HKT Limited

The table below sets out the aggregate long positions in the Share Stapled Units held by the Directors and the Chief Executives:

Name of Director/Chief Executive	Personal interests	Number of Share Stapled Units held			Total	Approximate percentage of the total number of Share Stapled Units in issue
		Corporate interests	Other interests			
Li Tzar Kai, Richard	–	67,655,964 <i>(Note 1(a))</i>	152,802,281 <i>(Note 1(b))</i>	220,458,245	2.91%	
Hui Hon Hing, Susanna	4,154,012	–	2,003,456 <i>(Note 2)</i>	6,157,468	0.08%	
Peter Anthony Allen	30,090	–	28,730 <i>(Note 3)</i>	58,820	0.001%	

Each Share Stapled Unit confers an interest in:

- (a) one voting ordinary share of HK\$0.0005 in the Company; and
- (b) one voting preference share of HK\$0.0005 in the Company,

for the purposes of Part XV of the SFO, in addition to an interest in one unit in the HKT Trust.

Under the trust deed dated 7 November 2011 constituting the HKT Trust entered into between the Trustee-Manager and the Company (as supplemented, amended or substituted from time to time) (the "Trust Deed") and the Company's articles of association (as amended and restated from time to time), the number of ordinary shares and preference shares of the Company in issue must be the same at all times and must also, in each case, be equal to the number of units of the HKT Trust in issue; and each of them is equal to the number of Share Stapled Units in issue.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARE STAPLED UNITS AND UNDERLYING SHARE STAPLED UNITS OF HKT TRUST AND HKT LIMITED, AND THE SHARES, UNDERLYING SHARES AND DEBENTURES OF HKT LIMITED AND ITS ASSOCIATED CORPORATIONS (CONTINUED)

### 1. Interests in HKT Trust and HKT Limited (continued)

**Notes:**

1. (a) Of these Share Stapled Units, Pacific Century Diversified Limited ("PCD"), a wholly-owned subsidiary of Chiltonlink Limited ("Chiltonlink"), held 20,227,614 Share Stapled Units, Eisner Investments Limited ("Eisner") held 46,020,000 Share Stapled Units and Hopestar Holdings Limited ("Hopestar") held 1,408,350 Share Stapled Units. Li Tzar Kai, Richard owned 100% of the issued share capital of Chiltonlink, Eisner and Hopestar.
- (b) These interests represented:
  - (i) a deemed interest in 130,511,730 Share Stapled Units held by Pacific Century Group Holdings Limited ("PCGH"). Li Tzar Kai, Richard was the founder of certain trusts which held 100% interests in PCGH. Accordingly, Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 130,511,730 Share Stapled Units held by PCGH; and
  - (ii) a deemed interest in 22,290,551 Share Stapled Units held by Pacific Century Regional Developments Limited ("PCRD"), a company in which PCGH had, through itself and certain wholly-owned subsidiaries being Anglang Investments Limited, Pacific Century Group (Cayman Islands) Limited, Pacific Century International Limited and Borsington Limited, an aggregate of 88.67% interest. Li Tzar Kai, Richard was the founder of certain trusts which held 100% interests in PCGH. Accordingly, Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 22,290,551 Share Stapled Units held by PCRD. Li Tzar Kai, Richard was also deemed to be interested in 1.06% of the issued share capital of PCRD through Hopestar.
2. These interests represented awards made to Hui Hon Hing, Susanna, which were subject to certain vesting conditions pursuant to the relevant award schemes of HKT Trust and the Company, and PCCW Limited ("PCCW"). Details of the award schemes of HKT Trust and the Company are set out in the section below headed "**Share Stapled Unit Schemes**". For details of the award schemes of PCCW, please see the 2024 interim report of PCCW.
3. These interests represented awards made to Peter A. Allen, which were subject to certain vesting conditions pursuant to an award scheme of PCCW. For details of the award schemes of PCCW, please see the 2024 interim report of PCCW.

**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARE STAPLED UNITS AND UNDERLYING SHARE STAPLED UNITS OF HKT TRUST AND HKT LIMITED, AND THE SHARES, UNDERLYING SHARES AND DEBENTURES OF HKT LIMITED AND ITS ASSOCIATED CORPORATIONS (CONTINUED)**

**2. Interests in Associated Corporations of the Company**

**PCCW (the holding company of the HKT Trust and the Company)**

The table below sets out the aggregate long positions in the shares of PCCW held by the Directors and the Chief Executives:

Name of Director/Chief Executive	Personal interests	Number of ordinary shares of PCCW held			Total	Approximate percentage of the total number of shares of PCCW in issue
		Corporate interests	Other interests			
Li Tzar Kai, Richard	–	535,291,134 (Note 1(a))	1,928,842,224 (Note 1(b))	2,464,133,358	31.84%	
Hui Hon Hing, Susanna	8,222,583	–	4,863,598 (Note 2)	13,086,181	0.17%	
Peter Anthony Allen	268,975	–	68,512 (Note 2)	337,487	0.004%	

**Notes:**

- Of these shares of PCCW, PCD held 342,475,956 shares, Eisner held 38,222,413 shares, and Trade Champion Limited, a wholly-owned subsidiary of Excel Global Holdings Limited ("Excel Global"), held 154,592,765 shares. Li Tzar Kai, Richard owned 100% of the issued share capital of Excel Global.
  - These interests represented:
    - a deemed interest in 175,312,270 shares of PCCW held by PCGH. Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 175,312,270 shares of PCCW held by PCGH; and
    - a deemed interest in 1,753,529,954 shares of PCCW held by PCRD. Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 1,753,529,954 shares of PCCW held by PCRD.
- These interests represented awards made to these Directors, which were subject to certain vesting conditions pursuant to the relevant award schemes of PCCW. For details of the award schemes of PCCW, please see the 2024 interim report of PCCW.

Save as disclosed in the foregoing, as at 30 June 2024, none of the Directors or the Chief Executives or their respective close associates had any interests or short positions in any Share Stapled Units or underlying Share Stapled Units, or in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register(s) required to be kept under Section 352 of the SFO or as otherwise notified to the Company, the Trustee-Manager and the Stock Exchange pursuant to the Model Code of the Listing Rules.

## SHARE STAPLED UNIT SCHEMES

### 1. Share Stapled Unit Option Scheme

Pursuant to the resolutions passed by the holders of Share Stapled Units and the shareholders of PCCW at their annual general meetings held on 30 May 2024 (the “2024 AGM”), the Share Stapled Unit option scheme adopted by HKT Trust and the Company on 7 May 2021 (the “2021-2031 Option Scheme”) was terminated and a new Share Stapled Unit option scheme (the “2024-2034 Option Scheme”) was adopted.

No Share Stapled Unit options have been granted under the 2021-2031 Option Scheme and the 2024-2034 Option Scheme since their adoption and up to and including 30 June 2024.

### 2. Share Stapled Unit Award Schemes

HKT Trust and the Company currently have the following Share Stapled Unit award schemes:

- HKT Share Stapled Units Purchase Scheme and HKT Share Stapled Units Subscription Scheme both adopted on 11 October 2011, the extension of the duration of which for a further term of 10 years commencing from 11 October 2021 was approved by the board of directors of the Company on 5 August 2021 (collectively the “2011 Share Stapled Unit Award Schemes”); and
- HKT Trust and HKT Limited 2024 Share Stapled Unit Award Scheme adopted on 30 May 2024 (the “2024 Share Stapled Unit Award Scheme”).

The 2011 Share Stapled Unit Award Schemes will remain valid and effective until all outstanding awards granted thereunder have vested, lapsed or been cancelled in accordance with the terms of the corresponding scheme. No further awards have been or will be granted under the 2011 Share Stapled Unit Award Schemes after the 2024 AGM.

## SHARE STAPLED UNIT SCHEMES (CONTINUED)

## 2. Share Stapled Unit Award Schemes (continued)

Details of the Share Stapled Unit awards granted under the Share Stapled Unit award schemes and their movements during the six months ended 30 June 2024 are as follows:

## A. 2011 Share Stapled Unit Award Schemes

Name or category of participants	Date of grant	Vesting period	Fair value at the date of grant <sup>(a)</sup> HK\$	Number of Share Stapled Unit awards				
				Unvested as at 1 January 2024	Granted during the period <sup>(b)</sup>	Lapsed/ Forfeited during the period	Vested during the period	Unvested as at 30 June 2024
<b>(I) HKT Share Stapled Units Purchase Scheme</b>								
<b>Director/Chief Executive</b>								
Hui Hon Hing, Susanna	19 April 2022	19 April 2022 to 19 April 2024	10.86	155,619	–	–	(155,619) <sup>(e)</sup>	–
	4 August 2023	4 August 2023 to 4 August 2024	9.10	167,292	–	–	–	167,292
	4 August 2023	4 August 2023 to 4 August 2025	9.10	167,292	–	–	–	167,292
<b>Other Grantees</b>								
In aggregate	19 April 2022	19 April 2022 to 19 April 2024	10.86	46,758	–	–	(46,758) <sup>(e)</sup>	–
	19 April 2023	19 April 2023 to 19 April 2024	10.18	5,135	–	–	(5,135) <sup>(e)</sup>	–
	19 April 2023	19 April 2023 to 19 April 2025	10.18	5,132	–	–	–	5,132
	30 May 2023	30 May 2023 to 30 May 2024	9.98	49,393	–	–	(49,393) <sup>(e)</sup>	–
	30 May 2023	30 May 2023 to 30 May 2025	9.98	49,390	–	–	–	49,390
	1 June 2023	1 June 2023 to 1 June 2024	9.96	1,646	–	–	(1,646) <sup>(e)</sup>	–
	1 June 2023	1 June 2023 to 1 June 2025	9.96	1,645	–	–	–	1,645
	19 April 2024	19 April 2024 to 19 April 2025	8.68	–	5,749 <sup>(c)</sup>	–	–	5,749
	19 April 2024	19 April 2024 to 19 April 2026	8.68	–	5,746 <sup>(c)</sup>	–	–	5,746
	30 May 2024	30 May 2024 to 30 May 2025	9.20	–	37,471 <sup>(d)</sup>	–	–	37,471
	30 May 2024	30 May 2024 to 30 May 2026	9.20	–	37,469 <sup>(d)</sup>	–	–	37,469
Total				649,302	86,435	–	(258,551)	477,186
<b>(II) HKT Share Stapled Units Subscription Scheme</b>								
<b>Employee Participants</b>								
In aggregate	19 April 2022	19 April 2022 to 19 April 2024	10.86	487,970	–	(8,053)	(479,917) <sup>(e)</sup>	–
	15 August 2022	15 August 2022 to 19 April 2024	11.00	2,346	–	–	(2,346) <sup>(e)</sup>	–
	19 April 2023	19 April 2023 to 19 April 2024	10.18	412,806	–	(10,457)	(402,349) <sup>(e)</sup>	–
	19 April 2023	19 April 2023 to 19 April 2025	10.18	412,100	–	(15,787)	–	396,313
	30 May 2023	30 May 2023 to 30 May 2024	9.98	77,310	–	–	(77,310) <sup>(e)</sup>	–
	30 May 2023	30 May 2023 to 30 May 2025	9.98	77,298	–	–	–	77,298
	23 June 2023	23 June 2023 to 23 June 2024	9.05	25,156	–	(1,473)	(23,683) <sup>(e)</sup>	–
	23 June 2023	23 June 2023 to 23 June 2025	9.05	25,105	–	(1,344)	–	23,761
	19 April 2024	19 April 2024 to 19 April 2025	8.68	–	592,718 <sup>(c)</sup>	(6,910)	–	585,808
	19 April 2024	19 April 2024 to 19 April 2026	8.68	–	591,812 <sup>(c)</sup>	(6,889)	–	584,923
	30 May 2024	30 May 2024 to 30 May 2025	9.20	–	105,069 <sup>(d)</sup>	–	–	105,069
	30 May 2024	30 May 2024 to 30 May 2026	9.20	–	105,054 <sup>(d)</sup>	–	–	105,054
Total				1,520,091	1,394,653	(50,913)	(985,605)	1,878,226

## SHARE STAPLED UNIT SCHEMES (CONTINUED)

### 2. Share Stapled Unit Award Schemes (continued)

#### A. 2011 Share Stapled Unit Award Schemes (continued)

**Notes:**

- (a) The fair value of awards granted is measured by the quoted market price of the Share Stapled Units at the respective dates of grant. A description of the basis for fair value measurement is set out in note 3(ad)(iii) to the HKT Trust and HKT Limited consolidated financial statements for the year ended 31 December 2023.
- (b) The identity of the grantees and the number of awards granted to each grantee were determined by the Company's Remuneration Committee after having taken into account the performance of the Company and its subsidiaries (collectively the "HKT Limited Group") and the grantees' contribution thereto for the relevant financial period, such that relevant performance targets have already been met before any grant is decided to be made. Accordingly, there is no performance target stipulated as a condition to vesting of the awards granted.
- (c) The closing price of the Share Stapled Units immediately before the date on which the awards were granted was HK\$8.80 per Share Stapled Unit.
- (d) The closing price of the Share Stapled Units immediately before the date on which the awards were granted was HK\$9.21 per Share Stapled Unit.
- (e) The weighted average closing price of the Share Stapled Units immediately before the dates on which the awards vested was HK\$8.84 per Share Stapled Unit.

#### B. 2024 Share Stapled Unit Award Scheme

Name or category of participants	Date of grant	Vesting period	Fair value at the date of grant <sup>(a)</sup> HK\$	Number of Share Stapled Unit awards				
				Unvested as at 1 January 2024	Granted during the period <sup>(b)</sup>	Lapsed/ Forfeited during the period	Vested during the period	Unvested as at 30 June 2024
<b>(I) Grants funded by existing Share Stapled Units</b>								
<b>Director/Chief Executive</b>								
Hui Hon Hing, Susanna	26 June 2024	26 June 2024 to 26 June 2025	8.72	–	571,874 <sup>(c)</sup>	–	–	571,874
	26 June 2024	26 June 2024 to 26 June 2026	8.72	–	571,873 <sup>(c)</sup>	–	–	571,873
Total				–	1,143,747	–	–	1,143,747

**Notes:**

- (a) The fair value of awards granted is measured by the quoted market price of the Share Stapled Units at the date of grant. A description of the basis for fair value measurement is set out in note 3(ad)(iii) to the HKT Trust and HKT Limited consolidated financial statements for the year ended 31 December 2023.
- (b) The identity of the grantee and the number of awards granted to the grantee were determined by the Company's Remuneration Committee after having taken into account the performance of the HKT Limited Group and the grantee's contribution thereto for the relevant financial period, such that relevant performance targets have already been met before any grant is decided to be made. Accordingly, there is no performance target stipulated as a condition to vesting of the awards granted.
- (c) The closing price of the Share Stapled Units immediately before the date on which the awards were granted was HK\$8.79 per Share Stapled Unit.

Please also refer to the summary of movements in the number of Share Stapled Units held under the 2011 Share Stapled Unit Award Schemes and 2024 Share Stapled Unit Award Scheme which is set out in note 11 to the HKT Trust and HKT Limited unaudited condensed consolidated interim financial information.



**SHARE STAPLED UNIT SCHEMES (CONTINUED)**

As at 1 January 2024, the number of Share Stapled Unit options available for grant under the 2021-2031 Option Scheme pursuant to its scheme limit was 757,574,233, and the number of Share Stapled Unit awards available for grant under the HKT Share Stapled Units Subscription Scheme pursuant to its scheme limit was 74,277,332.

As at 30 June 2024, the number of Share Stapled Unit options and awards available for grant under all Share Stapled Unit schemes involving the issue of new Share Stapled Units pursuant to the scheme mandate limit (as defined in the Listing Rules) was 756,096,007; and, within the scheme mandate limit, the service provider sublimit (as defined in the Listing Rules) was 37,898,711.

For the six months ended 30 June 2024, options and awards to subscribe for a total of 1,394,653 Share Stapled Units were granted under all Share Stapled Unit schemes involving the issue of new Share Stapled Units, representing approximately 0.02% of the weighted average number of Share Stapled Units in issue.

Save as disclosed above, at no time during the period under review was the Trustee-Manager, the Company or any of their subsidiaries, holding companies or fellow subsidiaries a party to any arrangement that may enable the Directors to acquire benefits by means of the acquisition of Share Stapled Units in HKT Trust and the Company, or shares in, or debentures of, the Company or any other body corporate and none of the Directors or the Chief Executives or their spouses or children under 18 years of age had any right to subscribe for equity or debt securities of the HKT Trust and/or the Company or any of its associated corporations or had exercised any such right during the period under review.

## INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL HOLDERS OF SHARE STAPLED UNITS

As at 30 June 2024, the following persons (other than Directors or Chief Executives) were substantial holders of Share Stapled Units, and of ordinary shares and preference shares in the Company, and had interests or short positions in the Share Stapled Units and underlying Share Stapled Units, and in the shares and underlying shares of the Company as recorded in the register(s) required to be kept under Section 336 of the SFO:

Name	Capacity	Number of Share Stapled Units held in long position	Approximate percentage of the total number of Share Stapled Units in issue	Notes
PCCW	Interest in controlled corporation	3,979,780,681	52.51%	1, 2
CAS Holding No. 1 Limited	Beneficial owner	3,979,780,681	52.51%	

Each Share Stapled Unit confers an interest in:

- (a) one voting ordinary share of HK\$0.0005 in the Company; and
- (b) one voting preference share of HK\$0.0005 in the Company,

for the purposes of Part XV of the SFO, in addition to an interest in one unit in the HKT Trust.

Under the Trust Deed and the Company's articles of association (as amended and restated from time to time), the number of ordinary shares and preference shares of the Company in issue must be the same at all times and must also, in each case, be equal to the number of units of the HKT Trust in issue; and each of them is equal to the number of Share Stapled Units in issue.

### Notes:

The Trustee-Manager held all of the issued ordinary shares of the Company in its capacity as trustee and manager of the HKT Trust, upon and subject to the terms and conditions of the Trust Deed.

1. PCCW indirectly held these interests through its direct wholly-owned subsidiary, CAS Holding No. 1 Limited.
2. The number and percentage of Share Stapled Units disclosed reflect that which the Trustee-Manager and the Company were aware of as at 30 June 2024, and may differ from what is publicly disclosed through the Disclosure of Interests Online (DION) System operated by the Stock Exchange.

Save as disclosed above in this section, the Trustee-Manager and the Company have not been notified of any other persons (other than Directors or Chief Executives) who had an interest or a short position in the Share Stapled Units or underlying Share Stapled Units, or in the shares, underlying shares or debentures of the Company as recorded in the register(s) required to be kept under Section 336 of the SFO as at 30 June 2024.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the six months ended 30 June 2024, 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 HKT Trust and the Company together with the Company's subsidiaries; 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 2024 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.

## **MODEL CODE SET OUT IN APPENDIX C3 TO THE LISTING RULES**

The HKT Trust and the Company have adopted their own code of conduct regarding securities transactions, namely the HKT Trust and HKT Limited Code of Conduct for Securities Transactions (the "HKT Code"), which applies to all directors of the Trustee-Manager and the Company and their employees (where applicable) on terms no less exacting than the required standard indicated by the Model Code as set out in Appendix C3 to the Listing Rules.

Having made specific enquiry of all Directors, confirmations have been received of compliance with the required standard set out in the Model Code and the HKT Code during the period.

## **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 Listing Rules during the six months ended 30 June 2024, 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.

During the period covered by this report, in support of their responsibility for the risk management and internal control systems, the Directors have sought and received from the Company's management a report on the risk management and internal control systems, including an assurance that, based on the Company's ongoing assessment and validation activities, they are not aware of any material risks or internal control deficiencies which are not being adequately and appropriately mitigated and/or managed.

# CORPORATE INFORMATION

## HKT LIMITED

(incorporated in the Cayman Islands with limited liability)

### BOARD OF DIRECTORS

#### Executive Directors

Li Tzar Kai, Richard (Executive Chairman)

Hui Hon Hing, Susanna (Group Managing Director)

#### Non-Executive Directors

Peter Anthony Allen

Chung Cho Yee, Mico

Tang Yongbo

#### Independent Non-Executive Directors

Chang Hsin Kang

Sunil Varma

Aman Mehta

Frances Waikwun Wong

Charlene Dawes

### GROUP GENERAL COUNSEL AND COMPANY SECRETARY OF HKT LIMITED AND HKT MANAGEMENT LIMITED

Cheung Hok Chee, Vanessa

### REGISTERED OFFICE

PO Box 309, Uglad House

Grand Cayman, KY1-1104

Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

39th Floor, PCCW Tower

Taikoo Place, 979 King's Road

Quarry Bay, Hong Kong

### SHARE STAPLED UNITS INFORMATION

Board lot: 1,000 units

Issued units as at 30 June 2024: 7,579,742,334 units

### DIVIDEND/DISTRIBUTION

Interim dividend/distribution per ordinary share/share stapled unit for the six months ended 30 June 2024: 32.92 HK cents

### FINANCIAL CALENDAR

Announcement of 2024 Interim Results 25 July 2024

Closure of books 13-14 August 2024  
(both days inclusive)

Record date for 2024 interim distribution 14 August 2024

Payment of 2024 interim distribution on or around 3 September 2024

### INVESTOR RELATIONS CONTACT

Email: [ir@hkt.com](mailto:ir@hkt.com)

## HKT MANAGEMENT LIMITED

(incorporated in Hong Kong with limited liability)

(THE TRUSTEE-MANAGER OF THE HKT TRUST)

### BOARD OF DIRECTORS

#### Executive Directors

Li Tzar Kai, Richard (Executive Chairman)

Hui Hon Hing, Susanna (Group Managing Director)

#### Non-Executive Directors

Peter Anthony Allen

Chung Cho Yee, Mico

Tang Yongbo

#### Independent Non-Executive Directors

Chang Hsin Kang

Sunil Varma

Aman Mehta

Frances Waikwun Wong

Charlene Dawes

### REGISTERED OFFICE

39th Floor, PCCW Tower

Taikoo Place, 979 King's Road

Quarry Bay, Hong Kong

### PRINCIPAL SHARE REGISTRAR

Maples Fund Services (Cayman) Limited

PO Box 1093, Boundary Hall, Cricket Square

Grand Cayman, KY1-1102

Cayman Islands

### SHARE STAPLED UNITS REGISTRAR AND HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716

17th Floor, Hopewell Centre

183 Queen's Road East

Wan Chai, Hong Kong

Telephone: +852 2862 8555

Fax: +852 2865 0990

Website: [www.computershare.com/hk/contact](http://www.computershare.com/hk/contact)

### LISTINGS

The share stapled units of HKT Trust and HKT Limited are listed on The Stock Exchange of Hong Kong Limited. Certain guaranteed notes issued by subsidiaries of HKT Limited are listed on the Singapore Exchange Securities Trading Limited and the Taipei Exchange (as the case may be).

### STOCK CODES

The Stock Exchange of Hong Kong Limited 6823

Reuters 6823.HK

Bloomberg 6823 HK

### WEBSITE OF HKT LIMITED

[www.hkt.com](http://www.hkt.com)

#### INTERIM REPORT 2024

This Interim Report 2024 in both English and Chinese is now available in printed form from HKT Limited, HKT Management Limited and the Share Stapled Units Registrar, and in accessible format on the websites of HKT Limited ([www.hkt.com/ir](http://www.hkt.com/ir)) and Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).

Holders of share stapled units who:

- A) received the Interim Report 2024 using electronic means through the website of HKT Limited may request a printed copy, or
- B) received the Interim Report 2024 in either English or Chinese may request a printed copy of the other language version

by writing or sending email to HKT Limited and HKT Management Limited c/o the Share Stapled Units Registrar at:

Computershare Hong Kong Investor Services Limited  
Investor Communications Centre  
17M Floor, Hopewell Centre  
183 Queen's Road East  
Wan Chai, Hong Kong  
Telephone: +852 2862 8688  
Fax: +852 2865 0990  
Email: [hkt@computershare.com.hk](mailto:hkt@computershare.com.hk)

Holders of share stapled units who have chosen (or are deemed to have agreed) to receive the corporate communications of the HKT Trust, HKT Limited and HKT Management Limited (including but not limited to the Interim Report 2024) using electronic means through the website of HKT Limited and who, for any reason, have difficulty in receiving or gaining access to the Interim Report 2024 will promptly, upon request in writing or by email to the Share Stapled Units Registrar, be sent the Interim Report 2024 in printed form, free of charge.

Holders of share stapled units may change their choice of language and/or means of receipt of future corporate communications of the HKT Trust, HKT Limited and HKT Management Limited at any time, free of charge, by reasonable prior notice in writing or by email to the Share Stapled Units Registrar.

#### Forward-Looking Statements

This interim report contains 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.

These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. Consequently, actual results could differ materially from those expressed, implied or forecasted in the forward-looking statements. Factors that could cause actual results to differ materially from those reflected in the forward-looking statements include:

- increased competition in the Hong Kong telecommunications market, the pay television market and other markets in which HKT operates;
- possible negative effects of potentially new legislation, regulations, guidelines, decisions or directives;
- possible negative effects of potentially new regulatory developments;
- our ability to implement our business plan as a consequence of our substantial debt;
- our exposure to interest rate risk;
- our ability to obtain additional capital;
- our ability to execute our business strategy, including our ability to enter into business combinations and restructuring, strategic investments and acquisitions and challenges in growing business organically; and
- possible negative market disruptions to the performance and prospects of our businesses resulting from macro-economic, public health and geopolitical uncertainties and other risks and factors beyond our control.

Reliance should not be placed on these forward-looking statements, which reflect the views of the directors and management of HKT as at the date of this interim report only. We undertake no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after publication of this interim report.

**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)

Principal Place of Business in Hong Kong:  
39/F, PCCW Tower, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong  
T: +852 2888 2888 F: +852 2877 8877 [www.hkt.com](http://www.hkt.com)

The Share Stapled Units are listed on The Stock Exchange of Hong Kong Limited (SEHK: 6823).

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