

HKT reports solid financial results for 2019

HKT (SEHK: 6823) – HONG KONG, February 12, 2020 – The directors of HKT Management Limited (the “Trustee-Manager”, in its capacity as the trustee-manager of the HKT Trust) and HKT Limited (the “Company” or “HKT”) are pleased to announce the audited consolidated results of the HKT Trust and of the Company together with the Company’s subsidiaries (collectively the “Group”) for the year ended December 31, 2019. The key figures are as follows:

- Total revenue excluding Mobile product sales increased by 1% to HK\$29,703 million; total revenue decreased by 6% to HK\$33,103 million
- Total EBITDA increased by 2% to HK\$12,817 million
- Profit attributable to holders of Share Stapled Units increased by 8% to HK\$5,217 million; basic earnings per Share Stapled Unit was 68.91 HK cents
- Adjusted funds flow for the year increased by 3% to HK\$5,329 million; adjusted funds flow per Share Stapled Unit was 70.38 HK cents
- Final distribution per Share Stapled Unit of 40.37 HK cents, resulting in a total distribution of 70.38 HK cents

HKT delivered a solid financial performance in 2019 despite a weak global economic environment and challenging local market conditions. HKT remained focused on deepening its customer engagement, providing innovative, value-added services and a better user experience for customers - all of which reinforcing our position as the leading integrated telecommunications service provider to both consumer and business customers in Hong Kong.

Total revenue excluding Mobile product sales for the year ended December 31, 2019 increased by 1% to HK\$29,703 million, underpinned by steady growth in Telecommunications Services (“TSS”) and Mobile Services revenue even as competition remained intense. Revenue from Mobile product sales of HK\$3,400 million was recorded during the year, as compared to HK\$5,757 million a year earlier, reflecting a longer handset replacement cycle especially in view of the impending arrival of 5G handsets and poor consumer sentiment.

Total EBITDA for the year was HK\$12,817 million, an increase of 2% over the previous year, as we continued to drive operating efficiencies across all lines of our business.

Profit attributable to holders of the share stapled units of the HKT Trust and HKT (“Share Stapled Units”) was HK\$5,217 million, an increase of 8% over the previous year. Basic earnings per Share Stapled Unit was 68.91 HK cents.

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Adjusted funds flow for the year ended December 31, 2019 expanded by 3% to HK\$5,329 million. Annual adjusted funds flow per Share Stapled Unit correspondingly grew by 3% to 70.38 HK cents.

The board of directors of the Trustee-Manager has recommended the payment of a final distribution of 40.37 HK cents per Share Stapled Unit for the year ended December 31, 2019. This brings the 2019 full-year distribution to 70.38 HK cents per Share Stapled Unit (comprising 30.01 HK cents as interim distribution and 40.37 HK cents as final distribution) representing the full payout of the annual adjusted funds flow per Share Stapled Unit.

Commenting on the outlook, Ms. Susanna Hui, HKT's Group Managing Director, said, "First and foremost, HKT is working towards the introduction in April of a quality 5G service for Hong Kong's early adopters, offering unique consumer applications in VR/AR, gaming and other immersive content. More importantly, we believe 5G will open the door to numerous opportunities in commercial applications given its ultra-high speed, massive connectivity, and ultra-low latency."

"Although investment sentiment in the commercial segment has been blunted, we expect large enterprises, public bodies and the Government to continue their digital transformation and infrastructure projects in order to stay more competitive and be more efficient. HKT has the advantage of a proven track record as a reliable partner in major Information and Communications Technology projects," she said.

Ms. Hui said that as our digital ecosystem – including The Club, new verticals such as travel and financial services – continued to evolve and mature, HKT would be bringing customers more comprehensive and exciting services this year.

The Hong Kong economy experienced its first recession in a decade last year, and more recently we have been unexpectedly challenged with the novel coronavirus outbreak. It will take some time for the city to recover economically and socially. As Hong Kong's leading operator of fixed lines, broadband and mobile communications, Hong Kong depends on us to meet critical connectivity needs all across the territory. HKT will remain steadfast in its role to provide customers with quality services and the best user experience.

Ms. Hui said, "We will exercise extra caution on investment and costs as we seek to grow new revenue streams. We are confident that HKT will continue to perform as a formidable team in 2020, as Hong Kong recovers and works towards the return of peace and prosperity."

"Going forward, HKT's principal objective continues to be the delivery of a stable return for unitholders," she said.

For further details of the 2019 annual results, please refer to the [announcement](#) that has been filed with The Stock Exchange of Hong Kong Limited.



HKT GMD Ms. Susanna Hui announces that HKT will launch its 5G service in April with an exciting lineup of consumer applications which will, among others, enable customers to have an immersive viewing experience of EURO 2020.



HKT Group Managing Director Ms. Susanna Hui and HKT Chief Financial Officer Mr. Evan Wong present HKT's 2019 annual results.

About HKT

HKT (SEHK: 6823) is Hong Kong's premier telecommunications service provider and leading operator in fixed-line, broadband and mobile communication services. It meets the needs of the Hong Kong public and local and international businesses with a wide range of services including local telephony, local data and broadband, international telecommunications, mobile, enterprise solutions, and other telecommunications businesses such as customer premises equipment sales, outsourcing, consulting, and contact centers.

HKT offers a unique quadruple-play experience in Hong Kong delivering media content on its fixed-line, broadband Internet access and mobile platforms jointly with its parent company, PCCW Limited.

HKT also provides a range of innovative and smart living services beyond connectivity to make the daily lives of customers smarter, whether they are at home, in the workplace, or on the go. Consumers and merchants alike may also enjoy HKT's financial-related services such as mobile payment, smart mobile point-of-sale solutions, and insurance.

For enterprises, HKT delivers end-to-end integrated solutions employing emerging technologies such as cloud computing, Internet of Things (IoT) and Artificial Intelligence (AI) to accelerate their digital transformation, contributing to Hong Kong's development into a smart city.

The Club is HKT's loyalty program and one of the largest of its kind in Hong Kong, not only offering a variety of privileges and benefits to enrich the lifestyle of members, but also increasingly amalgamating merchants and becoming an integral part of a new digital ecosystem connecting consumers and merchants.

For more information, please visit www.hkt.com.

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Issued by HKT Limited.

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