



INTERIM REPORT 2024

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ABOUT PCCW

PCCW is a global company headquartered in Hong Kong which holds interests in telecommunications, media, IT solutions, property development and investment, and other businesses.

The Company holds a majority stake in the HKT Trust and HKT Limited, Hong Kong's premier telecommunications service provider and leading operator of fixed-line, broadband, mobile communication and media entertainment services. HKT delivers end-to-end integrated solutions employing emerging technologies to assist enterprises in transforming their businesses. HKT has also built a digital ecosystem integrating its loyalty programme, e-commerce, travel, insurance, big data analytics, fintech and healthtech services to deepen its relationship with customers.

PCCW owns a fully integrated multimedia and entertainment group in Hong Kong engaged in the provision of over-the-top ("OTT") video service locally and in other regions, as well as content production, artiste management and the event business.

Through HK Television Entertainment Company Limited, PCCW also operates a domestic free TV service in Hong Kong.

In addition, PCCW holds a stake in Pacific Century Premium Developments Limited and other overseas investments.

MESSAGE FROM THE CHAIRMAN

Slow global economic growth and shifts in consumer spending patterns characterised the first half of 2024. Nevertheless, PCCW delivered solid results, underpinned by HKT's balanced portfolio and the strong performance of its media business.

Viu, our pan-regional video streaming service, maintained its lead in Southeast Asia ("SEA"). By expanding partnerships, we have broadened the reach of our appealing content to drive growth in our subscriber base. On top of popular Korean titles, our new Viu Originals, tailored for local audiences, have strengthened our presence across SEA and the Middle East. We added critically acclaimed and chart-topping Chinese and SEA programmes to our ever-growing slate. These initiatives, along with our enlarged scale and cost effectiveness, have benefitted our revenue and EBITDA.

ViuTV, our free TV service, attracted a wider audience through in-house productions in distinctive genres. Our artiste management and event business has diversified its talent repertoire, aligning with long-term development goals. By distributing content to new international markets, we have increased visibility and strengthened our global footprint.

Under HKT, our diverse roaming options for the rising number of travellers propelled a 55% year-on-year growth in our total roaming revenue and the full recovery of outbound roaming revenue to pre-COVID levels. Promoting smart city development, our 5G subscribers account for 46% of our post-paid base.

Future-proofing our network, we became the first telecommunications service provider in Hong Kong to adopt 50G PON technology. This addresses rising bandwidth demand for emerging technologies such as artificial intelligence ("AI") and virtual reality. Our use of XGSPON technology differentiates us by offering equally fast uploads and downloads at symmetrical speeds of 2.5G, 5G and 10G to cater for diverse user needs.

Both within and outside the home, our omni-channel strategy has contributed to all-round customer satisfaction. 1010 HOME delivers premium services across mobile, fibre, entertainment and Smart Living, while our new streaming service option for Now TV enables simultaneous multi-device enjoyment of diverse content, including our exclusive coverage of the UEFA European Championship.

Our Commercial business has been driving digital transformation across public and private sectors. We are improving healthcare delivery through 5G and ICT solutions, enhancing safety and reliability in public utilities, and upgrading communication systems in the hospitality industry. In the Greater Bay Area, we have modernised equestrian and gaming venues. We assist with Chinese enterprises' expansion into ASEAN markets, as well as Hong Kong and multinational corporations' mainland ventures. We supported a pioneering transcontinental telesurgery with low-latency connectivity.

HKT launched the world's first cross-border telco rewards programme with six Asia-Pacific partners. Joining ViuTV and business partners from its extensive ecosystem, HKT supported the retail and food and beverage ("F&B") industries through presenting offers from malls and merchants in the "Reward Yourself, Recharge the City" campaign.

As the digital landscape evolves, we remain attuned to our community's needs and emerging technology applications. Driven by our commitment to innovation for impact, we will continue to contribute towards Hong Kong's high-quality development by presenting future-oriented solutions.



Richard Li
Chairman
26 July 2024

MESSAGE FROM THE ACTING GROUP MANAGING DIRECTOR

As a leader in technology, media and telecommunications, PCCW remains committed to developing high-quality services and entertainment that appeal to our local and overseas customers. With rising disposable incomes across countries in Southeast Asia (“SEA”) and growing interest in regional content, the addressable market for our entertainment content is substantial and expanding. Our strategic focus is on driving profitable growth by prudently scaling our video streaming and domestic TV operations while benefitting from the stability and resilience of HKT Limited (“HKT”).

Cementing Viu’s regional leadership with locally relevant content

Since its launch in 2015, Viu has sustained its robust performance and established itself as a leading video streaming service provider in the region. It is currently available in 16 markets across SEA, the Middle East and South Africa. By the end of June 2024, we reached a milestone of 11.7 million paid subscribers. The market-specific pricing and flexible terms of our subscription plans are in line with the viewing habits of today’s consumers. Our localised content strategy further enhances our market penetration and user acquisition.

The addition of over 110 new titles during the period contributed to subscriber growth. On top of crowd-pleasing Korean titles, we have responded to the demand for content diversity with a growing selection of Chinese and Thai programmes, which have received critical acclaim and are gaining traction across SEA. Our Viu Originals, tailored for local audiences, continue to resonate with viewers, topping multiple charts and further strengthening our foothold in markets across SEA and the Middle East. The rebalancing of our content portfolio will also help drive the margin improvement to achieve cashflow breakeven in the near term.

We maintained a strong pipeline of live events to engage and retain Viu-ers across SEA, including fan meets with top stars in Singapore, Indonesia and Malaysia. Having expanded our partnerships during the period, we are collaborating with telecom service providers, device manufacturers, digital payment services and online e-commerce platforms to further extend our market reach and distribution channels.

Nurturing talent & extending the reach of our repertoire

ViuTV, our free-to-air service in Hong Kong, showcased a distinctive array of productions during the period. The captivating drama series, reality shows and films led to an increase in viewership and reach, resulting in a 6% increase in digital membership to reach an impressive 3.2 million members.

Our movies have garnered accolades and international exposure, increasing the potential for our talent to explore broader opportunities. By distributing our content to 11 markets worldwide, we have established an international presence that paves the way for future growth.

In response to continued demand for live performances, several of our expanded roster of 65 artists performed at our sold-out concerts in Hong Kong and participated in overseas projects. We have extended our reach further by making selected performances available on our MakeALive live event streaming platform, enabling global audiences to participate simultaneously.

Benefitting from the stability & resilience of HKT

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.

Delivering stable financial performance & adopting a prudent dividend policy

PCCW delivered a solid set of interim results for the six months ended 30 June 2024 with 5% growth in revenue and 1% growth in EBITDA on the back of greater contributions from our Media businesses and cost efficiencies at HKT. As a result, the board of Directors has declared an interim dividend of 9.77 HK cents per ordinary share for the six months ended 30 June 2024.

Whilst PCCW continues to benefit from the steady and robust growth of HKT, we will adopt a prudent dividend policy that prioritises the strengthening of our financial position for sustainable growth while also striving to provide attractive returns for our shareholders. We will regularly review this policy in order to adapt to changing circumstances and optimising shareholder value.



Susanna Hui

Acting Group Managing Director

26 July 2024

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

LI Tzar Kai, Richard

Chairman

Mr Li, aged 57, was appointed an Executive Director and the Chairman of PCCW in August 1999. He is the Chairman of PCCW's Executive Committee and a member of the Nomination Committee of the Board. He is also the Chairman and Chief Executive of the Pacific Century Group, a Director of FWD Group Holdings Limited, the Executive Chairman and an Executive Director of HKT Limited (HKT) and HKT Management Limited, the trustee-manager of the HKT Trust, the Chairman of HKT's Executive Committee and a member of HKT's Nomination Committee, 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

Acting Group Managing Director and Group Chief Financial Officer

Ms Hui, aged 59, was appointed an Executive Director of PCCW in May 2010 and became Acting Group Managing Director of PCCW in March 2022. She has also been the Group Chief Financial Officer of PCCW since April 2007. She is a member of PCCW's Executive Committee and holds directorships in various Group companies. She is also the Group Managing Director of HKT Limited (HKT) and HKT Management Limited, the trustee-manager of the HKT Trust and a member of HKT'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 the Group Chief Financial Officer of HKT from November 2011 to August 2018, 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

TSE Sze Wing, Edmund, GBS

Non-Executive Director

Mr Tse, aged 86, is a Non-Executive Director of PCCW. He was an Independent Non-Executive Director of PCCW from September 2009 to March 2011 and was re-designated to a Non-Executive Director of PCCW in March 2011. He is also a member of the Regulatory Compliance Committee of the Board.

Mr Tse is the Independent Non-Executive Chairman and an Independent Non-Executive Director of AIA Group Limited. From 1996 until June 2009, Mr Tse was Director of American International Group, Inc. (AIG) and from 2001 until June 2009, he was Senior Vice Chairman – Life Insurance of AIG. From 2000 until June 2009, he was Chairman and Chief Executive Officer of American International Assurance Company, Limited and from 2005 until April 2015, he was the Chairman of AIA Philippines Life and General Insurance Company Inc. (formerly known as The Philippine American Life and General Insurance (PHILAM LIFE) Company). Mr Tse has held various senior positions and directorships in other AIG companies. Mr Tse is also the Non-Executive Chairman for Asia ex-Japan of PineBridge Investments Asia Limited and a Director of Bridge Holdings Company Limited which are asset management companies owned indirectly by Mr Li Tzar Kai, Richard, the Chairman of PCCW. Mr Tse was a Non-Executive Director of PICC Property and Casualty Company Limited from June 2004 until July 2014.

Mr Tse is a member of the Chief Executive's Council of Advisers. Mr Tse was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region in 2001 in recognition of his outstanding efforts in respect of the development of Hong Kong's insurance industry. Mr Tse graduated with a Bachelor of Arts degree in Mathematics from the University of Hong Kong (HKU) in 1960. HKU conferred an Honorary Fellowship and an Honorary Doctorate Degree in Social Sciences on Mr Tse in 1998 and 2002 respectively. He also obtained diplomas from the College of Insurance and the Graduate School of Business of Stanford University. He has extensive management experience in the insurance market, both in Asia and globally. In 2003, Mr Tse was elected to the prestigious Insurance Hall of Fame and in 2017, Mr Tse was awarded the first ever "Lifetime Achievement Award" at the Pacific Insurance Conference in recognition of his outstanding contribution to the insurance industry. In 2018, Mr Tse was conferred an Honorary Degree of Doctor of Business Administration by Lingnan University. In 2019, Mr Tse was conferred Fellowship by the Hong Kong Academy of Finance. In 2024, Mr Tse was conferred an Honorary Degree of Doctor of Social Science by The Hang Seng University of Hong Kong. Mr Tse serves many community and professional organizations as well as educational institutions. He is also a director of AIA Foundation, which supports charitable causes in Hong Kong.

TANG Yongbo

Deputy Chairman

Mr Tang, aged 50, became a Non-Executive Director of PCCW in August 2023. He is the Deputy Chairman and a member of PCCW's Executive Committee. He is also a Non-Executive Director of HKT Limited (HKT) and HKT Management Limited, the trustee-manager of the HKT Trust, and a member of HKT's Executive Committee, Nomination Committee and Remuneration 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. Mr Tang also serves as a non-executive director of China Tower Corporation Limited and China Communications Services Corporation Limited.

Mr Tang previously served as 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. Mr Tang has extensive experience in management and the telecommunications industry.

MENG Shusen

Non-Executive Director

Ms Meng, aged 51, became a Non-Executive Director of PCCW in December 2021. She is a member of the Remuneration Committee of the Board.

Ms Meng is currently the Chairwoman and President of China Unicom Global Limited (CUG), a subsidiary of China United Network Communications Group Company Limited (Unicom).

Ms Meng has served as the Deputy General Manager of Global Business Department of the Unicom group since 2008 and was promoted as the Chairwoman and President of CUG in 2017. She served as the Deputy Head of Technology Department, the General Manager of Marketing Department in China Telecom Group Beijing Corporation from 2000 to 2004; and during 2004 and 2008, she served as the Deputy General Manager of Enterprise Customer Business Unit and the Deputy Director of Board Secretariat in China Network Communications Group Corporation.

Ms Meng is a postgraduate with a doctorate degree in Electric Circuit and System. Ms Meng has extensive experience in technologies and services, sales and marketing of telecom company, and corporate governance of listed companies.

WEI Zhe, David

Non-Executive Director

Mr Wei, aged 53, is a Non-Executive Director of PCCW. He was appointed an Independent Non-Executive Director of PCCW in November 2011 and was re-designated to a Non-Executive Director of PCCW in May 2012. He is also a member of the Remuneration Committee of the Board.

Mr Wei has over 20 years of experience in both investment and operational management in the People's Republic of China. Prior to launching Vision Knight Capital (China) Fund I, L.P., a private equity investment fund in 2011, Mr Wei was an executive director and chief executive officer of Alibaba.com Limited, a leading worldwide B2B e-commerce company, from 2007 to 2011, where he successfully led the company through its initial public offering and listing on The Stock Exchange of Hong Kong Limited in 2007. Alibaba.com Limited was delisted in June 2012. Prior to Alibaba.com Limited, Mr Wei was the president, from 2002 to 2006, and chief financial officer, from 2000 to 2002, of B&Q China, the then subsidiary of Kingfisher plc, a leading home improvement retailer in Europe and Asia. Under Mr Wei's leadership, B&Q China grew to become China's largest home improvement retailer. From 2003 to 2006, Mr Wei was also the chief representative for Kingfisher's China sourcing office, Kingfisher Asia Limited. Prior to that, Mr Wei served as the head of investment banking at Orient Securities Company Limited from

1998 to 2000, and as corporate finance manager at Coopers & Lybrand (now part of PricewaterhouseCoopers) from 1995 to 1998. Mr Wei was an executive director of Zall Smart Commerce Group Ltd.; a non-executive director of HSBC Bank (China) Company Limited, The Hongkong and Shanghai Banking Corporation Limited and Zhong Ao Home Group Limited; a director of 500.com Limited, Shanghai M&G Stationery Inc., Informa PLC, UBM plc, Hitelevision Co., Ltd. and BlueCity Holdings Limited; an independent director of Fangdd Network Group Ltd., Leju Holdings Limited and OneSmart International Education Group Limited; and also the vice chairman of China Chain Store & Franchise Association. He was voted as one of "China's Best CEOs" by FinanceAsia magazine in 2010. Mr Wei currently serves as an executive director and the chairman of Vision Deal HK Acquisition Corp. and chairs its nomination committee. He also serves as a non-executive director of JNBY Design Limited and Polestar Automotive Holding UK PLC.

He holds a bachelor's degree in international business management from Shanghai International Studies University and has completed a corporate finance program at London Business School.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Aman MEHTA

Independent Non-Executive Director

Mr Mehta, aged 77, became an Independent Non-Executive Director of PCCW in February 2004 and is the Chairman of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Board. He is also an Independent Non-Executive Director of HKT Limited (HKT) and HKT Management Limited, the trustee-manager of the HKT Trust, and the Chairman of HKT's Nomination Committee.

Mr Mehta joined the Board 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 PCCW effective from 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. She is also an Independent Non-Executive Director of HKT Limited (HKT) and HKT Management Limited, the trustee-manager of the HKT Trust, and the Chairwoman of HKT's Remuneration Committee. 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.

Bryce Wayne LEE

Independent Non-Executive Director

Mr Lee, aged 59, was appointed an Independent Non-Executive Director of PCCW in May 2012 and is a member of the Audit Committee and the Remuneration Committee of the Board.

Mr Lee joined Silver Lake in 2011 and is a Managing Director and Head of Business Development, Fundraising and Investor Relations of Silver Lake. In addition, he is an investment professional primarily with responsibility in the Asia region. Previously, he was a Managing Director of Credit Suisse in the Investment Banking division, serving as head of the Technology Group for the Americas and as co-head of the Alternative Energy Group. Mr Lee was instrumental in building a number of Credit Suisse's franchises including its Asian technology investment banking business and was named to Forbes magazine's "Midas List" of the top 100 technology dealmakers in the world. He was a member of Credit Suisse's Investment Banking Committee and served on the Managing Director Evaluation Committee. Mr Lee is a member of the Council on Foreign Relations.

Mr Lee is currently on the boards of directors of Carbon, Inc. and Peloton Computer Enterprises. He was previously on the board of Eka Software Solutions. Mr Lee graduated from Stanford University.

Lars Eric Nils RODERT

Independent Non-Executive Director

Mr Rodert, aged 62, was appointed an Independent Non-Executive Director of PCCW in November 2012 and is a member of the Audit Committee and the Nomination Committee of the Board.

Mr Rodert is the founder and Chief Executive Officer of ÖstVäst Advisory AB. He has served as an independent director of Brookfield Asset Management Reinsurance Partners Ltd. since November 2021. He is also a director of Brookfield Property Partners L.P.'s General Partner, and was a director of Brookfield Infrastructure Partners L.P.'s Managing General Partner from 2010 to 2013. He was previously a director of Brookfield Property REIT Inc., which was delisted in July 2021 following its merger with Brookfield Asset Management Inc. became effective. Mr Rodert is also a Board Member of Samhällsbyggnadsbolaget i Norden AB (publ). He was a Senior Portfolio Manager for Inter IKEA Treasury in North America and Europe. Prior to this role, he was most recently Chief Investment Officer, Global Equities, at SEB Asset Management and prior to that he was Head of North American Equities at the same firm. Based in Sweden, Mr Rodert has an in depth knowledge of continental European markets and is seasoned in analyzing investment opportunities. He holds a Master of Science Degree in Business and Economics from Stockholm University.

David Christopher CHANCE

Independent Non-Executive Director

Mr Chance, aged 67, was appointed an Independent Non-Executive Director of PCCW in November 2013. He is also a member of the Regulatory Compliance Committee of the Board. He was the Independent Non-Executive Chairman and Director of PCCW Media Limited, a subsidiary of PCCW from November 2013 to September 2022.

Mr Chance is the Non-Executive Chairman of Really Useful Group Investments Limited and a Non-Executive Director of LW Theatres Holdings Limited. He was the Non-Executive Chairman of Modern Times Group MTG AB and the Non-Executive Chairman of Nordic Entertainment Group AB. He has significant senior management experience particularly in the area of pay television having been formerly the Executive Chairman of Top Up TV Ltd. between 2003 and 2011, and the Deputy Managing Director of British Sky Broadcasting Group plc between 1993 and 1998. He was also a Non-Executive Director of ITV plc and O2 plc. He graduated with a Bachelor of Arts degree, a Bachelor of Science degree and a Master of Business Administration degree from the University of North Carolina.

Sharhan Mohamed MUHSEEN MOHAMED
Independent Non-Executive Director

Mr Muhseen, aged 49, was appointed an Independent Non-Executive Director of PCCW in February 2023.

Mr Muhseen is a senior investment banker with extensive experience in areas of mergers and acquisitions, corporate finance and capital markets. He has served in a senior board capacity working with company boards and senior leadership teams of corporates across Asia to help drive their strategic agenda and roadmap.

Mr Muhseen currently is the Chairman of each of CBC Finance Limited and Platinum Advisors Pte. Ltd., the Chairman and a Non-Executive Independent Director of Commercial Bank of Ceylon PLC, the Deputy Chairman of Amāna Takaful Life PLC, a Non-Executive Independent Director of Gestetner of Ceylon PLC, a Non-Executive Director of David Pieris Holdings (Private) Limited, and a Director of each of Canary Wharf Holdings Pte. Ltd. and H2O ONE.

Mr Muhseen previously worked in global investment banks including Credit Suisse, Bank of America Merrill Lynch and JPMorgan in leading regional coverage roles. He was Managing Director, Head of Asia Insurance, Head of South-East Asia Financial Institutions Group, and Country Manager Sri Lanka at Credit Suisse based in Singapore. In his investment banking career spanning over 20 years, Mr Muhseen has completed landmark mergers and capital raising transactions in excess of USD100 billion.

Mr Muhseen also has experiences at the Sri Lankan government policy level, working as a Team Leader at the National Council for Economic Development (NCED) under the Ministry of Finance as well as a Director at the TAFREN presidential task force for rebuilding the economy after the 2004 Tsunami.

Mr Muhseen holds a Masters in Economics from the University of Colombo and a Bachelor of Business Administration (Hons) from Western Michigan University.

Set out above are the directors of PCCW, and their biographies, as at 26 July 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Viu reached 11.7 million paid subscribers and added more than 110 new titles
- ViuTV hit 3.2 million digital membership and managing 65 performing artists
- Revenue increased 5% to HK\$17,698 million
 - HKT revenue excluding Mobile product sales increased by 3% to HK\$15,683 million
 - OTT Business revenue up 12% to HK\$1,089 million
 - Free TV & Related Business revenue up 23% to HK\$480 million
- EBITDA increased 1% to HK\$5,672 million
 - HKT EBITDA up 3% to HK\$6,168 million
 - OTT Business EBITDA up 39% to HK\$229 million
 - Free TV & Related Business EBITDA up 10% to HK\$91 million
- Interim dividend of 9.77 HK cents per ordinary share

FINANCIAL REVIEW BY SEGMENT

For the six months ended HK\$ million	30 Jun 2023	31 Dec 2023	30 Jun 2024	Better/ (Worse) y-o-y
Revenue				
HKT	16,400	17,930	16,669	2%
HKT (excluding Mobile product sales)	15,247	16,123	15,683	3%
Mobile Product Sales	1,153	1,807	986	(14)%
OTT Business	971	1,481	1,089	12%
Free TV & Related Business	390	562	480	23%
Other Businesses	369	398	373	1%
Eliminations	(1,280)	(874)	(913)	29%
Consolidated revenue	16,850	19,497	17,698	5%
Cost of sales	(8,292)	(9,824)	(8,939)	(8)%
Operating costs before depreciation, amortisation, and (losses)/gains on disposal of property, plant and equipment and right-of-use assets, net ("operating costs")	(2,927)	(2,473)	(3,087)	(5)%
EBITDA¹				
HKT	6,009	7,391	6,168	3%
OTT Business	165	427	229	39%
Free TV & Related Business	83	107	91	10%
Other Businesses	(294)	(403)	(309)	(5)%
Eliminations	(332)	(322)	(507)	(53)%
Consolidated EBITDA¹	5,631	7,200	5,672	1%
Consolidated EBITDA¹ Margin	33%	37%	32%	
Depreciation	(1,308)	(1,495)	(1,267)	3%
Amortisation	(2,499)	(2,561)	(2,417)	3%
(Losses)/Gains on disposal of property, plant and equipment and right-of-use assets, net	–	(2)	10	n/a
Operating Profit	1,824	3,142	1,998	10%
Other gains, net	218	63	184	(16)%
Interest income	87	78	68	(22)%
Finance costs	(1,153)	(1,508)	(1,390)	(21)%
Share of results of associates and joint ventures	(102)	(150)	(183)	(79)%
Profit before income tax	874	1,625	677	(23)%
Income tax	(362)	(47)	(326)	10%
Profit attributable to holders of perpetual capital securities	(118)	(117)	(117)	1%
Profit attributable to non-controlling interests	(880)	(1,446)	(696)	21%
(Loss)/Profit attributable to equity holders of the Company	(486)	15	(462)	5%

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 Gross debt refers to the principal amount of short-term borrowings and long-term borrowings.

Note 3 Group capital expenditure includes additions to property, plant and equipment and interests in leasehold land.

Note 4 Adjusted funds flow is defined as EBITDA less capital expenditures, customer acquisition costs and licence fees paid, taxes paid, finance costs and interest expense paid, and adjusted for interest income received and changes in working capital. It is not presented as a measure of leverage or liquidity in accordance with HKFRSs and should not be considered as representing net cash flows or any other similar measures derived in accordance with HKFRSs, or an alternative to cash flow from operations or a measure of liquidity. HKT's adjusted funds flow is computed in accordance with the above definition using financial information derived from HKT's unaudited condensed consolidated interim financial information. The adjusted funds flow may be used for debt repayment and the repurchase of share stapled units of the HKT Trust and HKT ("Share Stapled Units").

HKT

For the six months ended HK\$ million	30 Jun 2023	31 Dec 2023	30 Jun 2024	Better/ (Worse) y-o-y
HKT revenue	16,400	17,930	16,669	2%
TSS	11,685	12,485	12,063	3%
– Local TSS Services	8,159	8,714	8,289	2%
– International Telecommunications Services	3,526	3,771	3,774	7%
Mobile	4,968	6,340	4,976	–
– Mobile Services	3,815	4,533	3,990	5%
– Mobile Product Sales	1,153	1,807	986	(14)%
Other Businesses	596	286	552	(7)%
Eliminations	(849)	(1,181)	(922)	(9)%
HKT EBITDA¹	6,009	7,391	6,168	3%
HKT EBITDA¹ margin	37%	41%	37%	
HKT Adjusted Funds Flow⁴	2,429	3,369	2,495	3%

Although conditions remained challenging with weak retail spending in Hong Kong and cautious enterprise investments, by leveraging its unique integrated fibre and mobile network, HKT has extended its service from connectivity to a broad array of innovative solutions for its customers, whether they be individuals, households, or enterprises and delivered another set of solid interim results for the six months ended 30 June 2024.

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. 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.

Total Mobile revenue was steady at HK\$4,976 million for the six months ended 30 June 2024, as Mobile product sales were comparatively softer at HK\$986 million as consumers delayed handset upgrades due to weak consumer sentiment and limited new handset features. Total Mobile EBITDA for the period increased by 5% to HK\$2,302 million from HK\$2,194 million a year earlier. The Mobile EBITDA margin improved to 46% from 44% a year earlier as the contribution from Mobile product sales was lower.

The 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 fibre-to-the-home 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. On the enterprise side, our local data revenue achieved impressive growth of 7% year-on-year as HKT remains the trusted partner to enterprises, and we also secured a healthy order book during the first half of 2024 with a total contract value of over HK\$2.5 billion reflecting the continued demand for our converged solutions. 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. Consequently, Local TSS services revenue grew by 2% to HK\$8,289 million for the six months ended 30 June 2024. During the period, International Telecommunications Services revenue grew by 7% to HK\$3,774 million driven by increased global voice revenue, resilient data revenue and growing demand for our software defined cloud connectivity services. As a result, total TSS revenue rose by 3% year-on-year to HK\$12,063 million.

HKT (CONTINUED)

HKT total revenue, excluding Mobile product sales, for the six months ended 30 June 2024 increased by 3% to HK\$15,683 million, while HKT total revenue increased by 2% to HK\$16,669 million.

HKT operating costs improved by 5% to HK\$2,010 million, reflecting HKT's continued focus on operating efficiency and cost optimisation initiatives, which lifted HKT EBITDA by 3% year-on-year to HK\$6,168 million for the six months ended 30 June 2024. The HKT EBITDA margin held steady at 37% during the period.

Profit attributable to holders of Share Stapled Units for the six months ended 30 June 2024 increased by 2% year-on-year to HK\$1,990 million. Basic earnings per Share Stapled Unit was 26.27 HK cents.

HKT Adjusted funds flow 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. HKT Adjusted funds flow per Share Stapled Unit was 32.92 HK cents.

HKT declared an interim distribution of 32.92 HK cents per Share Stapled Unit for the six months ended 30 June 2024.

For a more detailed review of the performance of HKT, including detailed reconciliation between HKT EBITDA and HKT Adjusted funds flow as well as HKT EBITDA and profit before income tax, please refer to its 2024 interim results announcement released on 25 July 2024.

OTT Business

For the six months ended HK\$ million	30 Jun 2023	31 Dec 2023	30 Jun 2024	Better/ (Worse) y-o-y
OTT Business revenue	971	1,481	1,089	12%
OTT Business EBITDA¹	165	427	229	39%
OTT Business EBITDA¹ margin	17%	29%	21%	

During the first half of 2024, the OTT Business recorded an impressive 12% growth in revenue to HK\$1,089 million. Viu, our leading video streaming service, was the main contributor to this growth with its revenue increasing by 16% year-on-year to HK\$948 million and representing over 87% of total revenue for the OTT Business. Growth at Viu was supported by a robust increase in subscription revenue, a core strategic focus, as well as greater advertising, sponsorship and event related revenue.

To drive revenue growth, Viu focused on enriching its content offering, enhancing viewer engagement and expanding its distribution reach. During the period, Viu added more than 110 new titles, including crowd-pleasing Korean titles as well as Chinese and Thai programmes that are gaining increasing popularity across markets throughout the region. These new titles also comprised 7 Viu Original productions that are tailored to local audiences with several achieving number one performances in several markets.

To improve subscriber acquisition and retention, we are dedicated to maintaining strong engagement that encompasses an active online-offline experience. During the period, we organised fan meets for Viu-ers in Singapore, Jakarta and Kuala Lumpur to meet their favourite stars. Our distribution ecosystem also expanded including new partnerships with Vision+ in Indonesia, Vivo and Grab in the Philippines, Mobily and du in the Middle East and MTN in South Africa.

As a result of these efforts, the number of paid subscribers reached 11.7 million by the end of June. This represented a growth rate of 11% year-on-year (excluding Myanmar) with particularly strong growth in Indonesia, Thailand and the Middle East.

With an optimised content portfolio that has cross-market appeal, the OTT Business achieved a significant increase of 39% in EBITDA to HK\$229 million. As a result, the margin expanded from 17% to 21%.

As the OTT Business gains scale and builds a balanced and diversified content portfolio, we believe that we are progressing towards cash flow breakeven and sustainable growth.

Free TV & Related Business

For the six months ended HK\$ million	30 Jun 2023	31 Dec 2023	30 Jun 2024	Better/ (Worse) y-o-y
Free TV & Related Business revenue	390	562	480	23%
Free TV & Related Business EBITDA¹	83	107	91	10%
Free TV & Related Business EBITDA¹ margin	21%	19%	19%	

During the first half of 2024, the Free TV & Related Business achieved a substantial 23% increase in revenue to HK\$480 million from HK\$390 million, driven primarily by a strong performance in our artiste and event management business segment.

Our focus at the Free TV & Related Business is to consistently make available high-quality content for our viewers across both our linear and digital channels as well as expand our in-house talent and increase the opportunities available to them. During the period, we showcased a distinctive array of productions. The captivating drama series, reality shows, and films led to an increase in viewership and reach, resulting in a 6% increase in digital membership to reach an impressive 3.2 million members. Our original shows such as “Cha Chaan Teng (茶餐廳)” and popular dramas like “Legal Affair (法與情)” garnered solid viewership on our free-to-air channel, leading to a 7% increase in unique viewers during the key weeknight timeslot when we broadcast most of our productions.

With advertising spending affected by a sluggish retail market, our artiste and event management business performed well, and our popular live events were successful in driving revenue growth. Several of our 65 in-house performing artists, including MIRROR, COLLAR and P1X3L, successfully performed a series of sold-out concerts in Hong Kong. Some of our artists also had opportunities to collaborate with international artists and participate in award-winning movies.

We have also established our presence beyond Hong Kong with selected content available in 11 international markets. We also streamed select live events overseas on our MakeALive platform to allow global audiences to simultaneously watch.

With the larger revenue base, EBITDA increased by 10% to HK\$91 million for the six months ended 30 June 2024, resulting in a 19% EBITDA margin which reflected the revenue mix shift during the period.

Other Businesses

Other Businesses primarily comprise the remaining Solutions Business and corporate support functions. It recorded HK\$373 million in revenue and an EBITDA cost of HK\$309 million for the six months ended 30 June 2024.

Eliminations

Eliminations for the six months ended 30 June 2024 were HK\$913 million, reflecting collaboration among members of the Group on both internal and external projects.

Costs

Cost of Sales

For the six months ended HK\$ million	30 Jun 2023	31 Dec 2023	30 Jun 2024	Better/ (Worse) y-0-y
HKT	8,279	9,175	8,491	(3)%
Consolidated	8,292	9,824	8,939	(8)%

HKT's 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 its revenue growth during the period. The cost of sales for the Media Business increased due to increased costs in the Free TV & Related Business associated with organising concerts for our artists. In total, the Group's cost of sales increased by 8% to HK\$8,939 million for the six months ended 30 June 2024.

General and Administrative Expenses

For the six months ended 30 June 2024, the Group's operating costs increased by 5% to HK\$3,087 million. This was largely due to the increase in publicity and promotion costs in the OTT Business to drive market penetration and uptake in paid subscriptions across the region. This was partially offset by a decrease in operating costs at HKT, reflecting its continued focus on operating efficiency and cost optimisation initiatives across each of the business segments, including enhancing business processes via the adoption of generative AI ("GenAI"), consolidation of business operations and rationalisation of IT platforms. Overall operating costs-to-revenue ratio remained stable at 17.4% for the six months ended 30 June 2024.

Depreciation and amortisation expenses for the six months ended 30 June 2024 decreased by 3% to HK\$3,684 million, with depreciation decreasing by 3% to HK\$1,267 million and amortisation also decreasing by 3% to HK\$2,417 million. The decrease in amortisation expenses was due to an optimised content portfolio with content-related amortisation decreasing by 8% to HK\$939 million for the period as compared to HK\$1,019 million a year ago.

Overall, general and administrative expenses was stable at HK\$6,761 million for the six months ended 30 June 2024.

EBITDA¹

Overall, consolidated EBITDA for the six months ended 30 June 2024 increased by 1% to HK\$5,672 million due to increased contribution from the Media Business and operating efficiencies in HKT. The EBITDA margin was relatively stable at 32%.

Other Gains, Net

Net other gains for the six months ended 30 June 2024 were HK\$184 million, compared to net other gains of HK\$218 million a year ago, mainly represented mark-to-market revaluations of the Group's investments.

Interest Income and Finance Costs

Interest income for the six months ended 30 June 2024 was HK\$68 million while finance costs increased by 21% to HK\$1,390 million. The increase in finance costs was largely driven by higher HIBOR during the period with the average cost of debt for the Group increasing from 3.9% to 4.4% year-on-year. As a result, net finance costs increased by 24% year-on-year from HK\$1,066 million to HK\$1,322 million for the six months ended 30 June 2024.

Income Tax

Income tax expense for the six months ended 30 June 2024 was HK\$326 million, as compared to HK\$362 million a year ago. The decrease in income tax expense was mainly due to lower profit before tax during the period.

Profit Attributable to Non-controlling Interests

Profit attributable to non-controlling interests were HK\$696 million for the six months ended 30 June 2024 (30 June 2023: HK\$880 million), representing primarily share of results attributable to the non-controlling shareholders of HKT and Viu International Limited.

Profit Attributable to Holders of Perpetual Capital Securities

Profit of HK\$117 million for the six months ended 30 June 2024 was attributable to the holders of the perpetual capital securities, which represented distributions payable to the holders of the securities as accrued at 4% per annum on the US\$750 million principal amount of the perpetual capital securities issued by the Group in January 2021.

Loss Attributable to Equity Holders of the Company

Loss attributable to equity holders of the Company for the six months ended 30 June 2024 narrowed to HK\$462 million (30 June 2023: HK\$486 million) due to an improvement in operating profit, although this was offset by higher finance costs.

LIQUIDITY AND CAPITAL RESOURCES

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

The Group's gross debt² was HK\$56,384 million as at 30 June 2024 (as at 31 December 2023: HK\$52,329 million). Cash and short-term deposits totalled HK\$2,143 million as at 30 June 2024 (as at 31 December 2023: HK\$2,706 million).

As at 30 June 2024, the Group had a total of HK\$50,911 million in banking facilities available for liquidity management and investments, of which HK\$18,032 million remained undrawn. Of these banking facilities, HKT accounted for HK\$35,611 million, of which HK\$11,992 million remained undrawn.

The Group's gross debt² to total assets was 59% as at 30 June 2024 (as at 31 December 2023: 55%).

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

As at 30 June 2024, CAS Holding No. 1 Limited, a direct wholly-owned subsidiary of the Company, had investment grade ratings with Moody's Investors Service Hong Kong Limited ("Moody's") (Baa3) and S&P Global Ratings ("S&P") (BBB-). Hong Kong Telecommunications (HKT) Limited, an indirect non-wholly owned subsidiary of the Company, had investment grade ratings with Moody's (Baa2) and S&P (BBB).

CAPITAL EXPENDITURE³

Group capital expenditure for the six months ended 30 June 2024 was HK\$1,142 million (30 June 2023: HK\$1,141 million), of which HKT accounted for about 97% (30 June 2023: 99%). The capital expenditure to revenue ratio was approximately 6.5% for the six months ended 30 June 2024 (30 June 2023: 6.8%).

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 its territory-wide 5G coverage. TSS capital expenditure was slightly lower during the period, with investments largely to support growing demand for its integrated fixed-mobile solutions for enterprises. Capital expenditure for the Media Business increased mainly due to relocation, renovation and equipment setup for its new production studio facilities.

The Group will continue to invest in building digital capabilities to support its existing businesses and enable its growth in new areas, and prudently invest in expanding its 5G network while taking into account the prevailing market conditions using assessment criteria including internal rate of return, net present value and payback period.

HEDGING

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

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

A significant portion of the Group's financing is denominated in foreign currencies including United States dollars. Accordingly, the Group has entered into forward and swap contracts in order to manage its exposure to adverse fluctuations in foreign currency exchange rates and interest rates. These instruments are executed with creditworthy financial institutions. As at 30 June 2024, the majority of the forward and swap contracts were designated as cash flow hedges for the related financing of the Group.

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

CHARGE ON ASSETS

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

CONTINGENT LIABILITIES

HK\$ million	As at 31 Dec 2023 (Audited)	As at 30 Jun 2024 (Unaudited)
Performance guarantees	1,384	1,179
Others	41	24
	1,425	1,203

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

As at 30 June 2024, the Group had given a partial guarantee to a bank in respect of a credit facility granted to an associate of the Group amounting to HK\$780 million (as at 31 December 2023: same), of which HK\$570 million (as at 31 December 2023: HK\$470 million) had been utilised by the associate. The Group's share of guarantee for the utilised amount was approximately HK\$171 million (as at 31 December 2023: HK\$141 million) determined based on the percentage of interest held by the Group in the associate. The guarantee amount is expected to increase up to approximately HK\$235 million if the credit facility is fully utilised.

HUMAN RESOURCES

The Group had over 14,800 employees as at 30 June 2024 (as at 30 June 2023: 16,200) located in 25 countries and cities. About 65% of these employees work in Hong Kong and the others are based mainly in mainland China. The Group has established performance-based bonus and incentive schemes designed to motivate and reward employees at all levels to achieve the Group's business performance targets. Payment of performance bonuses is generally based on achievement of revenue, EBITDA and free cash flow targets for the Group as a whole and for each of the individual business units and performance ratings of employees.

INTERIM DIVIDEND

The Board declared an interim dividend of 9.77 HK cents (30 June 2023: 9.77 HK cents) per ordinary share for the six months ended 30 June 2024 to shareholders whose names appear on the register of members of the Company on Wednesday, 14 August 2024, payable on or around Wednesday, 4 September 2024.

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2024

In HK\$ million (except for loss per share)	Note(s)	2023 (Unaudited)	2024 (Unaudited)
Revenue	2	16,850	17,698
Cost of sales		(8,292)	(8,939)
General and administrative expenses		(6,734)	(6,761)
Other gains, net	3	218	184
Interest income		87	68
Finance costs		(1,153)	(1,390)
Share of results of associates		(93)	(175)
Share of results of joint ventures		(9)	(8)
Profit before income tax	2, 4	874	677
Income tax	5	(362)	(326)
Profit for the period		512	351
Profit/(Loss) attributable to:			
Equity holders of the Company		(486)	(462)
Holders of perpetual capital securities		118	117
Non-controlling interests		880	696
		512	351
Loss per share	7		
Basic		(6.29) cents	(5.98) cents
Diluted		(6.29) cents	(5.98) cents

The notes on pages 28 to 43 form an integral part of this unaudited condensed consolidated interim financial information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

In HK\$ million	2023 (Unaudited)	2024 (Unaudited)
Profit for the period	512	351
Other comprehensive (loss)/income		
Items that will not be reclassified subsequently to consolidated income statement:		
Changes in the fair value of financial assets at fair value through other comprehensive income	12	(1)
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	4	(69)
– exchange differences on translating foreign operations of associates and joint ventures	(8)	(173)
Cash flow hedges:		
– effective portion of changes in fair value	18	(127)
– transfer from equity to consolidated income statement	(177)	56
Costs of hedging	(33)	57
Other comprehensive loss for the period	(184)	(257)
Total comprehensive income for the period	328	94
Attributable to:		
Equity holders of the Company	(578)	(682)
Holders of perpetual capital securities	118	117
Non-controlling interests	788	659
Total comprehensive income for the period	328	94

The notes on pages 28 to 43 form an integral part of this unaudited condensed consolidated interim financial information.

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

In HK\$ million	The Group		(Additional information) The Company	
	As at		As at	
Note*	31 December 2023 (Audited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2024 (Unaudited)
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	27,787	28,329	–	–
Right-of-use assets	2,074	2,124	–	–
Interests in leasehold land	291	283	–	–
Goodwill	17,976	17,971	–	–
Intangible assets	20,286	20,872	–	–
Fulfilment costs	1,925	1,983	–	–
Customer acquisition costs	912	886	–	–
Contract assets	324	272	–	–
Interests in subsidiaries	–	–	36,770	36,805
Interests in associates	2,281	1,966	–	–
Interests in joint ventures	301	280	–	–
Financial assets at fair value through other comprehensive income	219	219	–	–
Financial assets at fair value through profit or loss	3,050	3,183	–	–
Other financial assets	1,369	1,370	–	–
Derivative financial instruments	29	27	–	18
Deferred income tax assets	913	879	–	–
Other non-current assets	615	1,122	–	–
	80,352	81,766	36,770	36,823
Current assets				
Amounts due from subsidiaries	–	–	7,741	9,773
Inventories	1,608	2,237	–	–
Prepayments, deposits and other current assets	4,020	4,318	39	39
Contract assets	1,504	1,724	–	–
Trade receivables, net	8	4,135	–	–
Amounts due from related companies	25	28	–	–
Derivative financial instruments	–	7	–	–
Tax recoverable	2	21	–	–
Restricted cash	211	161	–	–
Short-term deposits	79	187	–	–
Cash and cash equivalents	2,627	1,956	431	131
	14,211	14,210	8,211	9,943

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2024

In HK\$ million	Note*	The Group		(Additional information) The Company	
		As at		As at	
		31 December 2023 (Audited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2024 (Unaudited)
Current liabilities					
Short-term borrowings		(1,049)	(3,951)	–	–
Trade payables	9	(6,297)	(6,386)	–	–
Accruals and other payables		(7,917)	(7,968)	(25)	(27)
Derivative financial instruments		(151)	(40)	–	(3)
Carrier licence fee liabilities		(338)	(362)	–	–
Amounts due to related companies		(118)	(140)	–	–
Advances from customers		(279)	(287)	–	–
Contract liabilities		(1,659)	(1,449)	–	–
Lease liabilities		(1,107)	(1,085)	–	–
Current income tax liabilities		(1,853)	(1,857)	(3)	(6)
		(20,768)	(23,525)	(28)	(36)
Non-current liabilities					
Long-term borrowings		(50,997)	(52,116)	(6,701)	(9,214)
Amounts due to subsidiaries		–	–	(7,023)	(7,050)
Derivative financial instruments		(635)	(689)	(5)	–
Deferred income tax liabilities		(4,889)	(4,983)	–	–
Defined benefit retirement schemes liability		(95)	(87)	–	–
Carrier licence fee liabilities		(3,086)	(3,341)	–	–
Contract liabilities		(980)	(927)	–	–
Lease liabilities		(1,036)	(1,068)	–	–
Other long-term liabilities		(2,376)	(2,567)	–	–
		(64,094)	(65,778)	(13,729)	(16,264)
Net assets		9,701	6,673	31,224	30,466
CAPITAL AND RESERVES					
Share capital	10	12,954	12,954	12,954	12,954
Reserves		(10,473)	(12,968)	18,270	17,512
Equity attributable to equity holders of the Company		2,481	(14)	31,224	30,466
Perpetual capital securities		5,886	5,885	–	–
Non-controlling interests		1,334	802	–	–
Total equity		9,701	6,673	31,224	30,466

* The notes referenced above pertain solely to the consolidated statement of financial position. The above Company statement of financial position as at 30 June 2024 and 31 December 2023 is presented only as additional information to this unaudited condensed consolidated interim financial information.

The notes on pages 28 to 43 form an integral part of this unaudited condensed consolidated interim financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

In HK\$ million

2023
(Unaudited)

	Attributable to equity holders of the Company										Perpetual capital securities	Non-controlling interests	Total equity
	Share capital	Treasury stock	Employee share-based compensation reserve	Currency translation reserve	Hedging reserve	Costs of hedging reserve	Financial assets at FVOCI ¹ reserve	Other reserves	Accumulated losses	Total			
	As at 1 January 2023	12,954	(9)	56	(141)	155	(60)	(60)	(82)	(7,259)			
Total comprehensive income/(loss) for the period Profit/(Loss) for the period	-	-	-	-	-	-	-	-	(486)	(486)	118	880	512
Other comprehensive (loss)/income													
Items that will not be reclassified subsequently to consolidated income statement:													
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	12	-	-	12	-	-	12
Transfer of loss on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	48	-	(48)	-	-	-	-
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	-	-	-	4	-	-	-	-	-	4	-	-	4
- exchange differences on translating foreign operations of associates and joint ventures	-	-	-	(7)	-	-	-	-	-	(7)	-	(1)	(8)
Cash flow hedges:													
- effective portion of changes in fair value	-	-	-	-	9	-	-	-	-	9	-	9	18
- transfer from equity to consolidated income statement	-	-	-	-	(96)	4	-	-	-	(92)	-	(85)	(177)
Costs of hedging	-	-	-	-	-	(18)	-	-	-	(18)	-	(15)	(33)
Other comprehensive (loss)/income for the period	-	-	-	(3)	(87)	(14)	60	-	(48)	(92)	-	(92)	(184)
Total comprehensive income/(loss) for the period	-	-	-	(3)	(87)	(14)	60	-	(534)	(578)	118	788	328
Transactions with equity holders													
Purchases of shares of PCCW Limited ("PCCW Shares") under share award scheme	-	(6)	-	-	-	-	-	-	-	(6)	-	(1)	(7)
Purchases of share stapled units of HKT Trust and HKT Limited ("Share Stapled Units") under share award schemes	-	-	-	-	-	-	-	-	(5)	(5)	-	(1)	(6)
Employee share-based compensation	-	-	16	-	-	-	-	-	-	16	-	6	22
Vesting of PCCW Shares and Share Stapled Units under share award schemes	-	9	(31)	-	-	-	-	-	22	-	-	-	-
Distribution/Dividend for PCCW Shares and Share Stapled Units granted under share award schemes	-	-	(3)	-	-	-	-	-	-	(3)	-	-	(3)
Dividend paid in respect of previous year (note 6(b))	-	-	-	-	-	-	-	-	(2,201)	(2,201)	-	-	(2,201)
Distribution/Dividends declared and paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,565)	(1,565)
Distributions paid to holders of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	(118)	-	(118)
Total contributions by and distributions to equity holders	-	3	(18)	-	-	-	-	-	(2,184)	(2,199)	(118)	(1,561)	(3,878)
Change in interests in subsidiaries that does not result in a loss of control (note 16(a))	-	-	-	-	-	-	-	-	1,026	1,026	-	540	1,566
Total transactions with equity holders	-	3	(18)	-	-	-	-	-	(1,158)	(1,173)	(118)	(1,021)	(2,312)
As at 30 June 2023	12,954	(6)	38	(144)	68	(74)	-	(82)	(8,951)	3,803	5,886	1,092	10,781

Note:

¹ "FVOCI" refers to fair value through other comprehensive income

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2024

	2024 (Unaudited)											Perpetual capital securities	Non- controlling interests	Total equity
	Attributable to equity holders of the Company										Total			
	Share capital	Treasury stock	Employee share-based compensation reserve	Currency translation reserve	Hedging reserve	Costs of hedging reserve	Financial assets at FVOCI reserve	Other reserves	Accumulated losses					
As at 1 January 2024	12,954	(10)	54	(146)	(22)	(75)	(219)	(82)	(9,973)	2,481	5,886	1,334	9,701	
Total comprehensive income/(loss) for the period														
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	(462)	(462)	117	696	351	
Other comprehensive (loss)/income														
Items that will not be reclassified subsequently to consolidated income statement:														
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	3	-	-	3	-	(4)	(1)	
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	-	-	-	(42)	-	-	-	-	-	(42)	-	(27)	(69)	
- exchange differences on translating foreign operations of associates and joint ventures	-	-	-	(172)	-	-	-	-	-	(172)	-	(1)	(173)	
Cash flow hedges:														
- effective portion of changes in fair value	-	-	-	-	(68)	-	-	-	-	(68)	-	(59)	(127)	
- transfer from equity to consolidated income statement	-	-	-	-	26	3	-	-	-	29	-	27	56	
Costs of hedging	-	-	-	-	-	30	-	-	-	30	-	27	57	
Other comprehensive (loss)/income for the period	-	-	-	(214)	(42)	33	3	-	-	(220)	-	(37)	(257)	
Total comprehensive income/(loss) for the period	-	-	-	(214)	(42)	33	3	-	(462)	(682)	117	659	94	
Transactions with equity holders														
Employee share-based compensation	-	-	19	-	-	-	-	-	-	19	-	6	25	
Vesting of PCCW Shares and Share Stapled Units under share award schemes	-	7	(27)	-	-	-	-	-	20	-	-	-	-	
Distribution/Dividend for PCCW Shares and Share Stapled Units granted under share award schemes	-	-	(5)	-	-	-	-	-	-	(5)	-	-	(5)	
Dividend paid in respect of previous year (note 6(b))	-	-	-	-	-	-	-	-	(2,202)	(2,202)	-	-	(2,202)	
Distribution/Dividends declared and paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,603)	(1,603)	
Distributions paid to holders of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	(118)	-	(118)	
Total contributions by and distributions to equity holders	-	7	(13)	-	-	-	-	-	(2,182)	(2,188)	(118)	(1,597)	(3,903)	
Change in interests in subsidiaries that does not result in a loss of control (note 16(a))	-	-	-	-	-	-	-	-	375	375	-	406	781	
Total transactions with equity holders	-	7	(13)	-	-	-	-	-	(1,807)	(1,813)	(118)	(1,191)	(3,122)	
As at 30 June 2024	12,954	(3)	41	(360)	(64)	(42)	(216)	(82)	(12,242)	(14)	5,885	802	6,673	

The notes on pages 28 to 43 form an integral part of this unaudited condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

In HK\$ million	2023 (Unaudited)	2024 (Unaudited)
Net cash generated from operating activities	5,046	4,411
Investing activities		
Investment in an associate	(137)	(88)
Investment in a joint venture	(30)	–
Other investing activities	(2,426)	(3,784)
Net cash used in investing activities	(2,593)	(3,872)
Financing activities		
New borrowings raised	20,523	18,916
Proceeds from partial disposal of interests in subsidiaries that does not result in a loss of control	1,566	781
Other financing activities (including repayments of borrowings)	(25,061)	(20,896)
Net cash used in financing activities	(2,972)	(1,199)
Net decrease in cash and cash equivalents	(519)	(660)
Exchange differences	(6)	(11)
Cash and cash equivalents as at 1 January	3,009	2,627
Cash and cash equivalents as at 30 June	2,484	1,956
Analysis of cash and cash equivalents:		
Total cash and bank balances	2,938	2,304
Less: restricted cash	(375)	(161)
Less: short-term deposits	(79)	(187)
Cash and cash equivalents as at 30 June	2,484	1,956

The notes on pages 28 to 43 form an integral part of this unaudited condensed consolidated interim financial information.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

1 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information of PCCW Limited (the “Company”) and its subsidiaries (collectively the “Group”) 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 consolidated interim financial information should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

This unaudited condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated. This unaudited condensed consolidated interim financial information was approved for issue on 26 July 2024.

The unaudited condensed consolidated 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 consolidated interim financial information as comparative information does not constitute the Company’s statutory annual consolidated 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 has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).
- The Company’s auditor has reported on those financial statements of the Group. 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 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 Group’s 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 this unaudited condensed consolidated interim financial information are consistent with those followed in preparing the Group’s 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 (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 Group's reported results and financial position for the current and prior accounting periods.

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

The Group has not early adopted any new or amended HKFRSs, HKASs and Interpretations that are not yet effective for the current accounting period.

As at 30 June 2024, the current liabilities of the Group exceeded its current assets by HK\$9,315 million. After considering the Group's ability to generate net operating cash inflows and raise additional debt financing, and the undrawn banking facilities available as at 30 June 2024, management considers the Group is able to meet its liabilities as and when they fall due within the next 12-month period. Accordingly, this unaudited condensed consolidated interim financial information has been prepared on a going concern basis.

2 SEGMENT INFORMATION

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

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

- HKT Limited ("HKT") is Hong Kong's premier telecommunications service provider. The principal activities of HKT and its subsidiaries are the provision of technology and telecommunications and related services including enterprise solutions, mobile, total home solutions, media entertainment, and other new businesses such as loyalty platform, financial and healthtech services. It operates primarily in Hong Kong, and also serves customers in mainland China and other parts of the world.
- Media Business offers over-the-top ("OTT") digital media entertainment services in Hong Kong, the Asia Pacific region, and other parts of the world, in addition to domestic free television service in Hong Kong. It is also engaged in content production, artiste management, and event business.
- Other Businesses of the Group ("Other Businesses") primarily comprise remaining solutions business following the discontinuation of IT solutions business during the year ended 31 December 2022, and 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 Group's share of results of associates and joint ventures.

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

2 SEGMENT INFORMATION (CONTINUED)

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

In HK\$ million	Six months ended 30 June 2023 (Unaudited)				
	HKT	Media Business	Other Businesses	Eliminations	Consolidated
REVENUE					
External revenue	15,335	1,146	369	–	16,850
Inter-segment revenue	1,065	215	–	(1,280)	–
Total revenue	16,400	1,361	369	(1,280)	16,850
External revenue from contracts with customers:					
Timing of revenue recognition					
At a point in time	2,503	272	–	–	2,775
Over time	12,791	874	367	–	14,032
External revenue from other sources:					
Rental income	41	–	2	–	43
	15,335	1,146	369	–	16,850
RESULTS					
EBITDA	6,009	248	(294)	(332)	5,631

In HK\$ million	Six months ended 30 June 2024 (Unaudited)				
	HKT	Media Business	Other Businesses	Eliminations	Consolidated
REVENUE					
External revenue	16,000	1,325	373	–	17,698
Inter-segment revenue	669	244	–	(913)	–
Total revenue	16,669	1,569	373	(913)	17,698
External revenue from contracts with customers:					
Timing of revenue recognition					
At a point in time	3,259	297	–	–	3,556
Over time	12,706	1,028	371	–	14,105
External revenue from other sources:					
Rental income	35	–	2	–	37
	16,000	1,325	373	–	17,698
RESULTS					
EBITDA	6,168	320	(309)	(507)	5,672

2 SEGMENT INFORMATION (CONTINUED)

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

In HK\$ million	Six months ended 30 June	
	2023 (Unaudited)	2024 (Unaudited)
Total segment EBITDA	5,631	5,672
Gains on disposal of property, plant and equipment and right-of-use assets, net	–	10
Depreciation and amortisation	(3,807)	(3,684)
Other gains, net	218	184
Interest income	87	68
Finance costs	(1,153)	(1,390)
Share of results of associates and joint ventures	(102)	(183)
Profit before income tax	874	677

3 OTHER GAINS, NET

In HK\$ million	Six months ended 30 June	
	2023 (Unaudited)	2024 (Unaudited)
Fair value movement of financial assets at FVPL ¹	187	143
Fair value movement of derivative financial instruments	(13)	7
Others	44	34
	218	184

Note:

¹ “FVPL” refers to fair value through profit or loss

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	2,553	3,163
Cost of sales, excluding inventories sold	5,739	5,776
Impairment loss for trade receivables	106	159
Depreciation of property, plant and equipment	621	555
Depreciation of right-of-use assets	687	712
Amortisation of land lease premium – interests in leasehold land	9	8
Amortisation of intangible assets	1,655	1,576
Amortisation of fulfilment costs	215	233
Amortisation of customer acquisition costs	620	600
Finance costs on borrowings	1,098	1,292

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	212	157
Overseas tax	21	43
Movement of deferred income tax	129	126
	362	326

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.

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 Group is 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 Group operates, 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 Group has 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 Group is 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 Group has 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 Group has no related current tax exposures under the Pillar Two legislation as of the reporting date.

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

6 DIVIDENDS

a. Dividend attributable to the interim period

In HK\$ million	Six months ended 30 June	
	2023 (Unaudited)	2024 (Unaudited)
Interim dividend declared after the end of the interim period of 9.77 HK cents (2023: 9.77 HK cents) per ordinary share	756	756

At the meeting held on 26 July 2024, the board of directors of the Company (the “Board”) declared an interim dividend of 9.77 HK cents per ordinary share for the year ending 31 December 2024. This interim dividend is not recognised as a liability in this unaudited condensed consolidated interim financial information.

b. Dividend approved and paid during the interim period

In HK\$ million	Six months ended 30 June	
	2023 (Unaudited)	2024 (Unaudited)
Final dividend declared in respect of the previous financial year, approved and paid during the interim period of 28.48 HK cents (2023: 28.48 HK cents) per ordinary share	2,204	2,204
Less: dividend for PCCW Shares held by share award schemes	(3)	(2)
	2,201	2,202

7 LOSS PER SHARE

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

	Six months ended 30 June	
	2023 (Unaudited)	2024 (Unaudited)
Loss (in HK\$ million)		
Loss for the purpose of basic and diluted loss per share	(486)	(462)
Number of shares		
Weighted average number of ordinary shares	7,739,638,249	7,739,638,249
Effect of PCCW Shares held under the Company’s share award schemes	(13,060,754)	(9,491,004)
Weighted average number of ordinary shares for the purpose of basic loss per share	7,726,577,495	7,730,147,245
Effect of PCCW Shares awarded under the Company’s share award schemes	—*	—*
Weighted average number of ordinary shares for the purpose of diluted loss per share	7,726,577,495	7,730,147,245

* The effect of PCCW Shares awarded under the Company’s share award schemes would result in anti-dilutive effect on loss per share during the six months ended 30 June 2023 and 2024.

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	2,525	2,372
31 – 60 days	652	349
61 – 90 days	231	425
91 – 120 days	191	73
Over 120 days	868	731
	4,467	3,950
Less: loss allowance	(332)	(379)
Trade receivables, net	4,135	3,571

As at 30 June 2024, included in trade receivables, net were amounts due from related parties of HK\$100 million (as at 31 December 2023: HK\$112 million).

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

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	3,201	3,078
31 – 60 days	1,207	901
61 – 90 days	861	627
91 – 120 days	375	664
Over 120 days	653	1,116
	6,297	6,386

As at 30 June 2024, included in trade payables were amounts due to related parties of HK\$344 million (as at 31 December 2023: HK\$197 million).

10 SHARE CAPITAL

	Six months ended 30 June			
	2023		2024	
	Number of PCCW Shares (Unaudited)	Share capital (Unaudited) HK\$ million	Number of PCCW Shares (Unaudited)	Share capital (Unaudited) HK\$ million
Ordinary shares of no par value, issued and fully paid:				
As at 1 January and 30 June	7,739,638,249	12,954	7,739,638,249	12,954

- a. The Company had total distributable reserves of HK\$17,495 million as at 30 June 2024 (as at 31 December 2023: HK\$18,250 million).

11 SHARE AWARD SCHEMES OF THE COMPANY AND SHARE STAPLED UNIT AWARD SCHEMES OF HKT TRUST AND HKT

Pursuant to the share incentive award schemes of the Company, 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 HKT Trust and HKT, 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”), the Company and HKT Trust and HKT have awarded a number of PCCW Shares and Share Stapled Units to selected participants (including any director or employee of the Company and its participating companies for the PCCW Share Award Schemes, and any director or employee of HKT 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 and Share Stapled Units held under the PCCW Share Award Schemes and 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	14,322,224	6,612,393
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	1,673,000	579,000
PCCW Shares/Share Stapled Units vested	(5,859,101)	(2,157,743)
As at 30 June 2023	10,136,123	5,033,650
	Six months ended 30 June 2024	
	Number of PCCW Shares (Unaudited)	Number of Share Stapled Units (Unaudited)
As at 1 January 2024	11,547,123	5,690,650
PCCW Shares/Share Stapled Units vested	(5,849,146)	(1,884,774)
As at 30 June 2024	5,697,977	3,805,876

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\$3.94 (2023: HK\$4.01) per PCCW Share and HK\$8.81 (2023: HK\$10.06) 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	1,883	1,736

Included in the capital commitments were commitments of HK\$1,634 million and HK\$1,483 million for the acquisition of property, plant and equipment as at 31 December 2023 and 30 June 2024 respectively.

Additions of property, plant and equipment were HK\$1,141 million and HK\$1,142 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	946	719
Operating expenditure commitments	506	44
	1,452	763

13 CONTINGENT LIABILITIES

In HK\$ million	As at	
	31 December 2023 (Audited)	30 June 2024 (Unaudited)
Performance guarantees	1,384	1,179
Others	41	24
	1,425	1,203

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

As at 30 June 2024, the Group had given a partial guarantee to a bank in respect of a credit facility granted to an associate of the Group amounting to HK\$780 million (as at 31 December 2023: same), of which HK\$570 million (as at 31 December 2023: HK\$470 million) had been utilised by the associate. The Group's share of guarantee for the utilised amount was approximately HK\$171 million (as at 31 December 2023: HK\$141 million) determined based on the percentage of interest held by the Group in the associate. The guarantee amount is expected to increase up to approximately HK\$235 million if the credit facility is fully utilised.

14 RELATED PARTY TRANSACTIONS

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

In HK\$ million	Note	Six months ended 30 June	
		2023 (Unaudited)	2024 (Unaudited)
Telecommunications service fees, IT development and support service charges, contact centre service charges, hotline services fees, consultancy service charges, interest income and other cost recharge received or receivable from joint ventures	a	25	24
Telecommunications service fees, connectivity service fees, interest income, contact centre service charges, equipment sales, customer acquisition service fees, consultancy service charges, advertising fees, insurance premium, transitional service fees, management fee, travel agency service fees, licence fees and other costs recharge received or receivable from associates	a	64	59
Telecommunications service fees, data centre service fees and contact centre service charges received or receivable from a substantial shareholder	a	94	84
Telecommunications service fees, outsourcing fees, rental charges and interest expense paid or payable to joint ventures	a	144	147
IT charges, logistic charges, other contractor service fees, transitional service fees, rental charges and licence fees paid or payable to associates	a	676	681
Telecommunications service fees and data centre service fees paid or payable to a substantial shareholder	a	80	82
Telecommunications service fees, data centre service fees, connectivity service fees, equipment sales, insurance premium, insurance agency service charges, advertising fees, interest income and other costs recharge received or receivable from related parties under a common shareholder with the Company	a	81	77
Insurance premium paid or payable to related parties under a common shareholder with the Company	a	125	88
Purchase of guaranteed notes issued by an associate	c	13	–
Key management compensation	b	53	54

a. The above transactions were carried out after negotiations between the Group 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	45	44
Share-based compensation	7	9
Post-employment benefits	1	1
	53	54

c. The guaranteed notes were purchased at quoted market price from open market.

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 Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities. Exposure to these risks is controlled by the Group's financial management policies and practices.

This unaudited condensed consolidated interim financial information does not include all financial risk management information and disclosures as required in the Group's annual consolidated financial statements. It should be read in conjunction with the Group's 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 Group 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.

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

In HK\$ million	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at FVOCI (non-current)				
– Listed securities	89	–	–	89
– Unlisted securities	–	–	130	130
Financial assets at FVPL (non-current)				
– Listed securities	21	–	–	21
– Unlisted securities	–	–	3,029	3,029
Derivative financial instruments (non-current)	–	29	–	29
Total assets	110	29	3,159	3,298
Liabilities				
Derivative financial instruments (current)	–	(151)	–	(151)
Derivative financial instruments (non-current)	–	(635)	–	(635)
Total liabilities	–	(786)	–	(786)

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

In HK\$ million

	As at 30 June 2024 (Unaudited)			Total
	Level 1	Level 2	Level 3	
Assets				
Financial assets at FVOCI (non-current)				
– Listed securities	98	–	–	98
– Unlisted securities	–	–	121	121
Financial assets at FVPL (non-current)				
– Listed securities	155	–	–	155
– Unlisted securities	–	–	3,028	3,028
Derivative financial instruments (non-current)	–	27	–	27
Derivative financial instruments (current)	–	7	–	7
Total assets	253	34	3,149	3,436
Liabilities				
Derivative financial instruments (current)	–	(40)	–	(40)
Derivative financial instruments (non-current)	–	(689)	–	(689)
Total liabilities	–	(729)	–	(729)

Instruments included in level 1 comprised investments in listed instruments classified as financial assets at FVOCI or financial assets at FVPL.

Instruments included in level 2 comprised mainly cross currency swap contracts, interest rate swap contracts and foreign exchange forward contracts classified as derivative financial instruments.

Instruments included in level 3 comprised investments in unlisted instruments classified as financial assets at FVOCI or financial assets at FVPL.

Specific valuation techniques used to value financial instruments include:

- 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.

Investments in unlisted investment funds that are not traded in an active market are valued based on information derived from individual fund reports, or audited reports received from respective fund managers and adjusted by other relevant factors if deemed necessary. For other investments in unlisted instruments, the Group establishes 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.

15 FINANCIAL INSTRUMENTS (CONTINUED)

b. Estimation of fair values (continued)

The key assumptions adopted in the valuation models include market multiples and discount rates which are based on historical patterns and industry trends of comparable companies. The fair values of these level 3 instruments may differ significantly if there are material changes to the underlying assumptions applied in the relevant fair valuation models.

The main level 3 input used by the Group for the valuations of unlisted investments included in level 3 instruments pertains to the use of recent arm's length transactions, reference to portfolio statements, and reference to other listed instruments that are substantially the same.

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.

The following tables present the changes in level 3 assets:

In HK\$ million	Six months ended 30 June 2023 (Unaudited)	
	Financial assets at FVOCI – unlisted securities	Financial assets at FVPL – unlisted securities
As at 1 January	147	2,785
Additions	–	396
Fair value movement recognised in other gains, net	–	187
Disposals	–	(17)
As at 30 June	147	3,351

In HK\$ million	Six months ended 30 June 2024 (Unaudited)	
	Financial assets at FVOCI – unlisted securities	Financial assets at FVPL – unlisted securities
As at 1 January	130	3,029
Additions	–	5
Fair value movement recognised in financial assets at FVOCI reserve	(9)	–
Fair value movement recognised in other gains, net	–	9
Disposals	–	(15)
As at 30 June	121	3,028

15 FINANCIAL INSTRUMENTS (CONTINUED)

c. Group's valuation process

The Group performs and monitors 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 (Audited)		30 June 2024 (Unaudited)	
	Carrying amount	Fair value	Carrying amount	Fair value
Other financial assets	1,369	1,113	1,370	1,230
Short-term borrowings	1,049	1,049	3,951	3,900
Long-term borrowings	50,997	49,610	52,116	50,754

The fair values of other financial assets and 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

- a.** On 21 June 2023, the Company's wholly-owned subsidiary, PCCW Media Holdings Limited, and Viu International Limited ("Viu", a then wholly-owned subsidiary of PCCW Media Holdings Limited), entered into a share subscription agreement with an independent third party (the "Partner A"), for subscription of ordinary shares of Viu by Partner A. During the six months ended 30 June 2024, the Company's economic interest in Viu further decreased from approximately 72.7% to approximately 63.2%, resulting in an increase in non-controlling interests attributable to Viu of HK\$406 million during the six months ended 30 June 2024.
- b.** On 26 June 2024, the Company's indirect non-wholly owned subsidiary, Apex Link Communications Holdings Limited (the "Seller") entered into a share purchase agreement with an independent third party (the "Partner B"), pursuant to which Partner B shall purchase (i) 40% interest in Fiber Link Global Limited (the "Passive Netco"), an indirect non-wholly owned subsidiary of the Company which would engage in the provision of copper and fibre connection access services in Hong Kong and the Greater Bay Area and operating, maintaining and extending the passive components of copper and fibre access networks and providing related services; and (ii) a receivable in the amount of HK\$344 million owing from Passive Netco to the Seller, for an aggregate consideration of US\$870 million (the "Transaction"). As at 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 Group; (ii) the Passive Netco will remain as an indirect subsidiary of the Company; and (iii) the total consideration received from the Partner B 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 Group.

GENERAL INFORMATION

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

As at 30 June 2024, the directors and chief executives of the Company and their respective close associates had the following interests or short positions in the shares, share stapled units jointly issued by HKT Trust and HKT Limited (the "Share Stapled Units"), underlying shares, underlying Share Stapled Units 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 required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company 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 the Company

The table below sets out the aggregate long positions in the shares of the Company (the "Shares") held by the directors and chief executives of the Company:

Name of Director/Chief Executive	Personal interests	Number of ordinary Shares held			Total	Approximate percentage of the total number of Shares in issue
		Family interests	Corporate interests	Other interests		
Li Tzar Kai, Richard	–	–	535,291,134 <i>(Note 1(a))</i>	1,928,842,224 <i>(Note 1(b))</i>	2,464,133,358	31.84%
Hui Hon Hing, Susanna	8,222,583	–	–	4,863,598 <i>(Note 2)</i>	13,086,181	0.17%
Tse Sze Wing, Edmund	–	367,479 <i>(Note 3)</i>	–	–	367,479	0.005%

Notes:

- Of these Shares, Pacific Century Diversified Limited ("PCD"), a wholly-owned subsidiary of Chiltonlink Limited ("Chiltonlink"), held 342,475,956 Shares, Eisner Investments Limited ("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 Chiltonlink, Eisner and Excel Global.
 - These interests represented:
 - a deemed interest in 175,312,270 Shares 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 175,312,270 Shares held by PCGH; and
 - a deemed interest in 1,753,529,954 Shares 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 1,753,529,954 Shares 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 Holdings Limited ("Hopestar"), a company wholly-owned by Li Tzar Kai, Richard.
- These interests represented awards made to Hui Hon Hing, Susanna, which were subject to certain vesting conditions pursuant to the award schemes of the Company, the details of which are set out in the section below headed "**Share Schemes of the Company and its Subsidiaries**".
- These Shares were held by the spouse of Tse Sze Wing, Edmund.

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

2. Interests in Associated Corporations of the Company

A. HKT Trust and HKT Limited

The table below sets out the aggregate long positions in the Share Stapled Units held by the directors and chief executives of the Company:

Name of Director/Chief Executive	Number of Share Stapled Units held				Total	Approximate percentage of the total number of Share Stapled Units in issue
	Personal interests	Family interests	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%
Tse Sze Wing, Edmund	–	246,028 <i>(Note 3)</i>	–	–	246,028	0.003%

Each Share Stapled Unit confers an interest in:

- (a) one voting ordinary share of HK\$0.0005 in HKT Limited (“HKT”); and
- (b) one voting preference share of HK\$0.0005 in HKT,

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 HKT Management Limited (in its capacity as the trustee-manager of the HKT Trust) (the “Trustee-Manager”) and HKT (as supplemented, amended or substituted from time to time) and the articles of association of HKT (as amended and restated from time to time), the number of ordinary shares and preference shares of HKT 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:

1. (a) Of these Share Stapled Units, PCD held 20,227,614 Share Stapled Units, Eisner held 46,020,000 Share Stapled Units, and Hopestar held 1,408,350 Share Stapled Units.
- (b) These interests represented:
 - (i) a deemed interest in 130,511,730 Share Stapled Units held by PCGH. 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 PCRD. Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 22,290,551 Share Stapled Units held by PCRD.
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 the Company, and HKT Trust and HKT, the details of which are set out in the section below headed “Share Schemes of the Company and its Subsidiaries”.
3. These Share Stapled Units were held by the spouse of Tse Sze Wing, Edmund.

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

2. Interests in Associated Corporations of the Company (continued)

B. Pacific Century Premium Developments Limited ("PCPD")

The table below sets out the aggregate long positions in the shares of PCPD (the "PCPD Shares") held by the directors and chief executives of the Company:

Name of Director/Chief Executive	Personal interests	Number of ordinary PCPD Shares held			Total	Approximate percentage of the total number of PCPD shares in issue
		Family interests	Corporate interests	Other interests		
Li Tzar Kai, Richard	–	–	207,267,814 (Note 1(a))	402,164,972 (Note 1(b))	609,432,786	29.90%
Tse Sze Wing, Edmund	–	59,531 (Note 2)	–	–	59,531	0.003%

Notes:

- Of these PCPD Shares, PCD held 181,520,587 shares and Eisner held 25,747,227 shares.
 - These interests represented:
 - a deemed interest in 118,093,122 PCPD Shares held by PCGH. Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 118,093,122 PCPD Shares held by PCGH; and
 - a deemed interest in 284,071,850 PCPD Shares held by PCRD. Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 284,071,850 PCPD Shares held by PCRD.
- These PCPD Shares were held by the spouse of Tse Sze Wing, Edmund.

C. PCPD Capital Limited

The table below sets out the aggregate long positions in the 5.125% bonds due 2026 (the "2026 Bonds") issued by PCPD Capital Limited, an associated corporation of the Company, held by a director and chief executive of the Company:

Name of Director/Chief Executive	Principal amount of the 2026 Bonds held (US\$)				Total
	Personal interests	Family interests	Corporate interests	Other interests	
Li Tzar Kai, Richard	–	–	21,717,000 (Note)	–	21,717,000

Note:

These 2026 Bonds were held by Hertford Ventures Limited, a wholly-owned subsidiary of Ace Holdings Management Limited ("Ace Holdings"). Li Tzar Kai, Richard owned 100% of the issued share capital of Ace Holdings.

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

SHARE SCHEMES OF THE COMPANY AND ITS SUBSIDIARIES

1. The Company

A. Share Option Scheme

Pursuant to the resolutions passed by the shareholders of the Company at the annual general meeting held on 30 May 2024 (“2024 AGM”), following the expiration of the share option scheme adopted by the Company on 8 May 2014 (“2014 Scheme”), a new share option scheme (“2024 Scheme”) was adopted.

No share options have been granted under the 2014 Scheme and the 2024 Scheme since their adoption and up to and including 30 June 2024.

B. Share Award Schemes

The Company currently has the following share award schemes:

- PCCW Purchase Scheme and PCCW Subscription Scheme both adopted on 15 November 2012, the extension of the duration of which for a further period of 10 years commencing from 15 November 2022 was approved by the Company on 12 August 2022 (collectively the “2012 Share Award Schemes”); and
- PCCW Limited 2024 Share Award Scheme adopted on 30 May 2024 (“2024 Share Award Scheme”).

The 2012 Share 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 2012 Share Award Schemes after the 2024 AGM.

SHARE SCHEMES OF THE COMPANY AND ITS SUBSIDIARIES (CONTINUED)

1. The Company (continued)

B. Share Award Schemes (continued)

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

(i) 2012 Share Award Schemes

Name or category of participants	Date of grant	Vesting period	Fair value at the date of grant ^(a) HK\$	Unvested as at 1 January 2024	Number of Share awards			Unvested as at 30 June 2024
					Granted during the period ^(b)	Lapsed/ Forfeited during the period	Vested during the period	
(I) PCCW Purchase Scheme (Shares)								
Director/Chief Executive								
Hui Hon Hing, Susanna	19 April 2022	19 April 2022 to 19 April 2024	4.52	905,436	–	–	(905,436) ^(d)	–
	20 September 2022	20 September 2022 to 19 April 2024	3.85	79,502	–	–	(79,502) ^(d)	–
	4 August 2023	4 August 2023 to 4 August 2024	3.92	1,123,823	–	–	–	1,123,823
	4 August 2023	4 August 2023 to 4 August 2025	3.92	1,123,822	–	–	–	1,123,822
Service Providers								
In aggregate	19 April 2022	19 April 2022 to 19 April 2024	4.52	500,448	–	–	(500,448) ^(d)	–
	30 May 2023	30 May 2023 to 30 May 2024	4.02	424,783	–	–	(424,783) ^(d)	–
	30 May 2023	30 May 2023 to 30 May 2025	4.02	424,762	–	–	–	424,762
	23 June 2023	23 June 2023 to 23 June 2024	3.85	71,865	–	–	(71,865) ^(d)	–
	23 June 2023	23 June 2023 to 23 June 2025	3.85	71,865	–	–	–	71,865
	30 May 2024	30 May 2024 to 30 May 2025	4.19	–	740,362 ^(d)	–	–	740,362
	30 May 2024	30 May 2024 to 30 May 2026	4.19	–	740,347 ^(d)	–	–	740,347
Other Grantees								
In aggregate	19 April 2022	19 April 2022 to 19 April 2024	4.52	581,194	–	–	(581,194) ^(d)	–
	1 September 2022	1 September 2022 to 19 April 2024	3.86	101,124	–	–	(101,124) ^(d)	–
	19 April 2023	19 April 2023 to 19 April 2024	4.01	13,422	–	–	(13,422) ^(d)	–
	19 April 2023	19 April 2023 to 19 April 2025	4.01	13,417	–	–	–	13,417
	30 May 2023	30 May 2023 to 30 May 2024	4.02	245,914	–	–	(245,914) ^(d)	–
	30 May 2023	30 May 2023 to 30 May 2025	4.02	657,142	–	–	–	657,142
	1 June 2023	1 June 2023 to 1 June 2024	3.97	4,301	–	–	(4,301) ^(d)	–
	1 June 2023	1 June 2023 to 1 June 2025	3.97	4,298	–	–	–	4,298
	23 June 2023	23 June 2023 to 23 June 2024	3.85	22,379	–	–	(22,379) ^(d)	–
	23 June 2023	23 June 2023 to 23 June 2025	3.85	22,378	–	–	–	22,378
	19 April 2024	19 April 2024 to 19 April 2025	3.85	–	16,404 ^(c)	–	–	16,404
	19 April 2024	19 April 2024 to 19 April 2026	3.85	–	16,401 ^(c)	–	–	16,401
	30 May 2024	30 May 2024 to 30 May 2025	4.19	–	293,103 ^(d)	–	–	293,103
	30 May 2024	30 May 2024 to 30 May 2026	4.19	–	653,411 ^(d)	–	–	653,411
Total				6,391,875	2,460,028	–	(2,950,368)	5,901,535

SHARE SCHEMES OF THE COMPANY AND ITS SUBSIDIARIES (CONTINUED)

1. The Company (continued)

B. Share Award Schemes (continued)

(i) 2012 Share Award Schemes (continued)

Name or category of participants	Date of grant	Vesting period	Fair value at the date of grant ^(a) HK\$	Unvested as at 1 January 2024	Number of Share Stapled Unit awards			
					Granted during the period ^(b)	Lapsed/ Forfeited during the period	Vested during the period	Unvested as at 30 June 2024
(II) PCCW Purchase Scheme (Share Stapled Units)								
Director/Chief Executive								
Hui Hon Hing, Susanna	19 April 2022	19 April 2022 to 19 April 2024	10.86	216,420	–	–	(216,420) ^(h)	–
	20 September 2022	20 September 2022 to 19 April 2024	10.22	32,667	–	–	(32,667) ^(h)	–
	4 August 2023	4 August 2023 to 4 August 2024	9.10	262,563	–	–	–	262,563
	4 August 2023	4 August 2023 to 4 August 2025	9.10	262,562	–	–	–	262,562
Service Providers								
In aggregate	19 April 2022	19 April 2022 to 19 April 2024	10.86	205,634	–	–	(205,634) ^(h)	–
	30 May 2023	30 May 2023 to 30 May 2024	9.98	162,490	–	–	(162,490) ^(h)	–
	30 May 2023	30 May 2023 to 30 May 2025	9.98	162,469	–	–	–	162,469
	23 June 2023	23 June 2023 to 23 June 2024	9.05	27,488	–	–	(27,488) ^(h)	–
	23 June 2023	23 June 2023 to 23 June 2025	9.05	27,488	–	–	–	27,488
	30 May 2024	30 May 2024 to 30 May 2025	9.20	–	323,714 ^(d)	–	–	323,714
	30 May 2024	30 May 2024 to 30 May 2026	9.20	–	323,694 ^(d)	–	–	323,694
Other Grantees								
In aggregate	16 April 2020	16 April 2020 to 16 April 2024	11.86	38,730	–	–	(38,730) ^(h)	–
	2 July 2021	2 July 2021 to 16 April 2024	10.56	40,369	–	–	(40,369) ^(h)	–
	2 July 2021	2 July 2021 to 16 April 2025	10.56	40,369	–	–	–	40,369
	19 April 2022	19 April 2022 to 19 April 2024	10.86	142,795	–	(1,822)	(140,973) ^(h)	–
	19 April 2022	19 April 2022 to 19 April 2025	10.86	41,413	–	–	–	41,413
	19 April 2022	19 April 2022 to 19 April 2026	10.86	41,412	–	–	–	41,412
	19 April 2023	19 April 2023 to 19 April 2024	10.18	70,203	–	(2,225)	(67,978) ^(h)	–
	19 April 2023	19 April 2023 to 19 April 2025	10.18	70,107	–	(3,513)	–	66,594
	30 May 2023	30 May 2023 to 30 May 2024	9.98	93,356	–	–	(93,356) ^(h)	–
	30 May 2023	30 May 2023 to 30 May 2025	9.98	93,354	–	–	–	93,354
	30 May 2023	30 May 2023 to 30 May 2026	9.98	42,674	–	–	–	42,674
	30 May 2023	30 May 2023 to 30 May 2027	9.98	42,673	–	–	–	42,673
	23 June 2023	23 June 2023 to 23 June 2024	9.05	10,125	–	–	(10,125) ^(h)	–
	23 June 2023	23 June 2023 to 23 June 2025	9.05	10,120	–	–	–	10,120
	19 April 2024	19 April 2024 to 19 April 2025	8.68	–	99,651 ^(e)	(1,397)	–	98,254
	19 April 2024	19 April 2024 to 19 April 2026	8.68	–	99,533 ^(e)	(1,395)	–	98,138
	30 May 2024	30 May 2024 to 30 May 2025	9.20	–	156,752 ^(f)	–	–	156,752
	30 May 2024	30 May 2024 to 30 May 2026	9.20	–	156,749 ^(f)	–	–	156,749
	30 May 2024	30 May 2024 to 30 May 2027	9.20	–	50,281 ^(g)	–	–	50,281
	30 May 2024	30 May 2024 to 30 May 2028	9.20	–	50,279 ^(g)	–	–	50,279
Total				2,137,481	1,260,653	(10,352)	(1,036,230)	2,351,552

SHARE SCHEMES OF THE COMPANY AND ITS SUBSIDIARIES (CONTINUED)

1. The Company (continued)

B. Share Award Schemes (continued)

(i) 2012 Share Award Schemes (continued)

Name or category of participants	Date of grant	Vesting period	Fair value at the date of grant ^(a) HK\$	Unvested as at 1 January 2024	Number of Share awards			Unvested as at 30 June 2024
					Granted during the period ^(b)	Lapsed/ Forfeited during the period	Vested during the period	
(III) PCCW Subscription Scheme (Shares)								
Employee Participants								
In aggregate	16 April 2020	16 April 2020 to 16 April 2024	4.64	100,786	–	–	(100,786) ^(e)	–
	2 July 2021	2 July 2021 to 16 April 2024	4.09	100,336	–	–	(100,336) ^(e)	–
	2 July 2021	2 July 2021 to 16 April 2025	4.09	100,335	–	–	–	100,335
	4 March 2022	4 March 2022 to 16 April 2024	4.34	153,131	–	–	(153,131) ^(e)	–
	19 April 2022	19 April 2022 to 19 April 2024	4.52	1,354,135	–	(24,040)	(1,330,095) ^(e)	–
	19 April 2022	19 April 2022 to 19 April 2025	4.52	100,787	–	–	–	100,787
	19 April 2022	19 April 2022 to 19 April 2026	4.52	100,786	–	–	–	100,786
	15 August 2022	15 August 2022 to 19 April 2024	4.15	5,710	–	–	(5,710) ^(e)	–
	19 April 2023	19 April 2023 to 19 April 2024	4.01	1,261,529	–	(33,115)	(1,228,414) ^(e)	–
	19 April 2023	19 April 2023 to 19 April 2025	4.01	1,260,739	–	(50,460)	–	1,210,279
	30 May 2023	30 May 2023 to 30 May 2024	4.02	620,430	–	–	(620,430) ^(e)	–
	30 May 2023	30 May 2023 to 30 May 2025	4.02	620,422	–	–	(291,045) ^(e, 1)	329,377
	30 May 2023	30 May 2023 to 30 May 2026	4.02	111,568	–	–	–	111,568
	30 May 2023	30 May 2023 to 30 May 2027	4.02	111,565	–	–	–	111,565
	23 June 2023	23 June 2023 to 23 June 2024	3.85	69,770	–	(3,843)	(65,927) ^(e)	–
	23 June 2023	23 June 2023 to 23 June 2025	3.85	69,717	–	(3,515)	–	66,202
	19 April 2024	19 April 2024 to 19 April 2025	3.85	–	1,931,656 ^(c)	(18,973)	–	1,912,683
	19 April 2024	19 April 2024 to 19 April 2026	3.85	–	1,878,011 ^(c)	(18,954)	–	1,859,057
	30 May 2024	30 May 2024 to 30 May 2025	4.19	–	391,406 ^(d)	–	–	391,406
	30 May 2024	30 May 2024 to 30 May 2026	4.19	–	391,392 ^(d)	–	–	391,392
	30 May 2024	30 May 2024 to 30 May 2027	4.19	–	115,000 ^(d)	–	–	115,000
	30 May 2024	30 May 2024 to 30 May 2028	4.19	–	115,000 ^(d)	–	–	115,000
Total				6,141,746	4,822,465	(152,900)	(3,895,874)	6,915,437

SHARE SCHEMES OF THE COMPANY AND ITS SUBSIDIARIES (CONTINUED)

1. The Company (continued)

B. Share Award Schemes (continued)

(i) 2012 Share Award Schemes (continued)

Notes:

- (a) The fair value of the awards granted is measured by the quoted market price of the Shares/Share Stapled Units at the respective dates of grant. A description of the basis for fair value measurement is set out in note 2(ac)(iii) to the 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 "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 Shares immediately before the date on which the awards were granted was HK\$3.85 per Share.
- (d) The closing price of the Shares immediately before the date on which the awards were granted was HK\$4.20 per Share.
- (e) 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.
- (f) 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.
- (g) The weighted average closing price of the Shares immediately before the dates on which the awards vested was HK\$3.93 per Share.
- (h) The weighted average closing price of the Share Stapled Units immediately before the dates on which the awards vested was HK\$8.91 per Share Stapled Unit.
- (i) These 291,045 Share awards were accelerated vesting of awards.

SHARE SCHEMES OF THE COMPANY AND ITS SUBSIDIARIES (CONTINUED)

1. The Company (continued)

B. Share Award Schemes (continued)

(ii) 2024 Share Award Scheme

Name or category of participants	Date of grant	Vesting period	Fair value at the date of grant ^(a) HK\$	Unvested as at 1 January 2024	Number of Share awards			Unvested as at 30 June 2024
					Granted during the period ^(b)	Lapsed/ Forfeited during the period	Vested during the period	
(I) Grants funded by existing Shares								
Director/Chief Executive								
Hui Hon Hing, Susanna	26 June 2024	26 June 2024 to 26 June 2025	3.88	–	1,307,977 ^(c)	–	–	1,307,977
	26 June 2024	26 June 2024 to 26 June 2026	3.88	–	1,307,976 ^(c)	–	–	1,307,976
Total				–	2,615,953	–	–	2,615,953

Notes:

(a) The fair value of the awards granted is measured by the quoted market price of the Shares at the date of grant.

(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 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 Shares immediately before the date on which the awards were granted was HK\$3.87 per Share.

Please also refer to the summary of movements in the number of Shares and Share Stapled Units held under the above schemes which is set out in note 11 to the unaudited condensed consolidated interim financial information.

As at 1 January 2024, the number of Share options available for grant under the 2014 Scheme pursuant to its scheme limit was 728,229,465, and the number of Share awards available for grant under the PCCW Subscription Scheme pursuant to its scheme limit was 71,254,636.

As at 30 June 2024, the number of Share options and awards available for grant under all Share schemes involving the issue of new Shares pursuant to the scheme mandate limit (as defined in the Listing Rules) was 767,048,387; and, within the scheme mandate limit, the service provider sublimit (as defined in the Listing Rules) was 38,698,191.

For the six months ended 30 June 2024, options and awards to subscribe for a total of 4,822,465 Shares were granted under all Share schemes involving the issue of new Shares, representing approximately 0.06% of the weighted average number of Shares in issue.

SHARE SCHEMES OF THE COMPANY AND ITS SUBSIDIARIES (CONTINUED)

2. HKT Trust and HKT Limited

A. Share Stapled Unit Option Scheme

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

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

B. Share Stapled Unit Award Schemes

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

- HKT Share Stapled Units Purchase Scheme and the 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 HKT on 5 August 2021 (collectively the “HKT 2011 Share Stapled Unit Award Schemes”); and
- HKT Trust and HKT Limited 2024 Share Stapled Unit Award Scheme adopted on 30 May 2024 (the “HKT 2024 Share Stapled Unit Award Scheme”).

The HKT 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 HKT 2011 Share Stapled Unit Award Schemes after the HKT 2024 AGM.

SHARE SCHEMES OF THE COMPANY AND ITS SUBSIDIARIES (CONTINUED)

2. HKT Trust and HKT Limited (continued)

B. Share Stapled Unit Award Schemes (continued)

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

(i) HKT 2011 Share Stapled Unit Award Schemes

Name or category of participants	Date of grant	Vesting period	Fair value at the date of grant ^(a) HK\$	Unvested as at 1 January 2024	Number of Share Stapled Unit awards			Unvested as at 30 June 2024
					Granted during the period ^(b)	Lapsed/ Forfeited during the period	Vested during the period	
(I) HKT Share Stapled Units Purchase Scheme								
Director/Chief Executive								
Hui Hon Hing, Susanna	19 April 2022	19 April 2022 to 19 April 2024	10.86	155,619	–	–	(155,619) ^(e)	–
	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
Other Grantees								
In aggregate	19 April 2022	19 April 2022 to 19 April 2024	10.86	46,758	–	–	(46,758) ^(e)	–
	19 April 2023	19 April 2023 to 19 April 2024	10.18	5,135	–	–	(5,135) ^(e)	–
	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) ^(e)	–
	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) ^(e)	–
	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 ^(c)	–	–	5,749
	19 April 2024	19 April 2024 to 19 April 2026	8.68	–	5,746 ^(c)	–	–	5,746
	30 May 2024	30 May 2024 to 30 May 2025	9.20	–	37,471 ^(d)	–	–	37,471
30 May 2024	30 May 2024 to 30 May 2026	9.20	–	37,469 ^(d)	–	–	37,469	
Total				649,302	86,435	–	(258,551)	477,186

SHARE SCHEMES OF THE COMPANY AND ITS SUBSIDIARIES (CONTINUED)

2. HKT Trust and HKT Limited (continued)

B. Share Stapled Unit Award Schemes (continued)

(i) HKT 2011 Share Stapled Unit Award Schemes (continued)

Name or category of participants	Date of grant	Vesting period	Fair value at the date of grant ^(a) HK\$	Unvested as at 1 January 2024	Number of Share Stapled Unit awards			
					Granted during the period ^(b)	Lapsed/ Forfeited during the period	Vested during the period	Unvested as at 30 June 2024
(II) HKT Share Stapled Units Subscription Scheme								
Employee Participants								
In aggregate	19 April 2022	19 April 2022 to 19 April 2024	10.86	487,970	–	(8,053)	(479,917) ^(e)	–
	15 August 2022	15 August 2022 to 19 April 2024	11.00	2,346	–	–	(2,346) ^(e)	–
	19 April 2023	19 April 2023 to 19 April 2024	10.18	412,806	–	(10,457)	(402,349) ^(e)	–
	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) ^(e)	–
	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) ^(e)	–
	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 ^(c)	(6,910)	–	585,808
	19 April 2024	19 April 2024 to 19 April 2026	8.68	–	591,812 ^(c)	(6,889)	–	584,923
	30 May 2024	30 May 2024 to 30 May 2025	9.20	–	105,069 ^(d)	–	–	105,069
	30 May 2024	30 May 2024 to 30 May 2026	9.20	–	105,054 ^(d)	–	–	105,054
Total				1,520,091	1,394,653	(50,913)	(985,605)	1,878,226

Notes:

- (a) The fair value of the awards granted is measured by the quoted market price of the Share Stapled Units at the respective dates of grant. For description of the basis of the fair value measurement, please see the 2023 annual report of HKT Trust and HKT.
- (b) The identity of the grantees and the number of awards granted to each grantee were determined by HKT's Remuneration Committee after having taken into account the performance of HKT 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.

SHARE SCHEMES OF THE COMPANY AND ITS SUBSIDIARIES (CONTINUED)

2. HKT Trust and HKT Limited (continued)

B. Share Stapled Unit Award Schemes (continued)

(ii) HKT 2024 Share Stapled Unit Award Scheme

Name or category of participants	Date of grant	Vesting period	Fair value at the date of grant ^(a) HK\$	Unvested as at 1 January 2024	Number of Share Stapled Unit awards			
					Granted during the period ^(b)	Lapsed/ Forfeited during the period	Vested during the period	Unvested as at 30 June 2024
(I) Grants funded by existing Share Stapled Units								
Director/Chief Executive								
Hui Hon Hing, Susanna	26 June 2024	26 June 2024 to 26 June 2025	8.72	–	571,874 ^(c)	–	–	571,874
	26 June 2024	26 June 2024 to 26 June 2026	8.72	–	571,873 ^(c)	–	–	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.
- (b) The identity of the grantee and the number of awards granted to the grantee were determined by HKT'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 above schemes which is set out in note 11 to the unaudited condensed consolidated interim financial information.

As at 1 January 2024, the number of Share Stapled Unit options available for grant under the HKT 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 HKT's scheme mandate limit (as defined in the Listing Rules) was 756,096,007; and, within HKT's scheme mandate limit, HKT's 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 Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangement that may enable the directors of the Company to acquire benefits by means of the acquisition of shares or Share Stapled Units in, or debentures of, the Company or any other body corporate and none of the directors or chief executives of the Company or their spouses or children under 18 years of age had any right to subscribe for equity or debt securities of 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 SHAREHOLDERS

As at 30 June 2024, the following persons (other than directors or chief executives of the Company) were substantial shareholders of the Company and had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept pursuant to Section 336 of the SFO:

Name of shareholder	Note(s)	Number of Shares/underlying Shares held	Approximate percentage of the total number of Shares in issue
Long Positions			
PCRD		1,753,529,954	22.66%
PCGH	1	1,928,842,224	24.92%
Star Ocean Ultimate Limited	2 and 3	1,928,842,224	24.92%
The Ocean Trust	2	1,928,842,224	24.92%
The Starlite Trust	2	1,928,842,224	24.92%
OS Holdings Limited	2	1,928,842,224	24.92%
Ocean Star Management Limited	2	1,928,842,224	24.92%
The Ocean Unit Trust	2	1,928,842,224	24.92%
The Starlite Unit Trust	2	1,928,842,224	24.92%
Star Ocean Ultimate Holdings Limited	3	1,928,842,224	24.92%
Fung Jenny Wai Ling	4	1,928,842,224	24.92%
Huang Lester Garson	4	1,928,842,224	24.92%
China United Network Communications Group Company Limited (“Unicom”)	5	1,424,935,885	18.41%

Notes:

- These interests represented (i) PCGH's beneficial interests in 175,312,270 Shares; and (ii) PCGH's interests (through itself and its controlled corporations, being its wholly-owned subsidiaries, Borsington Limited, Pacific Century International Limited, Pacific Century Group (Cayman Islands) Limited and Anglang Investments Limited, which together controlled 88.67% of the issued share capital of PCRD) in 1,753,529,954 Shares held by PCRD.
- On 18 April 2004, Li Tzar Kai, Richard transferred the entire issued share capital of PCGH to Ocean Star Management Limited as trustee of The Ocean Unit Trust and The Starlite Unit Trust. The entire issued share capital of Ocean Star Management Limited was held by OS Holdings Limited. The Ocean Trust and The Starlite Trust held all units of The Ocean Unit Trust and The Starlite Unit Trust respectively. Star Ocean Ultimate Limited was the discretionary trustee of The Ocean Trust and The Starlite Trust.
- On 4 November 2013, Star Ocean Ultimate Limited became a controlled corporation of Star Ocean Ultimate Holdings Limited.
- Fung Jenny Wai Ling and Huang Lester Garson were deemed to be interested in such Shares under the SFO as each of them controlled the exercise of one-third or more of the voting power at general meetings of each of Ocean Star Investment Management Limited, OS Holdings Limited and Star Ocean Ultimate Holdings Limited.
- Unicom indirectly held these interests through China Unicom Group Corporation (BVI) Limited, a company wholly-owned by Unicom.

INTERESTS AND SHORT POSITIONS OF OTHER PERSONS REQUIRED TO BE DISCLOSED UNDER THE SFO

As at 30 June 2024, the following person (other than directors or chief executives or substantial shareholders (as disclosed in the previous section headed “**Interests and Short Positions of Substantial Shareholders**”) of the Company) had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept pursuant to Section 336 of the SFO:

Name	Number of Shares/underlying Shares held	Approximate percentage of the total number of Shares in issue
Long Positions		
Ocean Star Investment Management Limited (<i>Note</i>)	1,928,842,224	24.92%

Note:

Ocean Star Investment Management Limited was deemed interested under the SFO in the Shares by virtue of it being the investment manager of The Ocean Unit Trust and The Starlite Unit Trust which together held 100% of PCGH (see the notes to the previous section headed “**Interests and Short Positions of Substantial Shareholders**”).

Save as disclosed above in this section and the previous section headed “**Interests and Short Positions of Substantial Shareholders**”, the Company has not been notified of any other persons (other than directors or chief executives of the Company) who had an interest or a short position in the Shares, underlying Shares or debentures of the Company as recorded in the register required to be kept pursuant to 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, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

AUDIT COMMITTEE

The Company’s Audit Committee has reviewed the accounting policies adopted by the Group and the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2024. Such condensed consolidated interim financial information has not been audited but has been reviewed by the Company’s independent auditor.

MODEL CODE SET OUT IN APPENDIX C3 TO THE LISTING RULES

The Company has adopted its own code of conduct regarding securities transactions, namely the PCCW Code of Conduct for Securities Transactions (the “PCCW Code”), which applies to all directors and employees of the Company 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 of the Company, confirmations have been received of compliance with the required standard set out in the Model Code and the PCCW Code during the period.

CORPORATE GOVERNANCE CODE

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

The Company has applied the principles, and complied with all applicable code provisions of the Corporate Governance Code in each case as set out in Appendix C1 to the Listing Rules during the six months ended 30 June 2024.

During the period covered by this report, in support of their responsibility for the risk management and internal control systems, the directors of the Company 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.

INVESTOR RELATIONS

DIRECTORS

The directors of the Company as at the date of the announcement of the 2024 Interim Results are:

Executive Directors:

Li Tzar Kai, Richard (*Chairman*)

Hui Hon Hing, Susanna (*Acting Group Managing Director and Group Chief Financial Officer*)

Non-Executive Directors:

Tse Sze Wing, Edmund, GBS

Tang Yongbo (*Deputy Chairman*)

Meng Shusen

Wei Zhe, David

Independent Non-Executive Directors:

Aman Mehta

Frances Waikwun Wong

Bryce Wayne Lee

Lars Eric Nils Rodert

David Christopher Chance

Sharhan Mohamed Muhseen Mohamed

GROUP GENERAL COUNSEL AND COMPANY SECRETARY

Cheung Hok Chee, Vanessa

REGISTERED OFFICE

41st Floor, PCCW Tower
Taikoo Place, 979 King's Road
Quarry Bay, Hong Kong
Telephone: +852 2888 2888
Fax: +852 2877 8877

INTERIM REPORT 2024

This Interim Report 2024 in both English and Chinese is now available in printed form from the Company and the Company's Share Registrar, and in accessible format on the websites of the Company (www.pccw.com/ir) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk).

Shareholders who:

- A) received the Interim Report 2024 using electronic means through the website of the Company 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 the Company c/o the Company's Share 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: pccw@computershare.com.hk

Shareholders who have chosen (or are deemed to have agreed) to receive the corporate communications of the Company (including but not limited to the Interim Report 2024) using electronic means through the Company's website 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 Company's Share Registrar, be sent the Interim Report 2024 in printed form, free of charge.

Shareholders may change their choice of language and/or means of receipt of the Company's future corporate communications at any time, free of charge, by reasonable prior notice in writing or by email to the Company's Share Registrar.

LISTINGS

The Company's shares are listed on The Stock Exchange of Hong Kong Limited and traded in the form of American Depositary Receipts ("ADRs") on the OTC Markets Group Inc. in the United States. Each ADR represents 10 ordinary shares of the Company. Certain guaranteed notes and securities issued by subsidiaries of the Company are listed on the Singapore Exchange Securities Trading Limited and the Taipei Exchange (as the case may be).

Additional information and specific inquiries concerning the Company's ADRs should be directed to the Company's ADR Depository at the address given on this page.

Other inquiries regarding the Company should be addressed to Investor Relations at the address given on this page.

STOCK CODES

The Stock Exchange of Hong Kong Limited	0008
Reuters	0008.HK
Bloomberg	8 HK
ADRs	PCCWY

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

ADR DEPOSITORY

Citibank, N.A.
PCCW American Depositary Receipts
Citibank Shareholder Services
P.O. Box 43077
Providence, Rhode Island 02940-3077, USA
Telephone: +1 877 248 4237 (toll free within USA)
Telephone: +1 781 575 4555
Email: citibank@shareholders-online.com
Website: www.citi.com/dr

SHARE INFORMATION

Board lot:	1,000 shares
Issued shares as at 30 June 2024:	7,739,638,249 shares

DIVIDEND

Interim dividend per ordinary share for the six months ended 30 June 2024:	9.77 HK cents
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FINANCIAL CALENDAR

Announcement of 2024 Interim Results	26 July 2024
Closure of register of members (for determination of shareholders who qualify for 2024 interim dividend)	13-14 August 2024 (both days inclusive)
Record date for 2024 interim dividend	14 August 2024
Payment of 2024 interim dividend	On or around 4 September 2024

INVESTOR RELATIONS

Marco Wong
PCCW Limited
41st Floor, PCCW Tower
Taikoo Place, 979 King's Road
Quarry Bay, Hong Kong
Email: ir@pccw.com

WEBSITE

www.pccw.com

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 PCCW relating to the business, industry and markets in which PCCW Group 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:

- our ability to execute our business strategy to expand our businesses locally and overseas, including entering into business combinations, strategic investments and acquisitions and challenges in growing business organically;
- our ability to develop our growth businesses in media and other areas;
- possible negative effects of potentially new regulatory developments;
- increased competition in the media and other markets in which PCCW Group operates;
- increased content costs, changes in customer viewing habits or changes in technology;
- increased competition in the Hong Kong telecommunications market;
- our ability to obtain additional capital;
- our ability to implement our business plan as a consequence of our substantial debt;
- our exposure to interest rate risk; 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 PCCW 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.

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PCCW shares are listed on The Stock Exchange of Hong Kong Limited (SEHK: 0008),
and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the US (Ticker: PCCWY).

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