

HKT

ANNUAL REPORT 2025

Stock Code: 6823



a **PCCW** Group member



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ABOUT HKT

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

TOTAL CONSUMER EXPERIENCE

We deliver advanced connectivity for our customers through Hong Kong's first Fifth Generation Fixed Network-Advanced ("F5G-A") broadband and leading 5G network. Supported by artificial intelligence ("AI")-powered network capabilities, exceptional customer service, and continuous knowledge sharing, we future-proof our user community. Our comprehensive quadruple-play offering, encompassing fixed-line, mobile, fibre and pay TV, creates an enhanced, omni-channel experience.

ENTERPRISE SOLUTIONS

With deep sector and system integration expertise, we customise services and solutions with emerging technologies such as AI, 5G, Internet of Things ("IoT"), cybersecurity and multi-cloud to enhance business operations. Linking enterprises to an extensive partner ecosystem, we empower them to optimise versatility, resilience and competitive advantage. As a cross-border springboard, we bridge the technology gap for businesses expanding abroad and corporations venturing into the Chinese Mainland.

INTERNATIONAL INFRASTRUCTURE AND PLATFORM

We provide vital infrastructure for global communication and commerce across multiple markets worldwide. Through Console Connect, our automated on-demand platform, we drive intelligent data movement that is secure, quick and seamless. Our extensive global network facilitates worldwide collaboration through cutting-edge mobility, voice and data services that combine local expertise with international reach.

DIGITAL ECOSYSTEM

By streamlining financial services as well as lifestyle and loyalty offerings, our digital ecosystem creates simpler, more rewarding interactions for consumers. Our omni-channel payment acceptance solutions expand business opportunities for merchants while accelerating customer acquisition and engagement through AI and data-driven insights.

MESSAGE FROM THE CHAIRMAN

In 2025, despite global trade tensions, Hong Kong's economy showed signs of stabilisation supported by numerous government initiatives. At HKT, we are committed to serving the Hong Kong community by being a technology enabler to help meet the city's innovation and technology needs through advanced networks and solutions that enhance enterprise productivity and deepen customer engagement.

We have achieved significant infrastructure enhancements, with our network capabilities upgraded to meet increasing bandwidth requirements and ensure reliable, uninterrupted connectivity. In early 2025, we launched the 800G AI Superhighway service to support AI-driven workloads and supercomputing resources. We recently established a new AI Exchange at the Lok Ma Chau Loop to serve the emerging Northern Metropolis and deepen technological collaboration across the Greater Bay Area ("GBA"). We are also the first operator in Hong Kong to deploy 25Gbps mobile backhaul and increased 5G capacity in high-density areas to accommodate peak demand especially during major events.

These improvements allow us to continue enriching our services for HKT consumer customers, both connectivity related and beyond. Our home broadband customers are progressively upgrading to the latest 2500M+ services with Wi-Fi 7, while our mobile customers continue to embrace the latest 5G technologies and devices. Our Now TV customers have access to an expanding selection of fresh entertainment – sport, movies and dramas – in a variety of languages. While traveling, our customers can access a premium roaming service bolstered by our partnerships with leading operators in popular destinations. And through our loyalty programme The Club, they can enjoy exclusive lifestyle experiences tailored to their specific interests.

At the same time, our enterprise customers, have received our continual support in employing the latest technologies to drive growth, improve productivity, enhance safety and strengthen supply chain resilience. During the past year, we delivered AI-powered Intelligent Operations Centres and solutions to customers across diverse sectors, from banking to public utilities and transport. We also rolled out sector-specific AI applications to streamline operations, enhance service delivery, and improve customer experiences. We have facilitated regional and international integration, assisting Hong Kong enterprises to expand into the Chinese Mainland while simultaneously helping Chinese Mainland firms build and grow their presence in Hong Kong and beyond.

Looking ahead, we remain confident in Hong Kong's long-term prospects, supported by its strong fundamentals and a positive trajectory driven by the government's initiatives to advance technology and innovation, coupled with deeper integration with the Chinese Mainland. HKT will continue to support economic growth in both emerging industries and established sectors, while delivering sustainable returns for our unitholders and consistently striving for the good of the communities we serve.



Richard Li

Chairman

9 February 2026

MESSAGE FROM THE GROUP MANAGING DIRECTOR

In 2025, heightened geopolitical uncertainty and global trade tensions, together with a shift in local consumption behaviour, gave rise to a challenging operating environment in Hong Kong. Nevertheless, HKT once again demonstrated resilience, underpinned by its robust digital infrastructure, disciplined execution and unwavering commitment to innovation. We delivered growth across key financial metrics, with total revenue increasing by 5% to HK\$36,553 million, EBITDA rising by 4% to HK\$14,234 million, and, most importantly, adjusted funds flow (“AFF”) expanding by 4% to HK\$6,199 million. This stellar performance was driven by sustained momentum across our core businesses, stringent cost efficiency, and prudent capital management. With the economic environment stabilising and the government continuing to implement supportive policies, we are confident of achieving an even better performance in 2026.

Driving the deployment of AI in Hong Kong

Over the past year, we have witnessed the increasing availability of, and demand for, AI services and applications among consumers and enterprises. In Hong Kong, large-scale AI deployment has become a key strategic focus for the government and many enterprises, which see it as a pivotal tool for developing actionable business intelligence, personalising user experiences, enhancing productivity, and strengthening safety standards. Leveraging our carrier-grade digital infrastructure and digital transformation capabilities, HKT is playing a critical role in shaping Hong Kong’s AI ecosystem.

In early 2025, we launched the 800G AI Superhighway solution. Powered by our over 100T core network, it supports AI-driven workloads and multipath routing for mission-critical tasks, proving particularly well-suited for large-scale early-adopters such as supercomputing centres, science parks, and academic institutions. Building upon this momentum, we recently established a new AI exchange in the Lok Ma Chau Loop to serve the Northern Metropolis and connect data centre locations across Hong Kong. This not only facilitates cross-boundary connectivity and GBA data flow, but

also addresses the growing fibre requirements driven by data centre expansion and residential development.

At the enterprise level, HKT continues to drive digital transformation solutions that incorporate various AI applications. We have built AI-powered intelligent operations centres for a number of customers in the public utility, banking and transportation sectors, thereby enhancing productivity and decision-making. We have also deployed sector-specific AI applications, such as autonomous robot platforms to improve hospital and education campus operations, and AI-powered contact centre solutions to elevate the customer experience for a financial services provider.

Enhancing the HKT consumer experience

At HKT, we remain committed to providing customers with a best-in-class network experience – be it at home or on the go. Those who choose HKT benefit from access to Hong Kong’s most advanced and reliable network infrastructure, engineered to meet the demands of an increasingly digital lifestyle.

We are progressively upgrading customers to our 2500M+ services which, when paired with the latest Wi-Fi 7 devices, provide a leading home broadband experience in Hong Kong. The initial uptake of 2500M has been robust, with customer numbers increasing by 93% year-on-year and average revenue per user (“ARPU”) uplift of around HK\$70. With this service still in its early stages of penetration, we expect the upgrade process to continue in the coming years. Demand for high-quality, high-speed home broadband services remains very strong. In response to this, we plan to extend our fibre coverage to households still primarily using traditional digital subscriber line (“DSL”) services, while working with our exclusive property development partners to install fibre in new residential developments.

With AI smartphones expected to become more widely available and affordable, we are upgrading our network to address future growth in cellular demands. As the first mobile service provider in Hong Kong to deploy 25Gbps mobile backhaul, we have significantly strengthened network performance while ensuring scalability to support mega events. We always strive to adopt the latest tools and technologies at suitable times to improve network performance and to make the best use of our spectrum portfolio, such as the latest generation of dynamic spectrum sharing technology, which allows us to reallocate existing 4G spectrum for 5G deployment on dynamic basis, to meet the growing demand from users upgrading to 5G devices and plans without sacrificing the experience of 4G users. As at the end of December 2025, our mobile post-paid customer base stood at over 2 million 5G plan users, representing 60% of our total post-paid base.

To meet customers' strong demand for travel connectivity, we have continued to introduce innovative and easy-to-use roaming services, ensuring users enjoy seamless, optimal network quality while overseas. This helped to drive sustained year-on-year growth of 8% in our total roaming revenue, with consumer outbound roaming revenue recording notable year-on-year growth of 18%. Recently, we launched the "Golden Roaming" service in collaboration with our leading mobile partners across Asia Pacific, offering improved network speed and stability in popular travel destinations.

High-quality, curated entertainment also continues to be a key component of our consumer value proposition. During the year, we added Disney+ to the Now TV platform, complementing our existing video streaming services. As a result, Now TV customers have access to the most extensive movie platform in Hong Kong, as well as an unparalleled line-up of sports content. With the proliferation of smart TVs, the installed base of Now TV continued to expand, with the over-the-top ("OTT") segment growing by 16% year-on-year.

HKT continues to consolidate its leading position in the premium customer segment, supporting the addition and retention of high-value customers seeking a

reliable network and a comprehensive range of devices and services. This was reflected in the strong growth of our 1010 HOME premium solution customer base, which increased by 32%.

Empowering enterprise customers with customised solutions

As a trusted partner to both public and private enterprises, HKT leverages its network infrastructure alongside cloud computing, data analytics and AI technologies to help clients accelerate their digital transformation, drive business growth and enhance operational efficiency. Key projects delivered during the year included the deployment of a 5G private network for a logistics company to support autonomous operations and AI-enabled security applications at one of its facilities, as well as the installation of 5G infrastructure for a waste management company to enhance productivity. We also delivered an AI-driven drone inspection solution for a construction materials company, and expanded our smart city offerings to include IoT-enabled lamppost and water meter monitoring services, a food safety temperature monitoring solution for a retail chain, and surveillance and safety solutions for the public utility and engineering sectors.

We have been working closely with customers to support the strengthening of the resilience and diversity of their technology supply chains in response to the evolving geopolitical landscape. This includes implementing dual-supply designs and solutions across network infrastructure, cloud and IT systems, cybersecurity, contact centres, communications and AV systems.

During the year, we also supported Hong Kong-based and international enterprises in expanding into the Chinese Mainland market, while assisting Chinese Mainland enterprises in pursuing growth across local, Hong Kong and overseas markets. As a result, our business from Chinese Mainland enterprises sustained further growth, with revenue expanding by 13% year-on-year.

We have also been expanding our international business into the European, African and Latin American markets to support our customers in broadening and diversifying their geographic presence to mitigate the impact of global trade tensions.

Productivity improvements through AI adoption

Our unique and exclusive data assets continue to strengthen our ability to provide hyper-personalised offerings to consumers. By combining these data assets with AI, HKT has significantly improved the conversion rates of its up-selling and cross-selling initiatives. As our ecosystem deepens, consumers are increasingly embracing multiple HKT services, with subscriptions to three or more products rising by 14% year-on-year. This momentum reflects the effectiveness of our customer-centric strategy, which allows us to provide an enhanced customer experience and value proposition to every household and consumer we engage. Through The Club and our powerful data analytics capabilities, we are also able to extend our service offering by providing consumers with exclusive lifestyle deals tailored to their interests.

Within HKT, we are leveraging AI to boost business performance and process efficiencies. In network management, AI-powered system is deployed to complement end-to-end network monitoring tools, enabling rapid troubleshooting and root-cause analysis for efficient resolution of customer enquiries and complaints. AI agents are also employed to automate network performance protection during major events as well as to support scenario-based automatic traffic balancing during extreme load situations. These AI-led initiatives have already boosted productivity and delivered operating cost savings during the year.

Homegrown enterprise fostering responsible impact

To support Hong Kong's innovation and technology development, HKT is upgrading its digital network infrastructure to power innovation in the Northern Metropolis. Plans are also in place to establish innovation offices to accelerate collaboration with technology startups and support university incubation programmes to foster entrepreneurial development. Embracing technology as an enabler, our sustained investment in research and development has yielded tangible outcomes, including our recognition as the Designated Local Research Institution by Hong Kong's Innovation and Technology Commission.

In response to the growing threat of cybersecurity incidents and scam calls, we have strengthened digital fraud defences by delivering anti-fraud education and blocking cyber threats and suspicious phone calls, helping customers stay protected. In addition, we co-developed an AI-enabled Intrusion Detection and Prevention System, which can be paired with our 2500M fibre service, to empower small and medium-sized enterprises to defend themselves against cyber attacks.

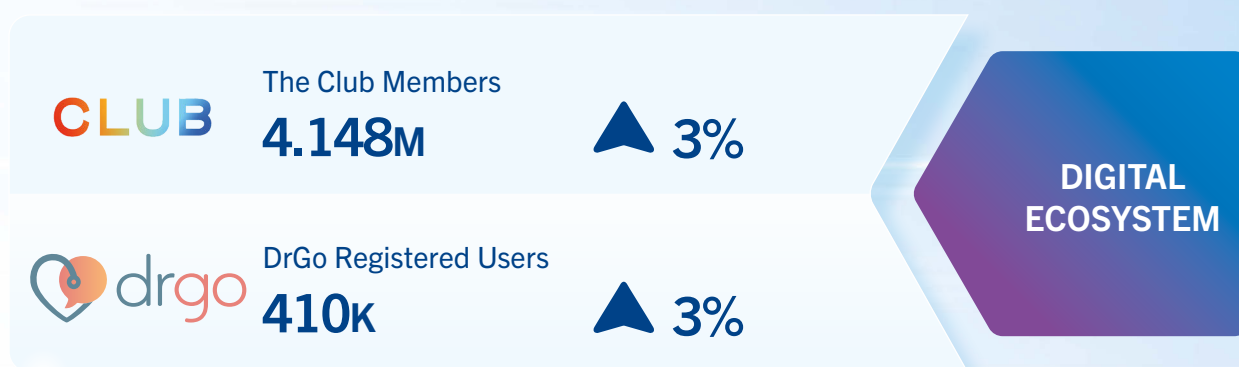
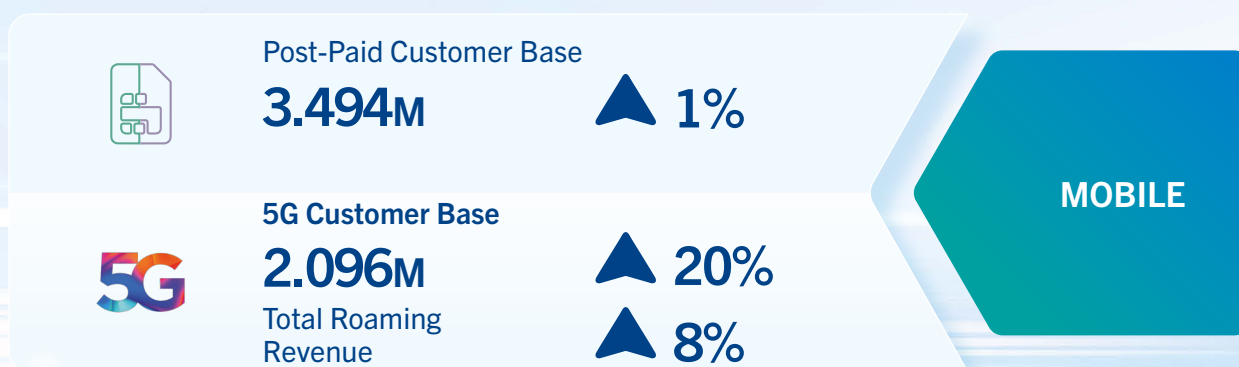
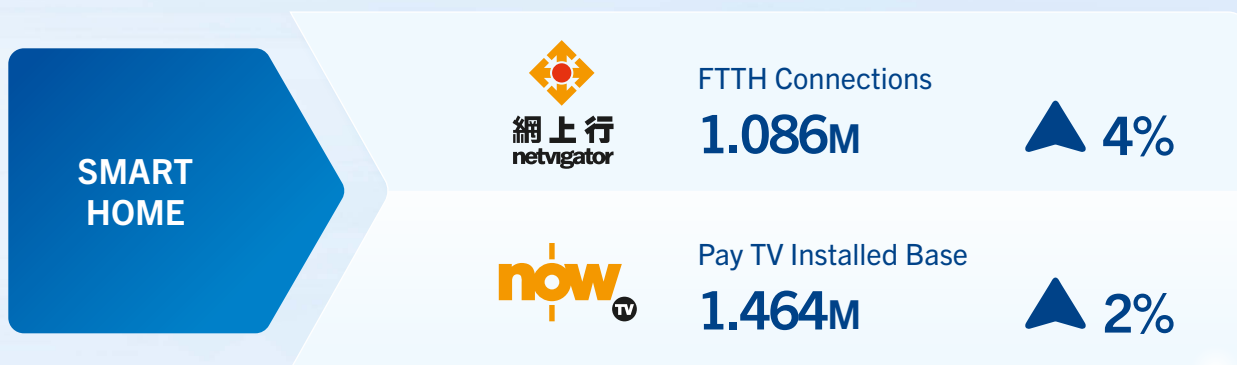
Finally, I would like to thank our holders of Share Stapled Units for their steadfast support, our employees for their commitment, and all our stakeholders for their continued collaboration. As we look ahead, we remain committed to investing in and harnessing the power of technology and AI to drive innovation, efficiency, and sustainable growth.



Susanna Hui

Group Managing Director
9 February 2026

HKT IN NUMBERS



Total Revenue

HK\$36,553M

▲ 5%

Total EBITDA

HK\$14,234M

▲ 4%

FINANCIAL HIGHLIGHTS

AFF

HK\$6,199M

▲ 4%

Total Distribution
Per Share Stapled Unit

81.77 HK cents

▲ 4%

SIGNIFICANT EVENTS IN 2025



01

HKT and Ocean Park present "Panda TV"

02

HKT launches blockchain-based marketing and loyalty platform Go Wallet

03

HKT launches AI Superhighway solution, Asia's first 800G Wide Area Network for AI and Supercomputing

04

HKT becomes the first Hong Kong-funded telecommunications operator to obtain approval for pilot operation of Value-Added Telecommunications business in the Chinese Mainland

05

HKT and Hactl collaborate to establish Hong Kong's first 5G private network-enabled air cargo terminal



千寻位置 × PCCW Global
战略合作启动仪式

06

PCCW Global and Qianxun SI form strategic collaboration to deliver high-precision positioning and BeiDou Navigation Satellite System SMS services in Hong Kong, Macao, and Belt and Road areas

drgo
ONE WELLNESS



07

DrGo rolls out One Wellness, a one-stop membership programme integrating travel protection, video consultation and in-person health and wellness services

08

HKT is a founding member of the Index Committee for Hong Kong's first Drone Take-off Reliability Index

09

PCCW Global enters into collaboration with three leading organisations at the 10th Belt and Road Summit to accelerate advanced connectivity across global markets

10

HKT partners with nine leading mobile operators across the Asia-Pacific region to enhance outbound roaming experience

11

HKT receives five accolades at the 2025 CAHK STAR Award

12

HKT becomes Hong Kong's first telecommunications service provider to deploy 25Gbps mobile backhaul

13

HKT joins seven leading mobile operators across Asia-Pacific to officially launch the world's first cross-border telco rewards programme WanderJoy

1010 AI cs.l. AI
Golden Roaming



Only 1010 and cs.l. are partnering with major network providers worldwide on an exclusive basis to deliver a consistently high level of Golden Spectrum service, plus comprehensive roaming packages, to the benefit of travelling customers. Enjoy free ultra high-speed Internet access wherever



BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

LI Tzar Kai, Richard

Executive Chairman

Mr Li, aged 59, was appointed the Executive Chairman and an Executive Director of HKT Limited (HKT) and HKT Management Limited, the trustee-manager of the HKT Trust, in November 2011. He is the Chairman of HKT's Executive Committee and a member of the Nomination Committee of the HKT Board. Mr Li has also been an Executive Director and the Chairman of PCCW Limited (PCCW) since August 1999, the Chairman of PCCW's Executive Committee and a member of the Nomination Committee of the board of directors of PCCW. He is also the Chairman and Chief Executive of the Pacific Century Group, an Executive Director of FWD Group Holdings Limited (FWD), a member of FWD's Compensation 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

Group Managing Director

Ms Hui, aged 61, has been the Group Managing Director of HKT Limited (HKT) and HKT Management Limited (Trustee-Manager), the trustee-manager of the HKT Trust, since September 2018. She has also been an Executive Director of HKT and the Trustee-Manager since November 2011. She is a member of HKT's Executive Committee and holds directorships in various Group companies. She was the Group Chief Financial Officer of HKT from November 2011 to August 2018 primarily responsible for overseeing the financial matters of the Group. Ms Hui is also the Acting Group Managing Director, Group Chief Financial Officer and Executive Director of PCCW Limited (PCCW), and a member of PCCW's Executive Committee.

Ms Hui joined Cable & Wireless HKT Limited (which was subsequently acquired by PCCW) in September 1999. Since then, she has served the PCCW Group in various capacities in the past 26 years, including as Director of Group Finance of the PCCW Group from September 2006 to April 2007, and the Director of Finance of the PCCW Group with responsibility for the telecommunications services sector and regulatory accounting. Ms Hui was also an Executive Director of Pacific Century Premium Developments Limited (PCPD) from May 2018 to December 2021 and the Chief Financial Officer of PCPD from July 2009 to November 2011.

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

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

Drawing on her extensive experience and expertise in innovation and technology ecosystems, Ms Hui serves as a member of Hong Kong Science and Technology Parks Corporation's board of directors, the Hong Kong Trade Development Council Belt and Road & Greater Bay Area Committee and its Greater Bay Area Task Force on Innovation and Technology, and the Digital Economy Development Committee of the Hong Kong Special Administrative Region (HKSAR) Government. She is also a vice-chairman of the Employers' Federation of Hong Kong, as well as a fellow and council member of The Hong Kong Management Association, where she is appointed Professor of Practice at its Institute of Advanced Management Development. Additionally, Ms Hui is a director of Mox Bank Limited.

In 2024, Ms Hui was awarded the Medal of Honour by the HKSAR Government in recognition of her dedicated and valuable community service, particularly in youth development and supporting underprivileged students.

NON-EXECUTIVE DIRECTORS

Peter Anthony ALLEN

Non-Executive Director

Mr Allen, aged 70, was appointed a Non-Executive Director of HKT Limited (HKT) and HKT Management Limited (Trustee-Manager), the trustee-manager of the HKT Trust, in November 2011. He is a member of HKT's Audit Committee and the Trustee-Manager's Audit Committee. Mr Allen also holds directorships in certain Group companies. He is an Executive Director and the Group Managing Director of Pacific Century Regional Developments Limited, an Executive Director and the Chief Financial Officer of the Pacific Century Group, a Director of certain FWD group companies and Senior Advisor to PCCW Limited (PCCW). He is also a Director of certain other companies controlled by Mr Li Tzar Kai, Richard, the Executive Chairman of HKT and the Trustee-Manager. Mr Allen was an Executive Director of PCCW from August 1999 to November 2011.

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

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

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

CHUNG Cho Yee, Mico

Non-Executive Director

Mr Chung, aged 65, was appointed a Non-Executive Director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust, in November 2011. Mr Chung was a Non-Executive Director of PCCW Limited (PCCW) from May 2010 to November 2011. He was an Executive Director of PCCW from November 1996 who was responsible for merger and acquisition activities and was re-designated to a Non-Executive Director of PCCW in May 2010. He joined the Pacific Century Group in March 1999.

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

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

TANG Yongbo

Non-Executive Director

Mr Tang, aged 51, was appointed a Non-Executive Director of HKT Limited (HKT) and HKT Management Limited, the trustee-manager of the HKT Trust, in August 2023. He is a member of HKT's Remuneration Committee, Nomination Committee and Executive Committee. Mr Tang became a Non-Executive Director and the Deputy Chairman of the board of directors of PCCW Limited (PCCW) in August 2023. He is a member of PCCW's Executive Committee.

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

Mr Tang was a deputy general manager and a general manager of Hunan Branch of China Unicom, a general manager of marketing department of China United Network Communications Group Company Limited, a vice general manager of China United Network Communications Group Company Limited, a senior vice president of China Unicom (Hong Kong) Limited, a senior vice president of China United Network Communications Limited, a senior vice president of China United Network Communications Corporation Limited and a non-executive director of China Tower Corporation Limited. He was a deputy to the 13th National People's Congress.

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

ZHAO Xingfu

Non-Executive Director

Mr Zhao, aged 50, was appointed a Non-Executive Director of HKT Limited (HKT) and HKT Management Limited, the trustee-manager of the HKT Trust, in February 2025. He is a member of HKT's Regulatory Compliance Committee. Mr Zhao is also a Non-Executive Director of PCCW Limited (PCCW) and a member of PCCW's Nomination Committee.

Mr Zhao is the general manager of the finance department of China United Network Communications Group Company Limited. He was the deputy general manager of Guangzhou Branch of China United Network Communications Corporation Limited, the general manager of finance department of Guangdong Branch of China United Network Communications Corporation Limited, and the deputy general manager of finance department of China United Network Communications Group Company Limited.

Mr Zhao is a senior accountant. He graduated from Harbin Institute of Technology in 1998 and received a Master's Degree in Business Administration from Webster University in the United States in 2012. Mr Zhao has extensive experience in corporate finance and investment management.

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHANG Hsin Kang

Independent Non-Executive Director

Mr Chang, aged 85, was appointed an Independent Non-Executive Director of HKT Limited (HKT) and HKT Management Limited (Trustee-Manager), the trustee-manager of the HKT Trust, in November 2011. He is the Chairman of HKT's Regulatory Compliance Committee, a member of HKT's Audit Committee, Remuneration Committee and Nomination Committee, and a member of the Trustee-Manager's Audit Committee.

Mr Chang was an Independent Non-Executive Director of PCCW Limited from October 2000 to November 2011.

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

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

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

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

Sunil VARMA

Independent Non-Executive Director

Mr Varma, aged 82, was appointed an Independent Non-Executive Director of HKT Limited (HKT) and HKT Management Limited (Trustee-Manager), the trustee-manager of the HKT Trust, in November 2011. He is also the Chairman of both HKT's Audit Committee and the Trustee-Manager's Audit Committee and a member of HKT's Nomination Committee, Remuneration Committee and Regulatory Compliance Committee.

Mr Varma is a certified chartered accountant as well as a cost and management accountant. He has extensive working experience of over 40 years including with Price Waterhouse Management Consultants and the IBM Consulting Group, specialising in management and business-problem consulting. He was the partner responsible for establishing and developing the Price Waterhouse consulting practice in Indonesia and was the Head of the Price Waterhouse consulting practice in Hong Kong until 1994. Mr Varma was the Vice President and Principal responsible for the IBM Consulting Group in India between 1996 and 1998. He was the Interim Chief Financial Officer and Managing Director of Asia Online, Ltd. from 1999 to 2000 and was the Interim Chief Financial Officer of HCL – Perot Systems in India in 2003.

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

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

Aman MEHTA

Independent Non-Executive Director

Mr Mehta, aged 79, was appointed an Independent Non-Executive Director of HKT Limited (HKT) and HKT Management Limited, the trustee-manager of the HKT Trust, in May 2014. He is the Chairman of HKT's Nomination Committee. Mr Mehta has been an Independent Non-Executive Director of PCCW Limited (PCCW) since February 2004. He is also the Chairman of the Audit Committee, the Nomination Committee and the Remuneration Committee of the board of directors of PCCW.

Mr Mehta joined the board of directors of PCCW following a distinguished career in the international banking community. Mr Mehta held the position of Chief Executive Officer of The Hongkong and Shanghai Banking Corporation Limited (HSBC) until December 2003, when he retired.

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

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

Following his retirement in December 2003, Mr Mehta took up residence in New Delhi. He 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, Wockhardt Limited and Max Financial Services 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 64, was appointed an Independent Non-Executive Director of HKT Limited (HKT) and HKT Management Limited, the trustee-manager of the HKT Trust, in May 2015. She is the Chairwoman of HKT's Remuneration Committee. Ms Wong has been an Independent Non-Executive Director of PCCW Limited (PCCW) since March 2012 and is the Chairwoman of the Regulatory Compliance Committee and a member of the Nomination Committee and the Remuneration Committee of the board of directors of PCCW. She was an Independent Non-Executive Director of Pacific Century Regional Developments Limited from June 2013 to April 2023.

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

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

Charlene DAWES

Independent Non-Executive Director

Ms Dawes, aged 46, was appointed an Independent Non-Executive Director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust, in February 2024. She has been an Independent Non-Executive Director of Pacific Century Regional Developments Limited since December 2022.

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

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

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

Set out above are the directors of HKT and the Trustee-Manager, and their biographical details, as at 9 February 2026.

COMBINED CORPORATE GOVERNANCE REPORT

The board of directors of HKT Management Limited (in its capacity as the trustee-manager of the HKT Trust) (the “Trustee-Manager”) (the “Trustee-Manager Board”) and the board of directors of HKT Limited (“HKT” or the “Company”) (the “Company Board”) (together, the “Boards” or each, the “Board”) present the corporate governance report of the HKT Trust and the Company on a combined basis for the year ended 31 December 2025.

The HKT Trust is a trust constituted pursuant to a Deed of Trust dated 7 November 2011 under the laws of Hong Kong (the “Trust Deed”) and managed by the Trustee-Manager. The HKT Trust, the Trustee-Manager and the Company are committed to maintaining a high standard of corporate governance, the principles of which serve to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of their businesses, and to ensure that their affairs are conducted in accordance with applicable laws and regulations.

The Boards have adopted a Code of Conduct and a Sustainability Policy (formerly known as Corporate Social Responsibility Policy) that apply throughout HKT Trust, HKT Limited and its subsidiaries (together, the “Group”) to all employees, including directors and officers, of the Trustee-Manager and of the Company and its subsidiaries (together, the “HKT Limited Group”).

The Code of Conduct sets out standards for the way in which employees should conduct the HKT Limited Group’s business in the following areas: civic responsibilities, equal opportunities, preservation of company information and property, privacy of personal data, prevention of bribery, conflicts of interest and ensuring health and safety at work. This policy also prescribes procedures to enable employees to raise concerns with management and directors on a confidential basis.

The Sustainability Policy sets out the Group’s commitments and objectives regarding Environmental, Social and Governance (“ESG”) issues. It outlines the Group’s approach to responsible business practices, covering sustainability management, environment, employment and labour, supply chain management, customers and marketplace, and community.

CORPORATE STRATEGY

HKT integrates fixed-line, broadband, mobile communications and pay TV services to offer a unique quadruple-play experience in Hong Kong. It creates and preserves unitholder value through prudent investments that strengthen networks, improve coverage and speed, and deliver premium content, ensuring market leadership and superior customer experiences. The Company’s enterprise-focused ICT offerings empower businesses with advanced connectivity, system integration expertise and data-driven insights, while its digital ventures develop ecosystem-focused platforms that integrate fintech and lifestyle solutions offerings. On a global scale, the Company extends its reach through scalable, resilient communications infrastructure, bridging markets and enabling businesses to expand seamlessly across borders. By harnessing innovation, building capabilities and focusing on its people, HKT drives sustainable growth and transformation across telecommunications, technology and ancillary businesses.

CULTURE

The Company strives to leverage its expertise in technology, media and telecommunications to raise the quality of lives of people, help businesses thrive, and contribute to the sustainable development of our community. We embrace a culture of integrity, respect, collaboration, inclusion and care, where our teams are committed to continuous innovation and pursuit of excellence for the good of the Company and society at large. Our directors lead the drive to promote this culture across our organisation.

CORPORATE GOVERNANCE CODE

The HKT Trust and the Company are both listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and are both subject to the provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The HKT Trust is not a separate legal entity, and can only act through the Trustee-Manager.

Pursuant to the Trust Deed, (i) the Trustee-Manager shall be responsible for compliance by the HKT Trust with the Listing Rules applicable to the HKT Trust and other relevant rules and regulations; (ii) the Company shall be responsible for compliance by the Company with the Listing Rules applicable to the Company and other relevant rules and regulations; and (iii) each of the Trustee-Manager and the Company must co-operate with each other to ensure that each party complies with the Listing Rules obligations and to co-ordinate disclosure to the Stock Exchange.

CORPORATE GOVERNANCE CODE (CONTINUED)

During the year ended 31 December 2025, the HKT Trust and the Company have adopted the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules applicable during the period as the corporate governance code of the HKT Trust and the Company. The HKT Trust and the Company have applied the principles, and complied with all relevant code provisions of the applicable CG Code in each case as set out in Appendix C1 to the Listing Rules during the year ended 31 December 2025, save and except for the code provisions set out below. The requirement to establish a separate Remuneration Committee with written terms of reference for the Trustee-Manager under the code provision E.1.2 of the CG Code is not relevant to the Trustee-Manager as its directors are not entitled to any remuneration under the Trust Deed, and therefore has not been complied with. In addition, given the unique circumstances of the HKT Trust i.e., the fact that the Trust Deed requires that the directors of the Company and the directors of the Trustee-Manager must always be the same individuals, the establishment of a separate Nomination Committee with written terms of reference for the Trustee-Manager as required by code provision B.3.1 of the CG Code is not relevant to the Trustee-Manager, and therefore has not been complied with.

MODEL CODE SET OUT IN APPENDIX C3 TO THE LISTING RULES

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

Having made specific enquiry of all directors of the Trustee-Manager and the Company, confirmations have been received of compliance with the required standard set out in the Model Code and the HKT Code during the year.

The interests and short positions of the directors and the chief executives of the Trustee-Manager and the Company in the share stapled units jointly issued by the HKT Trust and the Company (the “Share Stapled Units”), underlying Share Stapled Units and debentures of the Company and its associated corporation have been disclosed in the Combined Report of the Directors of this annual report.

BOARDS OF DIRECTORS

Pursuant to the Trust Deed, the directors of the Trustee-Manager shall at all times comprise of the same individuals who serve as directors of the Company; no person shall serve as a director of the Trustee-Manager unless he also serves as a director of the Company at the same time; and no person shall serve as a director of the Company unless he also serves as a director of the Trustee-Manager at the same time.

The Company Board is responsible for the management of the Company. Key responsibilities of the Company Board include formulation of the overall strategies of the HKT Limited Group, the setting of management targets, and supervision of management performance. The Company Board confines itself to making broad policy decisions and exercising a number of reserved powers as mentioned below, delegating responsibility for more detailed considerations to the Company’s Executive Committee under the leadership of the Company’s Executive Chairman:

- those functions and matters as set out in the terms of reference of various committees (as amended from time to time) for which Company Board approval must be sought from time to time;
- those functions and matters for which Company Board approval must be sought in accordance with the HKT Limited Group’s internal policies (as amended from time to time);
- consideration and approval of the HKT Limited Group’s financial statements in the interim and annual reports, and announcements of interim and annual results;
- consideration of dividend amounts in accordance with the distribution policy as adopted by the Boards; and
- monitoring of the corporate governance practices and procedures; and maintenance of appropriate and effective risk management and internal control systems of the HKT Limited Group to ensure compliance with applicable rules and regulations.

BOARDS OF DIRECTORS (CONTINUED)

The Trustee-Manager Board is responsible for the administration of the HKT Trust (including but not limited to the safe custody of all the property and rights of any kind whatsoever which are held on trust for the holders of Share Stapled Units (the “Trust Property”). Key responsibilities of the Trustee-Manager Board include taking all reasonable steps to ensure that the Trustee-Manager discharges its duties under the Trust Deed, ensuring that the Trust Property is properly accounted for, and being answerable to the holders of units of the HKT Trust for the application or misapplication of any Trust Property. The Trustee-Manager Board confines itself to making broad policy decisions and exercising a number of reserved powers as below:

- those functions and matters as set out in the terms of reference of various committees (where applicable) (as amended from time to time) for which Trustee-Manager Board approval must be sought from time to time;
- consideration and approval of the financial statements of the HKT Trust and the Trustee-Manager in the interim and annual reports, and announcements of interim and annual results;
- consideration of distributions to holders of Share Stapled Units; and
- monitoring of the corporate governance practices and procedures; and maintenance of appropriate and effective risk management and internal control systems of the HKT Trust to ensure compliance with applicable rules and regulations.

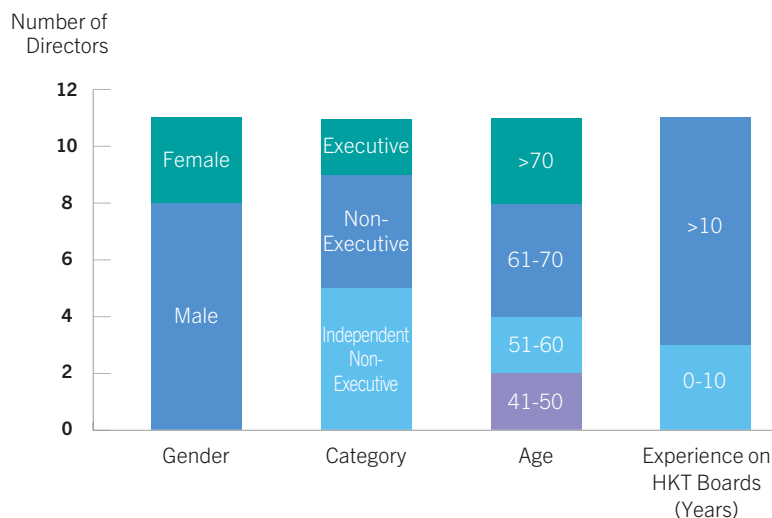
The Executive Chairman and the Group Managing Director of the Trustee-Manager and the Company are Li Tzar Kai, Richard and Hui Hon Hing, Susanna, respectively. The role of the Executive Chairman is separate from that of the Group Managing Director. The Executive Chairman is responsible for ensuring the Boards function effectively, providing leadership for the Boards in setting objectives and strategies, and ensuring good corporate governance practices are enforced. The Group Managing Director is responsible for leading the management of the Trustee-Manager and the Company in conducting their business affairs in accordance with the Group’s objectives, and implementing the Group’s strategies and policies. The Boards’ compositions are set out in the Combined Report of the Directors of this annual report.

All directors of the Trustee-Manager and the Company have full and timely access to all relevant information, including monthly updates from the management, regular reports from various Boards committees and briefings on significant legal, regulatory or accounting issues affecting the Group. Directors may take independent professional advice, which will be paid for by the Trustee-Manager or the Company, as appropriate.

The directors of the Trustee-Manager and the Company acknowledge their responsibility for preparing the financial statements of the Group, the HKT Limited Group and the Trustee-Manager, as appropriate, for each financial year, which give a true and fair view of the financial position of the Group and of the HKT Limited Group and of the Trustee-Manager, and of the financial performance and cash flows of the Group and of the HKT Limited Group and of the Trustee-Manager, for the year in accordance with HKFRS Accounting Standards, the Hong Kong Companies Ordinance and the Listing Rules. In preparing the financial statements for the year ended 31 December 2025, the directors of the Trustee-Manager and the Company have selected suitable accounting policies and applied them consistently; made judgements and estimates that are prudent and reasonable; stated the reasons for any significant departure from applicable accounting standards in Hong Kong; and have prepared the financial statements on a going concern basis. The statements of the external auditor relating to its reporting responsibilities on the financial statements of the HKT Trust and HKT Limited, and the Trustee-Manager are respectively set out in the Independent Auditor’s Reports of this annual report.

As at the date of this report, each of the Boards is comprised of eleven directors including two executive directors, four non-executive directors and five independent non-executive directors. At least one-third of each of the Boards are independent non-executive directors and at least one of them from each Board has appropriate professional qualifications, or accounting or related financial management expertise. Biographies of all members of the Boards are set out in the section headed “Board of Directors” in this annual report and are available on the Company’s website (www.hkt.com). The relationships (including financial, business, family or other material or relevant relationships), if any, among members of the Boards have also been disclosed in the Combined Report of the Directors of this annual report.

BOARDS OF DIRECTORS (CONTINUED)

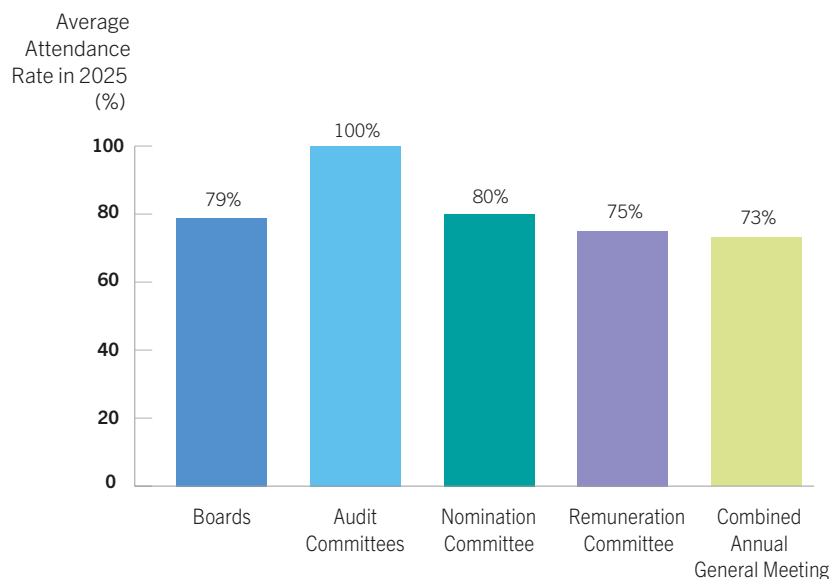


The Trustee-Manager and the Company have arranged appropriate directors and officers liability insurance cover for their directors and officers.

Biographies of senior corporate executives and heads of business units of the HKT Limited Group as at the date of this report are also available on the Company's website (www.hkt.com).

The Boards each held four meetings in 2025. The Combined Annual General Meeting was held on 15 May 2025 with the attendance of the external auditor to answer questions.

The following charts show the average meeting attendance rate in 2025 and the attendance of individual directors at Board and Board committee meetings and the Combined Annual General Meeting held in 2025:



BOARDS OF DIRECTORS (CONTINUED)

Name	Meetings attended/eligible to attend in 2025 (Note 1)						Combined Annual General Meeting
	Company			Trustee-Manager			
	Board	Audit Committee (Note 2)	Nomination Committee (Note 2)	Remuneration Committee (Note 2)	Board		
Executive Directors							
Li Tzar Kai, Richard	4/4	N/A	1/1	N/A	4/4	N/A	1/1
Hui Hon Hing, Susanna	4/4	N/A	N/A	N/A	4/4	N/A	1/1
Non-Executive Directors							
Peter Anthony Allen	4/4	4/4	N/A	N/A	4/4	4/4	1/1
Chung Cho Yee, Mico	4/4	N/A	N/A	N/A	4/4	N/A	1/1
Tang Yongbo	0/4	N/A	0/1	0/1	0/4	N/A	0/1
Zhao Xingfu (Note 4)	0/3	N/A	N/A	N/A	0/3	N/A	0/1
Independent Non-Executive Directors							
Chang Hsin Kang	4/4	4/4	1/1	1/1	4/4	4/4	1/1
Sunil Varma	4/4	4/4	1/1	1/1	4/4	4/4	0/1
Aman Mehta	3/4	N/A	1/1	N/A	3/4	N/A	1/1
Frances Waikwun Wong	4/4	N/A	N/A	1/1	4/4	N/A	1/1
Charlene Dawes	3/4	N/A	N/A	N/A	3/4	N/A	1/1

Notes:

- Directors may attend meetings in person or by means of telephone or other audio communications equipment in accordance with the Company's Articles of Association (as amended and restated from time to time) (the "Company Articles") and the Trustee-Manager's Articles of Association (the "Trustee-Manager Articles").
- For the composition of and the number of meetings held in 2025 by the Audit Committee, Nomination Committee and Remuneration Committee of the Company, please refer to the section headed "Committees of the Company Board" in this Combined Corporate Governance Report.
- For the composition of and the number of meetings held in 2025 by the Audit Committee of the Trustee-Manager, please refer to the section headed "Committees of the Trustee-Manager Board" in this Combined Corporate Governance Report.
- Appointed as a non-executive director of the Company and the Trustee-Manager, and as a member of the Regulatory Compliance Committee of the Company, with effect from 20 February 2025.

The Company and the Trustee-Manager together have received from each of their independent non-executive directors a confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and consider that all five independent non-executive directors as at the date of this report, namely Chang Hsin Kang, Sunil Varma, Aman Mehta, Frances Waikwun Wong and Charlene Dawes remain independent having regard to the independence criteria as set out in Rule 3.13 of the Listing Rules. Please also refer to the details disclosed in the section headed "Independent Non-Executive Directors" in the Combined Report of the Directors of this annual report.

BOARDS OF DIRECTORS *(CONTINUED)*

The Boards have established mechanisms to ensure independent views and input are available to the Boards. A private meeting between the Chairman and the independent non-executive directors takes place at least once each year, to provide an avenue for independent views to be communicated to the Chairman directly. The Boards also conduct an annual evaluation of their performance, whereby directors anonymously submit their comments on the effectiveness of the Boards and suggest areas for improvement. In addition, directors are entitled to take independent professional advice as appropriate at the expense of the Trustee-Manager or the Company in order to facilitate proper discharge of their duties.

According to the Company Articles and the Trust Deed, any director appointed by the Company Board either to fill a casual vacancy or as an addition shall also be appointed as a director of the Trustee-Manager. Any director of the Company and the Trustee-Manager appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the first general meeting of the Company and of the HKT Trust after his/her appointment and shall be eligible for re-election at that meeting.

In addition, according to the Company Articles, at each annual general meeting of the Company no less than one-third of the directors for the time being shall retire from office by rotation provided that every director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Apart from retirement by rotation pursuant to the Company Articles, each non-executive director has a term of three years. Under the Trust Deed, the directors of the Trustee-Manager must be the same individuals who serve as directors of the Company at the relevant time; no person shall serve as a director of the Trustee-Manager unless he also serves as a director of the Company at the same time; and the office of a director of the Trustee-Manager shall be vacated if the relevant person ceases to be a director of the Company. These provisions are also contained in the Trustee-Manager Articles. Accordingly, the retirement by rotation provisions are also applicable, indirectly, in relation to the Trustee-Manager Board. Therefore, no director of either the Company or the Trustee-Manager will remain in office for a term of more than three years. The directors who shall retire from office of both the Company and the Trustee-Manager at the forthcoming Combined Annual General Meeting are set out in the Combined Report of the Directors of this annual report.

The Boards have a structured process to evaluate their own performance and directors' contribution on an annual basis including a self-evaluation questionnaire which is completed by all directors. The objectives of the evaluation are to assess whether the Boards and the committees, as well as the directors, have adequately and effectively performed their roles and fulfilled their responsibilities; have devoted sufficient time commitment to the Company's and Trustee-Manager's affairs and made contributions to the Boards; and to recommend areas for improvement. The evaluation process has confirmed that the Boards and committees continue to operate effectively and that the performance of the directors and the time commitment in discharging their duties as directors of the Company and the Trustee-Manager for the year ended 31 December 2025 were generally satisfactory.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

Every newly appointed director of the Company and the Trustee-Manager will meet with fellow directors and senior management to assist him/her in understanding the Group's operations and business, and he/she will receive a tailored induction handbook containing the Group's governance structure, key policies and an overview of director's responsibilities, as well as a briefing by a qualified professional on the general and specific duties of a director under legal and regulatory requirements.

As part of an ongoing process of director's continuous professional development ("CPD") training, the directors of the Company and the Trustee-Manager are regularly briefed on legal and regulatory requirements relevant to their duties through their participation in the training seminars organised by the company secretary, and the operations, organisation and governance policies of the Group through regular meetings with management. In addition to receiving regular updates on the Group's business affairs, directors are also provided with reading materials from time to time to help develop and refresh their knowledge and skills. The company secretary organises seminars presented by qualified professionals on relevant topics with emphasis on directors' duties and responsibilities which count towards their CPD training.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT (CONTINUED)

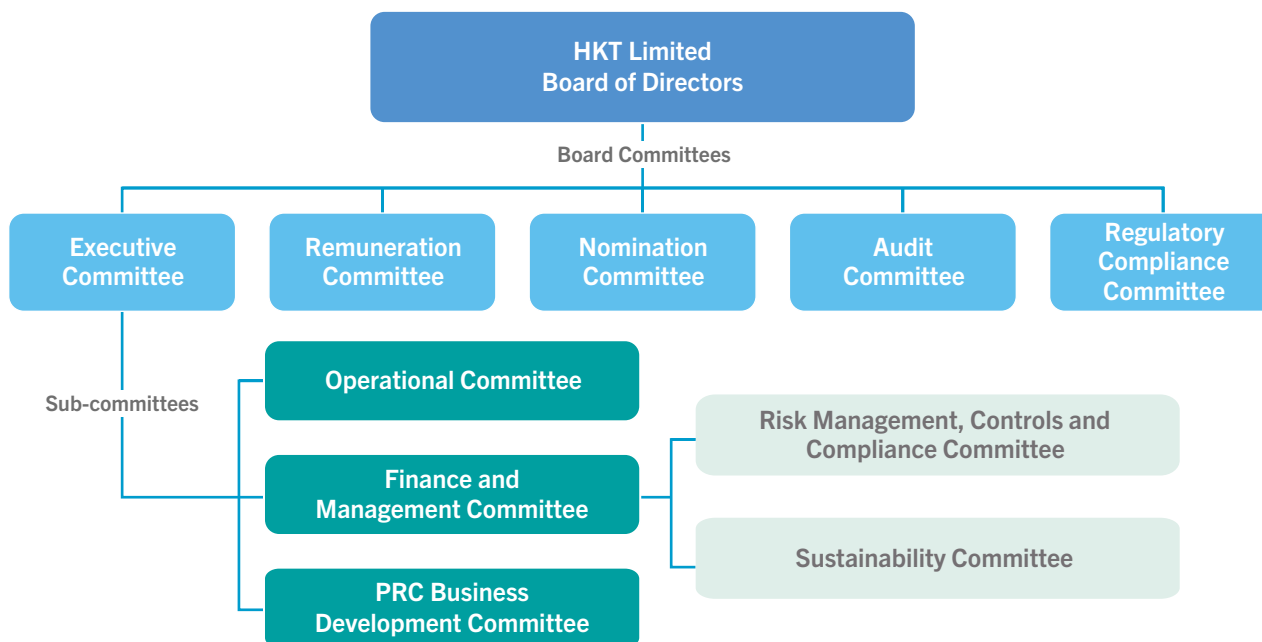
According to the directors' training records provided to the Company and the Trustee-Manager for the year ended 31 December 2025, the CPD training undertaken by all directors during the year is summarised as below:

Name of Director	Type of CPD training (Note(s))
Current Directors	
Li Tzar Kai, Richard	(a), (b)
Hui Hon Hing, Susanna	(a), (b)
Peter Anthony Allen	(a), (b)
Chung Cho Yee, Mico	(a), (b)
Tang Yongbo	(b)
Zhao Xingfu	(b)
Chang Hsin Kang	(a), (b)
Sunil Varma	(a), (b)
Aman Mehta	(a), (b)
Frances Waikwun Wong	(a), (b)
Charlene Dawes	(a), (b)

Notes:

- (a) participated in seminars/forums/conferences (including giving speeches)
- (b) read seminar materials/journals/articles/business or industry updates

COMMITTEES OF THE COMPANY BOARD



The Company Board has established the following committees with defined terms of reference. The terms of reference of the Remuneration Committee, the Nomination Committee and the Audit Committee are on no less exacting terms than those set out in the CG Code. The Audit Committee, the Nomination Committee, the Regulatory Compliance Committee and the Remuneration Committee have been structured to include a majority of independent non-executive directors.

COMMITTEES OF THE COMPANY BOARD (CONTINUED)

Executive Committee and Sub-committees

The Executive Committee of the Company Board operates as a general management committee with overall delegated authority from the Company Board. The Executive Committee determines the HKT Limited Group's strategies, reviews trading performance, ensures adequate funding, examines major investments and monitors management performance. The Executive Committee reports through the Executive Chairman to the Company Board.

The Executive Committee is comprised of three members, being two executive directors and one non-executive director.

The members of the Executive Committee during the year and up to the date of this annual report are:

Li Tzar Kai, Richard (*Chairman*)

Hui Hon Hing, Susanna

Tang Yongbo

Reporting to the Executive Committee are sub-committees comprising of executive and non-executive directors and members of senior management, who oversee all key operating and functional areas within the HKT Limited Group. Each sub-committee has defined terms of reference covering its authority and duties, meets frequently and reports to the Executive Committee on a regular basis.

The *Finance and Management Committee* was established with effect from the date of listing of the Share Stapled Units on 29 November 2011 (the "Listing Date"). This committee is chaired by the Group Managing Director and meets on a regular basis to review management and strategic matters across the HKT Limited Group and to set overall financial objectives and policies.

The *Operational Committee* was established with effect from the Listing Date. This committee is chaired by the Group Managing Director and meets on a regular basis to direct all of the business units/operations within the HKT Limited Group.

The *Risk Management, Controls and Compliance Committee*, which reports to the Finance and Management Committee, was established with effect from the Listing Date. It is comprised of senior members of the Company's Group Finance, Group Legal Office and Corporate Secretariat, Group Communications, Group Internal Audit, and Group Risk & Regulatory departments. The committee reviews procedures for the preparation of the annual and interim reports of HKT Trust and HKT Limited and the Group's policies from time to time to ensure compliance with the various rules and obligations imposed under the Listing Rules, and assists directors in the review of the effectiveness of the risk management and internal control systems of the Group on an ongoing basis.

The *Sustainability Committee*, which reports to the Finance and Management Committee, was established with effect from the Listing Date. It is comprised of senior members of the Company's Group Communications, Group Human Resources, Group Legal Office and Corporate Secretariat, Group Finance, Group Risk & Regulatory, Network Planning and Operations, Investor Relations, and Group Purchasing & Supply departments, as well as management from individual business units. The committee ensures that the Company operates in a manner that enhances its positive contribution to society and the environment. The committee is also responsible for reviewing the Company's sustainability strategy, principles and policies; setting guidance, direction and overseeing practices and procedures; and monitoring progress on the Company's sustainability and related activities.

The *PRC Business Development Committee* was established with effect from the Listing Date to advise on possible opportunities for expanding the HKT Limited Group's operations in the PRC and monitoring the use of funds allocated and approved by the Company Board or relevant committee for PRC opportunities.

COMMITTEES OF THE COMPANY BOARD (CONTINUED)

Remuneration Committee

The Company Board established the Remuneration Committee with effect from the Listing Date. The primary responsibility of the Remuneration Committee is to assist the Board in achieving its objectives of attracting, retaining and motivating high-calibre directors and senior management of the Company and other members of the HKT Limited Group who will underpin the success of the Company and enhance the value of the Company for the benefit of the holders of Share Stapled Units.

The Remuneration Committee is responsible for overseeing the establishment and operation of formal and transparent procedures for developing the remuneration packages of directors and senior management of the Company and other members of the HKT Limited Group and determining, with delegated responsibility, the remuneration packages of individual executive directors and senior management of the Company and to make recommendations to the Company Board on the remuneration of non-executive directors. In addition, the committee provides effective supervision and administration of the HKT Trust and the Company's Share Stapled Unit option scheme, as well as other Share Stapled Unit incentive schemes. The committee's authority and duties are set out in written terms of reference that are posted on the Company's website at www.hkt.com/ir and the website of Hong Kong Exchanges and Clearing Limited ("HKEX") at www.hkexnews.hk. This committee is comprised of four members, being three independent non-executive directors and one non-executive director, and is chaired by an independent non-executive director.

The members of the Remuneration Committee during the year and up to the date of this annual report are:

Frances Waikwun Wong (*Chairperson*)

Chang Hsin Kang

Sunil Varma

Tang Yongbo

The objective of the Company's remuneration policy is to help establish fair and competitive remuneration packages based on our business requirements and industry practice. In order to determine the level of remuneration and fees paid to members of the Company Board, market rates and factors such as each director's workload, responsibility and job complexity are taken into account. The following factors are considered when determining the remuneration packages of directors and senior management of the Company:

- business requirements;
- individual performance and contribution to results;
- company performance and profitability;
- retention considerations and the potential of individuals;
- corporate goals and objectives;
- changes in relevant markets, including supply and demand fluctuations and changes in competitive conditions; and
- general economic situation.

COMMITTEES OF THE COMPANY BOARD *(CONTINUED)*

Remuneration Committee *(continued)*

During the review process, no individual director is involved in decisions relating to his/her own remuneration.

The Remuneration Committee met once in 2025. The attendance of individual directors at the committee meeting is set out in the section headed “Combined Corporate Governance Report – Boards of Directors” in this annual report.

The work performed by the Remuneration Committee during 2025 included:

- (i) review of the terms of reference of the Remuneration Committee;
- (ii) review and approval of the emoluments of executive director and senior management, including 2024 performance bonus;
- (iii) review and approval of the 2025 business key performance indicators and performance bonus scheme for executive director and senior management; and
- (iv) review of the proposed issue and allotment of new Share Stapled Units for grant of awards pursuant to Share Stapled Unit award scheme, with a recommendation to the Company Board for approval.

Details of emoluments of each director and senior executives are set out in note 11 to the consolidated financial statements of the HKT Trust and the Company.

Nomination Committee

The Company Board established the Nomination Committee with effect from the Listing Date. The primary objective of the Nomination Committee is to assist the Company Board in ensuring a fair and transparent procedure for the appointment and re-appointment of directors to the Company Board, and maintaining a balance of skills, knowledge, experience and diversity of perspectives on the Company Board which are appropriate to the requirements of the Company’s business. The duties of the Nomination Committee are set out in its written terms of reference which are posted on the websites of the Company and HKEX.

The Boards jointly adopted a board diversity policy (the “Board Diversity Policy”) with a primary objective to enhance the effectiveness of the Boards and the corporate governance standard through promoting and achieving diversity on the Boards. The Group recognises the importance of having a diverse team of Board members, and is committed to maintaining Board diversity that is free of harassment or discrimination, which are essential elements in maintaining an effective Board.

The Group worked relentlessly in the past year towards our corporate objectives in diversity and inclusion. A workforce diversity policy has been adopted by the Group in 2025 to set out the Group’s plans and objectives to achieve gender diversity across the workforce, including senior management. In 2025, our total workforce gender diversity is at 41:59 female to male ratio. The gender diversity ratio for senior staff is at 31:69. We consider that at present there is a reasonably high gender diversity in the Group’s workforce, and will continue to monitor the need to maintain or, if desired or necessary, increase diversity to meet our corporate objectives.

The Boards also jointly adopted a nomination policy (the “Nomination Policy”) which sets out the procedures and criteria to be used by the Nomination Committee for the selection, appointment and re-appointment of directors.

COMMITTEES OF THE COMPANY BOARD (CONTINUED)

Nomination Committee (continued)

The Nomination Committee is delegated with the authority to review and assess the diversity of perspectives of the Company Board, develop measurable objectives for achieving diversity of the Company Board and monitor the implementation of the Board Diversity Policy and the Nomination Policy as appropriate. As at the date of this annual report, the female representation on the Company Board is 27%, which meets our current expectations of gender diversity within the Company Board, and is on track to achieving the target set as a long term objective under the Board Diversity Policy. The implementation of the Board Diversity Policy is considered to be effective. The Nomination Committee is committed to increasing gender diversity as and when suitable candidates are identified based on the Board Diversity Policy, and considers that at present there is a reasonably high gender-diversity in the Company Board. The Nomination Committee will continue to monitor the need for appointing members of a particular gender in order to maintain or, if desired or necessary, increase diversity. Both the Board Diversity Policy and the Nomination Policy are available on the Company's website.

In assessing the suitability of a candidate as well as considering the Board's succession, the Nomination Committee will give consideration to the Nomination Policy and the Board Diversity Policy, including the measurable objectives set for achieving diversity. Candidates will be selected based on merit against objective criteria and with due regard to the benefits of diversity on the Company Board and other factors which are relevant to the Company. The Nomination Committee will consider, among other things, the accomplishment, expertise, experience and diversity of perspective that the candidate can bring to the Boards, and the candidate's commitment in respect of available time and relevant interests. The Nomination Committee will make recommendations to the Company Board on the selection of candidate(s) nominated for directorships. In the case of the appointment and re-appointment of independent non-executive directors, the Nomination Committee will assess the independence of the appointees having regard to the criteria set out in the Listing Rules and make recommendations to the Company Board with respect to their re-election by shareholders at general meetings.

The Nomination Committee is comprised of five members, being one executive director, one non-executive director and three independent non-executive directors. It is chaired by an independent non-executive director.

The members of the Nomination Committee during 2025 and up to the date of this annual report are:

Aman Mehta (*Chairman*)

Chang Hsin Kang

Li Tzar Kai, Richard

Tang Yongbo

Sunil Varma

On 9 February 2026, the Nomination Committee, having reviewed the Company Board's structure, size and composition, nominated Chung Cho Yee, Mico, Chang Hsin Kang, Sunil Varma and Aman Mehta to the Company Board for it to consider and recommend to shareholders their retirement and, except for Sunil Varma who has decided not to seek re-election, their re-election at the forthcoming annual general meeting. The nominations were made in accordance with the Nomination Policy and the Board Diversity Policy. The Nomination Committee was satisfied that each of Chang Hsin Kang and Aman Mehta has the required integrity, skills and knowledge to continue acting in an independent capacity and contributing to the diversity of the Board with their unique combination of experience and knowledge as described in their biographies set out in this annual report. The Nomination Committee formed the view that the Company Board has maintained an appropriate mix and balance of skills, knowledge, experience and diversity of perspectives appropriate to the requirements of the Company's business.

The Nomination Committee met once in 2025. The attendance of individual directors at the committee meeting is set out in the section headed "Combined Corporate Governance Report – Boards of Directors" in this annual report.

COMMITTEES OF THE COMPANY BOARD (CONTINUED)

Nomination Committee (continued)

The work performed by the Nomination Committee during 2025 included:

- (i) review of the terms of reference of the Nomination Committee, with a recommendation to the Company Board for approval of the proposed amendments;
- (ii) review and assessment of the independence of all independent non-executive directors of the Company;
- (iii) recommendation to the Company Board for approval of the list of retiring directors of the Company for re-election at the Combined Annual General Meeting on 15 May 2025;
- (iv) annual review of the structure, size and composition of the Company Board taking into account the Board Diversity Policy and the Nomination Policy, with a recommendation to the Company Board for approval;
- (v) review the implementation and effectiveness of the Board Diversity Policy; and
- (vi) recommendation to the Company Board for approval of the appointment of Zhao Xingfu as a non-executive director of the Company after consideration of a range of factors in accordance with the Board Diversity Policy and the Nomination Policy.

Audit Committee

The Company Board established the Audit Committee with effect from the Listing Date. The Audit Committee is responsible for assisting the Company Board to ensure objectivity and credibility of financial reporting of the HKT Limited Group, and that the directors have exercised the care, diligence and skills prescribed by law when presenting the HKT Limited Group's results to the holders of Share Stapled Units. The Audit Committee is also responsible for assisting the Company Board to ensure that effective risk management and internal control systems of the HKT Limited Group are in place and good corporate governance standards and practices are maintained by the HKT Limited Group. The committee's authority and duties are set out in written terms of reference that are posted on the websites of the Company and HKEX.

The Audit Committee's responsibilities also include the appointment, compensation and supervision of the external auditors. To oversee the external auditors' independence, procedures have been adopted by the Audit Committee for the monitoring and approval of all audit and permitted non-audit services to be undertaken by the external auditors.

The HKT Limited Group's external auditor is PricewaterhouseCoopers (Certified Public Accountants and Registered Public Interest Entity Auditor). PricewaterhouseCoopers has written to the Audit Committee confirming that they are independent with respect to the Company and that there is no relationship between PricewaterhouseCoopers and the Company which may reasonably be thought to bear on their independence. In order to maintain the external auditor's independence, it would only be employed for non-audit work if the work does not compromise the external auditor's independence and has been approved by the Audit Committee.

During the year, the external auditor provided audit, audit related and permissible non-audit services to the HKT Limited Group. Audit services include services provided in connection with the audit of the HKT Limited Group's consolidated financial statements. Audit related services include services such as issuance of special audit or assurance reports for regulatory purposes, where the external auditor is best placed to undertake in its capacity as auditor. Permissible non-audit services include services such as tax compliance and tax planning, performing due diligence service, issuing regulatory reports for note programme establishment, consulting on cybersecurity, data privacy, and environmental, social and governance related matters, which require specific review and approval by the Audit Committee.

For the year ended 31 December 2025, the fees paid or payable in respect of audit, audit related and permissible non-audit services provided to the HKT Limited Group by the external auditor amounted to approximately HK\$16 million, HK\$2 million and HK\$6 million, respectively.

COMMITTEES OF THE COMPANY BOARD (CONTINUED)

Audit Committee (continued)

On 6 February 2026, the Audit Committee recommended to the Company Board the re-appointment of PricewaterhouseCoopers to conduct statutory audits in respect of the Company for the financial year 2026 at the forthcoming Combined Annual General Meeting. Pursuant to the terms of the Trust Deed, the HKT Trust, the Company and the Trustee-Manager must have the same auditor.

The Audit Committee is comprised of three members, being two independent non-executive directors and one non-executive director, and is chaired by an independent non-executive director.

The members of the Audit Committee during 2025 and up to the date of this annual report are:

Sunil Varma (*Chairman*)

Chang Hsin Kang

Peter Anthony Allen

The Audit Committee is provided with sufficient resources to discharge its duties and meets regularly with management, the internal auditor and external auditor and also reviews their reports. During 2025, the committee met four times. The attendance of individual directors at the committee meetings is set out in the section headed “Combined Corporate Governance Report – Boards of Directors” in this annual report.

The work performed by the Audit Committee during 2025 included:

- (i) review of the terms of reference of the Audit Committee;
- (ii) review of the draft annual report and the draft annual results announcement for the year ended 31 December 2024, with a recommendation to the Company Board for approval;
- (iii) review and approval of PricewaterhouseCoopers’ confirmation of independence, its report to the Audit Committee and the draft management representation letter for the year ended 31 December 2024, with a recommendation to the Company Board for the re-appointment of PricewaterhouseCoopers at the 2025 Combined Annual General Meeting;
- (iv) review and assessment of effectiveness of the risk management and internal control systems under the CG Code for the year ended 31 December 2024, with a recommendation to the Company Board for approval;
- (v) review of the continuing connected transactions (including PricewaterhouseCoopers’ report on the continuing connected transactions) for the year ended 31 December 2024, with a recommendation to the Company Board for approval;
- (vi) consider the renewal of the continuing connected transactions with relevant members of the FWD Group and PCCW Group for the three years ending 31 December 2028, respectively, in respect of the provision and receipt of certain services and products by the HKT Limited Group to or from the FWD Group and/or PCCW Group and of the related announcements made by HKT Trust and HKT Limited, with a recommendation to the Company Board for approval;
- (vii) review and approval of the Group Internal Audit reports (including the internal audit work plans) and the progress of the internal audit function made during 2025;
- (viii) review of the draft interim report and the draft interim results announcement for the six months ended 30 June 2025, with a recommendation to the Company Board for approval;
- (ix) review and approval of PricewaterhouseCoopers’ confirmation of independence and its report to the Audit Committee for the six months ended 30 June 2025;

COMMITTEES OF THE COMPANY BOARD (CONTINUED)

Audit Committee (continued)

- (x) review and approval of the audit strategy memorandum for the year ending 31 December 2025;
- (xi) review and approval of PricewaterhouseCoopers' draft letters of engagement for the year ending 31 December 2025;
- (xii) review and assessment of effectiveness of the risk management and internal control systems during 2025;
- (xiii) review and approval of PricewaterhouseCoopers' pre-year end report to the Audit Committee for the year 2025;
- (xiv) consideration and approval of the 2025 audit and non-audit services and the 2026 annual budget for audit and non-audit services;
- (xv) review of the draft corporate governance report and practices for the year ended 31 December 2024 and the corporate governance disclosure for the six months ended 30 June 2025, in each case with a recommendation to the Company Board for approval;
- (xvi) review of the draft ESG report for the year ended 31 December 2024, with a recommendation to the Company Board for approval;
- (xvii) review of the results of the directors' self-evaluation and the board's self-assessment exercise for the year ended 31 December 2024 to evaluate the performance of the Company Board, its committees, and directors' contribution, with a recommendation to the Company Board for approval; and
- (xviii) review and monitoring of training and CPD for directors and senior management.

Subsequent to the year end, the Audit Committee reviewed the draft annual report and the draft annual results announcement, the effectiveness of the risk management and internal control systems, as well as the draft ESG report for the year ended 31 December 2025, with recommendations to the Company Board for approval.

Regulatory Compliance Committees

The Regulatory Compliance Committee of the Company is comprised of three members, being two independent non-executive directors and one non-executive director. It primarily reviews and monitors the HKT Limited Group's dealings with the CK Hutchison Holdings Limited ("CK Hutchison") Group and the CK Asset Holdings Limited ("CK Asset") Group to ensure that all dealings with these entities are conducted on an arm's-length basis and do not raise any anti-competitive concerns under the Competition Ordinance. The Regulatory Compliance Committee is chaired by an independent non-executive director. The written terms of reference setting out the committee's authority and duties are posted on the websites of the Company and HKEX.

The members of the Regulatory Compliance Committee as at the date of this annual report are:

Chang Hsin Kang (*Chairman*)
Sunil Varma
Zhao Xingfu

During the year, Zhao Xingfu was appointed as a member of this Committee with effect from 20 February 2025.

Now TV Limited ("Now TV"), previously an indirect wholly-owned subsidiary of PCCW, has become an indirect wholly-owned subsidiary of the Company since September 2020. The Regulatory Compliance Committee of Now TV primarily reviews and monitors dealings of Now TV with the CK Hutchison Group and the CK Asset Group to ensure that all dealings with these entities are conducted on an arm's-length basis and do not raise any anti-competitive concerns under the Competition Ordinance. It also monitors disqualified persons matters under the Broadcasting Ordinance. The written terms of reference setting out the committee's authority and duties are posted on the websites of the Company and HKEX.

COMMITTEES OF THE TRUSTEE-MANAGER BOARD



The Trustee-Manager Board has established an Audit Committee (the “Trustee-Manager Audit Committee”) with defined terms of reference which are on no less exacting terms than those set out in the CG Code. The Trustee-Manager Audit Committee has been structured to include a majority of independent non-executive directors of the Trustee-Manager.

The Trustee-Manager Audit Committee is responsible for assisting the Trustee-Manager Board to ensure objectivity and credibility of financial reporting of the HKT Trust and the Trustee-Manager, and that the directors of the Trustee-Manager have exercised the care, diligence and skills prescribed by law when presenting the HKT Trust’s and the Trustee-Manager’s results to the holders of Share Stapled Units. The Trustee-Manager Audit Committee is also responsible for assisting the Trustee-Manager Board to ensure that effective risk management and internal control systems of each of the HKT Trust and the Trustee-Manager (where applicable) are in place and good corporate governance standards and practices are maintained by the HKT Trust and the Trustee-Manager. The committee’s authority and duties are set out in written terms of reference that are posted on the websites of the Company and HKEX.

The Trustee-Manager Audit Committee’s responsibilities also include the appointment, compensation and supervision of the external auditors. To oversee the external auditors’ independence, procedures have been adopted by the Trustee-Manager Audit Committee for the monitoring and approval of all audit and permitted non-audit services to be undertaken by the external auditors.

The external auditor of the HKT Trust and the Trustee-Manager is PricewaterhouseCoopers (Certified Public Accountants and Registered Public Interest Entity Auditor). PricewaterhouseCoopers has written to the Trustee-Manager Audit Committee confirming that they are independent with respect to the HKT Trust and the Trustee-Manager and that there is no relationship between PricewaterhouseCoopers and the HKT Trust and the Trustee-Manager which may reasonably be thought to bear on their independence. In order to maintain the external auditor’s independence, it would only be employed for non-audit work if the work does not compromise the external auditor’s independence and has been approved by the Trustee-Manager Audit Committee.

During the year, the external auditor provided audit services to the HKT Trust and the Trustee-Manager. Audit services include services provided in connection with the audit of the consolidated financial statements of the HKT Trust and the HKT Limited Group and the financial statements of the Trustee-Manager. No audit related services or non-audit services have been provided by the external auditor.

For the year ended 31 December 2025, the fees paid or payable in respect of audit services provided to the HKT Trust and the Trustee-Manager by the external auditor amounted to approximately HK\$0.06 million.

On 6 February 2026, the Trustee-Manager Audit Committee recommended to the Trustee-Manager Board the re-appointment of PricewaterhouseCoopers to conduct statutory audits in respect of the HKT Trust and the Trustee-Manager for the financial year 2026 at the forthcoming Combined Annual General Meeting. Pursuant to the terms of the Trust Deed, the HKT Trust, the Company and the Trustee-Manager must have the same auditor. Furthermore, the fees and expenses of the auditors of the HKT Trust and the Trustee-Manager in connection with the audit of the consolidated financial statements of the HKT Trust and the financial statements of the Trustee-Manager are to be paid out of the Trust Property (as defined in the Trust Deed). The Trust Deed also requires that the membership of the Trustee-Manager Audit Committee must be the same as the membership of the Audit Committee of the Company Board.

COMMITTEES OF THE TRUSTEE-MANAGER BOARD (CONTINUED)

The Trustee-Manager Audit Committee is comprised of three members, being two independent non-executive directors and one non-executive director and each of them is a member of the Audit Committee of the Company Board. The Trustee-Manager Audit Committee is chaired by an independent non-executive director.

The members of the Trustee-Manager Audit Committee during 2025 and up to the date of this annual report are:

Sunil Varma (*Chairman*)
Chang Hsin Kang
Peter Anthony Allen

The Trustee-Manager Audit Committee is provided with sufficient resources to discharge its duties and meets regularly with management, the internal auditor and external auditor and also reviews their reports. During 2025, the committee met four times. The attendance of individual directors at the committee meetings is set out in the section headed “Combined Corporate Governance Report – Boards of Directors” in this annual report.

The Trustee-Manager Audit Committee reviewed and noted the resolutions passed and matters approved and confirmed at the Audit Committee of the Company, whose work performed during 2025 and subsequent to the year end is set out in the section headed “Combined Corporate Governance Report – Committees of the Company Board – Audit Committee” in this annual report, and where appropriate, approved and confirmed those items specific to the HKT Trust and the Trustee-Manager. Other work performed by the Trustee-Manager Audit Committee during 2025 included:

- (i) review of the terms of reference of the Trustee-Manager Audit Committee;
- (ii) review of the draft financial statements of the Trustee-Manager for the year ended 31 December 2024, with a recommendation to the Trustee-Manager Board for approval;
- (iii) review and approval of PricewaterhouseCoopers’ confirmation of independence, its report to the Trustee-Manager Audit Committee and the draft management representation letter for the year ended 31 December 2024, with a recommendation to the Trustee-Manager Board for the re-appointment of PricewaterhouseCoopers at the 2025 Combined Annual General Meeting;
- (iv) review and assessment of effectiveness of the risk management and internal control systems under the CG Code for the year ended 31 December 2024, with a recommendation to the Trustee-Manager Board for approval;
- (v) review of the continuing connected transactions (including PricewaterhouseCoopers’ report on the continuing connected transactions) for the year ended 31 December 2024, with a recommendation to the Trustee-Manager Board for approval;
- (vi) consider the renewal of the continuing connected transactions with relevant members of the FWD Group and PCCW Group for the three years ending 31 December 2028, in respect of the provision and receipt of certain services and products by the HKT Limited Group to or from the FWD Group and/or PCCW Group and of the related announcements made by HKT Trust and HKT Limited, with a recommendation to the Trustee-Manager Board for approval;
- (vii) review and approval of the Group Internal Audit reports (including the internal audit work plans) and the progress of the internal audit function made during 2025;
- (viii) review of the draft financial information of the Trustee-Manager for the six months ended 30 June 2025, with a recommendation to the Trustee-Manager Board for approval;
- (ix) review and approval of PricewaterhouseCoopers’ confirmation of independence and its report to the Trustee-Manager Audit Committee for the six months ended 30 June 2025;
- (x) review and approval of the audit strategy memorandum for the year ending 31 December 2025;

COMMITTEES OF THE TRUSTEE-MANAGER BOARD (CONTINUED)

- (xi) review and approval of PricewaterhouseCoopers' draft letters of engagement for the year ending 31 December 2025;
- (xii) review and assessment of effectiveness of the risk management and internal control systems during 2025; and
- (xiii) review and approval of PricewaterhouseCoopers' pre-year end report to the Trustee-Manager Audit Committee for the year 2025.

Subsequent to the year end, the Trustee-Manager Audit Committee reviewed the draft annual report and the draft annual results announcement of the HKT Trust (including the financial statements of the Trustee-Manager), the effectiveness of the risk management and internal control systems, as well as the draft ESG report for the year ended 31 December 2025, with recommendations to the Trustee-Manager Board for approval.

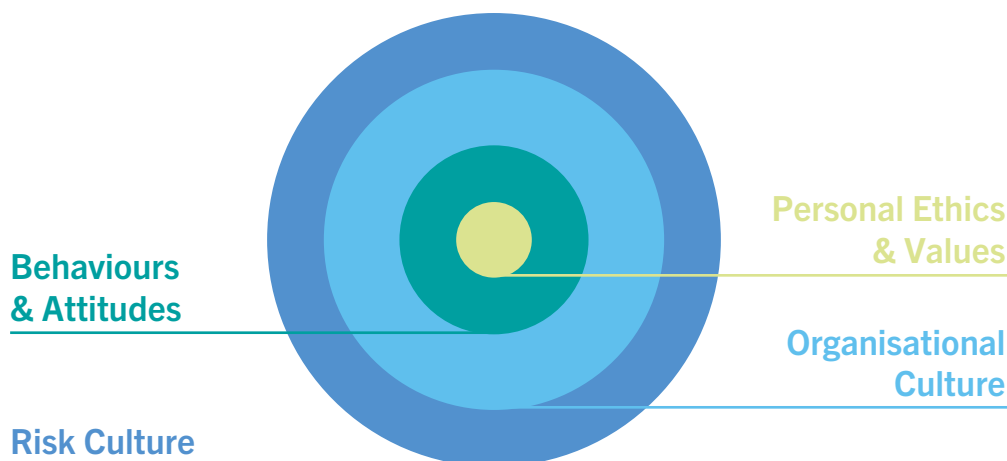
The Trustee-Manager has not established a separate Remuneration Committee and Nomination Committee as its directors are not entitled to any remuneration under the Trust Deed, and as the Trust Deed requires that the directors of the Company and the directors of the Trustee-Manager must always be the same individuals given the unique circumstances of the HKT Trust.

RISK MANAGEMENT AND INTERNAL CONTROLS

Effective risk management and internal control systems are the fundamental principles of good corporate governance. The Boards acknowledge their responsibility for overseeing the risk management and internal control systems (including ESG risks and climate-related risks) of the Group and reviewing their effectiveness at least annually through the Trustee-Manager Audit Committee and the Company Audit Committee (collectively the "Audit Committees") for the purpose of dealing with identified risks, safeguarding the issuer's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the issuer's financial reports and achieving compliance with applicable laws and regulations. The Audit Committees assist the Boards in fulfilling their corporate governance roles in overseeing the Group's financial, operational, compliance, risk management and internal controls, as well as the resourcing of finance, internal audit and ESG performance and reporting functions.

Risk Management Culture

Risk management culture drives our shared common values, attitudes and responsible behaviours towards managing and monitoring risks in the daily operating processes. A strong and effective risk management culture facilitates the Group to be informed of the decision-making processes that embed risks. The Group has a well-instilled risk management culture to ensure that the operating units, as first line risk owners, are accountable for identifying and managing the risks they have accepted with the corresponding control measures to ensure there is a comprehensive process in place to manage those acceptable risks across different levels of business activity. In addition, the Group Risk & Regulatory ("GR&R") plays an oversight role in formulating and supervising the Group's enterprise risk management framework while providing advisory support to key business risk management decisions.



RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Risk Management Culture (continued)

Advocating the importance of installing culture in sound compliance and risk management across the Group, our ethical standards have been reinforced by a comprehensive scope of Group policies and procedures and all Group members, including directors, officers, and employees, who must adhere to a set of behaviour standards that goes beyond the local statutory requirements.

Code of Conduct

The Code of Conduct (the “Code”) comprises a set of rules adopted by Group’s Board of Directors and applies to all employees, including directors and senior officers, to maintain the highest standards of honesty and integrity across the Group.

The Code is established to set out the important principles to achieve and to adhere to high professional standard and ethical behaviour in all aspects of its business, and to ensure that its affairs are conducted in accordance with applicable laws and regulations, as well as taken into consideration of social and environmental needs for achieving sustainable business and strategic long-term success.

Procedures in handling and dissemination of inside information (part of Code of Conduct)

The Group regulates the handling and dissemination of inside information as set out in the Code of Conduct and various supplementary procedures are in place to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

Anti-Bribery and Corruption Policy and Procedure Manual

The Boards have zero tolerance towards any form of bribery and corruption at any level in association with any aspect of the Group’s activities. Our Anti-Bribery and Corruption Policy (“ABC Policy”) provides principles for all directors, officers, employees, and external parties acting in any capacity on behalf of the Group to conduct business with integrity and honesty and to reduce the risk of corruption. Furthermore, an Anti- Bribery and Corruption Procedure Manual (“Procedure Manual”) has also been developed to provide detailed guidance on mitigating potential bribery and corruption risks in conjunction with the ABC Policy while maintaining the highest possible ethical standards in its business practice. In furtherance of this commitment, the Group has enhanced disclosure and transparency with effective anti-bribery and corruption framework in place by releasing the Statement of ABC Policy which cites the key principles of ABC Policy and Procedure Manual on the Company’s website.

Whistleblower Policy and Procedure Manual

The Audit Committees have established and overseen a whistleblower policy and procedure manual, whereby employees, customers, suppliers and other concerned parties can raise concerns in relation to any actual or suspected occurrence of improper conduct involving a member of the Group, and for such matters to be investigated and dealt with efficiently in an appropriate, transparent and independent manner while the confidentiality of the whistleblower will be properly protected.

Personal Data Privacy Policy

The Personal Data Privacy Policy which has been updated in 2024 is in place to guide the Group’s collection, processing and retention of personal data throughout the personal data lifecycle. The existing policy ensures that the Group’s data privacy risk management is reflective of the evolving regulatory landscape and data subjects’ data privacy rights are upheld.

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Risk Management Culture (continued)

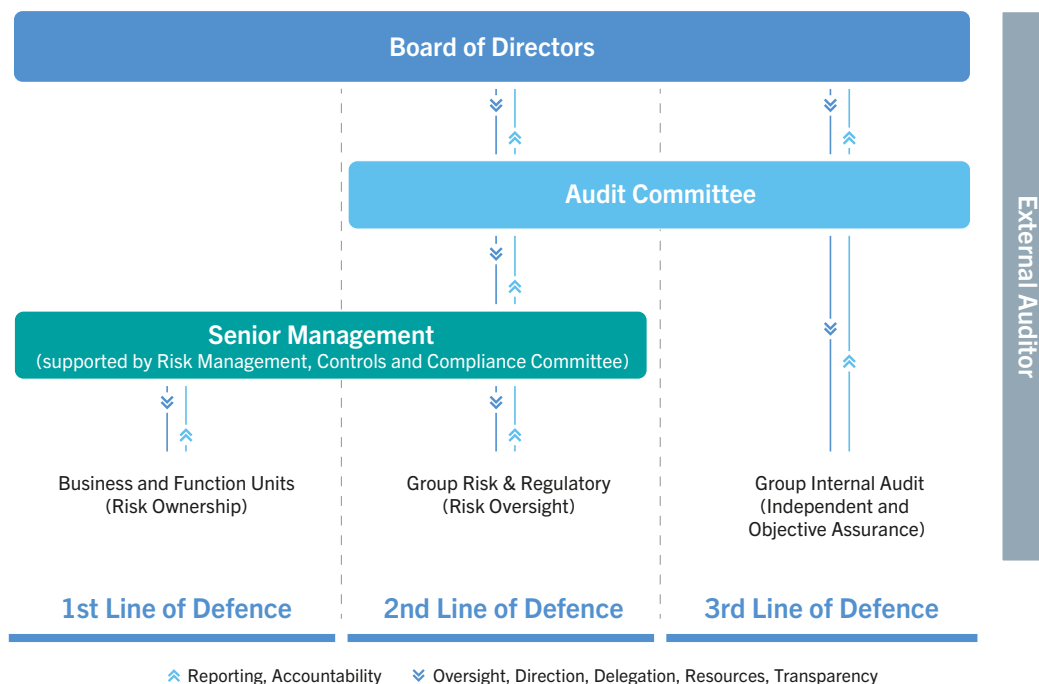
Information Technology Security Policy The Information Technology Security Policy sets forth rules and practices for Group’s employees, contractors and third-party users to follow, including the specification of security requirements that are mandatory for all Group’s computing environments. This policy is approved by the Risk Management, Controls and Compliance Committee (“RMCCC”) and outlines the IT security control requirements with four general categories – Organisation, Physical, Technology and People. The Information Technology Security Policy has been updated to refine and supplement the IT security control standards by aligning with the latest industrial best practices (e.g.: ISO 27001:2022, PCI DSS).

Governance Structure and Enterprise Risk Management Framework

The Group has established an organisational structure with defined levels of responsibility, reporting and escalation procedures. The RMCCC and Group Internal Audit (“GIA”) assist the Boards and/or the Audit Committees in reviewing the effectiveness of the Group’s risk management and internal control systems on an ongoing basis. The Boards, through these committees, are kept regularly apprised of the significant risks that may have impacts on the Group’s performance.

Appropriate policies and controls have been designed and established by the Group to ensure that assets are safeguarded against improper use or disposal, while relevant rules and regulations are being adhered to and complied with, including reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, as well as key risks that may impact the Group’s reputation and performance are appropriately identified and managed. The systems and internal controls can only provide reasonable, though not absolute, assurance against material misstatement or loss, as they are designed to mitigate rather than eliminate the risk of failure to achieve business objectives.

The Group’s enterprise risk management framework is guided by the “Three Lines of Defence” model as shown below:



RISK MANAGEMENT AND INTERNAL CONTROLS *(CONTINUED)*

Governance Structure and Enterprise Risk Management Framework *(continued)*

The First Line of Defence is responsible for regularly identifying and managing risk as part of its accountability for achieving business and operational objectives where it also designs and executes internal control measures on a daily basis. Being the risk owners, the First Line of Defence is responsible for monitoring and updating the risk profiles on an ongoing basis which are measured against a pre-defined set of likelihood and impact criteria.

The Second Line of Defence provides the policies, frameworks, tools, techniques and advisory support to enable risk and compliance oversight of the First Line of Defence while ascertaining the relevant embedded controls are effective, as well as ensuring the consistency of categorisation and measurement of risk attributes. The risk management process integrates both top-down and bottom-up approaches to enable the identification, evaluation and management of risks holistically. Mitigation controls will be implemented where opportunities for enhancing the existing control environment arise. This process is reviewed regularly by the Audit Committees and the RMCCC such that any material changes in the nature or extent of the key risks will be reported to the Boards.

The Third Line of Defence provides the Boards, executive and senior management of the Group with assurance in an independent and objective manner. Such assurance work covers the effectiveness of governance, risk management and internal controls, including the manner which the First and Second Lines of Defence operate in achieving firm-wide risk management and control objectives.

GR&R is responsible for the supervision of enterprise risk management activities while reviewing significant aspects of risk exposures to the Group through reporting to the Audit Committees at each regularly scheduled meeting, including key risks of the Group and the appropriate mitigation and/or transfer of identified risks. GR&R is responsible for managing the Group risk portfolio while working with the Audit Committees to ensure that the risk registers are kept current, factual and consistent across all operating units. The operating units of the Group, as risk owners, identify, evaluate, mitigate and monitor their own risks, and report such risk management activities to GR&R on a regular basis. GR&R assesses and presents regular reports to the RMCCC at each regularly scheduled meeting.

GIA adopts a risk-based audit approach. The annual work plan of GIA covers the key risks affecting major activities and processes of the Group's and its subsidiaries' operations, businesses and service units. Special reviews are also performed at the request of senior management. The results of these audit activities and recommendations for improvement are communicated to key members of executive and senior management of the Group when needed, as well as upon completion. Additionally, the results of the audit activities are communicated to the Audit Committees through monthly reports and at each regularly scheduled meeting throughout the year. Audit issues are closely tracked and followed up for proper implementation such that progress is reported to the Audit Committees, executive and senior management of the Group periodically.

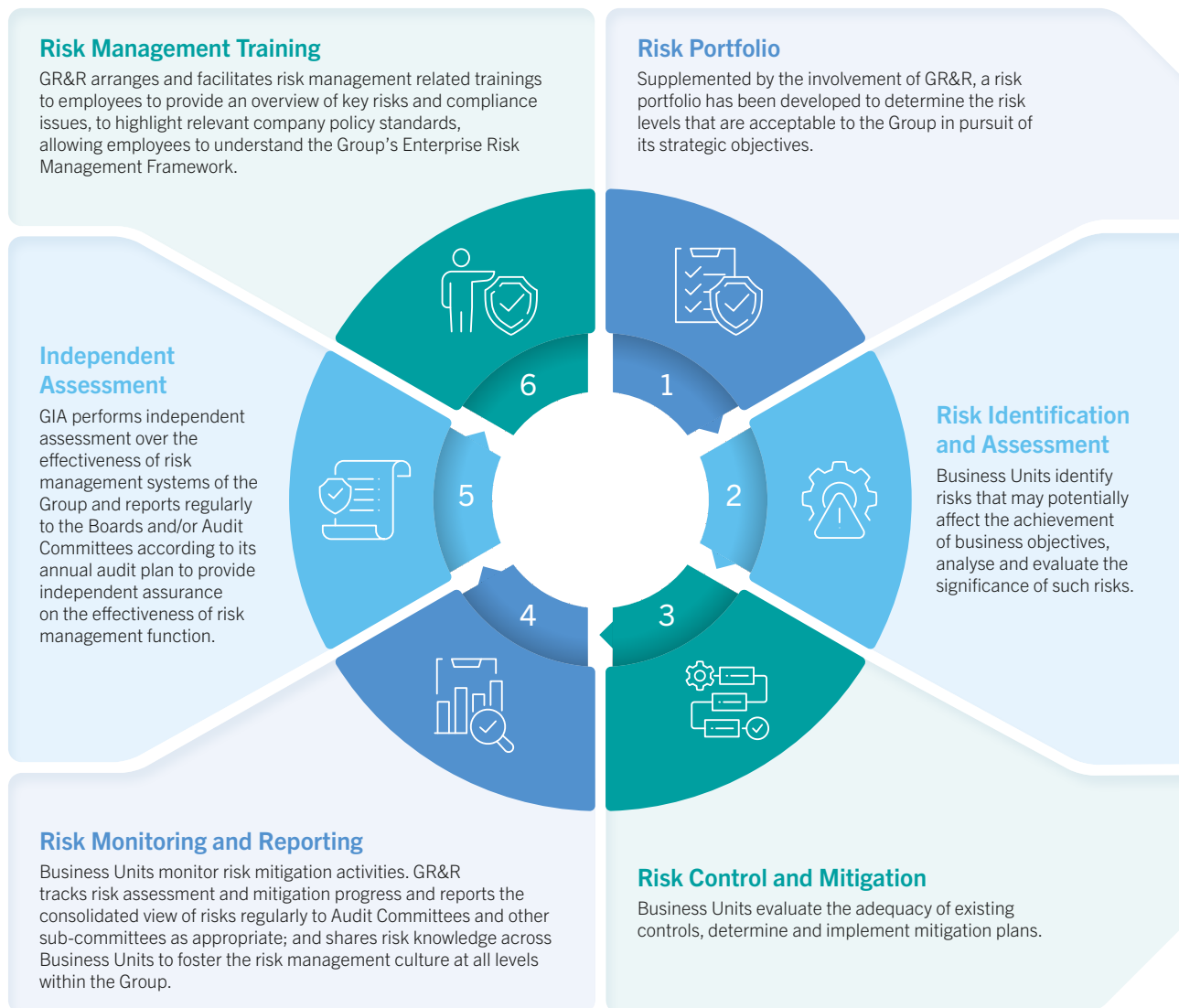
GIA maintains primary accountability to the Boards and is independent from the responsibilities of management. The Head of GIA reports functionally to the Chairmen of the Audit Committees, and administratively to the Group Managing Director and the Chief Financial Officer of the Group.

The senior management of the Group, supported by the RMCCC, GR&R and GIA, is responsible for the design, implementation and monitoring of the enterprise risk management and internal control systems, and for providing regular reports to the Boards and/or the Audit Committees on the effectiveness of these systems.

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Governance Structure and Enterprise Risk Management Framework (continued)

The Group incorporates the principles of ISO 31000:2018 Risk Management – Guidelines as its overarching approach to manage its business and operational risks. The following diagram illustrates the key processes used to identify, evaluate and manage the Group’s significant risks:



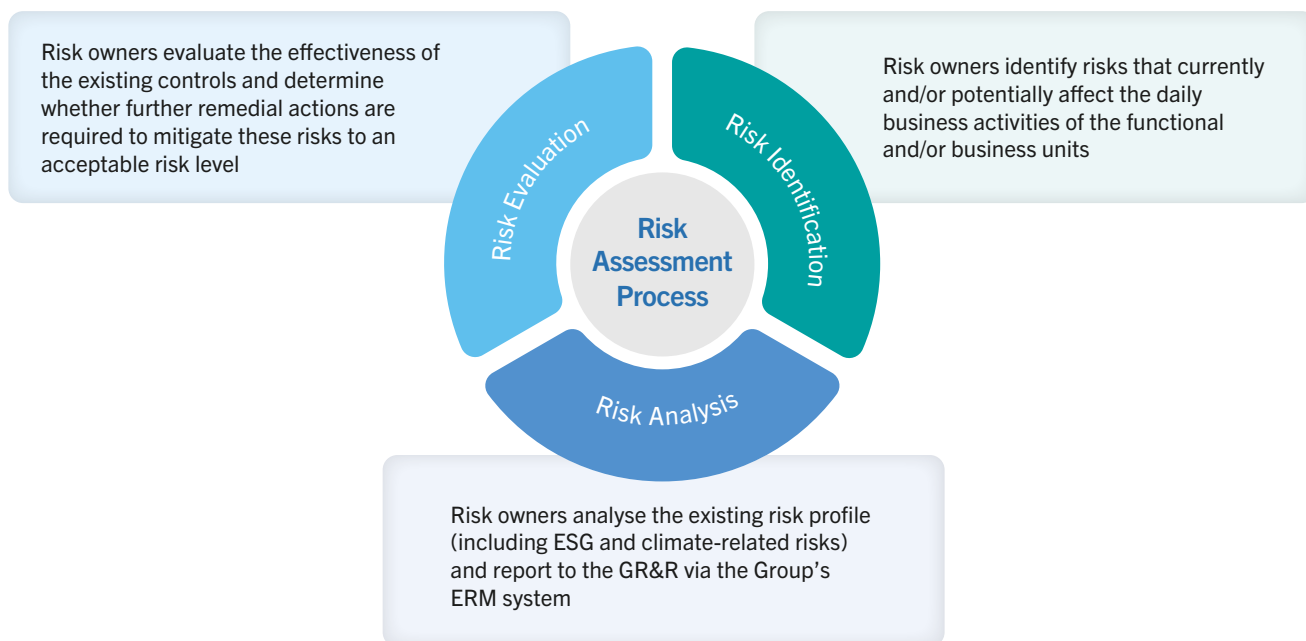
The Group has adopted policies and procedures for assessing and, where prudent, improving the effectiveness of its enterprise risk management and internal control systems, including the requirement for executive management of the Group to regularly assess and, at least annually to certify that such aforementioned matters are deemed appropriate and functioning effectively with the view that they will further enhance the corporate governance of the Group and its business practices.

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Governance Structure and Enterprise Risk Management Framework (continued)

The Group has embedded its risk management systems in the daily operating practices. On a continuous basis, the respective operating units of the Group review and assess the status of potential risks which may impact their business objectives and/or those of the Group. This review process includes assessment of whether the existing internal control system remains relevant and effective, while adequately addressing potential risks, and/or should be supplemented.

The diagram below demonstrates the ongoing risk assessment process adopted by the Group:



Our key risk monitoring activities are conducted on an ongoing basis by risk owners who review and monitor the remedial actions of their respective operating units. Review results are recorded in the operating units risk registers for tracking and incorporated into the Group's consolidated repository for analysis of potential strategic implications and regularly reporting to senior management and directors of the Group. During the reporting period, there were no significant changes in the assessment of risks (including ESG risks) and the risk management and internal control systems.

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Review of the effectiveness of the Risk Management and Internal Control Systems

The Group has implemented processes to undertake extensive testing of its internal controls, and there is an annual certification process in place to support the assessment of the effectiveness of its enterprise risk management and internal control systems.

During 2025, GR&R worked closely with the operating units and senior management to continuously enhance the enterprise risk management systems including such activities, among other matters, providing training sessions and risk workshops to cope with the latest Listing Rules; further standardising risk reporting narrative, classification, and quantification; and closer aligning assessment of internal controls with the inherent risks embedded in the business. GR&R presented reports to the Audit Committees where they were reviewed and distributed to the Boards. The same reports highlighted the Group risk portfolio while assisting the directors in the review of the effectiveness of the enterprise risk management and internal control systems of the Group throughout the year.

Over the same period, GIA reviewed the effectiveness of the Group's and its subsidiaries' risk management and internal control systems, with scope covering all material risks and controls over financial, operational and compliance controls with emphases on information technology and security, data privacy and protection, third party management and regulatory compliance. Additionally, as part of the annual internal audit planning process, GIA reviewed the risks of business and corporate functions of the HKT Limited Group to complete their evaluation of their respective internal controls.

The Audit Committees and the Boards were not aware of any areas of concern that would have a material impact on the financial position or results of operations of the Group (including the Trustee-Manager) and confirmed that the enterprise risk management and internal control systems to be generally effective and adequate, including the adequacy of resources, staff qualifications and experience, training programmes and the budget of accounting, financial reporting, GR&R and GIA functions as well as other corporate functions pertaining to the Group's ESG performance and reporting, for dealing with identified risks, safeguarding the issuer's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the issuer's financial reports and achieving compliance with applicable laws and regulations. Both the Boards and the Audit Committees remained satisfied that the internal risk control framework implemented by the Group continues to provide the necessary elements of enabling business flexibility without compromising the integrity of risk management and internal control systems.

In addition to the review of enterprise risk management and internal controls undertaken within the Group, the external auditor also assessed the adequacy and effectiveness of risk management and internal controls as part of their annual statutory audits. Where appropriate, the external auditor's recommendations are adopted and enhancements to the risk management and internal controls would be made.

Further information on risk management and internal controls adopted and implemented by the Group is available under the "Corporate Governance" section on the Company's website.


Principal Risks and Uncertainties

The ability of the Group to manage risks, including ESG and climate-related risks and opportunities in accordance with the latest requirements of the Listing Rules, has been continuously evolving through focusing on risk management capabilities, ensuring that they remain robust where risks are timely identified, assessed and mitigated effectively.

The table below shows the principal risks and uncertainties encountered by the Group and its corresponding key mitigating strategies. These risks may adversely and/or materially affect the overall business performance, financial conditions, operations and growth prospects of the Group if they are not managed properly. These principal risks listed below are not exhaustive or comprehensive, and there may be other risks which are not known to the Group or may not be material at this juncture but could turn out to become material in the future. Due to the pace and nature at which risks are evolving, the Group remains vigilant in addressing areas of concern while developing appropriate control measures.




RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Principal Risks and Uncertainties (continued)

Risk	Risk Level Trend in 2025	Description	Key Mitigation Strategies
Technology Risk <i>Cybersecurity Threat</i>		The Group relies on a sound IT infrastructure and operating environment in supporting all aspects of its business, including handling of customer data, personal information and other sensitive commercial data which are susceptible to cybersecurity threats.	<p>Group Information and Cybersecurity Council (“GICSC”) oversees all cybersecurity-related initiatives, investments and ongoing maintenance pertaining to the protection of the Group’s core infrastructure including networks, servers and endpoints.</p> <p>In 2025, the Group appointed a seasoned cyber security practitioner as our new Chief Information Security Officer, underscoring our continued commitment and strategic focus on the Group’s cyber security posture.</p> <p>The Group continues to monitor suspicious activity to combat cyberattacks by subscribing Attack Surface Management and Continuous Automated Red Teaming solution, as well as bounty hunting platform for in-depth threat assessment.</p> <p>Furthermore, besides of joining the taskforce allied with government authorities and other telcos to tackle scams taking place in Hong Kong on an on-going basis, throughout the year, the Group has conducted cybersecurity drill simulation to facilitate the Corporate Incident Response Team’s familiarisation with cybersecurity incident response handling processes.</p>




RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Principal Risks and Uncertainties (continued)

Risk	Risk Level Trend in 2025	Description	Key Mitigation Strategies
<i>Information Security and Data Protection</i>		With the Group's comprehensive digital ecosystem, information security and customer data privacy protection are two of the material risk attributes recognised.	The Group has been closely monitoring the latest legislation in relation to information security and data protection to identify any potential impact on the Group business going forward. The Group policies, namely Information Technology Security Policy and Personal Data Privacy Policy are regularly updated to ensure an alignment between Group information security standards and our data privacy obligations under evolving regulations as well as increasing awareness of proper governance and compliance responsibilities across the business.
<i>Technology Trend</i>		New technologies including generative artificial intelligence (AI) and other market forces may outpace the ability of the Group to face emerging technological complexity and new customer experience.	The Group has been staying vigilant in identifying potential vulnerabilities, while ensuring effective governance and oversight in addressing regulatory requirements, privacy concerns and technology risk using enhanced technology assessment framework on AI adoption in accordance with the strategic roadmap and priorities of the Group.
Regulatory and Legal Risk <i>Non-compliance with Laws and Regulations</i>		The Group operates in markets and industries requiring compliance with legal and regulatory standards adopted in various sectors, as well as jurisdictions, such as telecommunications, broadcasting, rules that govern the use of personal data, financial related services, etc.	The Group has conducted a series of Group initiatives with the commitment to meet the highest standards of corporate governance and recognise the value in building trust with our global business partners and stakeholders, including reinforcing effective control requirements over new business initiatives as well as reaffirming the essentials in having mutual business agreements with vendors on equal footing.



RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Principal Risks and Uncertainties (continued)

Risk	Risk Level Trend in 2025	Description	Key Mitigation Strategies
Project Risk <i>Project Management</i>		<p>To attain the sustainable growth of the Group and to create long-term value for stakeholders, there are different scale business projects initiated. The operating units must manage the projects effectively to ensure timeliness and quality of deliverables.</p>	<p>The Group has been providing on-going risk management support to business units on strategic projects and advising proper protocol of project risk assessment to ensure effective mitigation controls in place for addressing key risk items with significant impact(s) on overall project delivery schedule.</p>
People Risk <i>Employee Retention and Talent Development</i>		<p>As a prominent multi-service and technologies provider, a proactive review approach of workforce strategy in retaining and developing the best people with the right skills and attitudes across all levels is the key, and to further enhance the scaling of our people in accordance with business and operational requirements.</p>	<p>The Group has established training, performance management and reward programmes to retain, develop and motivate staff members as well as developing succession planning to avoid any major disruption resulting from the loss of key employees. Furthermore, the Group has continued to support staff initiative projects, advising on reputational and regulatory compliance risk in particular to privacy compliance, and to ensure its workflow and those embedded operational risks are properly managed by Group Human Resources. This will ensure continuity of business strategy while fostering a culture of strength.</p>
Operational Risk <i>Business Interruption</i>		<p>Business interruption due to external factors beyond control.</p>	<p>The Group has adopted a Business Continuity Management Policy and Corporate Incident Response Plan to ensure any significant corporate incidents reported/escalated are handled promptly with care and in a cautious manner to protect our staff with the readiness to resume normal operations and mobilising resources to bolster recovery and growth.</p>




RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Principal Risks and Uncertainties (continued)

Risk	Risk Level Trend in 2025	Description	Key Mitigation Strategies
<p><i>Third-Party Vendor</i></p>		<p>Business interruption due to third-party service failure.</p>	<p>Effective vendor risk management with periodic due diligence and ongoing monitoring, diversification of supply chain and technologies deployment through sourcing and working with multiple vendors operating in different jurisdictions to mitigate residual risk exposure while achieving diversification without relying to a single vendor.</p>
<p>Market Risk <i>Market Competition</i></p>		<p>The Group operates in markets and industries where the regulatory environment promotes competition and consumer protection. During the year, market competition further intensified due to technological innovation emerging in the marketplace, such as generative AI.</p>	<p>The Group has operated in this competitive landscape for over twenty years and continued to strive to compete primarily based on attributes such as functionality, coverage, time to market, ease of integration, pricing, and quality of products and services, as well as longstanding market experience, goodwill and reputation.</p> <p>Furthermore, we have leveraged the networking of the Group's other operating units to enable more cross selling opportunities, as well as customer feedback management, and the adoption of AI tools in Group's operations aiming to continue to contribute towards community's needs and emerging technology applications in pursuit of a sustainable future.</p>

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Principal Risks and Uncertainties (continued)

Risk	Risk Level Trend in 2025	Description	Key Mitigation Strategies
Strategic Risk <i>Innovation and Adoption</i>		Driven by the commitment to innovation for impact, the Group has continued its business progression to a broad array of innovative solutions by presenting future-oriented initiatives for customers	The Group has set up GenAI Taskforce to drive the new strategic imperatives and monitor any risk and compliance challenges due to AI adoption.
<i>Political Landscape</i>		The multinational footprint of the Group spans in several jurisdictions. Changes in the macroeconomy due to geopolitical tension and policy driven currency and interest rate fluctuations may expose the Group to potential financial and strategic risks.	By constantly monitoring the development of political landscape and reviewing revenue trends through diversified portfolio of leading media and telecom businesses into other industry segments such as FinTech and HealthTech, the Group continues to explore more strategic business opportunities on different technology platforms and geographical locations.
<i>Failure of Strategy</i>		The current business model envisages growth, whether by way of organic growth or through new business amalgamation or strategic investments, in telecommunications and/or technology sectors.	The Group's considerable internal knowledge and subject matter expertise, together with external advisors where appropriate, can provide any necessary information and guidance on relevant matters and pending changes that may have an adverse impact on the franchise value of the Group.

Risk Level Trending Legend



Risk level remains broadly the same



New risk



Risk level trending upward



Risk level trending downward

POTENTIAL CONFLICTS OF INTERESTS

The Trustee-Manager and the Company have instituted the following procedures and established the following measures to deal with potential conflicts of interest issues, including:

- if a director has a conflict of interest in a matter to be considered by the Company Board or the Trustee-Manager Board which the relevant Board has determined to be material, the matter will be dealt with by a physical board meeting rather than a written resolution, and independent non-executive directors who, and whose close associates, have no material interest in the transaction must be present at that board meeting.
- in respect of matters in which PCCW and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by PCCW and/or its subsidiaries to the Company Board or the Trustee-Manager Board to represent PCCW's (or its subsidiaries') interests will abstain from voting. In such matters, the quorum must comprise of a majority of the independent non-executive directors and must exclude any nominee directors appointed by PCCW and/or its subsidiaries.
- where matters concerning the HKT Limited Group relate to transactions entered into or to be entered into with a related party of the Trustee-Manager (which would include relevant associates thereof), the HKT Trust or the Company, the relevant Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted on normal commercial terms, are not prejudicial to the interests of the HKT Limited Group and the holders of Share Stapled Units and are in compliance with applicable requirements of the Listing Rules and the Trust Deed relating to the transaction in question. The relevant Board will also review these contracts to ensure that they comply with the provisions of the Listing Rules and the Trust Deed relating to connected transactions (as may be amended from time to time) as well as any other guidelines as may from time to time be prescribed by the Securities and Futures Commission of Hong Kong and the Stock Exchange that are applicable to the HKT Trust.
- a regime for all of the existing continuing connected transactions has already been established, with the ongoing requirement that all such transactions (other than those qualifying for an exemption) be reviewed and reported annually by the independent non-executive directors and the external auditor.
- the HKT Trust and the Company has each established an Audit Committee in accordance with the Listing Rules to, among other matters, regularly review their respective risk management and internal control systems and internal audit reports.

COMPANY SECRETARY

Ms Cheung Hok Chee, Vanessa has been appointed as the Group General Counsel and Company Secretary of the Trustee-Manager and the Company since October 2021. She is also the Group General Counsel and Company Secretary of PCCW. All directors of the Trustee-Manager and the Company have access to the advice and services of the company secretary, who is responsible for ensuring that the board procedures are followed, advising the Boards on all corporate governance matters, and arranging induction programmes including briefings on the general and specific duties of directors under legal and regulatory requirements for newly appointed directors. The company secretary facilitates the induction and professional development of directors.

During the year ended 31 December 2025, Ms Cheung has received no less than 15 hours of relevant professional training to refresh her skills and knowledge.

RIGHTS OF HOLDERS OF SHARE STAPLED UNITS

Procedures to convene an extraordinary general meeting of the Company and the HKT Trust and put forward proposals at general meetings

General meetings of the Company shall be convened on the written requisition of any two or more shareholders of the Company deposited at the principal office of the Company in Hong Kong specifying the objects of the meeting and signed by the requisitionists holding as at the date of deposit of the requisition not less than, for as long as the Trust Deed remains in force, 5% or, thereafter, one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company.

The Trustee-Manager may (and the Trustee-Manager shall at the request in writing of registered holders of units of the HKT Trust holding not less than 5% of the units of the HKT Trust for the time being in issue and outstanding) at any time convene a meeting of registered holders of units of the HKT Trust at such time or place in Hong Kong.

Shareholders of the Company and the holders of units of the HKT Trust can refer to the detailed requirements and procedures as set forth in the relevant sections of the Company Articles and the Trust Deed when making any requisitions or proposals for transaction at the general meetings of the Company and the HKT Trust.

Procedures by which enquiries may be put to the Boards

Holders of Share Stapled Units may send enquiries to the Boards in writing c/o the Corporate Secretariat with the following contact details:

Attention: Company Secretary
Address: 39th Floor, PCCW Tower, Taikoo Place,
979 King's Road, Quarry Bay, Hong Kong
Fax: +852 2962 5926
Email: cosec@hkt.com

INVESTOR RELATIONS AND COMMUNICATION WITH THE HOLDERS OF SHARE STAPLED UNITS

The HKT Trust (including the Trustee-Manager) and the Company are committed to promoting and maintaining effective communication with the holders of Share Stapled Units (both individual and institutional). A Unitholders Communication Policy has been adopted for ensuring the HKT Trust and the Company provide the holders of Share Stapled Units and the investment community at large with ready, equal and timely access to balanced and understandable information about the HKT Trust and the Company in order to enable the holders of Share Stapled Units to exercise their rights in an informed manner, and to allow holders of Share Stapled Units and the investment community to engage actively with the HKT Trust and the Company. The Unitholders Communication Policy is available on the Company's website (www.hkt.com/ir).

The Company and the Trustee-Manager encourage two-way communications with institutional and retail investors, as well as financial and industry analysts. Extensive information on the Group's activities is provided in the annual and interim reports and circulars which are sent to the holders of Share Stapled Units and are also available on the websites of the Company and HKEX.

In addition to despatching this annual report to the holders of Share Stapled Units, financial and other information relating to the Group, HKT Limited Group and the Trustee-Manager and their respective business activities is disclosed on the Company's website in order to promote effective communication.

Regular dialogue takes place with the investment community. Inquiries from individuals on matters relating to their holdings in the Share Stapled Units, the business of the Company and the HKT Trust are dealt with in an informative and timely manner. The relevant contact information is provided in the section headed "Corporate Information" in this annual report and also provided in the Unitholders Communication Policy. Based on the information set out in the above paragraphs, the implementation of the Unitholders Communication Policy is considered to be effective.

INVESTOR RELATIONS AND COMMUNICATION WITH THE HOLDERS OF SHARE STAPLED UNITS (CONTINUED)

The Boards approved and adopted a distribution policy in November 2018 which sets out their respective overall objective to deliver steady and sustainable returns to the holders of Share Stapled Units. In proposing any distribution payment, the Boards will take into account a number of factors which include the Group's Adjusted Funds Flow, after adjusting for potential debt repayment, if required, and any amounts set aside by the Company Board for any repurchase of Share Stapled Units, the Group's financial position and results of operation, and other factors the Boards may consider relevant and appropriate. In general, the distribution payment for a financial year will be made on a semi-annual basis. Under the Trust Deed, the HKT Trust is required to distribute 100% of the amounts received from the HKT Limited Group, after deduction of all amounts permitted to be deducted or paid under the Trust Deed. The policy states the current intention of the Company Board which is subject to change.

The Combined Annual General Meeting of the Company and the HKT Trust will be held in 2026 for which reasonable notice will be given in compliance with applicable requirements. At the meeting, directors will be available to answer questions on the business relating to HKT Limited Group and external auditor will be available to answer questions about the conduct of the audit, the preparation and content of the auditor's reports, the accounting policies and the auditor independence.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2025, there were no changes made to the Company's Articles and the Trust Deed. Copies of these constitutional documents are available on the websites of the Company and HKEX.

By order of the boards of
HKT Management Limited and
HKT Limited

Cheung Hok Chee, Vanessa

Group General Counsel and Company Secretary

Hong Kong, 9 February 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Sustained market leadership in broadband, with FTTH connections growing by 4% to 1.086 million; progressive upgrades to latest fibre services drove 93% expansion in 2500M customer base;
- 5G customer base up 20% to 2.096 million; together with higher roaming revenue, fuelled 5% rise in Mobile services revenue;
- Enterprise business expanded further, achieving revenue growth of 8% in 2025; secured new project wins exceeding HK\$5 billion, underpinning further growth;
- Total revenue increased by 5% to HK\$36,553 million; total revenue excluding Mobile product sales rose by 3% to HK\$33,016 million;
- Total EBITDA grew by 4% to HK\$14,234 million, bolstered by efficiency and productivity improvements resulting from AI adoption;
- Adjusted funds flow also climbed by 4% to HK\$6,199 million;
- Profit attributable to holders of Share Stapled Units increased by 4% to HK\$5,286 million; basic earnings per Share Stapled Unit was 69.76 HK cents; and
- Final distribution per Share Stapled Unit of 47.97 HK cents, resulting in a total distribution of 81.77 HK cents, which represents the full payout of the adjusted funds flow for the year.

FINANCIAL REVIEW BY SEGMENT

For the year ended 31 December HK\$ million	2024			2025			Better/ (Worse) y-o-y
	H1	H2	Full Year	H1	H2	Full Year	
Revenue							
TSS	12,063	12,394	24,457	12,527	12,601	25,128	3%
– Local TSS Services	8,289	9,061	17,350	8,714	9,071	17,785	3%
– International Telecommunications Services	3,774	3,333	7,107	3,813	3,530	7,343	3%
Mobile	4,976	6,508	11,484	5,200	7,494	12,694	11%
– Mobile Services	3,990	4,772	8,762	4,189	4,968	9,157	5%
– Mobile Product Sales	986	1,736	2,722	1,011	2,526	3,537	30%
Other Businesses	552	328	880	570	311	881	–
Eliminations	(922)	(1,146)	(2,068)	(975)	(1,175)	(2,150)	(4)%
Total revenue	16,669	18,084	34,753	17,322	19,231	36,553	5%
Total revenue (excluding Mobile Product Sales)	15,683	16,348	32,031	16,311	16,705	33,016	3%
Cost of sales	(8,491)	(9,219)	(17,710)	(9,021)	(10,119)	(19,140)	(8)%
Net operating costs before depreciation, amortisation, and gains on disposal of property, plant and equipment and right-of-use assets	(2,010)	(1,290)	(3,300)	(1,921)	(1,258)	(3,179)	4%
EBITDA¹							
TSS	4,296	5,236	9,532	4,421	5,300	9,721	2%
Mobile	2,302	3,009	5,311	2,412	3,156	5,568	5%
– Mobile Services	2,300	3,006	5,306	2,409	3,151	5,560	5%
– Mobile Product Sales	2	3	5	3	5	8	60%
Other Businesses	(430)	(670)	(1,100)	(453)	(602)	(1,055)	4%
Total EBITDA¹	6,168	7,575	13,743	6,380	7,854	14,234	4%
TSS EBITDA¹ Margin	36%	42%	39%	35%	42%	39%	
Mobile EBITDA¹ Margin	46%	46%	46%	46%	42%	44%	
– Mobile Services EBITDA ¹ Margin	58%	63%	61%	58%	63%	61%	
Total EBITDA¹ Margin	37%	42%	40%	37%	41%	39%	
Total EBITDA¹ Margin (excluding Mobile Product Sales)	39%	46%	43%	39%	47%	43%	
Depreciation and amortisation	(2,683)	(2,822)	(5,505)	(2,757)	(3,080)	(5,837)	(6)%
Net gains on disposal of property, plant and equipment and right-of-use assets	9	1	10	1	4	5	(50)%
Net other gains & others	16	115	131	4	57	61	(53)%
Net finance costs	(1,092)	(1,146)	(2,238)	(885)	(835)	(1,720)	23%
Share of results of associates and joint ventures	(84)	(42)	(126)	(31)	(58)	(89)	29%
Profit before income tax	2,334	3,681	6,015	2,712	3,942	6,654	11%

ADJUSTED FUNDS FLOW³

For the year ended 31 December HK\$ million	2024			2025			Better/ (Worse) y-o-y
	H1	H2	Full Year	H1	H2	Full Year	
Total EBITDA¹	6,168	7,575	13,743	6,380	7,854	14,234	4%
Less cash outflows in respect of capital expenditures, customer acquisition costs and licence fees ² :							
Capital expenditures	(1,041)	(996)	(2,037)	(1,008)	(969)	(1,977)	3%
Customer acquisition costs and licence fees	(716)	(982)	(1,698)	(686)	(1,126)	(1,812)	(7)%
Fulfilment costs	(291)	(365)	(656)	(320)	(367)	(687)	(5)%
Right-of-use assets	(731)	(681)	(1,412)	(710)	(633)	(1,343)	5%
Adjusted funds flow³ before tax paid, net finance costs paid and changes in working capital	3,389	4,551	7,940	3,656	4,759	8,415	6%
Adjusted for:							
Net finance costs paid	(887)	(941)	(1,828)	(764)	(809)	(1,573)	14%
Tax payment	(182)	(75)	(257)	(196)	(34)	(230)	11%
Changes in working capital	175	(57)	118	(134)	(279)	(413)	NA
Adjusted funds flow³	2,495	3,478	5,973	2,562	3,637	6,199	4%
Distribution per Share Stapled Unit (HK cents)	32.92	45.88	78.80	33.80	47.97	81.77	

KEY OPERATING DRIVERS⁴

	2024		2025		Better/ (Worse) y-o-y
	H1	H2	H1	H2	
Exchange lines in service ('000)	2,168	2,114	2,070	2,026	(4)%
Business lines ('000)	1,126	1,104	1,088	1,069	(3)%
Residential lines ('000)	1,042	1,010	982	957	(5)%
Total broadband access lines ('000) (Consumer, business and wholesale)	1,646	1,650	1,657	1,661	1%
Retail consumer broadband access lines ('000)	1,472	1,474	1,482	1,488	1%
Retail business broadband access lines ('000)	162	160	158	156	(3)%
Mobile subscribers ('000)	4,884	4,805	4,875	4,817	–
Post-paid subscribers ('000)	3,433	3,459	3,478	3,494	1%
Prepaid subscribers ('000)	1,451	1,346	1,397	1,323	(2)%
Pay TV installed base ('000)	1,430	1,433	1,448	1,464	2%
The Club members ('000)	3,939	4,008	4,070	4,148	3%

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 HKFRS Accounting Standards and should not be considered as representing net cash flows from operating activities. The computation of the Group's EBITDA may not be comparable to similarly titled measures of other companies.

Note 2 Group capital expenditures represent additions to property, plant and equipment and interests in leasehold land. Fulfilment costs and right-of-use assets are considered as part of customer acquisition costs and capital expenditures, respectively, for the purpose of adjusted funds flow calculation.

Note 3 Adjusted funds flow is defined as EBITDA less capital expenditures, customer acquisition costs and licence fees paid, taxes paid, finance costs and interest expense paid, and adjusted for interest income received and changes in working capital. It is not presented as a measure of leverage or liquidity in accordance with HKFRS Accounting Standards and should not be considered as representing net cash flows or any other similar measures derived in accordance with HKFRS Accounting Standards, or an alternative to cash flow from operations or a measure of liquidity. The Group's adjusted funds flow is computed in accordance with the above definition using financial information derived from the Group's audited consolidated financial statements. The adjusted funds flow may be used for debt repayment and the repurchase of Share Stapled Units.

Note 4 Figures are stated as at the period end.

Note 5 Gross debt refers to the principal amount of short-term borrowings and long-term borrowings.

Telecommunications Services

For the year ended 31 December HK\$ million	2024			2025			Better/ (Worse) y-o-y
	H1	H2	Full Year	H1	H2	Full Year	
TSS Revenue							
Local TSS Services	8,289	9,061	17,350	8,714	9,071	17,785	3%
International Telecommunications Services	3,774	3,333	7,107	3,813	3,530	7,343	3%
Total TSS Revenue	12,063	12,394	24,457	12,527	12,601	25,128	3%
Cost of sales	(6,664)	(6,416)	(13,080)	(7,052)	(6,602)	(13,654)	(4)%
Operating costs before depreciation and amortisation	(1,103)	(742)	(1,845)	(1,054)	(699)	(1,753)	5%
Total TSS EBITDA¹	4,296	5,236	9,532	4,421	5,300	9,721	2%
TSS EBITDA¹ margin	36%	42%	39%	35%	42%	39%	

Revenue from Local TSS Services grew by 3% to HK\$17,785 million for the year ended 31 December 2025, underpinned by a 6% increase in Local Data Services revenue to HK\$14,310 million. Local Data Services is the largest component of the Local TSS Services segment, accounting for 80% of revenue. Pay TV Services generated revenue of HK\$2,264 million, while Local Telephony Services revenue amounted to HK\$1,800 million. During the year, revenue from International Telecommunications Services also increased by 3% to HK\$7,343 million. As a result, total TSS revenue rose by 3% to HK\$25,128 million.

Local Data Services. Revenue from Local Data Services, which comprises broadband revenue and local data revenue, increased by 6% year-on-year to HK\$14,310 million for the year ended 31 December 2025.

The broadband business recorded revenue growth for the 18th consecutive year, with revenue increasing by 3% during the year. The growth was fuelled by sustained demand for our high-bandwidth, ultra-low latency fibre services which enable users to enjoy multiple applications at home, including video streaming, online gaming, remote work and various immersive applications. HKT offers a full suite of broadband services – from 1G to 50G fibre services – delivering seamless, high-bandwidth and uninterrupted connectivity to meet the diverse needs of households.

Our fibre-to-the-home (“FTTH”) connections reached 1.086 million at the end of December 2025, representing a net increase of 46,000 or 4% growth from the previous year. As at the end of December 2025, FTTH connections accounted for 73% of our 1.488 million consumer broadband base. We are progressively upgrading customers to our 2500M+ services which, when paired with the latest Wi-Fi 7 devices, provide a leading home broadband experience in Hong Kong. The initial uptake of 2500M has been robust, with customer numbers increasing by 93% year-on-year and average revenue per user (“ARPU”) uplift of around HK\$70. With this service still in its early stages of penetration, we expect the upgrade process to continue in the coming years.

HKT continues to consolidate its leading position in the premium customer segment, supporting the addition and retention of high-value customers seeking a reliable network and a comprehensive range of devices and services. This was reflected in the strong growth of our 1010 HOME premium solution customer base, which increased by 32%.

As a trusted partner to both public and private enterprises, HKT leverages its network infrastructure alongside cloud computing, data analytics and artificial intelligence (“AI”) technologies to help clients accelerate their digital transformation, drive business growth and enhance operational efficiency. Consequently, our enterprise business continued to achieve robust growth in 2025, with local data revenue increasing by 8% year-on-year.

Telecommunications Services (Continued)

Key projects delivered during the year included the deployment of a 5G private network for a logistics company to support autonomous operations and AI-enabled security applications at one of its facilities, as well as the installation of 5G infrastructure for a waste management company to enhance productivity. We also delivered an AI-driven drone inspection solution for a construction materials company, and expanded our smart city offerings to include IoT-enabled lamppost and water meter monitoring services, a food safety temperature monitoring solution for a retail chain, and surveillance and safety solutions for the public utility and engineering sectors.

HKT continues to drive digital transformation solutions that incorporate various AI applications. We have built AI-powered intelligent operations centres for a number of customers in the public utility, banking and transportation sectors, thereby enhancing productivity and decision-making. We have also deployed sector-specific AI applications, such as autonomous robot platforms to improve hospital and education campus operations, and AI-powered contact centre solutions to elevate the customer experience for a financial services provider.

We have been working closely with customers to support the strengthening of the resilience and diversity of their technology supply chains in response to the evolving geopolitical landscape. This includes implementing dual-supply designs and solutions across network infrastructure, cloud and IT systems, cybersecurity, contact centres, communications and AV systems.

During the year, we also supported Hong Kong-based and international enterprises in expanding into the Chinese Mainland market, while assisting Chinese Mainland enterprises in pursuing growth across local, Hong Kong and overseas markets. As a result, our business from Chinese Mainland enterprises sustained further growth, with revenue expanding by 13% year-on-year.

For the year ended 31 December 2025, our HKT Enterprise Solutions team secured new project wins with a total contract value exceeding HK\$5 billion. These projects, scheduled for delivery within the next 12 to 24 months, will drive further revenue.

Pay TV Services. Our Pay TV business remained resilient, generating revenue of HK\$2,264 million for the year ended 31 December 2025, compared with HK\$2,320 million a year earlier, amid intense competition from an expanding array of free and paid entertainment services.

Now TV is a super content platform that aggregates and delivers a diverse and compelling portfolio of content, including premier live sporting events and world-class entertainment programmes ranging from Chinese, Asian and international blockbusters to documentaries. It also offers over-the-top (“OTT”) video streaming services through personalised, on-demand experiences across smart TV, mobile and OTT platforms.

During the second half of 2025, we added Disney+ to the Now TV service, complementing our existing video streaming services. Beyond being the “Home of Sports” with an unparalleled line-up of sport content, we are also the “Home to Every Movie Fan” with over 2,800 Chinese, Hollywood, Japanese and Korean films across a rich mix of genres ranging from timeless classics and blockbuster hits to exclusive premieres and award-winning stories.

The total installed base of Now TV continued to expand by 2% to reach 1.464 million as at the end of December 2025, up from 1.433 million a year earlier. The OTT segment grew by 16% year-on-year as OTT viewing becomes more widespread alongside the proliferation of smart TVs.

Local Telephony Services. In line with the migration from basic voice services to mobile and data services as well as sustained weakness in the small and medium-sized enterprise segment, particularly in the local retail and food & beverage sectors, revenue from Local Telephony Services recorded a decline of 10% to HK\$1,800 million for the year ended 31 December 2025, compared with HK\$2,011 million a year earlier. The total number of fixed lines in service at the end of December 2025 decreased to 2.026 million from 2.114 million in the previous year.

International Telecommunications Services. Revenue from International Telecommunications Services grew by 3% to HK\$7,343 million for the year ended 31 December 2025, compared with HK\$7,107 million a year earlier. The revenue growth was driven by an increase in wholesale global voice revenue and growing demand for Console Connect, our software defined cloud connectivity platform.

The TSS business achieved year-on-year EBITDA growth of 2% to HK\$9,721 million. This growth was fuelled by further improvements in operational efficiency during the year, resulting in an EBITDA margin of 39%.

Mobile

For the year ended 31 December HK\$ million	2024			2025			Better/ (Worse) y-o-y
	H1	H2	Full Year	H1	H2	Full Year	
Mobile Revenue							
Mobile Services	3,990	4,772	8,762	4,189	4,968	9,157	5%
Mobile Product Sales	986	1,736	2,722	1,011	2,526	3,537	30%
Total Mobile Revenue	4,976	6,508	11,484	5,200	7,494	12,694	11%
Mobile EBITDA¹							
Mobile Services	2,300	3,006	5,306	2,409	3,151	5,560	5%
Mobile Product Sales	2	3	5	3	5	8	60%
Total Mobile EBITDA¹	2,302	3,009	5,311	2,412	3,156	5,568	5%
Mobile EBITDA¹ margin	46%	46%	46%	46%	42%	44%	
<i>Mobile Services EBITDA¹ margin</i>	<i>58%</i>	<i>63%</i>	<i>61%</i>	<i>58%</i>	<i>63%</i>	<i>61%</i>	

Mobile business recorded continued growth for the year ended 31 December 2025, with services revenue increasing by 5% to HK\$9,157 million, underpinned by sustained expansion in roaming services, an enlarged 5G post-paid customer base and growing demand for mobile enterprise solutions.

To meet customers' strong demand for travel connectivity, we have continued to introduce innovative and easy-to-use roaming services, ensuring users enjoy seamless, optimal network quality while overseas. This helped to drive sustained year-on-year growth of 8% in our total roaming revenue, with consumer outbound roaming revenue recording notable year-on-year growth of 18%. Recently, we launched the "Golden Roaming" service in collaboration with our leading mobile partners across Asia Pacific, offering improved network speed and stability in popular travel destinations.

With AI smartphones expected to become more widely available and affordable, we are upgrading our network to address future growth in cellular demands. As the first mobile service provider in Hong Kong to deploy 25Gbps mobile backhaul, we have significantly strengthened network performance while ensuring scalability to support mega events. We always strive to adopt the latest tools and technologies at suitable times to improve network performance and to make the best use of our spectrum portfolio,

such as the latest generation of dynamic spectrum sharing technology, which allows us to reallocate existing 4G spectrum for 5G deployment on dynamic basis, to meet the growing demand from users upgrading to 5G devices and plans without sacrificing the experience of 4G users. As at the end of December 2025, our mobile post-paid customer base stood at 2.096 million 5G plan users – an increase of 20% year-on-year, representing 60% of our total post-paid base.

Overall, the Mobile business reported a net gain of 35,000 in its post-paid customer base during the year, reaching 3.494 million as at the end of December 2025. This was achieved despite continued intense market competition, particularly in price-sensitive segments. The customer base for our core 1010 and csl segment further expanded by 2% during the year.

Post-paid exit ARPU for December 2025 rose by 1% to HK\$195, up from HK\$193 for December 2024, benefitting from the higher contribution of roaming revenue and the uplift of 5G service plan fees. The post-paid churn rate of our core 1010 and csl customers remained low at 0.7% during the year, as vigorous customer retention strategies, including initiatives implemented through The Club and 1010 HOME service, helped to deepen customer engagement and loyalty.

Mobile (Continued)

Mobile product sales increased by 30% to HK\$3,537 million for the year ended 31 December 2025, driven by the launch of flagship handsets in the second half of 2025. Sales were further supported by The Club, which provides customers with a convenient digital shopping experience.

Mobile services EBITDA for the year rose by 5% to HK\$5,560 million, maintaining a stable EBITDA margin of 61%. Total Mobile EBITDA for the year also increased by 5% to HK\$5,568 million, up from HK\$5,311 million a year earlier, resulting in an EBITDA margin of 44% due to the higher contribution from lower margin Mobile product sales.

Other Businesses

Other Businesses primarily comprises businesses including our loyalty platform, The Club, and corporate support functions. These businesses are an integral part of HKT's strategy to provide a wide range of lifestyle services beyond connectivity, catering to members' interests. For the year ended 31 December 2025, revenue from Other Businesses was stable at HK\$881 million, compared with HK\$880 million in the prior year.

The Club's membership base expanded by 3% to 4.15 million in 2025, up from 4.01 million in the previous year. The Club's offerings cover a full spectrum of categories, ranging from daily necessities, electronics, and tech products to travel, insurance and lifestyle experiences. We have continued to deepen customer engagement throughout The Club digital ecosystem by utilising AI-supported content, ad-tech targeting and social based communications. These initiatives help deliver more relevant, personalised service offerings and experiences to consumers and merchants.

Our healthtech platform, DrGo, recorded a 3% rise in registered users, reaching 410,000 as at the end of December 2025. During the year, DrGo has broadened its horizons by extending its telemedicine solutions beyond Hong Kong to the Greater Bay Area and other key Asian markets. We also launched DrGo One Wellness, a comprehensive subscription programme embedded in the insurance ecosystem, to provide one-stop preventive healthcare solutions.

Eliminations

Eliminations were HK\$2,150 million for the year ended 31 December 2025, compared with HK\$2,068 million a year earlier, reflecting the increased collaboration across HKT's business segments.

Cost of Sales

Cost of sales for the year ended 31 December 2025 increased by 8% to HK\$19,140 million, reflecting a change in the revenue mix during the year.

General and Administrative Expenses

HKT has been reshaping its workflows and network management through AI deployment, yielding notable enhancements in operating efficiency and cost optimisation. These AI-led initiatives have already boosted productivity and delivered operating cost savings during the year. Coupled with the Group's continued efforts in streamlining business structures and workforce optimisation as well as IT platform rationalisation, the overall net operating costs before depreciation, amortisation, and gains on disposal of property, plant and equipment and right-of-use assets ("operating costs") improved by 4% to HK\$3,179 million for the year ended 31 December 2025. As such, overall operating costs-to-revenue ratio for the year reached 8.7%, compared with 9.5% a year earlier.

For the year ended 31 December 2025, total depreciation and amortisation expenses increased by 6% to HK\$5,837 million. Lower depreciation expenses reflected our recent level of capital expenditure spending, while higher amortisation costs are linked to increased investments in research and development and intellectual property for the various diversified enterprise projects including AI, automation and cybersecurity.

As a result of the above, general and administrative expenses increased by 4% to HK\$9,124 million for the year ended 31 December 2025, compared with HK\$8,795 million a year earlier.

EBITDA¹

Reflecting the growth in TSS and Mobile services revenue and further operating efficiencies, total EBITDA excluding Mobile product sales increased by 4% to HK\$14,226 million at an improved margin of 43.1%. Total EBITDA also increased by 4% to HK\$14,234 million with a margin of 39%.

Net Finance Costs

Net finance costs for the year ended 31 December 2025 decreased significantly by 23% to HK\$1,720 million from HK\$2,238 million a year earlier, driven by the reduction in average borrowings and the downward trend in HIBOR during the year. The average cost of debt was 3.85% during the year, compared to 4.23% a year earlier.

Income Tax

Income tax expense for the year ended 31 December 2025 was HK\$904 million, compared with HK\$914 million a year earlier. The effective tax rate for the year was 14%, compared to 15% a year earlier. The net decrease in income tax expense was mainly attributable to the one-off charge recognised in the prior year and the utilisation of deferred tax assets during the year.

Profit Attributable to Non-controlling Interests

Profit attributable to non-controlling interests of HK\$464 million (2024: HK\$31 million) comprised the net profits/losses attributable to the non-controlling shareholders of the Group's subsidiaries.

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

Profit attributable to holders of Share Stapled Units/shares of the Company for the year ended 31 December 2025 increased by 4% to HK\$5,286 million (2024: HK\$5,070 million).

LIQUIDITY AND CAPITAL RESOURCES

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

HKT's gross debt⁵ was HK\$44,750 million as at 31 December 2025 (31 December 2024: HK\$41,723 million). Cash and short-term deposits totalled HK\$2,432 million as at 31 December 2025 (31 December 2024: HK\$2,145 million). HKT's gross debt⁵ to total assets was 37% as at 31 December 2025 (31 December 2024: 36%).

As at 31 December 2025, HKT had ample liquidity as evidenced by banking facilities totalling HK\$44,012 million, of which HK\$18,087 million remained undrawn.

CREDIT RATINGS OF HONG KONG TELECOMMUNICATIONS (HKT) LIMITED

As at 31 December 2025, Hong Kong Telecommunications (HKT) Limited, an indirect wholly-owned subsidiary of the Company, had investment grade ratings with Moody's Investors Service Hong Kong Limited (Baa2) and S&P Global Ratings (BBB).

CAPITAL EXPENDITURE²

Capital expenditure including capitalised interest for the year ended 31 December 2025 was HK\$2,106 million (2024: HK\$2,214 million). Capital expenditure relative to revenue was 5.8% for the year ended 31 December 2025 (2024: 6.4%).

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

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

ADJUSTED FUNDS FLOW³

Adjusted funds flow ("AFF") increased by 4% to HK\$6,199 million for the year ended 31 December 2025, up from HK\$5,973 million for the year ended 31 December 2024.

Notably, our operating AFF in 2025 increased by 6% driven by the 4% expansion in EBITDA, disciplined capex investments and lower right-of-use assets payments. These positive factors were partially offset by increases in customer acquisition costs and fulfilment costs to serve our growing base of consumer and enterprise customers. Benefitting from the reduction in borrowings and the downward trend in HIBOR, our net finance costs paid declined significantly by 14%. After accounting for lower tax payments and the timing impact of working capital management, our total AFF increased by 4% during the year.

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

HEDGING

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

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

A significant portion of the Group's financing is denominated in foreign currencies including United States dollars. Accordingly, the Group has entered into forward and swap contracts in order to manage its exposure to adverse fluctuations in foreign currency exchange rates and interest rates. These instruments are executed with creditworthy financial institutions. As at 31 December 2025, 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 to HKT is considered not material.

CHARGE ON ASSETS

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

CONTINGENT LIABILITIES

As at 31 December HK\$ million	2024	2025
Performance guarantees	903	883
Others	2	2
	905	885

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

HUMAN RESOURCES

HKT had over 12,700 employees as at 31 December 2025 (2024: 13,100) located in 22 countries and cities. About 64% of these employees work in Hong Kong and the others are based mainly in Chinese Mainland, the United Kingdom, the United States and the Philippines. HKT has established performance-based bonus and incentive schemes designed to motivate and reward employees at all levels to achieve business performance targets. Payment of performance bonuses is generally based on achievement of revenue, EBITDA and free cash flow targets for HKT as a whole and for each of the individual business units and performance ratings of employees.

FINAL DIVIDEND/DISTRIBUTION

The board of directors of the Trustee-Manager has recommended the payment of a final distribution by the HKT Trust in respect of the Share Stapled Units, of 47.97 HK cents per Share Stapled Unit (after deduction of any operating expenses permissible under the trust deed dated 7 November 2011 constituting the HKT Trust (the "Trust Deed")), in respect of the year ended 31 December 2025 (and in order to enable the HKT Trust to pay that distribution, the board of directors of the Company has recommended the payment of a final dividend in respect of the ordinary shares in the Company held by the Trustee-Manager, of 47.97 HK cents per ordinary share, in respect of the same period), subject to the approval of unitholders of the HKT Trust and of shareholders of the Company at the forthcoming annual general meeting of unitholders of the HKT Trust and of shareholders of the Company to be held on a combined basis as a single meeting characterised as an annual general meeting of registered holders of Share Stapled Units ("AGM"). An interim distribution/dividend of 33.80 HK cents per Share Stapled Unit/ordinary share of the Company for the six months ended 30 June 2025 was paid to holders of Share Stapled Units/shareholders of the Company in September 2025.

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

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COMBINED REPORT OF THE DIRECTORS

The board of directors of HKT Management Limited (in its capacity as the trustee-manager of the HKT Trust) (the “Trustee-Manager”) (the “Trustee-Manager Board”) and the board of directors of HKT Limited (the “Company” or “HKT”) (the “Company Board”) present their combined report together with the audited consolidated financial statements of (i) the HKT Trust and the Company and its subsidiaries (collectively the “Group”) and (ii) the Company and its subsidiaries (collectively the “HKT Limited Group”) (the consolidated financial statements of the Group and the HKT Limited Group are presented together and referred to as the “HKT Trust and HKT Limited consolidated financial statements”) for the year ended 31 December 2025.

The Trustee-Manager Board also presents its audited financial statements for the year ended 31 December 2025, which are set out in the section headed “Financial Information – HKT Management Limited” in this annual report.

PRINCIPAL ACTIVITIES

The HKT Trust, a trust constituted on 7 November 2011 under the laws of the Hong Kong Special Administrative Region (“Hong Kong”) and managed by the Trustee-Manager, has been established as a fixed single investment trust, with its activities being limited to investing in the Company and anything necessary or desirable for or in connection with investing in the Company.

The principal activity of the Company is investment holding, and the principal activities of the HKT Limited Group are the provision of technology and telecommunications and related services including enterprise solutions, mobile services, total home solutions, media entertainment and other new businesses such as The Club’s loyalty platform, HKT Financial Services and healthtech services. It operates primarily in Hong Kong, and also serves customers in Chinese Mainland and other parts of the world.

The principal activities of the Company’s principal subsidiaries are set out in note 24 to the HKT Trust and HKT Limited consolidated financial statements.

An analysis of the Group’s performance for the year by operating segment is set out in note 7 to the HKT Trust and HKT Limited consolidated financial statements.

The Trustee-Manager, an indirect wholly-owned subsidiary of PCCW Limited (“PCCW”), has a specific and limited role which is to administer the HKT Trust. The Trustee-Manager is not actively engaged in running the businesses managed by the HKT Limited Group. The Trustee-Manager itself does not beneficially own any subsidiary.

BUSINESS REVIEW

A fair review of the business of the Group during the year and particulars of important events affecting the Group that have occurred since the end of the financial year 2025 as well as a discussion on the Group’s future business development are provided in the sections headed “Message from the Chairman”, “Message from the Group Managing Director” and “Management’s Discussion and Analysis” in this annual report. The above discussions form part of this report. In addition, this review has also identified a list of principal risks and uncertainties faced by the Group. For more details on the description of these principal risks and uncertainties, please refer to the section headed “Combined Corporate Governance Report – Risk Management and Internal Controls” in this annual report.

Discussions on the Group’s sustainability policies and performance, relationships with its key stakeholders, and compliance with relevant laws and regulations which would have a significant impact on the Group are provided in the paragraphs below.

Sustainability Policies and Performance

The Group is committed to maintaining sound governance and integrity across all aspects of its operations. In 2025, the Group enhanced its policies to strengthen the corporate governance framework. These updates include enhancing our Sustainability Policy (previously known as Corporate Social Responsibility Policy) and introducing new policies on Climate Change, and Occupational Safety and Health. These policies ensure proper governance and compliance responsibilities across different business and functional units, supported by targeted communication and initiatives.

BUSINESS REVIEW *(CONTINUED)*

Sustainability Policies and Performance *(continued)*

Managing the Supply Chain in a Sustainable Manner

As one of the founding members of Sustainable Procurement Charter established by the Green Council, the Group is committed to upholding the highest ethical and professional standards when working with suppliers and contractors. We currently maintain relationships with nearly 5,000 suppliers worldwide. As we recognise the importance of responsible sourcing, we are incorporating sustainability as an integral part of our supply chain management processes to better manage related risks.

Apart from having an internal Group Purchasing Policy and Principles in place, the Group has implemented a Supplier Code of Conduct to promote ethical business practices in line with applicable compliance standards. Suppliers are encouraged to apply the Supplier Code of Conduct, which establishes our clear expectations regarding compliance with applicable regulations on labour, health and safety and environmental standards, throughout all levels of their supply chains. To closely monitor supplier performance, our buying units conduct regular performance reviews and supplier visits, particularly targeting our major suppliers and contractors. Any suppliers receiving unsatisfactory ratings are engaged for rectification or improvement.

Shared Societal Value

The Group is committed to operating sustainably while balancing the interests of various stakeholders, including our employees, customers, suppliers, business partners and the wider community.

Driving Digital Innovation and Value

The Group leverages its resources and expertise to support Hong Kong's digital transformation, delivering secure, sustainable and socially responsible innovation. In 2025, HKT became Hong Kong's first telecom provider to upgrade mobile backhaul to 25Gbps, enhancing network capacity and reliability for high-density areas and major events. The Group continues to expand its extensive 5G network, which already covers 99% of Hong Kong. With the city firmly in the 5G era, efforts are now underway to advance towards 5.5G. As of the end of December 2025, we had established over 19,000 Wi-Fi hotspots across the city and further expanded the mobile network by adding 94 mobile cell sites, enabling customers to connect effortlessly while on the go.

In 2025, the Group has continued efforts of enhancing digital literacy through AI training and outreach. We delivered over 170 AI workshops to more than 15,000 customers and conducted 85 digital literacy sessions for disadvantaged groups in collaboration with non-governmental organisations ("NGOs"). Internal AI training sessions recorded more than 3,000 attendances. These efforts underscore our commitment to equipping stakeholders with the skills and knowledge needed to leverage AI effectively.

Delivering Customer-Centric Services

The Group is committed to exceeding customer expectations by delivering exceptional services and products that enrich the customer journey. We maintain a comprehensive set of Privacy Statement governing the full lifecycle management of personal data and actively implement measures to protect customer interests.

As a signatory of Anti-Scam Consumer Protection Charter 3.0, we enhance protection against online financial fraud through real-time scam call alerts, a dedicated anti-fraud hotline, and verified SMS sender identifiers to help customers authenticate messages. In 2025, we delivered anti-fraud education to over 900 underprivileged individuals through working with NGOs.

To ensure high levels of customer satisfaction, customers can reach us via hotlines, live chat, My HKT portal, retail shops and service centres. We regularly conduct customer satisfaction surveys, transaction surveys, net promoter score surveys and mystery shopper programmes to gather customer feedback and evaluate our service quality.

BUSINESS REVIEW (CONTINUED)

Sustainability Policies and Performance (continued)

Deepening Community Engagement

Leveraging our role as a leading telecommunications provider, the Group continues to promote digital inclusion and connectivity for all. For 34 consecutive years, we have provided free fixed-line services to senior citizens through the “Care for the Elderly Line”. During the year, we enriched the Smart Pama Workshop with AI-focused content to help seniors navigate an increasingly digitalised world, while offering complimentary access to advanced AI products for designated customers. We also responded swiftly to the major fire at Wang Fuk Court in Tai Po through community relief efforts, reaffirming our commitment to supporting those in need.

The Group remains dedicated to empowering future generations through education and mentorship. We have continued our support for the Government’s Strive and Rise Programme, helping underprivileged youth unlock opportunities and foster upward mobility.

These initiatives reflect our enduring commitment to creating positive societal impact. During the year, the Group was recognised by the Hong Kong Council of Social Service as a Caring Company with advanced performance, acknowledging our continuous dedication to fostering a caring culture for 12 years.

Fostering a Thriving Workforce

The Group regards human capital as a cornerstone of long-term success and is committed to fostering a fair, inclusive and high-performing work culture for our global workforce. Our comprehensive employment policies safeguard employees’ rights and benefits while offering competitive pay and career progression opportunities. A robust performance review system and incentive schemes underpin our performance-driven culture. We continuously enhance occupational safety and health awareness among employees through ongoing policy improvements, reinforcing a safe and healthy work environment, preventing work-related injuries and illnesses, and ensuring compliance with applicable regulations.

We continue to support our employees by investing in their professional and personal growth, equipping them with the skills and tools to thrive. Building on the “Collaborate & LEAD” model, we continued to expand “Collaborate & LEAD” Leadership Development Programme for employees across different levels. The model defines the core leadership behaviours across the Group and serves as the foundation for hiring, development and collaboration. In parallel, we introduced the Workforce Diversity Policy to reinforce our commitment to non-discriminatory employment practices and actively promoting diversity initiatives. To further support holistic wellbeing, we engaged employees during Wellness Month with pop-up markets, health checks, wellness talks, and after-work team events. These efforts reflect our dedication to fostering a unified employee experience while driving sustainable business growth.

The Group believes direct, effective communication is essential to forging a strong partnership between management and employees. We have established channels for employees to share feedback and suggestions with senior management and to keep abreast of company and business developments, including online and offline meetings and social media platforms.

Enhancing Environmental Stewardship

As one of Hong Kong’s leading telecommunications providers, we understand the importance of driving sustainable change and reducing our environmental footprint. Through the provision of cutting-edge solutions, we enable our customers and communities to adopt more sustainable practices when using our products.

We have met our 2025 targets for reducing electricity consumption, greenhouse gas (“GHG”) emissions, and general waste, making steady progress on our sustainability journey. We remain dedicated to elevating our ESG performance through a new set of environmental targets for 2030, aimed at further reducing our environmental footprint.

BUSINESS REVIEW *(CONTINUED)*

Sustainability Policies and Performance *(continued)*

Enhancing Energy Efficiency

The Group remains committed to improving energy efficiency through continued investment in innovation, system enhancements and refined operational practices aimed at promoting more sustainable energy use across its operations. In 2025, the Group achieved its target of reducing absolute electricity consumption, recording a reduction of 23.9% compared with the 2018 base year. During the year, key initiatives included installing a solar power system at Stanley Exchange, assessing indoor temperature settings at data centres to enhance the efficiency of Computer Room Air Conditioner units and reduce electricity consumption, and implementing Indirect Condenser Water Cooling System to optimise chiller operations across our buildings. Our efforts in developing and applying the System were recognised at the CLP Smart Energy Award 2025, where we received the Smart Energy Solution Award (Public Utility) for this energy-saving initiative.

We actively support community and industry initiatives on energy efficiency by serving as signatories to the Environment and Ecology Bureau's Energy Saving Charter and the Charter on External Lighting, which further demonstrate our dedication to energy efficiency and reducing environmental impact.

Reducing GHG Emissions

In 2025, the Group achieved its target of reducing Scope 1 and 2 GHG emissions compared with the 2018 base year, recording a reduction of 44.6%. This progress was driven by the implementation of targeted emission-reduction initiatives, including retro-commissioning and retrofitting of facilities, legacy equipment replacement and upgrades and the adoption of renewable diesel for standby essential generators.

In addition, the Group commenced disclosures of 13 relevant categories of Scope 3 GHG emissions to enhance transparency and deepen our understanding of value chain emissions. By expanding our GHG emissions accounting, we aim to develop more comprehensive and effective long-term decarbonisation strategies across our operations and value chain.

Managing Waste Effectively

The Group adopts stringent waste management protocols to ensure proper handling and disposal. In 2025, we achieved a 19.4% reduction in absolute general waste compared with the 2018 baseline.

Internally, we continue to engage employees in improving waste segregation and recycling performance. In 2025, additional centralised waste collection and recycling bins were introduced at eight main office buildings, and a comprehensive solid waste audit was conducted at PCCW Tower to identify opportunities to enhance waste management practices and strengthen employee participation. We also have well-established recycling practices in place for industrial batteries and scrap metals, including copper, iron and steel, to minimise landfill disposal.

To support responsible waste management by customers, the Group complies with the Producer Responsibility Scheme on Waste Electrical and Electronic Equipment by providing removal services for regulated electrical equipment.

Managing Climate-Related Risks and Opportunities

During the year, the Group enhanced its climate risk and opportunity analysis by conducting both quantitative and qualitative assessments of risk exposure under different climate scenarios and timeframes. This climate scenario analysis strengthens the Group's understanding of material climate-related risks over the short-, medium- and long-term. The detailed methodology, assumptions, and results are disclosed separately in the Group's ESG Report.

BUSINESS REVIEW (CONTINUED)

Sustainability Policies and Performance (continued)

Offering Green Solutions

We remain committed to reducing our environmental impact while empowering communities to progress on their decarbonisation journey through innovative and effective solutions across our businesses. The Group promotes circular economy practices through the csl and 1010 Go Green Campaign, encouraging the reuse and recycling of electric devices via a customer trade-in programme. Through HKT Enterprise Solutions, we provide integrated ESG solutions that leverage AI, IoT and 5G technologies to drive digital transformation in property management, helping customers enhance energy efficiency and operational resilience.

In 2025, the Group provided 5G Weather Stations support services in 13 schools across Hong Kong and Macau, leveraging 5G, IoT and data analytics to enhance education while fostering awareness of environmental monitoring and sustainability. To advance cleaner mobility, Smart Charge (HK) Limited - a joint venture between HKT and CLP Holdings Limited - expanded its electric vehicle charging network to 44 residential and commercial car parks, managing over 10,500 parking bays.

Sustainable Finance

In 2025, we raised over US\$1 billion of sustainability-linked loan facilities from financial institution and continued to invest our liquidity in green and sustainable deposits with financial institution.

ESG Awards and Recognition

In 2025, the Group received multiple accolades for its commitment to sustainability. We have obtained an A rating in the MSCI ESG Ratings. Furthermore, HKT was awarded a Merit in the Best AI Adoption category at the DALA Awards 2025, judged on strategic alignment, innovation, impact, scalability and ethical AI use.

Compliance with the Applicable Laws and Regulations which have a Significant Impact on the Group

The Group and its activities are subject to requirements under various laws and regulations. These include, among others, the Telecommunications Ordinance (Cap. 106), the Broadcasting Ordinance (Cap. 562), the Trade Descriptions Ordinance (Cap. 362), the Competition Ordinance (Cap. 619), the Personal Data (Privacy) Ordinance (Cap. 486), the Payment Systems and Stored Value Facilities Ordinance (Cap. 584), the Employment Ordinance (Cap. 57), and the applicable regulations, guidelines, policies and licence terms issued or promulgated under or in connection with these statutes. In addition, the Listing Rules apply to the HKT Trust, HKT and the Trustee-Manager. The Company seeks to ensure compliance with these requirements through various measures such as internal controls and approval procedures, trainings and oversight of various business units with the designated resources at different levels of the Group. While these measures require considerable internal resources and result in additional operational cost, the Group highly values the importance of ensuring compliance with applicable legal and regulatory requirements.

Telecommunications Ordinance (“TO”)

The Hong Kong Government’s policies relating to liberalisation of the telecommunications industry have led to increased competition for the Group. Under the TO and the licences it holds under the TO, the Group has certain obligations and the Communications Authority (“CA”) has certain powers to direct the Group to take specified actions (for example, to undertake and provide certain interconnection services and facilities) and to impose the terms and conditions of interconnection. It may also direct its licensees to co-operate and share any facilities owned by them in the public interest. Under the TO, licensees may be fined up to HK\$1 million for repeated breaches of the TO or any licence condition, regulation or direction issued under the TO, or a higher amount if allowed by the court. In extreme cases, the Government or the CA may cancel, withdraw or suspend licences.

BUSINESS REVIEW (CONTINUED)

Compliance with the Applicable Laws and Regulations which have a Significant Impact on the Group (continued)

Broadcasting Ordinance (“BO”)

The Company, through its indirect subsidiary, Now TV Limited, holds a domestic pay television programme services licence. The media entertainment market in Hong Kong is highly competitive. Under the BO and the licences granted under the BO, licensees have various content and compliance obligations. Breaches of the BO, licence conditions, relevant directions, orders, determinations, regulations and/or codes issued by the CA may lead to fines (up to HK\$1 million for repeated breaches) or licence suspension or revocation in extreme cases.

Trade Descriptions Ordinance (“TDO”)

The enforcement of the TDO is generally undertaken by the Customs and Excise Department, although the CA has concurrent jurisdiction as to telecommunications and broadcasting licensees. To ensure compliance with the TDO, the Group provides training for all employees involved in sales and marketing. In addition, all sales and marketing materials are reviewed to ensure compliance with the TDO. Under the TDO, misrepresentations as to the sale of goods or services, inappropriate sales practices and the omission of relevant information may be a criminal offence, with a fine of up to HK\$500,000 and imprisonment for 5 years. Liability may extend to the Group as well as relevant employees.

Competition Ordinance (“CO”)

The CO came into effect in December 2015 and is generally consistent with other competition laws. The enforcement of the CO is generally undertaken by the Competition Commission (“CC”), although the CA has concurrent jurisdiction with the CC as to undertakings operating in the telecommunications and broadcasting sectors. To ensure compliance with the CO and various guidelines issued under the CO, the Group provides training for all staff involved in sales, marketing, bids, pricing, contracts, strategy formation, management etc. and reviews and monitors business practices continuously. Under the CO, serious anti-competitive conduct carries a maximum penalty of 10% of annual turnover obtained in Hong Kong (up to 3 years). Individuals may also be subject to pecuniary penalties and may be disqualified from being a director of a company.

Personal Data (Privacy) Ordinance (“PDPO”)

The PDPO aims to protect data privacy rights by regulating the collection, retention and handling of personal data. Non-compliance with the PDPO may result in the issuance of an enforcement notice by the Privacy Commissioner (“Enforcement Notice”). More importantly, contravention of the Enforcement Notice or contravention of certain specific provisions in PDPO could constitute an offence, depending on the type of contravention or non-compliance, punishable by a fine of HK\$10,000 to HK\$1,000,000 and imprisonment for 6 months to 5 years. The Group maintains various internal policies and procedures as well as regular reviews, training and audits to ensure that personal data is properly handled and managed with due care and in accordance with the legal requirements. For effective communication with the regulator and compliance with applicable data protection laws, a Group Data Protection Officer has been appointed to monitor all Group activities in relation to data privacy compliance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A separate Environmental, Social and Governance report for 2025 will be published on the websites of the Company and Hong Kong Exchanges and Clearing Limited at the same time as the publication of this annual report in compliance with the Listing Rules.

RESULTS, APPROPRIATIONS AND DISTRIBUTIONS

The results of the Group for the year ended 31 December 2025 are set out in the section headed “Financial Information – HKT Trust and HKT Limited – Consolidated Income Statement” in this annual report.

The results of the Trustee-Manager for the year ended 31 December 2025 are set out in the section headed “Financial Information – HKT Management Limited – Income Statement” in this annual report.

An interim distribution/dividend of 33.80 HK cents per share stapled unit of HKT Trust and the Company (the “Share Stapled Unit”)/ ordinary share of the Company for the six months ended 30 June 2025 was paid to holders of Share Stapled Units/shareholders of the Company in September 2025.

The Trustee-Manager Board has recommended the payment of a final distribution by the HKT Trust in respect of the Share Stapled Units, of 47.97 HK cents per Share Stapled Unit (after deduction of any operating expenses permissible under the Trust Deed (as defined below)), in respect of the year ended 31 December 2025 (and in order to enable the HKT Trust to pay that distribution, the Company Board has recommended the payment of a final dividend in respect of the ordinary shares in the Company held by the Trustee-Manager, of 47.97 HK cents per ordinary share, in respect of the same period), subject to the approval of unitholders of the HKT Trust and of shareholders of the Company at the forthcoming annual general meeting of unitholders of the HKT Trust and of shareholders of the Company to be held on a combined basis as a single meeting characterised as an annual general meeting of registered holders of Share Stapled Units (“AGM”).

The Trustee-Manager Board does not recommend the payment of a final dividend for the year ended 31 December 2025 to CAS Holding No. 1 Limited, the sole member of the Trustee-Manager.

FINANCIAL SUMMARY

A summary of the consolidated results and of the assets and liabilities of the Group for the last five financial years is set out in the section headed “Financial Information – HKT Trust and HKT Limited – Five Year Financial Summary” in this annual report.

FIXED ASSETS

Details of movements in the Group’s property, plant and equipment, and interests in leasehold land during the year are set out in notes 15 and 17 respectively to the HKT Trust and HKT Limited consolidated financial statements.

BORROWINGS

Particulars of the Group’s borrowings are set out in note 27 to the HKT Trust and HKT Limited consolidated financial statements.

SHARE STAPLED UNITS/SHARES ISSUED

During the year, a total number of 2,622,252 Share Stapled Units were issued and allotted for grant of awards under the HKT Trust and HKT Limited 2024 Share Stapled Unit Award Scheme for a consideration of approximately HK\$31 million in total.

Details of movements in share capital of the Company for the year ended 31 December 2025 are set out in note 30 to the HKT Trust and HKT Limited consolidated financial statements.

There were no new shares of the Trustee-Manager issued during the year ended 31 December 2025. Details of the share capital of the Trustee-Manager for the year ended 31 December 2025 are set out in note 7 to the financial statements of HKT Management Limited.

RESERVES

Details of movements in reserves of the Company and the Group during the year are set out in notes 30 and 31 respectively to the HKT Trust and HKT Limited consolidated financial statements.

The statement of changes in equity of HKT Management Limited during the year is set out in the section headed “Financial Information – HKT Management Limited – Statement of Changes in Equity” in this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, less than 30% of the Group’s revenue from sales of goods or rendering of services was attributable to the Group’s five largest customers, and less than 30% of the Group’s purchases were attributable to the Group’s five largest suppliers.

DIRECTORS

The directors of the Company (the “Company Directors”) and the directors of the Trustee-Manager (the “Trustee-Manager Directors”) (the Company Directors and the Trustee-Manager Directors are collectively referred to as the “Directors”) who held office during the year and up to the date of this report are:

Executive Directors

Li Tzar Kai, Richard (*Executive Chairman*)

Hui Hon Hing, Susanna (*Group Managing Director*)

Non-Executive Directors

Peter Anthony Allen

Chung Cho Yee, Mico

Tang Yongbo

Zhao Xingfu

(appointed with effect from 20 February 2025)

Independent Non-Executive Directors

Chang Hsin Kang

Sunil Varma

Aman Mehta

Frances Waikwun Wong

Charlene Dawes

Under the trust deed dated 7 November 2011 constituting the HKT Trust entered into between the Trustee-Manager and the Company (as supplemented, amended or substituted from time to time) (the “Trust Deed”), the Trustee-Manager Directors must be the same individuals who serve as the Company Directors. Accordingly, the retirement by rotation provisions are also applicable, indirectly, in relation to the Trustee-Manager Directors.

In accordance with the Company’s articles of association (as amended and restated from time to time) and the Trust Deed, Chung Cho Yee, Mico, Chang Hsin Kang, Sunil Varma and Aman Mehta shall retire from office of both the Company and the Trustee-Manager at the forthcoming AGM. With the exception of Sunil Varma who has decided not to seek re-election, all the other retiring Directors, being eligible, offer themselves for re-election at the forthcoming AGM.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Trustee-Manager and the Company together have received from each of their independent non-executive Directors a confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and consider that all five independent non-executive Directors as at the date of this report, namely, Chang Hsin Kang, Sunil Varma, Aman Mehta, Frances Waikwun Wong and Charlene Dawes remain independent having regard to the independence guidelines set out in Rule 3.13 of the Listing Rules.

With respect to Aman Mehta, on 15 February 2013, Pacific Century Regional Developments Limited (“PCRD”, a substantial shareholder of PCCW) announced the execution of a term sheet between PCRD Services Pte Ltd (“PCRD Services”, a wholly-owned subsidiary of PCRD) and, amongst the others, KSH Distriparks Private Limited (“KSH Distriparks”), Pasha Ventures Private Limited (“Pasha Ventures”), Aman Mehta (an independent non-executive Director) and Akash Mehta (the adult son of Aman Mehta) (together, the “Mehta Family”) and Sky Advance Associates Limited (“Sky Advance”, a company controlled by Akash Mehta) in relation to a proposed restructuring (the “Restructuring”) of their respective interests in Pasha Ventures and KSH Distriparks by way of a scheme of amalgamation. As of 11 March 2012, PCRD Services, Aman Mehta and Akash Mehta held 74%, 21% and 5% of the paid up issued equity capital of Pasha Ventures respectively. KSH Distriparks is an Indian private limited logistics company with an inland container depot located in Pune, India and owned at that time as to 25.94% and 5.19% respectively by PCRD Services and Sky Advance. As a result of the Restructuring, Pasha Ventures was amalgamated with KSH Distriparks and Pasha Ventures ceased to be a subsidiary of PCRD and was dissolved in June 2013. Accordingly, the shareholdings of PCRD Services, Sky Advance and the Mehta Family in KSH Distriparks were approximately 49.87%, 2.61% and 12.94% respectively. Pursuant to a scheme of demerger filed with, and sanctioned by, the High Court at Bombay, KSH Infra Private Limited (“KSH Infra”), a wholly-owned subsidiary of KSH Distriparks was demerged from KSH Distriparks with effect from 31 January 2016 (the “Demerger”) with KSH Infra shareholders holding the same percentage shareholdings in the share capital of KSH Infra as those percentage shareholdings in KSH Distriparks at the time of the Demerger. Interests held by PCRD Services, Sky Advance and the Mehta Family in KSH Infra were disposed of in January 2019. In 2020, Sky Advance disposed of its 2.61% stake in KSH Distriparks. As at 31 December 2025, PCRD Services and the Mehta Family’s shareholdings in KSH Distriparks were approximately 49.87% and 8.23% respectively. Aman Mehta is a passive investor in KSH Distriparks and does not hold any directorship in KSH Distriparks. Save as disclosed above, Aman Mehta is not in any way connected to PCRD, PCRD Services, PCCW, the Company or the Trustee-Manager.

Notwithstanding Aman Mehta’s investment in KSH Distriparks, the Company and the Trustee-Manager are of the view that Aman Mehta’s continued independence in accordance with the terms of the independence guidelines set out in Rule 3.13 of the Listing Rules is not affected by this investment for the following reasons: (i) Aman Mehta’s investment in KSH Distriparks is a purely passive personal investment; he does not hold any directorship in KSH Distriparks nor has he any involvement or participation in the daily operations and management of KSH Distriparks; (ii) the businesses of KSH Distriparks do not overlap or conflict with the businesses of the Company; and (iii) save as disclosed above, neither Aman Mehta nor Akash Mehta hold any interest, direct or indirect in PCRD and/or its subsidiaries.

DIRECTORS’ SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming AGM has an unexpired service contract with the HKT Limited Group which is not determinable by the HKT Limited Group within one year without payment of compensation (other than statutory compensation).

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

As at 31 December 2025, the Directors, the chief executives of the Company and the Trustee-Manager (collectively referred to as the "Chief Executives") and their respective close associates had the following interests or short positions in the Share Stapled Units and underlying Share Stapled Units, and the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571) (the "SFO")) as recorded in the register(s) required to be kept under Section 352 of the SFO or as otherwise notified to the Company, the Trustee-Manager and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules:

1. Interests in HKT Trust and HKT Limited

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

Name of Director/Chief Executive	Personal interests	Number of Share Stapled Units held			Total	Approximate percentage of the total number of Share Stapled Units in issue
		Corporate interests	Other interests			
Li Tzar Kai, Richard	–	67,655,964 <i>(Note 1(a))</i>	152,802,281 <i>(Note 1(b))</i>	220,458,245	2.91%	
Hui Hon Hing, Susanna	4,563,295	–	1,594,717 <i>(Note 2)</i>	6,158,012	0.08%	
Peter Anthony Allen	48,735	–	27,172 <i>(Note 3)</i>	75,907	0.001%	

Each Share Stapled Unit confers an interest in:

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

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

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

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

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

Notes:

1. (a) Of these Share Stapled Units, Pacific Century Diversified Limited ("PCD"), a wholly-owned subsidiary of Chiltonlink Limited ("Chiltonlink"), held 20,227,614 Share Stapled Units, Eisner Investments Limited ("Eisner") held 46,020,000 Share Stapled Units and Hopestar Holdings Limited ("Hopestar") held 1,408,350 Share Stapled Units. Li Tzar Kai, Richard owned 100% of the issued share capital of Chiltonlink, Eisner and Hopestar.
- (b) These interests represented:
 - (i) a deemed interest in 130,511,730 Share Stapled Units held by Pacific Century Group Holdings Limited ("PCGH"). Li Tzar Kai, Richard was the founder of certain trusts which held 100% interests in PCGH. Accordingly, Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 130,511,730 Share Stapled Units held by PCGH; and
 - (ii) a deemed interest in 22,290,551 Share Stapled Units held by 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 88.68% interest. Li Tzar Kai, Richard was the founder of certain trusts which held 100% interests in PCGH. Accordingly, Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 22,290,551 Share Stapled Units held by PCRD. Li Tzar Kai, Richard was also deemed to be interested in 1.06% of the issued share capital of PCRD through Hopestar.
2. These interests represented awards made to Hui Hon Hing, Susanna, which were subject to certain vesting conditions pursuant to the relevant award scheme of HKT Trust and the Company, the details of which are set out in the section below headed "Share Stapled Unit Schemes".
3. These interests represented awards made to Peter A. Allen, which were subject to certain vesting conditions pursuant to the relevant award schemes of HKT Trust and the Company, and PCCW. For details of the award schemes of PCCW, please see the 2025 annual report of PCCW.

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

2. Interests in the Associated Corporation of the Company

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

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

Name of Director/Chief Executive	Personal interests	Number of ordinary shares of PCCW held			Total	Approximate percentage of the total number of shares of PCCW in issue
		Corporate interests	Other interests			
Li Tzar Kai, Richard	–	535,291,134 <i>(Note 1(a))</i>	1,928,842,224 <i>(Note 1(b))</i>	2,464,133,358	31.80%	
Hui Hon Hing, Susanna	9,559,705	–	3,528,707 <i>(Note 2)</i>	13,088,412	0.17%	
Peter Anthony Allen	314,420	–	60,164 <i>(Note 2)</i>	374,584	0.005%	

Notes:

1. (a) Of these shares of PCCW, PCD held 342,475,956 shares, Eisner held 38,222,413 shares, and Trade Champion Limited, a wholly-owned subsidiary of Excel Global Holdings Limited ("Excel Global"), held 154,592,765 shares. Li Tzar Kai, Richard owned 100% of the issued share capital of Excel Global.
 - (b) These interests represented:
 - (i) a deemed interest in 175,312,270 shares of PCCW held by PCGH. Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 175,312,270 shares of PCCW held by PCGH; and
 - (ii) a deemed interest in 1,753,529,954 shares of PCCW held by PCRD. Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 1,753,529,954 shares of PCCW held by PCRD.
2. These interests represented awards made to these Directors, which were subject to certain vesting conditions pursuant to the relevant award schemes of PCCW. For details of the award schemes of PCCW, please see the 2025 annual report of PCCW.

Save as disclosed in the foregoing, as at 31 December 2025, none of the Directors or the Chief Executives or their respective close associates had any interests or short positions in any Share Stapled Units or underlying Share Stapled Units, or in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register(s) required to be kept under Section 352 of the SFO or as otherwise notified to the Company, the Trustee-Manager and the Stock Exchange pursuant to the Model Code of the Listing Rules.

SHARE STAPLED UNIT SCHEMES

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

- Share Stapled Unit option scheme adopted on 30 May 2024 (the “Adoption Date”) (the “2024-2034 Share Stapled Unit Option Scheme”);
- HKT Trust and HKT Limited 2024 Share Stapled Unit Award Scheme adopted on the Adoption Date (the “2024 Share Stapled Unit Award Scheme”); and
- HKT Share Stapled Units Purchase Scheme and HKT Share Stapled Units Subscription Scheme both adopted on 11 October 2011, the extension of the duration of which for a further term of 10 years commencing from 11 October 2021 was approved by the Company Board on 5 August 2021 (collectively the “2011 Share Stapled Unit Award Schemes”).

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

The total number of new Share Stapled Units which may be issued in respect of all options and awards granted and to be granted under the 2024-2034 Share Stapled Unit Option Scheme, the 2024 Share Stapled Unit Award Scheme and all other scheme(s) of the HKT Trust and the Company (each a “Share Scheme”) which are funded by the issue of new Share Stapled Units, must not exceed 10% of the total number of Share Stapled Units in issue as at the Adoption Date (the “Scheme Mandate Limit”).

1. Share Stapled Unit Option Scheme

Under the 2024-2034 Share Stapled Unit Option Scheme, the Trustee-Manager Board and the Company Board shall be entitled to offer to grant Share Stapled Unit options to any eligible participant whom the Trustee-Manager Board and the Company Board may, at their absolute discretion, select. A summary of the principal terms of the 2024-2034 Share Stapled Unit Option Scheme is set out below:

- (1) The purpose of the 2024-2034 Share Stapled Unit Option Scheme is to enable the HKT Trust and the Company, acting jointly by mutual agreement between them, to grant options to eligible participants as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the eligible participants.
- (2) Eligible participants comprise (i) directors and employees of any Group member (including persons who are granted options and/or awards under a Share Scheme as an inducement to enter into employment or service contracts with a Group member) (“Employee Participants”); and (ii) persons who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group or which will contribute significantly to the growth of the Group’s financial or business performance, including independent contractors, consultants, agents, advisers and suppliers engaged to provide services in relation to research and development, marketing, innovation upgrading, strategic/commercial planning on corporate image, investor relations and core administrative functions, *excluding* placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and professional services providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity (“Service Providers”).

SHARE STAPLED UNIT SCHEMES (CONTINUED)

1. Share Stapled Unit Option Scheme (continued)

- (3) (i) Notwithstanding any other provisions of the 2024-2034 Share Stapled Unit Option Scheme, no options may be granted under the 2024-2034 Share Stapled Unit Option Scheme if the exercise of the options may result in PCCW ceasing to hold at least 51% of the total number of Share Stapled Units in issue (on a fully diluted basis assuming full conversion or exercise of all outstanding options and other rights of subscription, conversion and exchange for Share Stapled Units).
- (ii) Subject to the further limitation in (i) above, as required by the Listing Rules, the total number of new Share Stapled Units which may be issued pursuant to the exercise of options granted under the 2024-2034 Share Stapled Unit Option Scheme must not exceed 10% of the total number of Share Stapled Units in issue as at the Adoption Date, subject to the Scheme Mandate Limit.
- (iii) Within the scheme limit of the 2024-2034 Share Stapled Unit Option Scheme, the total number of new Share Stapled Units which may be issued pursuant to the exercise of options granted to Service Providers must not exceed 0.5% of the total number of Share Stapled Units in issue as at the Adoption Date (the "Service Provider Sublimit (Option Scheme)").

As at the date of this annual report, the total number of new Share Stapled Units in respect of which options may be granted under the 2024-2034 Share Stapled Unit Option Scheme is 757,974,233, representing approximately 9.996% of the Share Stapled Units in issue as at that date, subject to the Scheme Mandate Limit.

- (4) The total number of Share Stapled Units issued and to be issued upon exercise of options and/or awards involving new Share Stapled Units granted (whether under the 2024-2034 Share Stapled Unit Option Scheme or another Share Scheme) to each eligible participant (excluding options and/or awards lapsed in accordance with the terms of the corresponding scheme) in any 12-month period must not exceed 1% of the issued Share Stapled Units. Where any further grant of options to an eligible participant would result in the total number of Share Stapled Units issued and to be issued upon exercise of all options and/or awards involving new Share Stapled Units granted and to be granted (whether under the 2024-2034 Share Stapled Unit Option Scheme or another Share Scheme) to such eligible participant (excluding options and/or awards lapsed in accordance with the terms of the corresponding scheme) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the issued Share Stapled Units as at the date of such further grant, such further grant must be subject to the separate approval of an ordinary resolution of registered holders of Share Stapled Units and (for so long as the Company remains a principal subsidiary of PCCW) shareholders of PCCW in general meeting, with such eligible participant and his/her close associates (or his/her associates if the eligible participant is a connected person) abstaining from voting.
- (5) An option may be exercised in whole or in part in accordance with the terms of the 2024-2034 Share Stapled Unit Option Scheme at any time during a period to be notified by the Trustee-Manager Board and the Company Board to each grantee, provided that the expiry date of such period shall not exceed 10 years from the date of grant of the option.
- (6) An option must generally be held for at least 12 months before it can be exercised.
- (7) No consideration is payable by the grantee on acceptance of an option.
- (8) The subscription price for Share Stapled Units in respect of any particular option granted under the 2024-2034 Share Stapled Unit Option Scheme shall be such price as the Trustee-Manager Board and the Company Board shall determine, provided that such price shall not be less than the highest of (i) the closing price per Share Stapled Unit on the main board as stated in the Stock Exchange's daily quotations sheet on the proposed date of grant of the option, which must be a business day; (ii) the average closing price per Share Stapled Unit on the main board as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the proposed date of grant of the option; and (iii) the nominal value of a Share Stapled Unit.
- (9) Subject to the early termination by an ordinary resolution in general meeting of registered holders of Share Stapled Units or resolutions of the Trustee-Manager Board and the Company Board, the 2024-2034 Share Stapled Unit Option Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date, after which period no further options will be offered or granted but the provisions of the 2024-2034 Share Stapled Unit Option Scheme shall remain in full force and effect in all other respects with respect to options granted during the life of the 2024-2034 Share Stapled Unit Option Scheme.

No Share Stapled Unit options have been granted under the 2024-2034 Share Stapled Unit Option Scheme since the Adoption Date and up to and including 31 December 2025.

SHARE STAPLED UNIT SCHEMES (CONTINUED)

2. Share Stapled Unit Award Schemes

A. 2011 Share Stapled Unit Award Schemes

A summary of the principal terms of the 2011 Share Stapled Unit Award Schemes is set out below:

The purposes of the 2011 Share Stapled Unit Award Schemes are to incentivise and reward participants for their contribution to the growth of the HKT Limited Group and to provide the HKT Limited Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the participants.

Participants of the 2011 Share Stapled Unit Award Schemes include any director or employee of the Company or any of its subsidiaries.

The 2011 Share Stapled Unit Award Schemes are administered by the Company Board, any committee or sub-committee of the Company Board and/or any person delegated with the power and authority to administer all or any aspects of the respective 2011 Share Stapled Unit Award Schemes (the "Approving Body") and an independent trustee (the "Trustee") appointed to hold the relevant Share Stapled Units until such time as the Share Stapled Units vest in the selected participants.

Pursuant to the scheme rules, no sum of money shall be set aside and no Share Stapled Units shall be purchased or subscribed (as the case may be), nor any amounts paid to the Trustee for the purpose of making such a purchase or subscription, if, as a result of such purchase or subscription, the number of Share Stapled Units administered under the respective schemes would represent in excess of 1% of the total number of Share Stapled Units in issue from time to time, excluding the Share Stapled Units which have been transferred to selected participants on vesting. In addition, under the HKT Share Stapled Units Subscription Scheme, no sum of money shall be set aside and no Share Stapled Units shall be subscribed nor any amounts paid to the Trustee for the purpose of making such a subscription if:

- (i) as a result of such subscription, PCCW's aggregate holding of Share Stapled Units would on a fully-diluted basis (which shall take into account the relevant subscription(s) proposed to be made under the HKT Share Stapled Units Subscription Scheme, the amount of all outstanding options in respect of Share Stapled Units as granted pursuant to the Share Stapled Unit option scheme(s), and all other rights or entitlements granted by the Company concerning the prospective allotment of new Share Stapled Units) represent less than 51% of the total number of Share Stapled Units as would exist were all such commitments to allot new Share Stapled Units to be duly fulfilled; or
- (ii) the Company does not have a relevant general mandate or specific mandate from holders of Share Stapled Units necessary to effect the allotment and issue of Share Stapled Units pursuant to the scheme.

Subject to the relevant scheme rules, each scheme provides that prior to the vesting of the awards under the relevant scheme to selected participants, the relevant Share Stapled Units will be held in trust by the Trustee for such selected participants, and will be vested over a period of time determined by the Approving Body, provided that each selected participant shall remain at all times up to and including the relevant vesting date (or, as the case may be, each relevant vesting date) an employee or a director of the HKT Limited Group, and satisfies any other conditions specified at the time the award is made, notwithstanding that the Approving Body shall be at liberty to waive such conditions. Other than satisfying the vesting conditions, selected participants are not required to provide any consideration in order to acquire the Share Stapled Units awarded to him/her under the schemes. The Approving Body may by resolution terminate the operation of the schemes at any time subject to the terms of the schemes.

SHARE STAPLED UNIT SCHEMES (CONTINUED)

2. Share Stapled Unit Award Schemes (continued)

A. 2011 Share Stapled Unit Award Schemes (continued)

Details of movements of Share Stapled Unit awards during the year ended 31 December 2025 are as follows:

Name or category of participants	Date of grant	Vesting period	Fair value at the date of grant ^(a) HK\$	Unvested as at 1 January 2025	Number of Share Stapled Unit awards			Unvested as at 31 December 2025
					Granted during the year	Lapsed/ Forfeited during the year	Vested during the year	
(I) HKT Share Stapled Units Purchase Scheme								
Director/Chief Executive								
Hui Hon Hing, Susanna	4 August 2023	4 August 2023 to 4 August 2025	9.10	167,292	—	—	(167,292) ^(c)	—
Five Highest Paid Individuals								
In aggregate ^(b)	30 May 2023	30 May 2023 to 30 May 2025	9.98	36,973	—	—	(36,973) ^(c)	—
	30 May 2024	30 May 2024 to 30 May 2025	9.20	28,893	—	—	(28,893) ^(c)	—
	30 May 2024	30 May 2024 to 30 May 2026	9.20	28,893	—	—	—	28,893
Other Grantees								
In aggregate	19 April 2023	19 April 2023 to 19 April 2025	10.18	5,132	—	—	(5,132) ^(c)	—
	30 May 2023	30 May 2023 to 30 May 2025	9.98	12,417	—	(1,606)	(10,811) ^(c)	—
	1 June 2023	1 June 2023 to 1 June 2025	9.96	1,645	—	—	(1,645) ^(c)	—
	19 April 2024	19 April 2024 to 19 April 2025	8.68	5,749	—	—	(5,749) ^(c)	—
	19 April 2024	19 April 2024 to 19 April 2026	8.68	5,746	—	—	—	5,746
	30 May 2024	30 May 2024 to 30 May 2025	9.20	8,578	—	—	(8,578) ^(c)	—
	30 May 2024	30 May 2024 to 30 May 2026	9.20	8,576	—	—	—	8,576
Total				309,894	—	(1,606)	(265,073)	43,215
(II) HKT Share Stapled Units Subscription Scheme								
Employee Participants								
In aggregate	19 April 2023	19 April 2023 to 19 April 2025	10.18	377,739	—	(5,119)	(372,620) ^(c)	—
	30 May 2023	30 May 2023 to 30 May 2025	9.98	77,298	—	(13,614)	(63,684) ^(c)	—
	23 June 2023	23 June 2023 to 23 June 2025	9.05	23,305	—	(975)	(22,330) ^(c)	—
	19 April 2024	19 April 2024 to 19 April 2025	8.68	562,524	—	(11,292)	(551,232) ^(c)	—
	19 April 2024	19 April 2024 to 19 April 2026	8.68	561,682	—	(28,541)	—	533,141
	30 May 2024	30 May 2024 to 30 May 2025	9.20	105,069	—	(15,486)	(89,583) ^(c)	—
	30 May 2024	30 May 2024 to 30 May 2026	9.20	105,054	—	(15,485)	—	89,569
Total				1,812,671	—	(90,512)	(1,099,449)	622,710

Notes:

- The fair value of awards granted is measured by the quoted market price of the Share Stapled Units at the respective dates of grant. A description of the basis for fair value measurement is set out in note 3(ad)(iii) to the HKT Trust and HKT Limited consolidated financial statements.
- Excluding the details of the awards granted to a Director who being one of the five individuals with the highest emoluments during the year, where the relevant details are reflected in the category of "Director/Chief Executive".
- The weighted average closing price of the Share Stapled Units immediately before the dates on which the awards vested was HK\$11.11 per Share Stapled Unit.

SHARE STAPLED UNIT SCHEMES (CONTINUED)

2. Share Stapled Unit Award Schemes (continued)

B. 2024 Share Stapled Unit Award Scheme

A summary of the principal terms of the 2024 Share Stapled Unit Award Scheme is set out below:

- (1) The objectives of the 2024 Share Stapled Unit Award Scheme are to:
 - (i) recognise the contributions by certain selected participants with an opportunity to acquire a proprietary interest in the HKT Trust and the Company;
 - (ii) give incentives to such individuals in order to encourage and retain them for the continual operation and development of the Group;
 - (iii) provide additional incentives for such individuals to achieve performance goals;
 - (iv) attract suitable personnel for further development of the Group; and
 - (v) motivate the selected participants to maximise the value of the HKT Trust and the Company for the benefit of the selected participants, the HKT Trust and the Company,with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the selected participants directly with those of the registered holders of Share Stapled Units through ownership of Share Stapled Units.
- (2) Eligible participants comprise (i) Employee Participants; (ii) directors and employees of any holding companies, fellow subsidiaries or associated companies of HKT Trust and the Company (“Related Entity Participants”); and (iii) Service Providers.
- (3)
 - (i) The total number of new Share Stapled Units which may be awarded under the 2024 Share Stapled Unit Award Scheme shall be no more than 10% of the total number of Share Stapled Units in issue as at the Adoption Date, subject to the Scheme Mandate Limit.
 - (ii) Within the scheme limit of the 2024 Share Stapled Unit Award Scheme, the total number of new Share Stapled Units which may be awarded to Service Providers shall be no more than 0.5% of the total number of Share Stapled Units in issue as at the Adoption Date (the “Service Provider Sublimit (Award Scheme)”).
 - (iii) There is no limit on the number of existing Share Stapled Units which may be awarded to selected participants under the 2024 Share Stapled Unit Award Scheme.As at the date of this annual report, the total number of new Share Stapled Units in respect of which awards may be granted under the 2024 Share Stapled Unit Award Scheme is 755,352,399, representing approximately 9.96% of the Share Stapled Units in issue as at that date, subject to the Scheme Mandate Limit.
- (4) No award may be granted to any one eligible participant such that the total number of Share Stapled Units issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the corresponding scheme) in the 12-month period up to and including the date of the latest grant exceeds in aggregate 1% of the total issued Share Stapled Units, unless the grant is separately approved by registered holders of Share Stapled Units and (for so long as the Company remains a principal subsidiary of PCCW) shareholders of PCCW, in general meeting, with such grantee and his close associates (or associates, if the grantee is a connected person) abstaining from voting.
- (5) The vesting period of an award of Share Stapled Units must generally be at least 12 months.

SHARE STAPLED UNIT SCHEMES (CONTINUED)

2. Share Stapled Unit Award Schemes (continued)

B. 2024 Share Stapled Unit Award Scheme (continued)

(6) No purchase price is payable by selected participants upon acceptance or vesting of awards made under the 2024 Share Stapled Unit Award Scheme.

(7) The 2024 Share Stapled Unit Award Scheme will be valid and effective for a period of 10 years commencing on the Adoption Date, subject to early termination by the Trustee-Manager Board and the Company Board.

Details of Share Stapled Unit awards granted and their movements during the year ended 31 December 2025 are as follows:

Name or category of participants	Date of grant	Vesting period	Fair value at the date of grant ^(a) HK\$	Unvested as at 1 January 2025	Number of Share Stapled Unit awards			Unvested as at 31 December 2025
					Granted during the year ^(b)	Lapsed/ Forfeited during the year	Vested during the year	
(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	—	—	(571,874) ^(e)	—
	26 June 2024	26 June 2024 to 26 June 2026	8.72	571,873	—	—	—	571,873
Other Grantees								
In aggregate	13 June 2025	13 June 2025 to 13 June 2026	11.38	—	273,046 ^(c)	—	—	273,046
	13 June 2025	13 June 2025 to 13 June 2027	11.38	—	273,023 ^(c)	—	—	273,023
Total				1,143,747	546,069	—	(571,874)	1,117,942
(II) Grants funded by new Share Stapled Units								
Director/Chief Executive								
Hui Hon Hing, Susanna	25 April 2025	25 April 2025 to 25 April 2026	10.94	—	333,272 ^(d)	—	—	333,272
	25 April 2025	25 April 2025 to 25 April 2027	10.94	—	333,270 ^(d)	—	—	333,270
	24 June 2025	24 June 2025 to 24 June 2026	11.60	—	178,151 ^(e)	—	—	178,151
	24 June 2025	24 June 2025 to 24 June 2027	11.60	—	178,151 ^(e)	—	—	178,151
Peter Anthony Allen	13 June 2025	13 June 2025 to 13 June 2026	11.38	—	8,544 ^(c)	—	—	8,544
	13 June 2025	13 June 2025 to 13 June 2027	11.38	—	8,543 ^(c)	—	—	8,543
Employee Participants								
In aggregate	25 April 2025	25 April 2025 to 25 April 2026	10.94	—	493,408 ^(d)	(17,646)	—	475,762
	25 April 2025	25 April 2025 to 25 April 2027	10.94	—	492,724 ^(d)	(17,615)	—	475,109
	28 May 2025	28 May 2025 to 28 May 2026	11.36	—	121,807 ^(f)	—	—	121,807
	28 May 2025	28 May 2025 to 28 May 2027	11.36	—	121,796 ^(f)	—	—	121,796
	13 June 2025	13 June 2025 to 13 June 2026	11.38	—	29,890 ^(c)	—	—	29,890
	13 June 2025	13 June 2025 to 13 June 2027	11.38	—	29,888 ^(c)	—	—	29,888
Related Entity Participants								
In aggregate	22 August 2024	22 August 2024 to 22 August 2025	9.95	17,198	—	—	(17,198) ^(g)	—
	22 August 2024	22 August 2024 to 22 August 2026	9.95	17,197	—	—	—	17,197
	25 April 2025	25 April 2025 to 25 April 2026	10.94	—	76,474 ^(d)	(3,759)	—	72,715
	25 April 2025	25 April 2025 to 25 April 2027	10.94	—	76,369 ^(d)	(3,752)	—	72,617
	28 May 2025	28 May 2025 to 28 May 2026	11.36	—	73,963 ^(f)	—	—	73,963
	28 May 2025	28 May 2025 to 28 May 2027	11.36	—	73,961 ^(f)	—	—	73,961
Total				34,395	2,630,211	(42,772)	(17,198)	2,604,636

SHARE STAPLED UNIT SCHEMES (CONTINUED)

2. Share Stapled Unit Award Schemes (continued)

B. 2024 Share Stapled Unit Award Scheme (continued)

Notes:

- (a) The fair value of awards granted is measured by the quoted market price of the Share Stapled Units at the respective dates of grant. A description of the basis for fair value measurement is set out in note 3(ad)(iii) to the HKT Trust and HKT Limited consolidated financial statements.
- (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 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\$11.32 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\$10.88 per Share Stapled Unit.
- (e) The closing price of the Share Stapled Units immediately before the date on which the awards were granted was HK\$11.44 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\$11.36 per Share Stapled Unit.
- (g) The weighted average closing price of the Share Stapled Units immediately before the dates on which the awards vested was HK\$11.55 per Share Stapled Unit.

Further details of the Share Stapled Unit Award Schemes are set out in note 29(c) to the HKT Trust and HKT Limited consolidated financial statements.

As at 1 January 2025, the number of Share Stapled Unit options and awards available for grant under all Share Stapled Unit schemes involving the issue of new Share Stapled Units pursuant to the Scheme Mandate Limit was 757,939,838, and, within the Scheme Mandate Limit, the Service Provider Sublimit (Option Scheme) was 37,898,711 and the Service Provider Sublimit (Award Scheme) was 37,898,711.

As at 31 December 2025, the number of Share Stapled Unit options and awards available for grant under all Share Stapled Unit schemes involving the issue of new Share Stapled Units pursuant to the Scheme Mandate Limit was 755,352,399; and, within the Scheme Mandate Limit, the Service Provider Sublimit (Option Scheme) was 37,898,711 and the Service Provider Sublimit (Award Scheme) was 37,898,711.

For the year ended 31 December 2025, options and awards to subscribe for a total of 2,630,211 Share Stapled Units were granted under all Share Stapled Unit schemes involving the issue of new Share Stapled Units, representing approximately 0.03% of the weighted average number of Share Stapled Units in issue.

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

EQUITY-LINKED AGREEMENTS

Details of the Share Stapled Unit option scheme and the Share Stapled Unit award schemes are set out in the section above headed "Share Stapled Unit Schemes" and note 29(c) to the HKT Trust and HKT Limited consolidated financial statements.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL HOLDERS OF SHARE STAPLED UNITS

As at 31 December 2025, the following persons (other than Directors or Chief Executives) were substantial holders of Share Stapled Units, and of ordinary shares and preference shares in the Company, and had interests or short positions in the Share Stapled Units and underlying Share Stapled Units, and in the shares and underlying shares of the Company as recorded in the register(s) required to be kept under Section 336 of the SFO:

Name	Capacity	Number of Share Stapled Units held in long position	Approximate percentage of the total number of Share Stapled Units in issue	Notes
PCCW	Interest in controlled corporation	3,959,683,681	52.22%	1, 2
CAS Holding No. 1 Limited	Beneficial owner	3,959,683,681	52.22%	

Each Share Stapled Unit confers an interest in:

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

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

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

Notes:

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

1. PCCW indirectly held these interests through its direct wholly-owned subsidiary, CAS Holding No. 1 Limited.
2. The number and percentage of Share Stapled Units disclosed reflect that which the Trustee-Manager and the Company were aware of as at 31 December 2025, and may differ from what is publicly disclosed through the Disclosure of Interests Online (DION) System operated by the Stock Exchange.

Save as disclosed above in this section, as at 31 December 2025, the Trustee-Manager and the Company have not been notified of any other persons (other than Directors or Chief Executives) who had an interest or a short position in the Share Stapled Units or underlying Share Stapled Units, or in the shares, underlying shares or debentures of the Company as recorded in the register(s) required to be kept under Section 336 of the SFO.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Details of the continuing connected transactions and significant related party transactions are disclosed in this report and in note 6 to the HKT Trust and HKT Limited consolidated financial statements, as well as in note 4 to the financial statements of HKT Management Limited.

Save for the above, no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Trustee-Manager, the Company, or any of its subsidiaries, fellow subsidiaries or parent company was a party, and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

The Trustee-Manager has the necessary powers under the Trust Deed to perform its function of administering the HKT Trust.

Save for the Trust Deed, no contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of any business of the HKT Trust, the Company and the Trustee-Manager were entered into or subsisted during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2025, the interests of the Directors in competing business required to be disclosed pursuant to Rule 8.10 of the Listing Rules were as follows:

Li Tzar Kai, Richard

Li Tzar Kai, Richard's father Li Ka-shing is the settlor of certain discretionary trusts of which the discretionary beneficiaries are, inter alia, Li Tzar Kuoi, Victor and Li Tzar Kai, Richard. Such discretionary trusts hold units in certain unit trusts (together "LKS Trusts"). The LKS Trusts are interested in certain shares of CK Hutchison Holdings Limited ("CK Hutchison"). CK Hutchison and its subsidiaries are involved in the core businesses of ports and related services, retail, infrastructure and telecommunications. Certain businesses of CK Hutchison may compete with certain aspects of the businesses of the HKT Limited Group during the year.

Tang Yongbo and Zhao Xingfu

Tang Yongbo is a director of China United Network Communications Group Company Limited ("Unicom"), China United Network Communications Limited ("Unicom A-Share") and China United Network Communications Corporation Limited ("CUCL"), and an executive director of China Unicom (Hong Kong) Limited ("Unicom HK"). During the year 2025, Tang Yongbo ceased to act as a vice general manager of Unicom, and a senior vice president of Unicom A-Share, Unicom HK and CUCL. In addition, he serves as a non-executive director of China Communications Services Corporation Limited ("CCSCL"), a company listed on the Stock Exchange. Tang Yonbo resigned as a non-executive director of China Tower Corporation Limited ("CTCL"), a company listed on the Stock Exchange, with effect from 23 July 2025.

Zhao Xingfu is a general manager of the Finance department of Unicom.

Unicom is the ultimate parent company of Unicom HK and Unicom A-Share is a shareholder of Unicom HK. CUCL is a subsidiary of Unicom HK. Unicom HK is a company listed on the Stock Exchange and Unicom A-Share is a company listed on the Shanghai Stock Exchange. Save for Tang Yongbo and Zhao Xingfu, each of the companies mentioned above has its own management team separate from the HKT Limited Group. Unicom group companies are engaged in telecommunications business and other related businesses, whereas CCSCL is engaged in the provision of integrated comprehensive smart solutions in the field of informatisation and digitalisation and CTCL is engaged in construction and operation of telecommunications towers. These companies may compete with certain aspects of the businesses of the HKT Limited Group.

Other than as disclosed above, none of the Directors is interested in any business, apart from the HKT Limited Group's businesses, which competes or is likely to compete, either directly or indirectly, with the HKT Limited Group's businesses.

PERMITTED INDEMNITY

As permitted by the Trust Deed, the Trustee-Manager and any director of the Trustee-Manager shall be indemnified out of, and shall be entitled for the purpose of indemnity to have recourse to, the Trust Property (as defined in the Trust Deed) or any part thereof against any action, costs, claims, damages, expenses, penalties or demands to which it or he/she may be put as Trustee-Manager of the HKT Trust and as director of the Trustee-Manager.

According to the Company's articles of association (as amended and restated from time to time), every director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a director of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted.

According to the articles of association of the Trustee-Manager and subject to the provisions of the Companies Ordinance (Cap. 622), every director and managing director for the time being of the Trustee-Manager shall be indemnified out of the assets of the Trustee-Manager (excluding, for the avoidance of doubt, the Trust Property) against any liability incurred by him/her in relation to the Trustee-Manager in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour or in which he/she is acquitted.

In addition, PCCW has maintained appropriate directors and officers liability insurance cover for the directors and officers of its subsidiaries (including the HKT Limited Group and the Trustee-Manager).

DONATIONS

During the year, the Group did not make any donations for charitable and other purposes (2024: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, none of the HKT Trust (including the Trustee-Manager), the Company or the Company's subsidiaries purchased, sold or redeemed any Share Stapled Units.

CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2025, members of the HKT Limited Group entered into continuing connected transactions (as defined in the Listing Rules) under various agreements as described below.

A. PCCW and its subsidiaries (excluding the HKT Limited Group) (collectively, the “PCCW Group”)

The Trustee-Manager and the Company issued an announcement on 31 December 2025 (the “December Announcement”) in relation to the renewal of certain continuing connected transaction agreements made between the HKT Limited Group and the PCCW Group with new annual caps for a term of three years ending 31 December 2028.

PCCW is the controlling holder of the Share Stapled Units in issue and therefore a connected person (as defined in the Listing Rules) of the HKT Trust and HKT.

Set out below are the continuing connected transactions between the HKT Limited Group and the PCCW Group during the year ended 31 December 2025 under the relevant agreements with a term not exceeding three years. The Trustee-Manager and the Company have complied with the applicable requirements under Chapter 14A of the Listing Rules with respect to the below continuing connected transactions during the year.

Products and services and floor space supplied by the HKT Limited Group to PCCW Media Holdings Limited (“PCCW Media Holdings”, an indirect wholly-owned subsidiary of PCCW) and its subsidiaries (collectively the “Media Group”)

(1) Provision of carriage services

On 23 December 2022, Hong Kong Telecommunications (HKT) Limited (“HK Telecom”), an indirect wholly-owned subsidiary of the Company, and PCCW Media Holdings entered into a carriage services agreement, pursuant to which HK Telecom agreed to provide or procure the provision of carriage services to facilitate the Media Group’s delivery of its pay-TV, free TV, over-the-top services and other services to its customers. As disclosed in the December Announcement, HK Telecom and Esencia Investments Limited (“Esencia”, an indirect wholly-owned subsidiary of PCCW, for itself and on behalf of its subsidiaries, including PCCW Media Holdings) entered into an agreement on 31 December 2025 to renew these transactions on substantially the same terms for a term of three years ending 31 December 2028.

(2) Provision of marketing and sales services

On 23 December 2022, HK Telecom and PCCW Media Holdings entered into a marketing and sales services agreement, pursuant to which HK Telecom agreed to market and sell the Media Group’s products and services through the HKT Limited Group’s direct marketing staff, front-line (i.e. on the street) sales teams, online shopping platform, shops, other marketing and sales activities and via its call centres; and to provide a unified call-centre support service. This agreement is the reciprocal arrangement of the agreement referred to in paragraph (8) below, on like terms, governing sales by the Media Group’s dedicated sales staff of the HKT Limited Group’s products and services. As disclosed in the December Announcement, HK Telecom and Esencia (for itself and on behalf of its subsidiaries, including PCCW Media Holdings) entered into an agreement on 31 December 2025 to renew these transactions on substantially the same terms for a term of three years ending 31 December 2028.

(3) Provision of internal (specialist telecom) services

On 23 December 2022, HK Telecom and PCCW Media Holdings entered into an internal services agreement, pursuant to which HK Telecom agreed to procure that relevant members of the HKT Limited Group provide a range of specialised support services that are integral to the operation of the Media Group’s business. As disclosed in the December Announcement, HK Telecom and Esencia (for itself and on behalf of its subsidiaries, including PCCW Media Holdings) entered into an agreement on 31 December 2025 to renew these transactions on substantially the same terms for a term of three years ending 31 December 2028.

CONTINUING CONNECTED TRANSACTIONS *(CONTINUED)*

A. PCCW and its subsidiaries (excluding the HKT Limited Group) (collectively, the “PCCW Group”) *(continued)*

Products and services and floor space supplied by the HKT Limited Group to PCCW Media Holdings Limited

(“PCCW Media Holdings”, an indirect wholly-owned subsidiary of PCCW) and its subsidiaries (collectively the “Media Group”)

(continued)

(4) Provision of customer premises equipment (CPE) solutions, cloud and networking services

On 23 December 2022, HK Telecom and PCCW Media Holdings entered into a customer premises equipment (CPE), cloud and networking services agreement, pursuant to which HK Telecom agreed to provide customer premises equipment and solutions, cloud, network connectivity relocation and set-up and other related services so as to meet demand from the Media Group for its plan of ongoing infrastructure upgrade and expansion. As disclosed in the December Announcement, HK Telecom and Esencia (for itself and on behalf of its subsidiaries, including PCCW Media Holdings) entered into an agreement on 31 December 2025 to renew these transactions on substantially the same terms for a term of three years ending 31 December 2028.

(5) Licensed access to floor space

Under the licence agreement dated 23 December 2022, PCCW Media Holdings was afforded certain limited access rights to floor space for it and certain members of the Media Group at a number of premises of PCCW-HKT Telephone Limited (“HKTC”, an indirect wholly-owned subsidiary of PCCW) (“HKTC’s Premises”). Pursuant to a licence agreement signed between HK Telecom and HKTC, HKTC granted to HK Telecom a licence to, among other things, install, store, operate and maintain equipment, machinery, chattels and installations at HKTC’s Premises. HKTC continues to meet and defray all costs, expenses and outgoings of the HKTC’s Premises but HK Telecom is responsible for reimbursing HKTC for the outgoings on a periodic basis. HKTC is also required to pay the amount of any income or profit received or to be received by HKTC to HK Telecom in respect of the HKTC’s Premises. Accordingly, the licence fees paid by the Media Group are passed on by HKTC to HK Telecom pursuant to the aforesaid arrangement. In effect, therefore, these licensing arrangements are akin to direct arrangements between HK Telecom and the Media Group. As disclosed in the December Announcement, HKTC and Esencia (for itself and on behalf of its subsidiaries, including PCCW Media Holdings) entered into an agreement on 31 December 2025 to renew these transactions on substantially the same terms for a term of three years ending 31 December 2028.

On 23 December 2022, PCCW Media Limited (now known as Now TV Limited (“Now TV”)), an indirect wholly-owned subsidiary of the Company, and PCCW Media Holdings entered into a licence agreement, pursuant to which Now TV agreed to grant to certain members of the Media Group certain limited rights of access to and use of certain floor space. The licence and related fees are charged based on the area used by the Media Group and, if applicable, in proportion to the total floor space leased by Now TV on a pro-rata basis at market rate. As disclosed in the December Announcement, Now TV and Esencia (for itself and on behalf of its subsidiaries, including PCCW Media Holdings) entered into an agreement on 31 December 2025 to renew these transactions on substantially the same terms for a term of three years ending 31 December 2028.

(6) Content provision arrangements

On 23 December 2022, Now TV and PCCW Media Holdings entered into a media content services agreement, pursuant to which Now TV agreed to provide or procure the provision of media content supply, management, production and production support services to certain members of the Media Group for distribution through its various platforms, and media event production, management, consultancy and related services. This agreement is the reciprocal arrangement of the agreement referred to in paragraph (9) below, under which the Media Group provides media content services to the HKT Limited Group. As disclosed in the December Announcement, Now TV and Esencia (for itself and on behalf of its subsidiaries, including PCCW Media Holdings) entered into an agreement on 31 December 2025 to renew these transactions on substantially the same terms for a term of three years ending 31 December 2028.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

A. PCCW and its subsidiaries (excluding the HKT Limited Group) (collectively, the “PCCW Group”) (continued)

Products and services supplied by the Media Group to the HKT Limited Group

(7) Provision of service and product packaging

On 23 December 2022, HK Telecom and PCCW Media Holdings entered into a service and product packaging agreement, comprising two aspects:

- a mutual commitment to package the HKT Limited Group’s products and services and the Media Group’s products and services from time to time, from which results a dynamic and ongoing series of promotional packages; and
- a commitment by the Media Group to provide the HKT Limited Group and/or its customers with certain services and products, the composition of which is agreed between the parties from time to time.

As disclosed in the December Announcement, HK Telecom and Esencia (for itself and on behalf of its subsidiaries, including PCCW Media Holdings) entered into an agreement on 31 December 2025 to renew these transactions on substantially the same terms for a term of three years ending 31 December 2028.

(8) Provision of marketing and sales services

On 23 December 2022, HK Telecom and PCCW Media Holdings entered into a marketing and sales services agreement, which represents the reciprocal arrangement to that provided for in the agreement described in paragraph (2) above. By this agreement, PCCW Media Holdings agreed to procure that relevant members of the Media Group will market the products and services of the HKT Limited Group. As disclosed in the December Announcement, HK Telecom and Esencia (for itself and on behalf of its subsidiaries, including PCCW Media Holdings) entered into an agreement on 31 December 2025 to renew these transactions on substantially the same terms for a term of three years ending 31 December 2028.

(9) Content provision arrangements

On 23 December 2022, HK Telecom and PCCW Media Holdings entered into a media content services agreement, pursuant to which PCCW Media Holdings has a first right of supply and agreed to supply, procure the supply of or provide content management, production and production support services to the HKT Limited Group for distribution through its various platforms including Now TV, eye and mobile platforms or other platforms. As disclosed in the December Announcement, HK Telecom and Esencia (for itself and on behalf of its subsidiaries, including PCCW Media Holdings) entered into an agreement on 31 December 2025 to renew these transactions on substantially the same terms for a term of three years ending 31 December 2028.

Services and floor space supplied by the HKT Limited Group to PCCW Solutions Holdings Limited (formerly known as HKT Solutions Holdings Limited) and its subsidiaries (collectively the “Solutions Group”)

(10) Provision of telecommunications services and other miscellaneous services

On 23 December 2022, HK Telecom and PCCW Solutions Limited (“PCCW Solutions”), an indirect non-wholly owned subsidiary of PCCW, entered into a telecommunications services and other miscellaneous services agreement, whereby HK Telecom and its specified affiliates in the HKT Limited Group agreed to provide certain agreed telecommunications and other miscellaneous services to the Solutions Group on normal commercial terms. As disclosed in the December Announcement, HK Telecom and PCCW Solutions entered into an agreement on 31 December 2025 to renew these transactions on substantially the same terms for a term of three years ending 31 December 2028.

CONTINUING CONNECTED TRANSACTIONS *(CONTINUED)*

A. PCCW and its subsidiaries (excluding the HKT Limited Group) (collectively, the “PCCW Group”) *(continued)*

Services and floor space supplied by the HKT Limited Group to PCCW Solutions Holdings Limited (formerly known as HKT Solutions Holdings Limited) and its subsidiaries (collectively the “Solutions Group”) *(continued)*

(11) Licensed access to floor space

Under the licence agreement dated 23 December 2022, PCCW Solutions was afforded certain limited access rights to floor space for it and members of the Solutions Group at a number of HKTC’s Premises. Pursuant to a licence agreement signed between HK Telecom and HKTC, HKTC granted to HK Telecom a licence to, among other things, install, store, operate and maintain equipment, machinery, chattels and installations at the HKTC’s Premises. HKTC continues to meet and defray all costs, expenses and outgoings of the HKTC’s Premises but HK Telecom is responsible for reimbursing HKTC the outgoings on a periodic basis. HKTC is also required to pay the amount of any income or profit received or to be received by HKTC to HK Telecom in respect of the HKTC’s Premises. Accordingly, the licence fees paid by the Solutions Group are passed on by HKTC to HK Telecom pursuant to the aforesaid arrangement. In effect, therefore, these licensing arrangements are akin to direct arrangements between HK Telecom and the Solutions Group. As disclosed in the December Announcement, HKTC and PCCW Solutions entered into an agreement on 31 December 2025 to renew these transactions on substantially the same terms for a term of three years ending 31 December 2028.

Other transactions between the HKT Limited Group and the PCCW Group

(12) Provision of corporate shared services

On 23 December 2022, HKT Services Limited (“HKT Services”), an indirect wholly-owned subsidiary of the Company, and PCCW Services Limited (“PCCW Services”), a direct wholly-owned subsidiary of PCCW, entered into a shared services agreement, pursuant to which HKT Services and its affiliates agreed to provide certain members of the PCCW Group with a range of corporate support services that are integral to the operation of both groups, including managerial support. As disclosed in the December Announcement, HKT Services and PCCW Services entered into an agreement on 31 December 2025 to renew these transactions on substantially the same terms for a term of three years ending 31 December 2028.

(13) Provision of marketing and promotion services

On 23 December 2022, HK Telecom and PCCW-HKT Limited (“PCCW-HKT”), an indirect wholly-owned subsidiary of PCCW, entered into a marketing and promotion services agreement, pursuant to which HK Telecom agreed to provide marketing and promotion services to members of the PCCW Group for the marketing and promotion of the PCCW Group’s products and services. As disclosed in the December Announcement, HK Telecom and PCCW-HKT entered into an agreement on 31 December 2025 to renew these transactions on substantially the same terms for a term of three years ending 31 December 2028.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)**A. PCCW and its subsidiaries (excluding the HKT Limited Group) (collectively, the “PCCW Group”) (continued)**

The approximate aggregate value and the annual cap for each category of continuing connected transactions as described in paragraphs (1) to (13) above for the financial year ended 31 December 2025 are set out below:

Agreement/Service description	Approximate aggregate values for the financial year ended 31 December 2025 HK\$'000	Annual caps for the financial year ended 31 December 2025 HK\$'000
Products and services and floor space supplied by the HKT Limited Group to the Media Group		
(1) Provision of carriage services	14,853	100,000
(2) Provision of marketing and sales services	103,038	380,000
(3) Provision of internal (specialist telecom) services	9,238	14,300
(4) Provision of customer premises equipment (CPE) solutions, cloud and networking services	79,855	160,000
(5) Licensed access to floor space	3,013	23,300
(6) Content provision arrangements	48,742	225,000
Products and services supplied by the Media Group to the HKT Limited Group		
(7) Provision of service and product packaging	32,671	198,000
(8) Provision of marketing and sales services	81,163	175,000
(9) Content provision arrangements	177,175	698,400
Services and floor space supplied by the HKT Limited Group to the Solutions Group		
(10) Provision of telecommunications services and other miscellaneous services	818,682	1,550,000
(11) Licensed access to floor space	0	2,700
Other transactions between the HKT Limited Group and the PCCW Group		
(12) Provision of corporate shared services	290,946	780,000
(13) Provision of marketing and promotion services	215,709	520,000

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

B. FWD Group Holdings Limited (“FWD”) and its subsidiaries (collectively, the “FWD Group”)

The HKT Trust and the Company and PCCW jointly issued an announcement on 31 December 2025 (the “Joint Announcement”) in relation to, among other things, the renewal of certain existing continuing connected transaction agreements made between the HKT Limited Group and the FWD Group, with new annual caps for a term of three years ending 31 December 2028 for the provision and receipt of certain services and products by the HKT Limited Group to or from the FWD Group. It is considered that provision of these services can be expected to generate additional revenue and operating profit for the relevant members of the HKT Limited Group providing the services, and to increase utilisation of their existing resources.

Li Tzar Kai, Richard is the controlling shareholder (as defined in the Listing Rules) of FWD and also a director of HKT and the Trustee-Manager. Accordingly, members of the FWD Group are associates of Li Tzar Kai, Richard and thus connected persons of the HKT Trust and HKT under Chapter 14A of the Listing Rules.

Set out below are the continuing connected transactions between the HKT Limited Group and the FWD Group during the year ended 31 December 2025 under the relevant agreements with a term not exceeding three years. The Trustee-Manager and the Company have complied with the applicable requirements under Chapter 14A of the Listing Rules with respect to the below continuing connected transactions during the year.

Services provided by the HKT Limited Group to the FWD Group

(I) Telecommunications and related services

On 23 December 2022, HK Telecom and FWD Group Management Holdings Limited, a subsidiary of FWD, entered into a telecommunications and related services agreement, pursuant to which HK Telecom has agreed to provide, or procure other members of the HKT Limited Group to provide, telecommunications and related services to the FWD Group. As disclosed in the Joint Announcement, pursuant to a telecommunications and related services framework agreement entered into by the parties on 31 December 2025, the parties agreed to provide and receive such services on such terms for a term of three years ending 31 December 2028. The services are expected to include, without limitation, the following:

1. telecommunications services such as telephone services (fixed-line, unified communications and mobile services) and devices; connectivity services including local data, broadband, wifi, Datapak, private network connectivity, SkyExchange, cloud connectivity, facilities managed network services, Internet access, international telecommunications, international private leased circuit and other network services; cloud computing services; Internet of Things (IoT) products and services; and other telecommunications services as agreed to be provided by members of the HKT Limited Group to the FWD Group. The services are charged at prevailing market rates for services of similar scope, scale, quality, reliability and service levels that would be charged for independent third party customers, as agreed by the relevant members of the HKT Limited Group and the FWD Group from time to time; and
2. other support services, such as computer and customer premises equipment (CPE) rental services; teleservices; network, operational and maintenance support services; equipment and facilities leasing services; and other support services as agreed to be provided by members of the HKT Limited Group to the FWD Group. The services are charged on cost-plus basis as agreed by the relevant members of the HKT Limited Group and the FWD Group from time to time.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

B. FWD Group Holdings Limited (“FWD”) and its subsidiaries (collectively, the “FWD Group”) (continued)

Services provided by the HKT Limited Group to the FWD Group (continued)

(II) Insurance and related services

On 23 December 2022, HKT Financial Services (IA) Limited (“HKTIA”), an indirect wholly-owned subsidiary of the Company, and FWD Life Insurance Company (Bermuda) Limited (“FWD Life Insurance”), a subsidiary of FWD, entered into an insurance and related services agreement, pursuant to which HKTIA has agreed to provide, or procure other members of the HKT Limited Group to provide, insurance and related services to the FWD Group. As disclosed in the Joint Announcement, pursuant to an insurance and related services framework agreement entered into by the parties on 31 December 2025, the parties agreed to provide and receive such services on such terms for a term of three years ending 31 December 2028. The services are expected to include, without limitation, the following:

1. insurance agency services in Hong Kong to be provided by members of the HKT Limited Group as insurance agent in Hong Kong for selling certain insurance products of members of the FWD Group. Commission for such insurance agency services will be charged at such rates determined with reference to market rates charged by third party insurance agents for similar insurance products or services as agreed by the relevant members of the HKT Limited Group and the FWD Group;
2. reinsurance services to be provided by the HKT Limited Group to the FWD Group under which relevant members of the HKT Limited Group, such as PCCW Risk Finance Limited, being a registered insurer in Bermuda, may reinsure some of the FWD Group’s underwriting liabilities arising from insurance policies issued in Hong Kong to members of the HKT Limited Group. Premiums to be received by the HKT Limited Group from the FWD Group will be determined based on prevailing market rates and actuarial review of the relevant members of the HKT Limited Group and the FWD Group; and
3. other insurance and related services as may be agreed to be provided by members of the HKT Limited Group and the FWD Group from time to time.

(III) Branding and marketing arrangements

On 23 December 2022, now Productions Limited (“now Productions”), an indirect wholly-owned subsidiary of the Company, entered into a branding and marketing arrangements framework agreement with FWD Life Insurance, pursuant to which now Productions will provide or enter into, or procure other members of the HKT Limited Group to provide or enter into, branding and marketing arrangements to or with the FWD Group. The arrangements include, without limitation, group spokesperson opportunities and related marketing or branding campaigns and events and will be charged at such rates determined with reference to market rates for similar arrangements and other relevant factors as agreed by members of the respective groups. As disclosed in the Joint Announcement, pursuant to a branding and marketing arrangements framework agreement entered into by the parties on 31 December 2025, the parties agreed to provide and receive such services on such terms for a term of three years ending 31 December 2028.

Services provided by the FWD Group to the HKT Limited Group

(IV) FWD Insurance services and products

On 23 December 2022, HKT Services and FWD Life Insurance entered into a FWD Insurance services and products agreement, pursuant to which FWD Life Insurance has agreed to provide, or procure other members of the FWD Group to provide, insurance and related services and products to the HKT Limited Group. As disclosed in the Joint Announcement, pursuant to a FWD Insurance services and products framework agreement entered into by the parties on 31 December 2025, the parties agreed to provide and receive such services on such terms for a term of three years ending 31 December 2028. The services and products are expected to include, without limitation, the following:

1. insurance services and products of the FWD Group, which will be charged at such rates determined with reference to market rates for similar insurance services or products as agreed by members of the HKT Limited Group and the FWD Group; and
2. other insurance and related services and products as may be agreed to be provided by members of the HKT Limited Group and the FWD Group from time to time.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

B. FWD Group Holdings Limited (“FWD”) and its subsidiaries (collectively, the “FWD Group”) (continued)

The approximate aggregate value and the annual cap for each category of continuing connected transactions as described in paragraphs (I) to (IV) above for the financial year ended 31 December 2025 are set out below:

Agreement/Service description	Approximate aggregate values for the financial year ended 31 December 2025 HK\$'000	Annual caps for the financial year ended 31 December 2025 HK\$'000
Services provided by the HKT Limited Group to the FWD Group		
(I) Telecommunications and related services	50,776	150,000
(II) Insurance and related services	72,084	200,000
(III) Branding and marketing arrangements	289	8,000
Services provided by the FWD Group to the HKT Limited Group		
(IV) FWD Insurance services and products	162,924	300,000

Annual Review of Continuing Connected Transactions

The Company’s external auditor was engaged to report on the continuing connected transactions described in paragraphs (1) to (13) above entered into between the HKT Limited Group and the PCCW Group and in paragraphs (I) to (IV) above entered into between the HKT Limited Group and the FWD Group for the year ended 31 December 2025 in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 (Revised) “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The external auditor has issued their unqualified letter containing their findings and conclusions in respect of the above continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules.

The Trustee-Manager Board and the Company Board, including the independent non-executive Directors, have reviewed and confirmed that the continuing connected transactions described in paragraphs (1) to (13) and (I) to (IV) above for the year ended 31 December 2025 were entered into:

- (i) in the ordinary and usual course of business of the HKT Limited Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the holders of the Share Stapled Units as a whole.

The HKT Limited Group followed applicable pricing policies when determining the price and terms of the above continuing connected transactions conducted during the year ended 31 December 2025.

RELATED PARTY TRANSACTIONS

The significant related party transactions which were undertaken in the normal course of business are set out in note 6 to the HKT Trust and HKT Limited consolidated financial statements and in note 4 to the financial statements of HKT Management Limited. For those related party transactions that constituted connected transactions or continuing connected transactions (as the case may be) (other than those described in the section above headed “Continuing Connected Transactions”) under the Listing Rules, these transactions are exempt from reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company’s articles of association (as amended and restated from time to time) or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PUBLIC FLOAT

As at the date of this report, the HKT Trust (including the Trustee-Manager) and the Company have complied with the prescribed public float requirement under the Listing Rules, based on the information that is publicly available to the Trustee-Manager and the Company and within the knowledge of the Directors.

AUDITOR

The HKT Trust and HKT Limited consolidated financial statements for the financial year ended 31 December 2025 and the financial statements of the Trustee-Manager for the financial year ended 31 December 2025 have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the HKT Trust, the Company and the Trustee-Manager is to be proposed at the forthcoming AGM.

MISCELLANEOUS

The Trustee-Manager Board has confirmed that the charges paid or payable out of the Trust Property (as defined in the Trust Deed) of the HKT Trust to the Trustee-Manager are in accordance with the Trust Deed; and it is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the HKT Trust or on the interests of all the holders of the Share Stapled Units as a whole.

By order of the boards of
HKT Management Limited and
HKT Limited

Cheung Hok Chee, Vanessa

Group General Counsel and Company Secretary

Hong Kong, 9 February 2026

INDEPENDENT AUDITOR'S REPORT



TO THE HOLDERS OF SHARE STAPLED UNITS OF HKT TRUST AND HKT LIMITED

(HKT Trust is a trust constituted under the laws of Hong Kong; HKT Limited is incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of HKT Trust, HKT Limited (the "Company") and its subsidiaries (together the "Group") and of HKT Limited and its subsidiaries (the "HKT Limited Group") set out on pages 97 to 197 (together referred to as the "HKT Trust and HKT Limited consolidated financial statements"). As explained in note 1 to the HKT Trust and HKT Limited consolidated financial statements, the consolidated financial statements of the HKT Trust and the consolidated financial statements of HKT Limited are presented together. The HKT Trust and HKT Limited consolidated financial statements together comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the HKT Trust and HKT Limited consolidated financial statements give a true and fair view of the consolidated financial position of the Group and of the HKT Limited Group as at 31 December 2025, and of their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the HKT Trust and HKT Limited Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and of the HKT Limited Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the HKT Trust and HKT Limited consolidated financial statements of the current period. These matters were addressed in the context of our audit of the HKT Trust and HKT Limited consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition
- Impairment tests for cash-generating units (“CGUs”) containing goodwill
- Income taxes

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue recognition <i>Refer to notes 7 and 8 to the HKT Trust and HKT Limited consolidated financial statements</i></p> <p>The Group and the HKT Limited Group earn significant revenue from the TSS and Mobile businesses. Revenue for the sales of goods and rendering of services is recognised when the control of the goods or services is transferred to the customer based upon the fair value of the consideration received or receivable.</p> <p>The Group and the HKT Limited Group maintain complex information technology (“IT”) systems to capture and process data in order to measure and record revenue.</p> <p>We identified revenue recognised by the Group and the HKT Limited Group as a key audit matter due to the large volume of transactions and the complexity of the IT systems used.</p>	<p>Our procedures in relation to the revenue of TSS and Mobile recognised by the Group and the HKT Limited Group included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the design, implementation of general IT controls and key application controls over the IT systems used to capture, process, measure and record revenue transactions; • Testing the general IT controls, certain automated controls, and certain manual controls, on a sample basis, over the capturing and processing of data, and measurement and recording of revenue transactions; and • Performing substantive testing of revenue transactions on a sample basis, by checking the supporting documents, such as underlying invoices, contractual agreements and evidence of cash receipts. <p>Based on the procedures performed, we considered that the recognition of revenue of TSS and Mobile was supported by the available evidence.</p>

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment tests for CGUs containing goodwill <i>Refer to note 18 to the HKT Trust and HKT Limited consolidated financial statements</i></p> <p>Management performs annual impairment tests of CGUs containing goodwill by comparing the carrying value of the CGU with its recoverable amount, which is the higher of its fair value less costs of disposal and value-in-use calculations based on discounted cash flow forecasts. The preparation of discounted cash flow forecasts involves estimating future cash flows and discount rates.</p> <p>We identified the testing of impairment of goodwill as a key audit matter because the preparation of discounted cash flow forecasts involves key assumptions, including average revenue growth rates, average EBITDA growth rates, terminal growth rates and pre-tax discount rates which are subject to management judgement.</p>	<p>Our procedures in relation to the impairment tests of CGUs containing goodwill included:</p> <ul style="list-style-type: none">• Obtaining an understanding of management’s control procedures over the impairment tests and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied;• Assessing the reasonableness of management’s identification of CGUs based on the Group’s and the HKT Limited Group’s accounting policies and our understanding of the Group’s and the HKT Limited Group’s businesses;• Assessing the methodology used in the impairment tests and the reasonableness of the key assumptions, including average revenue growth rates, average EBITDA growth rates, terminal growth rates and pre-tax discount rates by checking to the observable market data of the industry, with the involvement of our internal valuation experts; and• Comparing the data in the cash flow projections to the relevant CGUs’ historical performance and financial budgets. <p>Based on the procedures performed, we considered that the management judgements and key assumptions used in the impairment tests were supported by the available evidence.</p>

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Income taxes Refer to note 12 to the HKT Trust and HKT Limited consolidated financial statements</p> <p>The Group and the HKT Limited Group operate across several jurisdictions. Certain tax queries have been raised by the tax authority in Hong Kong in respect of the tax treatment of items included in the tax computations and certain non-routine transactions. Management judgement was used to estimate the outcome of these matters and the appropriate amount of current income tax liabilities.</p> <p>We identified current income tax liabilities to be a key audit matter because these estimations are subject to estimation uncertainty and judgement.</p>	<p>Our procedures in relation to the judgements and estimates used in the recognition of current income tax liabilities included:</p> <ul style="list-style-type: none"> • Understanding management’s internal controls and processes for the recognition of current income tax liabilities and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgements involved in determining assumptions to be applied; • Enquiring of management and assessing the basis used to estimate the outcome of queries raised by the relevant tax authority; and • Assessing the appropriateness of the current income tax provision, with the involvement of our internal specialists, according to the tax rules. <p>Based on the procedures performed, we considered that the judgements and estimates used in the recognition of current income tax liabilities were supported by the available evidence.</p>

Other Information

The directors of HKT Management Limited (in its capacity as the trustee-manager of the HKT Trust) (the “Trustee-Manager”) and the directors of the Company are responsible for the other information. The other information comprises all of the information included in the HKT Trust and HKT Limited 2025 annual report other than the HKT Trust and HKT Limited consolidated financial statements, the financial statements of HKT Management Limited and our auditor’s reports thereon.

Our opinion on the HKT Trust and HKT Limited consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the HKT Trust and HKT Limited consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the HKT Trust and HKT Limited consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the HKT Trust and HKT Limited Consolidated Financial Statements

The directors of the Trustee-Manager and the directors of the Company are responsible for the preparation of the HKT Trust and HKT Limited consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the HKT Trust and HKT Limited consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the HKT Trust and HKT Limited consolidated financial statements, the directors are responsible for assessing the Group's and the HKT Limited Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the HKT Limited Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's and the HKT Limited Group's financial reporting process.

Auditor's Responsibilities for the Audit of the HKT Trust and HKT Limited Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the HKT Trust and HKT Limited consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these HKT Trust and HKT Limited consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the HKT Trust and HKT Limited consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the HKT Limited Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the HKT Limited Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the HKT Trust and HKT Limited consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the HKT Limited Group to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the HKT Trust and HKT Limited Consolidated Financial Statements *(continued)*

- Evaluate the overall presentation, structure and content of the HKT Trust and HKT Limited consolidated financial statements, including the disclosures, and whether the HKT Trust and HKT Limited consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group and the HKT Limited Group as a basis for forming an opinion on the HKT Trust and HKT Limited consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the HKT Trust and HKT Limited consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sean William Tuckfield (practising certificate number: P03802).

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 9 February 2026

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CONSOLIDATED INCOME STATEMENT OF HKT TRUST AND OF HKT LIMITED

For the year ended 31 December 2025

In HK\$ million (except for earnings per Share Stapled Unit/share of the Company)	Note(s)	2024	2025
Revenue	7, 8	34,753	36,553
Cost of sales	9(b)	(17,710)	(19,140)
General and administrative expenses	9(c)	(8,795)	(9,124)
Other gains, net		131	174
Finance costs, net	10	(2,238)	(1,720)
Share of results of associates		(121)	(86)
Share of results of joint ventures		(5)	(3)
Profit before income tax	7, 9	6,015	6,654
Income tax	12	(914)	(904)
Profit for the year		5,101	5,750
Profit attributable to:			
Holders of Share Stapled Units/shares of the Company		5,070	5,286
Non-controlling interests		31	464
Profit for the year		5,101	5,750
Earnings per Share Stapled Unit/share of the Company	14		
Basic		66.92 cents	69.76 cents
Diluted		66.91 cents	69.75 cents

The notes on pages 104 to 197 form part of the consolidated financial statements. As explained in note 1, the consolidated financial statements of the HKT Trust and the consolidated financial statements of HKT Limited are presented together.

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

For the year ended 31 December 2025

In HK\$ million	2024	2025
Profit for the year	5,101	5,750
Other comprehensive income/(loss)		
Item that will not be reclassified subsequently to consolidated income statement:		
Changes in fair value of financial assets at fair value through other comprehensive income	413	(667)
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	(74)	93
– exchange differences on translating foreign operations of joint ventures	(9)	3
Cash flow hedges:		
– effective portion of changes in fair value	(183)	44
– transfer from equity to consolidated income statement	208	(234)
Costs of hedging	118	5
Share of other comprehensive (loss)/income of an associate	(2)	2
Other comprehensive income/(loss) for the year	471	(754)
Total comprehensive income for the year	5,572	4,996
Attributable to:		
Holders of Share Stapled Units/shares of the Company	5,541	4,532
Non-controlling interests	31	464
Total comprehensive income for the year	5,572	4,996

The notes on pages 104 to 197 form part of the consolidated financial statements. As explained in note 1, the consolidated financial statements of the HKT Trust and the consolidated financial statements of HKT Limited are presented together.

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

For the year ended 31 December 2025

In HK\$ million	Note	2024		Total equity
		Attributable to holders of Share Stapled Units/shares of the Company	Non-controlling interests	
As at 1 January 2024		35,312	70	35,382
Total comprehensive income for the year				
Profit for the year		5,070	31	5,101
Other comprehensive income/(loss)				
Item that will not be reclassified subsequently to consolidated income statement:				
Changes in fair value of financial assets at fair value through other comprehensive income		413	–	413
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		(74)	–	(74)
– exchange differences on translating foreign operations of joint ventures		(9)	–	(9)
Cash flow hedges:				
– effective portion of changes in fair value	28(c)	(183)	–	(183)
– transfer from equity to consolidated income statement	28(c)	208	–	208
Costs of hedging	28(c)	118	–	118
Share of other comprehensive loss of an associate		(2)	–	(2)
Other comprehensive income		471	–	471
Total comprehensive income for the year		5,541	31	5,572
Transactions with equity holders				
Purchases of Share Stapled Units under the Share Stapled Unit Award Schemes		(5)	–	(5)
Employee share-based compensation		15	–	15
Distribution/Dividend for Share Stapled Units/shares of the Company granted under the Share Stapled Unit Award Schemes		(2)	–	(2)
Distribution/Dividend paid in respect of the previous year	13	(3,367)	–	(3,367)
Interim distribution/dividend declared and paid in respect of the current year	13	(2,494)	–	(2,494)
Dividends declared and paid to non-controlling shareholders of subsidiaries		–	(14)	(14)
Total contributions by and distributions to equity holders		(5,853)	(14)	(5,867)
Change in interests in subsidiaries that does not result in a loss of control	40	3,282	1,276	4,558
Total transactions with equity holders		(2,571)	1,262	(1,309)
As at 31 December 2024		38,282	1,363	39,645

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

For the year ended 31 December 2025

In HK\$ million	Note	2025 Attributable to holders of Share Stapled Units/shares of the Company	Non-controlling interests	Total equity
As at 1 January 2025		38,282	1,363	39,645
Total comprehensive income for the year				
Profit for the year		5,286	464	5,750
Other comprehensive (loss)/income				
Item that will not be reclassified subsequently to consolidated income statement:				
Changes in fair value of a financial asset at fair value through other comprehensive income		(667)	–	(667)
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		93	–	93
– exchange differences on translating foreign operations of joint ventures		3	–	3
Cash flow hedges:				
– effective portion of changes in fair value	28(c)	44	–	44
– transfer from equity to consolidated income statement	28(c)	(234)	–	(234)
Costs of hedging	28(c)	5	–	5
Share of other comprehensive income of an associate		2	–	2
Other comprehensive loss		(754)	–	(754)
Total comprehensive income for the year		4,532	464	4,996
Transactions with equity holders				
Issue of Share Stapled Units/shares of the Company under the Share Stapled Unit Award Schemes	30(a)(i)	31	–	31
Purchases/Subscription of Share Stapled Units under the Share Stapled Unit Award Schemes		(23)	–	(23)
Receipt of shares of PCCW Limited (“PCCW Shares”) under the PCCW Share Award Schemes		22	–	22
Employee share-based compensation		16	–	16
Distribution/Dividend for Share Stapled Units/shares of the Company granted under the Share Stapled Unit Award Schemes		(2)	–	(2)
Distribution/Dividend paid in respect of the previous year	13	(3,476)	–	(3,476)
Interim distribution/dividend declared and paid in respect of the current year	13	(2,561)	–	(2,561)
Dividends declared and paid to non-controlling shareholders of subsidiaries		–	(254)	(254)
Total transactions with equity holders		(5,993)	(254)	(6,247)
As at 31 December 2025		36,821	1,573	38,394

The notes on pages 104 to 197 form part of the consolidated financial statements. As explained in note 1, the consolidated financial statements of the HKT Trust and the consolidated financial statements of HKT Limited are presented together.

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

As at 31 December 2025

In HK\$ million	Note	2024	2025
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	28,368	29,618
Right-of-use assets	16	1,826	2,553
Interests in leasehold land	17	153	143
Goodwill	18	49,799	49,813
Intangible assets	19	18,711	20,656
Fulfilment costs		2,097	2,298
Customer acquisition costs		872	951
Contract assets		261	236
Interests in associates	20	412	437
Interests in joint ventures	21	810	507
Financial assets at fair value through other comprehensive income	22	823	105
Financial assets at fair value through profit or loss	23	17	21
Derivative financial instruments	28	58	121
Deferred income tax assets	32	790	731
Other non-current assets	25	931	843
		105,928	109,033
Current assets			
Inventories	26(a)	1,503	1,546
Prepayments, deposits and other current assets	26(b)	3,702	4,019
Contract assets		601	673
Trade receivables, net	26(c)	2,710	2,549
Amounts due from related companies	6(c)	20	650
Financial assets at fair value through profit or loss	23	18	21
Derivative financial instruments	28	–	40
Tax recoverable		7	2
Restricted cash	26(d)	179	187
Short-term deposits		295	475
Cash and cash equivalents	34(c)	1,850	1,957
		10,885	12,119
Current liabilities			
Short-term borrowings	26(e)	(3,934)	(5,884)
Trade payables	26(f)	(7,212)	(9,762)
Accruals and other payables		(6,667)	(6,339)
Derivative financial instruments	28	(41)	(17)
Carrier licence fee liabilities	33	(324)	(384)
Amount due to a fellow subsidiary	6(c)	(2,929)	(1,167)
Amounts due to related companies	6(c)	(82)	(84)
Advances from customers		(301)	(313)
Contract liabilities		(1,415)	(1,659)
Lease liabilities		(1,028)	(891)
Current income tax liabilities		(1,888)	(1,954)
		(25,821)	(28,454)

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

As at 31 December 2025

In HK\$ million	Note	2024	2025
Non-current liabilities			
Long-term borrowings	27	(37,372)	(38,691)
Derivative financial instruments	28	(769)	(814)
Deferred income tax liabilities	32	(5,746)	(6,290)
Carrier licence fee liabilities	33	(3,198)	(3,494)
Contract liabilities		(973)	(937)
Lease liabilities		(825)	(1,619)
Amount due to a non-controlling interest		(344)	(337)
Other long-term liabilities		(2,120)	(2,122)
		(51,347)	(54,304)
Net assets		39,645	38,394
CAPITAL AND RESERVES			
Share capital	30(a)	8	8
Reserves	31	38,274	36,813
Equity attributable to holders of Share Stapled Units/shares of the Company		38,282	36,821
Non-controlling interests	24(b)	1,363	1,573
Total equity		39,645	38,394

Approved and authorised for issue by the boards of directors of HKT Management Limited and HKT Limited (collectively, the “Boards”) on 9 February 2026 and signed on behalf of the Boards by

Li Tzar Kai, Richard
Director

Hui Hon Hing, Susanna
Director

The notes on pages 104 to 197 form part of the consolidated financial statements. As explained in note 1, the consolidated financial statements of the HKT Trust and the consolidated financial statements of HKT Limited are presented together.

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

For the year ended 31 December 2025

In HK\$ million	Note	2024	2025
NET CASH GENERATED FROM OPERATING ACTIVITIES	34(a)	11,911	11,628
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		4	2
Purchases of property, plant and equipment		(2,037)	(1,977)
Additions of intangible assets		(3,090)	(3,557)
Investments in associates		(53)	(68)
Investment in a joint venture		(26)	(16)
Purchase of a financial asset at fair value through other comprehensive income		(280)	–
Loans to a joint venture		(96)	(70)
Proceeds from disposal of a financial asset at fair value through other comprehensive income		–	51
Dividend received from a financial asset at fair value through profit or loss		–	1
Increase in short-term deposits with maturity more than three months		(216)	(180)
NET CASH USED IN INVESTING ACTIVITIES		(5,794)	(5,814)
FINANCING ACTIVITIES			
New borrowings raised	34(b)	29,931	40,051
Finance costs paid	34(b)	(1,876)	(1,610)
Repayments of borrowings	34(b)	(33,117)	(37,359)
Payment for lease liabilities (including interest)	34(b)	(1,412)	(1,343)
Movement in amount due to a fellow subsidiary	34(b)	717	819
Movement in amount due to a related company	34(b)	(3)	2
Proceeds from issuance of Share Stapled Units/shares of the Company		–	31
Distributions/Dividends paid to holders of Share Stapled Units/shareholders of the Company	13	(5,861)	(6,037)
Dividends paid to non-controlling shareholders of subsidiaries		(14)	(254)
Net proceeds from partial disposal of interests in subsidiaries that does not result in a loss of control	40	5,745	–
Movement in amount due to a non-controlling interest	34(b)	–	(7)
NET CASH USED IN FINANCING ACTIVITIES		(5,890)	(5,707)
NET INCREASE IN CASH AND CASH EQUIVALENTS		227	107
Exchange differences		(7)	–
CASH AND CASH EQUIVALENTS			
Beginning of year		1,630	1,850
End of year	34(c)	1,850	1,957

The notes on pages 104 to 197 form part of the consolidated financial statements. As explained in note 1, the consolidated financial statements of the HKT Trust and the consolidated financial statements of HKT Limited are presented together.

NOTES TO THE HKT TRUST AND HKT LIMITED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

1 BASIS OF PRESENTATION

In accordance with the Trust Deed (as defined below), HKT Trust (the “HKT Trust”) and HKT Limited (the “Company”) are each required to prepare their own sets of financial statements on a consolidated basis. The HKT Trust consolidated financial statements for the year ended 31 December 2025 comprise the consolidated financial statements of the HKT Trust, the Company and its subsidiaries (together the “Group”), and the Group’s interests in associates and joint ventures. The HKT Limited consolidated financial statements for the year ended 31 December 2025 comprise the consolidated financial statements of the Company and its subsidiaries (together the “HKT Limited Group”) and the HKT Limited Group’s interests in associates and joint ventures, and the Company’s statement of financial position.

The HKT Trust controls the Company and the sole activity of the HKT Trust during the year ended 31 December 2025 was investing in the Company. Therefore, the consolidated financial results and financial position that would be presented in the consolidated financial statements of the HKT Trust are identical to the consolidated financial results and financial position of the Company with the only differences being disclosures of the capital of the Company. The directors of the Trustee-Manager (as defined below) and the directors of the Company believe therefore that it is clearer to present the consolidated financial statements of the HKT Trust and of the Company together. The consolidated financial statements of the HKT Trust and the consolidated financial statements of the Company are presented together to the extent they are identical and are hereinafter referred to as the “HKT Trust and HKT Limited consolidated financial statements”.

The consolidated income statements, consolidated statements of comprehensive income, consolidated statements of financial position, consolidated statements of changes in equity, consolidated statements of cash flows, material accounting policies and the related explanatory information are common to the HKT Trust and the Company. The HKT Limited consolidated financial statements also include the stand-alone statement of financial position of the Company as shown in note 5, and the relevant explanatory information in note 30 where information specific to the Company are disclosed separately.

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

2 GENERAL INFORMATION

The HKT Trust is constituted by a Hong Kong law governed trust deed as supplemented, amended or substituted from time to time (the “Trust Deed”), entered into between HKT Management Limited (in its capacity as the trustee-manager of the HKT Trust) (the “Trustee-Manager”) and the Company. Under the Trust Deed, the Trustee-Manager has been appointed as the trustee and manager of the HKT Trust. The scope of activities of the HKT Trust specified in the Trust Deed is essentially limited to investing in the Company and all the issued and paid-up ordinary shares of the Company are held by the HKT Trust. The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 14 June 2011. The Company has established a principal place of business in the Hong Kong Special Administrative Region (“Hong Kong”) at 39th Floor, PCCW Tower, Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong and is registered as a non-Hong Kong company. The HKT Limited Group is principally engaged in the provision of technology and telecommunications and related services including enterprise solutions, mobile services, total home solutions, media entertainment (the “Pay TV business”) and other new businesses such as The Club’s loyalty platform, HKT Financial Services and healthtech services. It operates primarily in Hong Kong, and also serves customers in Chinese Mainland and other parts of the world.

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

The ultimate holding company of both the HKT Trust and the Company is PCCW Limited (“PCCW”), a company incorporated in Hong Kong with its shares listed on the Main Board of the Stock Exchange and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the United States.

These financial statements are presented in Hong Kong dollars, unless otherwise stated.

3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

a. Statement of compliance

The HKT Trust and HKT Limited consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which is a collective term for all individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). A summary of the material accounting policies adopted by the Groups is set out below.

b. Basis of preparation of the financial statements

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

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

The Groups have not early adopted any new or amended HKFRS Accounting Standards that are not yet effective for the current accounting period, details of which are set out in note 41.

The consolidated financial statements for the year ended 31 December 2025 comprise the financial statements of the Groups, and the Groups’ interests in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis, except that the following assets and liabilities are stated at fair value as explained in the accounting policies set out below:

- financial assets at fair value through profit or loss (see note 3(n));
- financial assets at fair value through other comprehensive income (see note 3(n)); and
- derivative financial instruments (see note 3(p)).

As at 31 December 2025, the current liabilities of the Groups exceeded their current assets by HK\$16,335 million. After considering the Groups’ ability to generate net operating cash inflows and raise additional debt financing, and the undrawn banking facilities available as at 31 December 2025, management considers the Groups are able to meet their liabilities as and when they fall due within the next 12-month period. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of judgements about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

31 December 2025

3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

b. Basis of preparation of the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the HKT Trust and HKT Limited consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4.

c. Subsidiaries and non-controlling interests

Subsidiaries are entities (including structured entities) controlled by the Groups. Control exists when the Groups are exposed to, or have rights to, variable returns from their involvement with the entity and have the ability to affect those returns through their power over the entity.

An interest in a subsidiary is consolidated into the HKT Trust and HKT Limited consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Groups. The cost of an acquisition is measured as the aggregate fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred includes the fair value of any asset, liability or equity resulting from a contingent consideration arrangement. A subsequent change to the fair value of the contingent consideration that is deemed to be an asset or a liability is recognised in accordance with HKFRS 9 (2014) *Financial Instruments* in the consolidated income statement. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Groups recognise any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All other components of non-controlling interests are measured at their acquisition-date fair value, unless another measurement basis is required by HKFRS Accounting Standards.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (see note 3(i)). If this is less than the fair value of the identifiable net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement. Where businesses are acquired and fair values of the identifiable net assets of the acquired business are finalised within 12 months of the acquisition date, all fair value adjustments are recorded with effect from the date of acquisition and consequently may result in the restatement of previously reported financial results.

If the business combination is achieved in stages, the acquisition-date carrying amount of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in the consolidated income statement.

The Groups treat transactions with non-controlling interests that do not result in a loss of control as transactions with equity holders of the Groups. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

For subsidiaries which have accounting year ends different from the Groups, the subsidiaries prepare, for the purpose of consolidation, financial statements up to and as at the same date as the Groups.

3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

c. Subsidiaries and non-controlling interests (continued)

Adjustments are made to the financial statements of subsidiaries when necessary to align their accounting policies to ensure consistency with policies adopted by the Groups.

Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the HKT Trust and HKT Limited consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised profits.

In the Company's statement of financial position, interests in subsidiaries are stated at cost less impairment losses. Cost includes direct attributable costs of investment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

d. Associates

An associate is an entity over which the Groups have significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for in the HKT Trust and HKT Limited consolidated financial statements using the equity method and are initially recorded at cost. The Groups' interests in associates include goodwill identified on acquisition, net of any accumulated impairment loss and adjust thereafter for the post-acquisition changes in the Groups' share of the associates' net assets. The consolidated income statement includes the Groups' share of post-acquisition, post-tax results of the associates and any impairment losses for the year. The consolidated statement of comprehensive income includes the Groups' share of the post-acquisition, post-tax items of the associates' other comprehensive income.

When the Groups' share of losses exceeds their interest in the associate, the Groups' interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Groups have incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Groups' interest in the associate is the carrying amount of the investment using the equity method together with the Groups' long-term interests that in substance form part of the Groups' net interest in the associate.

Unrealised profits and losses resulting from transactions between the Groups and their associates are eliminated to the extent of the Groups' interests in the associates, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the consolidated income statement.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the consolidated income statement where appropriate.

Adjustments are made to the financial statements of associates when necessary to align their accounting policies to ensure consistency with policies adopted by the Groups.

e. Joint arrangements

The Groups apply HKFRS 11 *Joint Arrangements* to all joint arrangements. Under HKFRS 11, joint arrangements are classified as either joint ventures or joint operations depending on the contractual rights and obligations of each investor.

The Groups classify joint arrangements as joint ventures when the Groups have rights to the net assets of the joint arrangement.

Investments in joint ventures are accounted for in the HKT Trust and HKT Limited consolidated financial statements using the equity method, as described in note 3(d).

Adjustments are made to the financial statements of joint ventures when necessary to align their accounting policies to ensure consistency with policies adopted by the Groups.

31 December 2025

3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)**f. Gaining or losing control**

When the Groups cease to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint arrangement or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Groups had disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated income statement or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards.

g. Property, plant and equipment

The following items of property, plant and equipment are stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses (see note 3(o)(ii)):

- buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease (see note 3(h)); and
- other items of plant and equipment.

The cost of an item of property, plant and equipment comprises (i) its purchase price, (ii) any directly attributable costs of bringing the asset to its working condition and location for its intended use, and (iii) the initial estimate at the time of installation and during the period of use, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located.

Subsequent costs are included in the carrying amount of an item of property, plant and equipment or recognised as a separate item of property, plant and equipment, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Groups and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance and overhaul costs, are recognised in the consolidated income statement as an expense in the period in which they are incurred.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the consolidated income statement on the date of retirement or disposal.

Projects under construction are not depreciated. Depreciation on other property, plant and equipment is calculated to write off the cost of items of property, plant and equipment, less their expected residual value, if any, using the straight-line method over their estimated useful lives as follows:

Buildings	Over the shorter of the unexpired term of land lease and the estimated useful life
Exchange equipment	5 to 25 years
Transmission plant	5 to 50 years
Other plant and equipment	1 to 20 years

The assets' useful lives and residual values, if any, are reviewed, and adjusted if appropriate, at the end of each reporting period.

3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

h. Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Groups determine that the arrangement conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Such determination is made on an evaluation of the substance of the arrangement, regardless of whether the arrangements take the legal form of a lease.

i. Assets leased to the Groups

Leases are initially recognised as a right-of-use asset/interest in leasehold land and corresponding liability, where applicable, at the date of which the leased asset is available for use by the Groups. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated income statement over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Interest in leasehold land is amortised on a straight-line basis over the lease term.

The Groups have elected the practical expedient not to separate lease and non-lease components of certain class of underlying assets and account for whole as a single lease component in the measurement of lease liabilities and right-of-use assets.

Assets leased to the Groups and the corresponding liabilities are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate; and
- payments of penalties for terminating the lease, if the lease term reflects the Groups, as lessees, exercising an option to terminate the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the incremental borrowing rate of respective entities. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise equipment and small items of office furniture.

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3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)**h. Leased assets (continued)****ii. Assets leased out by the Groups**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Where the Groups lease out assets under operating leases, the assets are included in the consolidated statement of financial position according to their nature and, where applicable, are depreciated in accordance with the Groups' depreciation policies. Impairment losses are accounted for in accordance with the accounting policy as set out in note 3(o)(ii). Revenue arising from operating leases is recognised in the consolidated income statement in equal instalments over the accounting periods covered by the lease term. Lease incentives granted are recognised in the consolidated income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

i. Goodwill

Goodwill represents the excess of the cost of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the Groups' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition.

Goodwill is stated in the consolidated statement of financial position at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units ("CGUs") and is tested at least annually for impairment (see note 3(o)(ii)). In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the interests in associates and joint ventures and tested for impairment when there is an indication that the investments may be impaired.

On disposal of a CGU or part of a CGU, an associate or a joint venture during the year, any attributable amount of purchased goodwill is included in the calculation of the gain or loss on disposal.

j. Intangible assets (other than goodwill)**i. Carrier licences**

Carrier licences to establish and maintain the telecommunications network and to provide telecommunications services are recorded as intangible assets. Upon the issuance of the licence, the cost thereof, which is the discounted value of the minimum annual fees payable over the period of the licence and directly attributable costs of preparing the asset for its intended use, is recorded as an intangible asset together with the related obligations. Where the Groups have the right to return a licence and expect to do so, the asset and the related obligation recorded reflect the expected period that the licence will be held. Amortisation is provided on a straight-line basis over the estimated useful life of the licence, commencing from the date of launch of the relevant telecommunications services.

The difference between the discounted value of the minimum annual fees and the total minimum annual fee payments represents the effective cost of financing. Such finance cost will be charged to the consolidated income statement in the period in which it is incurred using the effective interest method.

Variable annual payments on top of the minimum annual payments, if any, are recognised in the consolidated income statement as incurred.

3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

j. Intangible assets (other than goodwill) (continued)

ii. Capitalised programme costs

Costs incurred to produce or acquire television rights, for which the Groups can determine the broadcasting schedules, are capitalised as intangible assets. The intangible assets are amortised on an accelerated basis over the shorter of the expected economic life of 1 to 5 years and the licence period. Other costs incurred for the transmission rights for showing programmes, sports events and films on the Groups' television channels, including sport rights for multiple seasons or competitions, of which the broadcasting schedules are determined by the content providers, are recognised in the consolidated income statement on a straight-line basis over the period of transmission rights across the season or competition. Other payments of programme costs made in advance or in arrears are recognised in the consolidated statement of financial position as prepayments, deposits and other current assets or accruals and other payables, as appropriate.

iii. Software

Costs incurred to acquire, develop or enhance scientific or technical knowledge, and design and implement new process or systems, licences and market knowledge are capitalised as intangible assets if they are identifiable and the Groups have power to obtain future economic benefits flowing from the underlying resource.

Development costs that are directly attributable to the design and testing of the identifiable software are capitalised as intangible assets if the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Development costs that do not meet the above criteria are expensed in the consolidated income statement as incurred.

Capitalised software costs are amortised on a straight-line basis over the estimated useful life of 5 to 10 years.

iv. Other intangible assets

Other intangible assets that are acquired by the Groups are stated in the consolidated statement of financial position at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 3(o)(ii)). Expenditures on internally generated goodwill and brands are recognised as expenses in the period in which they are incurred.

Amortisation of intangible assets with finite useful lives is charged to the consolidated income statement on a straight-line basis over their estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Trademarks	20 years
Customer base	10 years

The assets' useful lives and their amortisation methods are reviewed annually.

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3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)**k. Fulfilment costs**

Direct costs incurred in fulfilling a contract with a customer, which mainly comprise setup and related costs in respect of the Groups' telecommunications and pay-TV services, are capitalised as an asset to the extent that the cost generates or enhances resources of the Groups that will be used in satisfying performance obligations in the future and are expected to be recovered. Fulfilment costs are amortised on a straight-line basis over the expected life of the customer contract.

l. Customer acquisition costs

Incremental costs incurred to obtain a contract with a customer, which mainly comprise sales commission, are capitalised as customer acquisition costs if the Groups expect to recover those costs. Costs of obtaining a contract are amortised on a systematic basis over the expected life of the customer contract.

m. Contract assets/liabilities

Customer pays according to a pre-agreed payment schedule. If the performance obligations fulfilled by the Groups exceed the total non-refundable payments received and unconditional rights to contract consideration to date, a contract asset is recognised. If the total non-refundable payments received and unconditional rights to contract consideration to date exceed the performance obligation fulfilled, a contract liability is recognised. The contract assets are transferred to receivables when the Groups' rights to the contract consideration become unconditional.

Advances from customers represent refundable customer advances, please refer to note 3(u) for the accounting policies.

n. Investments in debt and equity securities**Classification**

The Groups classify their investments in debt and equity securities, other than interests in subsidiaries, associates, and joint arrangements, as:

- those to be measured subsequently at fair value (at either fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVPL")); and
- those to be measured at amortised cost.

The classification depends on the Groups' business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Groups have made an irrevocable election at the time of initial recognition to account for the equity instrument at FVOCI.

The Groups reclassify debt instruments when and only when their business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Groups commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Groups have transferred substantially all the risks and rewards of ownerships.

Initial measurement

At initial recognition, the Groups measure a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated income statement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

n. Investments in debt and equity securities (continued)

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Groups' business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Groups classify their debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in the consolidated income statement when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest method.
- FVOCI: Assets that are held for collection of contractual cash flows and for sale, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses, interest income using the effective interest method and foreign exchange gains and losses which are recognised in the consolidated income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the consolidated income statement and recognised in other gains/(losses), net.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL is recognised and presented net in the consolidated income statement within other gains/(losses), net in the period in which it arises.

Equity instruments

The Groups subsequently measure all equity instruments at fair value. Where the Groups' management has made an irrevocable election at initial recognition to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the consolidated income statement following the derecognition of the investment, any balance within the financial assets at FVOCI reserve for these equity investments is reclassified to retained profits. Dividends from such investments continue to be recognised in the consolidated income statement as other gains/(losses), net when the Groups' right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses), net in the consolidated income statement as applicable.

Impairment losses (and reversal of impairment losses) on equity instruments measured at FVOCI are not reported separately from other changes in fair value.

o. Impairment of assets

i. Investments in debt instruments and trade and other receivables

The Groups assess on forward-looking basis the expected credit losses associated with their debt instruments carried at amortised cost or FVOCI, and trade and other receivables carried at amortised cost.

For investments in debt instruments and other receivables, the Groups consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Groups compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition by considering available reasonable and supportive forward-looking information. Considerations may include:

- internal credit rating;
- external credit rating (as far as available);

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3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)**o. Impairment of assets (continued)****i. Investments in debt instruments and trade and other receivables (continued)**

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of the borrower in the Groups and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is delinquent and in default status when there are unsettled amounts remaining on the account on the day after the invoice due date.

At each reporting date, the Groups measure the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If, at the reporting date, the credit risk on a financial asset has not increased significantly since initial recognition, the Groups measure the loss allowance for that financial asset at an amount equal to 12-month expected credit losses.

For trade receivables and contract assets, the Groups apply the simplified approach to providing for expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. When measuring expected credit losses, the Groups consider the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and possibility that no credit loss occurs.

Financial assets are written off when there is no reasonable expectation of recovery. The Groups categorise a financial asset for write-off when a debtor fails to make contractual payments for a period greater than the predefined limit. Where loans or receivables have been written off, the Groups continue to engage in enforcement activity to attempt to recover the amounts due. Where recoveries are made, these are recognised in the consolidated income statement.

ii. Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to identify indications that the following major assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets;
- interests in leasehold land;
- fulfilment costs;
- customer acquisition costs;
- intangible assets;
- interests in associates and joint ventures; and
- goodwill.

3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

o. Impairment of assets (continued)

ii. Impairment of other assets (continued)

If any such indication exists, the asset's recoverable amount is estimated. Impairment tests are performed for CGUs containing goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

The recoverable amount of an asset is the higher of its fair value less costs of disposal and value-in-use. Fair value less costs of disposal is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a CGU).

– Recognition of impairment losses

An impairment loss is recognised in the consolidated income statement whenever the carrying amount of an asset, or the CGU to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then, to reduce the carrying amount of the other assets in the CGU on a pro rata basis, except that the carrying amount of an asset will not be reduced below its individual fair value less costs of disposal, or value-in-use, if determinable.

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not allowed to be reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the consolidated income statement in the period in which the reversals are recognised.

iii. Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Groups are required to prepare an interim financial report in compliance with HKAS 34 *Interim Financial Reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Groups apply the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 3(o)(i) and 3(o)(ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

p. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. The gain or loss on remeasurement to fair value is recognised immediately in the consolidated income statement, except where the derivatives are designated and qualify for hedge accounting, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 3(q)).

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is 12 months or less than 12 months. Trading derivatives are classified as current assets or liabilities.

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3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)**q. Hedging**

At inception of the hedge relationship, the Groups document the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Groups document their risk management objective and strategy for undertaking their hedge transactions.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated income statement, within finance costs.

When forward contracts are used to hedge forecast transactions, the Groups designate only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the hedging reserve within equity. The change in the forward element is recognised in the consolidated income statement.

When cross currency swap contracts are used to hedge future cash flows, the Groups designate only the change in fair value of the swap contract after exclusion of the foreign currency basis spread component as the hedging instrument. Gains or losses relating to the effective portion of the swap contract after exclusion of foreign currency basis spread component are recognised in the hedging reserve within equity. The change in fair value of the foreign currency basis spread of the swap contract to the extent it relates to the hedged item is recognised in the costs of hedging reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects the consolidated income statement, as follows:

- The gain or loss relating to the effective portion of forward contracts is recognised in the consolidated income statement as the hedged item affects profit or loss.
- The gain or loss relating to the effective portion of the cross currency swap contracts hedging borrowings denominated in foreign currency is recognised in the consolidated income statement within finance costs at the same time as the interest expense on the hedged borrowings.
- The gain or loss relating to the effective portion of the interest rate swap contracts hedging variable rate borrowings is recognised in the consolidated income statement within finance costs at the same time as the interest expense on the hedged borrowings.

When the hedged forecast transactions subsequently result in the recognition of a non-financial asset such as inventory, the amount accumulated in the hedging reserve is removed from the reserve and is included directly in the initial cost of the non-financial item when it is recognised.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs and affects profit or loss. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to the consolidated income statement.

Hedge ineffectiveness is recognised in the consolidated income statement within finance costs.

3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

r. Inventories

Inventories consist of purchased parts and materials, finished goods and consumable inventories.

Purchased parts and materials, finished goods and consumable inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

s. Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing component, when they are recognised at fair value.

Other receivables are recognised initially at fair value.

The Groups hold trade and other receivables with the objective to collect the contractual cash flows and therefore measure them subsequently at amortised cost using the effective interest method, less loss allowance for expected credit losses (see note 3(o)(i)).

t. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions (other than restricted cash), and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition and form an integral part of the Groups' cash management.

u. Trade and other payables

Trade payables, advances from customers and other payables are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

v. Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recognised, being the proceeds net of transaction costs, and the redemption value being recognised in the consolidated income statement over the period of the borrowings, using the effective interest method.

w. Provisions and contingent liabilities

Provisions are recognised when (i) the Groups have a present legal or constructive obligation arising as a result of a past event; (ii) it is probable that an outflow of economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation. The increase in provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

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3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)**x. Revenue recognition**

Telecommunications services comprise local telephony, local data and broadband, international telecommunications, mobile, enterprise solutions, the Pay TV business, and other telecommunications businesses such as customer premises equipment sales, outsourcing, consulting, and contact centres.

Local telephony, local data and broadband, international telecommunications and mobile businesses earn revenue primarily by providing access to and usage of the telecommunications network locally and internationally. As part of the bundled service offerings, the Groups also deliver handsets, equipment, gifts and reward points from the Groups' customer loyalty programme offering a variety of goods and services ("Reward Points"), which are considered as separate performance obligations.

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods and rendering of services in the ordinary course of the Groups' activities. Revenue is recognised when the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time.

The Groups often enter into bundled sale contracts with customers in which, apart from the provision of telecommunications, media entertainment, and other services, the Groups have certain other performance obligations to customers such as the delivery of handsets, equipment, gifts and Reward Points. When multiple-element arrangements exist, the total transaction price receivable from customers is allocated among the Groups' performance obligations on a relative stand-alone selling price basis. Management estimates the stand-alone selling price at contract inception mainly based on observable retail prices and observable market data of the respective performance obligations in similar circumstances to similar customers. If a bundled discount is granted, it is allocated to respective performance obligations based on their relative stand-alone selling prices unless the Groups have observable evidence that the entire discount related to only one or more, but not all performance obligations in the contracts. The costs of respective handsets, equipment and gifts delivered are recognised as cost of sales when the corresponding revenue is recognised.

For the telecommunications services, revenue is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Groups' performance as the Groups perform and is based on the output method, either as the service allowance units are used or as time elapses, because it reflects the pattern by which the Groups satisfy the performance obligation through the rendering of services to the customer. For service plan based on usage, where monthly usage exceeds the allowance, the overage usage represents options held by the customer for incremental services and the usage-based fee is recognised when the customer exercises the option. Income from other telecommunications services are recognised when services are rendered. Customers are invoiced in advance on a monthly basis or invoiced according to the pre-agreed payment schedule as set out in the customer contracts.

For the sales of the handsets, equipment and gifts, revenue is generally recognised when control passes to the customer, being when the products are delivered to and accepted by the customer. The customer has full discretion over the handsets, equipment and gifts and there are no unfulfilled obligations that can affect the customer's acceptance of those goods. Customers are invoiced immediately or invoiced according to the pre-agreed payment schedule as set out in the customer contracts.

When the Reward Points are awarded to the members, such revenue at their relative stand-alone selling price is deferred as a liability until the Reward Points are redeemed. Breakage, referring to Reward Points that are expected to expire, is taken into consideration when determining the stand-alone selling price of the Reward Points and determined based on assumptions such as historical experience, future redemption pattern and programme design.

Revenue from enterprise solutions services is recognised over time as the Groups' performance creates or enhances an asset that the customer controls as the asset is created or enhanced. Input method is used to measure the progress as it depicts the Groups' performance in transferring the control of the asset. The progress is measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract. When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent that it is probable the contract costs incurred will be recoverable. Customers make settlement periodically throughout the contract period according to the pre-agreed payment schedule. Accumulated experience is used to estimate the variable consideration to the extent that it is highly probable that a significant reversal will not occur, using the expected value method, to be included in the transaction price.

3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

x. Revenue recognition (continued)

Subscription income from the interactive pay-TV services is recognised rateably over the contract period which generally coincides with when the services are rendered.

Advertising income from interactive pay-TV services is recognised (i) when the advertisements are telecast on pay-TV, delivered through Internet and mobile platforms; or (ii) rateably over the contractual display period of the contract when the advertisements are placed on the Groups' website and mobile platforms.

Commission income is recognised when entitlement to the income is ascertained.

Customers are invoiced in advance on a monthly basis or invoiced according to the pre-agreed payment schedule as set out in the customer contracts.

A financing component, if any, might exist when timing of the payment for goods or services by the customers, differs from the timing of satisfaction of the performance obligation. Such financing component is not significant to the Groups.

y. Interest income

Interest income is recognised on a time-apportioned basis using the effective interest method.

z. Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

aa. Borrowing costs

Borrowing costs are expensed in the consolidated income statement in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Discounts or premiums relating to borrowings, and ancillary costs incurred in connection with arranging borrowings, to the extent that they are regarded as adjustments to interest costs, are recognised as expenses over the period of the borrowing using the effective interest method.

ab. Cost of sales and general and administrative expenses

General and administrative expenses represent operating costs incurred other than cost of sales. Cost of sales mainly includes cost of inventories sold, connectivity costs and staff costs relating to sales; while general and administrative expenses mainly include depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of land lease premium, amortisation of intangible assets, amortisation of fulfilment costs, amortisation of customer acquisition costs, impairment loss for trade receivables and other staff costs.

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3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)**ac. Income tax**

- i. Income tax for the year comprises current income tax and movements in deferred income tax assets and liabilities. Current income tax and movements in deferred income tax assets and liabilities are recognised in the consolidated income statement except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts are recognised in other comprehensive income or directly in equity, respectively.
- ii. Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period.
- iii. Deferred income tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is not recognised for:
 - temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
 - temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Groups are able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future or there is no sufficient taxable profit be available against which the deductible temporary differences can be utilised;
 - taxable temporary differences arising on the initial recognition of goodwill; and
 - those related to Pillar Two Income Taxes.

The Groups recognised deferred income tax assets and deferred income tax liabilities separately in relation to their lease liabilities and right-of-use assets.

Deferred income tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Future taxable profits that may support the recognition of deferred income tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred income tax asset can be carried back or forward.

The amount of deferred income tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realised and the deferred income tax liability is settled. Deferred income tax assets and liabilities are not discounted.

The carrying amount of a deferred income tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

ac. Income tax (continued)

- iv. Current income tax balances and deferred income tax balances, and movements therein, are presented separately from each other and are not offset. Current income tax assets are offset against current income tax liabilities, and deferred income tax assets against deferred income tax liabilities, if the Groups have the legally enforceable right to set off current income tax assets against current income tax liabilities and the following additional conditions are met:
- in the case of current income tax assets and liabilities, the Groups intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
 - in the case of deferred income tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered, intend to realise the current income tax assets and settle the current income tax liabilities on a net basis or realise and settle simultaneously.

ad. Employee benefits

i. Short-term employee benefits

Salaries, annual bonuses, annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

ii. Retirement and other post-employment benefits

The Groups offer the following retirement and other post-employment benefits to its employees:

- defined contribution retirement schemes (including the Mandatory Provident Fund “MPF” scheme); and
- Long Service Payments (“LSP”) under Hong Kong Employment Ordinance for employees in Hong Kong.

The assets of retirement schemes are generally held in separate trustee-administered funds. The schemes are generally funded by contributions from the relevant companies in the Groups.

For defined contribution retirement schemes, the Groups pay contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Groups have no further payment obligations once the contributions have been paid. The Groups’ contributions to the defined contribution retirement schemes are recognised as an expense in the consolidated income statement in the period to which the contributions relate.

The Groups’ LSP obligations (as classified as other payables) recognised in the consolidated statement of financial position are calculated annually by independent qualified actuaries using the projected unit credit method. The present values of the LSP obligations are determined by discounting the estimated future cash outflows using discount rate with reference to market bond yields at the end of the reporting period, which have terms approximating the terms of the related liabilities. The net interest cost is calculated by applying the discount rate to the net balance of the obligations. This cost is included in staff costs in the consolidated income statement. In calculating the Groups’ LSP obligations, any actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

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3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)**ad. Employee benefits (continued)****iii. Share-based payments**

PCCW and the Groups operate share option schemes where employees of the Groups (including directors) are granted options to acquire PCCW Shares and Share Stapled Units at specified exercise prices. The fair value of the employee services received in exchange for the grant of options to acquire PCCW Shares and Share Stapled Units is recognised as staff costs in the consolidated income statement with a corresponding increase in a capital contribution from members in respect of employee share-based compensation under equity and an employee share-based compensation reserve respectively. The fair value of the options granted is measured at grant date using the trinomial option pricing model, taking into account the terms and conditions upon which the options were granted, and spread over the respective vesting period during which the employees become unconditionally entitled to the options. During the vesting period, the number of options that are expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years regarding the options to acquire PCCW Shares and options to acquire Share Stapled Units is charged or credited in the consolidated income statement for the year of the review, unless the original staff costs qualify for recognition as an asset, with a corresponding adjustment to the capital contribution from members in respect of employee share-based compensation under equity and the employee share-based compensation reserve respectively. On vesting date, the amount recognised as staff costs regarding the options to acquire PCCW Shares and options to acquire Share Stapled Units is adjusted to reflect the actual number of options that vests (with a corresponding adjustment to the capital contribution from members in respect of employee share-based compensation under equity and the employee share-based compensation reserve respectively). The equity amount regarding the options to acquire PCCW Shares remains in the capital contribution from members in respect of employee share-based compensation under equity. The equity amount regarding the options to acquire Share Stapled Units is recognised in the employee share-based compensation reserve until either the options are exercised (when it is transferred to the share capital and share premium account) or the options expire (when it is released directly to retained profits).

Share Stapled Units were granted to employees at nil consideration under the Share Stapled Unit award schemes adopted on 11 October 2011, the extension of the duration of which for a further term of 10 years commencing from 11 October 2021 was approved by the board of directors of the Company on 5 August 2021 (collectively the “2011 Share Stapled Unit Award Schemes”). The 2011 Share Stapled Unit Award Schemes will remain valid and effective until all outstanding awards granted thereunder have vested, lapsed, forfeited or been cancelled in accordance with the terms of the corresponding scheme. No further awards have been or will be granted under the 2011 Share Stapled Unit Award Schemes after the annual general meeting of the HKT Trust and the Company held on 30 May 2024. Under the 2011 Share Stapled Unit Award Schemes, the awarded Share Stapled Units were either newly issued at issue price (the “HKT Share Stapled Units Subscription Scheme”) or purchased from the open market (the “HKT Share Stapled Units Purchase Scheme”).

Share Stapled Units may also be granted to, among others, employees at nil consideration under the HKT Trust and HKT Limited 2024 Share Stapled Unit Award Scheme adopted on 30 May 2024 (the “2024 Share Stapled Unit Award Scheme”), under which the awarded Share Stapled Units are either newly issued at issue price (the “Grants Funded by New Share Stapled Units”) or purchased from the open market (the “Grants Funded by Existing Share Stapled Units”).

3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

ad. Employee benefits (continued)

iii. Share-based payments (continued)

The cost of Share Stapled Units purchased from the open market under the HKT Share Stapled Units Purchase Scheme or the 2024 Share Stapled Unit Award Scheme, and the issue price of newly issued Share Stapled Units under the HKT Share Stapled Units Subscription Scheme or the 2024 Share Stapled Unit Award Scheme are recognised in equity as treasury stock. The fair value of the employee services received in exchange for the grant of Share Stapled Units under each scheme is recognised as staff costs in the consolidated income statement with a corresponding increase in an employee share-based compensation reserve under equity. The fair value of the awarded Share Stapled Units is measured by the quoted market price of the Share Stapled Units at grant date and is charged to the consolidated income statement over the respective vesting period. During the vesting period, the number of awarded Share Stapled Units that are expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged or credited in the consolidated income statement for the year of the review, unless the original staff costs qualify for recognition as an asset, with a corresponding adjustment to the employee share-based compensation reserve. On vesting date, the amount recognised as staff costs is adjusted to reflect the actual number of awarded Share Stapled Units that vests (with a corresponding adjustment to the employee share-based compensation reserve) and the cost of awarded Share Stapled Units recognised as treasury stock is transferred to the employee share-based compensation reserve with the difference recognised in equity.

PCCW granted PCCW Shares to employees of PCCW and its participating companies at nil consideration under the share award schemes adopted by PCCW 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 PCCW on 12 August 2022 (collectively the “PCCW 2012 Share Award Schemes”). The PCCW 2012 Share Award Schemes will remain valid and effective until all outstanding awards granted thereunder have vested, lapsed, forfeited or been cancelled in accordance with the terms of the corresponding scheme. No further awards have been or will be granted under the PCCW 2012 Share Award Schemes after the annual general meeting of PCCW held on 30 May 2024. Under the PCCW 2012 Share Award Schemes, the awarded PCCW Shares are either newly issued at issue price (the “PCCW Subscription Scheme”) or purchased from the open market (the “PCCW Purchase Scheme”).

PCCW also grants PCCW Shares to, among others, employees of any PCCW group member at nil consideration under the PCCW Limited 2024 Share Award Scheme adopted by PCCW on 30 May 2024 (the “PCCW 2024 Share Award Scheme”), under which the awarded PCCW Shares are either newly issued at issue price (the “Grants Funded by New PCCW Shares”) or purchased from the open market (the “Grants Funded by Existing PCCW Shares”).

Awards under the PCCW Purchase Scheme, the PCCW Subscription Scheme and the PCCW 2024 Share Award Scheme are accounted for as cash-settled share-based payments. The fair value of the awarded PCCW Shares represents the quoted market price of PCCW Shares purchased from the open market under the PCCW Purchase Scheme or the PCCW 2024 Share Award Scheme, and the issue price of PCCW Shares under the PCCW Subscription Scheme or the PCCW 2024 Share Award Scheme is recognised as financial assets at FVPL and subsequently measured at fair value. The fair value of the employee services received in exchange for the grant of PCCW Shares is recognised as staff costs in the consolidated income statement over the respective vesting period with a corresponding obligation being recognised. During the vesting period, the number of awarded PCCW Shares that are expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged or credited in the consolidated income statement for the year of the review, unless the original staff costs qualify for recognition as an asset, with a corresponding adjustment to the obligation. On vesting date, the amount recognised as staff costs is adjusted to reflect the actual number of awarded PCCW Shares that vests (with a corresponding adjustment to the obligation) and the carrying amount of awarded PCCW Shares recognised in the financial assets at FVPL is offset with the obligation.

iv. Termination benefits

Termination benefits are recognised only after either an agreement is in place with the appropriate employee representatives specifying the terms of redundancy and the number of employees affected, or individual employees have been advised of the specific terms.

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3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)**ae. Translation of foreign currencies**

Items included in the financial statements of each of the Groups' entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The HKT Trust and HKT Limited consolidated financial statements are presented in Hong Kong dollars (HK\$), which is the functional currency of HKT Trust and HKT Limited and the presentation currency of the Groups.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in the consolidated income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates when the fair values are determined. Exchange differences arising on translation of non-monetary assets and liabilities, such as equity instruments at FVPL, are reported as part of the fair value gain or loss in the consolidated income statement. Exchange differences arising on translation of non-monetary assets and liabilities, such as equity instruments measured at FVOCI, are included in the fair value gain or loss in the financial assets at FVOCI reserve under equity.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of transactions. Items of foreign operations in the consolidated statement of financial position, including goodwill arising on consolidation of foreign operations, are translated into Hong Kong dollars at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in the currency translation reserve under equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, if any, are taken to other comprehensive income and accumulated separately in the currency translation reserve under equity. On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in the currency translation reserve under equity which relates to that foreign operation is included in the calculation of the profit or loss on disposal.

3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

af. Related parties

For the purposes of the HKT Trust and HKT Limited consolidated financial statements, a party is considered to be related to the Groups if:

- i. a person or a close member of that person's family is related to the Groups if that person:
 - (1) has control or joint control of the Groups;
 - (2) has significant influence over the Groups; or
 - (3) is a member of the key management personnel of the Groups or of the Groups' parent.
- ii. an entity is related to the Groups if any of the following conditions applies:
 - (1) the entity and the Groups are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (2) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (3) both entities are joint ventures of the same third party.
 - (4) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (5) the entity is a post-employment benefit plan for the benefit of employees of either the Groups or an entity related to the Groups.
 - (6) the entity is controlled or jointly controlled by a person identified in (i).
 - (7) a person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (8) the entity, or any member of a group of which it is a part, provides key management personnel services to the Groups or to the Groups' parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

ag. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Groups' senior executive management.

Segment revenue, expenses, results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. 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. Inter-segment transactions are eliminated in full in preparing the HKT Trust and HKT Limited consolidated financial statements.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets (including property, plant and equipment and interests in leasehold land) that are expected to be used for more than one year.

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3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

ah. Distribution/Dividend to the holders of Share Stapled Units/shares of the Company

Distribution/Dividend to the holders of Share Stapled Units/shares of the Company is recognised as a liability in the HKT Trust and HKT Limited consolidated financial statements and the Company's financial statements in the period in which the distribution/dividend is approved by the Boards or holders of Share Stapled Units/shares of the Company, where appropriate.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Groups make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Notes 18 and 36 contain information about the assumptions and their risk factors relating to goodwill impairment and financial instruments. Management has also made judgements in applying the Groups' accounting policies. These judgements and other key sources of estimation uncertainty are discussed below:

i. Impairment of non-financial assets

At the end of each reporting period, the Groups review internal and external sources of information to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets;
- interests in leasehold land;
- fulfilment costs;
- customer acquisition costs;
- intangible assets;
- interests in associates and joint ventures; and
- goodwill.

If any such indication exists, the asset's recoverable amount is estimated. Impairment tests are performed for CGUs containing goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives annually whether or not there is any indication of impairment. Significant judgement is used to identify CGUs appropriately. An impairment loss is recognised in the consolidated income statement whenever the carrying amount of an asset exceeds its recoverable amount.

The sources utilised to identify indications of impairment are often subjective in nature and the Groups are required to use judgement in applying such information to their business. The Groups' interpretation of this information has a direct impact on whether an impairment assessment is performed as at the end of any given reporting period. Such information is particularly significant as it relates to the Groups' telecommunications services and infrastructure businesses in Hong Kong.

If an indication of impairment is identified, such information is further subject to an exercise that requires the Groups to estimate the recoverable amount, representing the greater of the asset's fair value less costs of disposal or its value-in-use. Depending on the Groups' assessment of the overall materiality of the asset under review and complexity of deriving a reasonable estimate of the recoverable amount, the Groups may perform such assessments utilising internal resources or the Groups may engage external advisors to counsel the Groups. Regardless of the resources utilised, the Groups are required to make many assumptions to make these assessments, including the utilisation of such asset, the cash flows to be generated, appropriate market discount rates and the projected market and regulatory conditions. Changes in any of these assumptions could result in a material change to future estimates of the recoverable amount of any asset.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

ii. Deferred income tax

While deferred income tax liabilities are provided in full on all taxable temporary differences, deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. In assessing the amount of deferred income tax assets that need to be recognised, the Groups consider future taxable income and business plans. In the event that the Groups' estimates of projected future taxable income and benefits from available business plans are changed, or changes in current income tax regulations are enacted that would impact the timing or extent of the Groups' ability to utilise the tax benefits of net operating loss carry-forward in the future, adjustments to the recorded amount of net deferred income tax assets and income tax expense would be made.

iii. Current income tax

The Groups make a provision for current income tax based on estimated taxable income for the year. The estimated income tax liabilities are computed based on the tax computations as prepared by the Groups. Certain tax queries have been raised by the tax authorities in Hong Kong in respect of the tax treatment of items included in the tax computations and certain non-routine transactions. Where the Groups consider it probable that these queries will result in different outcome, the most likely amounts of the outcome will be estimated and adjustments to the income tax expense and income tax liabilities will be made accordingly. The Groups consider that the resolution of these queries will not result in material adverse impact to the Groups' financial position.

iv. Lives of property, plant and equipment, intangible assets (other than goodwill), fulfilment costs and customer acquisition costs

The Groups have significant property, plant and equipment, intangible assets (other than goodwill), fulfilment costs and customer acquisition costs. The Groups are required to estimate the lives of property, plant and equipment, intangible assets (other than goodwill), fulfilment costs and customer acquisition costs in order to ascertain the amount of depreciation and amortisation charges for each reporting period.

The lives are estimated at the time of purchase of these assets or direct costs incurred in fulfilling or acquiring a contract with a customer after considering future technology changes, business developments, the Groups' strategies and expected lives of customer contracts. The Groups perform annual reviews to assess the appropriateness of the estimated lives. Such reviews take into account any unexpected adverse changes in circumstances or events, including declines in projected operating results, negative industry or economic trends and rapid advancements in technology. The Groups extend or shorten the lives according to the results of the reviews.

v. Lease term and discount rate determination

In determining the lease term, management considers facts and circumstances such as conditions of the Groups' existing leases, future technology changes, business developments and the Groups' strategies, that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows are not included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. As at 31 December 2025, potential future undiscounted cash outflows of HK\$960 million (2024: HK\$641 million) have not been included in the lease liabilities because it is not reasonably certain that the lease will be extended (or not terminated).

In determining the discount rate, the Groups are required to exercise considerable judgement by taking into account the nature of the underlying assets and the terms and conditions of the leases, at both the commencement date and the effective date of the lease modification (if any).

vi. Capitalisation criteria on capitalised software

Capitalised software are intangible assets mostly developed in-house. Management exercises judgement in determining whether costs associated with the development of software meet the criteria to be capitalised as intangible assets in accordance with applicable accounting framework. Management also exercises judgement in determining the proportion of internal costs that are directly attributable to the development of intangible assets.

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5 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

In HK\$ million	Note	2024	2025
ASSETS AND LIABILITIES			
Non-current assets			
Interests in subsidiaries		30,750	30,750
		30,750	30,750
Current assets			
Prepayments and deposits		16	18
Amounts due from subsidiaries		4,474	4,449
		4,490	4,467
Current liabilities			
Accruals and other payables		(4)	(4)
Amounts due to subsidiaries		(2,275)	(2,219)
		(2,279)	(2,223)
Net assets		32,961	32,994
CAPITAL AND RESERVES			
Share capital	30(a)	8	8
Reserves	30(b)	32,953	32,986
Total equity		32,961	32,994

Approved and authorised for issue by the board of directors of the Company on 9 February 2026 and signed on behalf of the board of directors of the Company by

Li Tzar Kai, Richard
Director

Hui Hon Hing, Susanna
Director

6 RELATED PARTY TRANSACTIONS

PCCW is the controlling holder of Share Stapled Units. CAS Holding No. 1 Limited and PCCW are the immediate and ultimate holding companies of the Company respectively.

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

In HK\$ million	Note	2024	2025
Telecommunications service fees, data centre service fees and contact centre service charges received or receivable from a substantial shareholder of PCCW	a	180	151
Telecommunications service fees and data centre service fees paid or payable to a substantial shareholder of PCCW	a	175	205
Telecommunications service fees, IT development and support service charges, contact centre service charges, hotline services fees, consultancy service charges, interest income and other costs recharge received or receivable from joint ventures	a	49	47
Telecommunications service fees, outsourcing fees, rental charges and interest expense paid or payable to joint ventures	a	270	236
Telecommunications service fees, connectivity service fees, contact centre service charges, equipment sales, customer acquisition service fees, consultancy service charges and other costs recharge received or receivable from an associate	a	23	18
Licence fees received or receivable from an associate of PCCW	a	6	5
IT charges, logistics charges and other contractor services fees paid or payable to an associate of PCCW	a	603	541
Telecommunications service fees, data centre service fees, connectivity service fees, equipment sales, insurance premium, insurance agency service charges, advertising fees, management fee, travel agency service fees and other costs recharge received or receivable from related parties under a common holder of Share Stapled Units/shareholder with the Company	a	128	141
Insurance premium and rental charges paid or payable to related parties under a common holder of Share Stapled Units/shareholder with the Company	a	156	166
Telecommunications service fees, carriage service fees, marketing and sales services fees, connectivity service fees, management fee, equipment sales, content provision fees, travel agency service fees, rental charges and other costs recharge received or receivable from fellow subsidiaries	a	1,382	1,649
Content provision fees, outsourcing fees, marketing and sales services fees and other costs recharge paid or payable to fellow subsidiaries	a	415	391
Key management compensation	b	34	43

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6 RELATED PARTY TRANSACTIONS (CONTINUED)

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

b. Details of key management compensation

In HK\$ million	2024	2025
Salaries and other short-term employee benefits	25	30
Share-based compensation	8	12
Post-employment benefits	1	1
	34	43

c. Balances with related companies and a fellow subsidiary

As at 31 December 2024 and 2025, other than as specified in notes 20 and 21 and the amounts due to a related company which comprised an unsecured loan of HK\$51 million (2024: HK\$59 million) which bears interest at 2.5% per annum (2024: same), an unsecured loan of HK\$30 million (2024: HK\$20 million) which bears interest at 2.93% per annum and are repayable within 1 year (2024: same), the amount due to a fellow subsidiary and the other amounts due from/to related companies are unsecured, non-interest bearing, and have no fixed repayment terms.

7 SEGMENT INFORMATION

The CODM is the Groups' senior executive management. The CODM reviews the Groups' internal reporting in order to assess performance and allocate resources and the segment information is reported below in accordance with this internal reporting.

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

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

The CODM assesses the performance of the operating segments based on a measure of adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA"). EBITDA represents earnings before interest income, finance costs, income tax, depreciation and amortisation, gains/losses on disposal of property, plant and equipment, interests in leasehold land, right-of-use assets and intangible assets, net other gains/losses, losses on property, plant and equipment, restructuring costs, impairment losses on goodwill, tangible and intangible assets and interests in associates and joint ventures, and the Groups' share of results of associates and joint ventures.

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

7 SEGMENT INFORMATION (CONTINUED)

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

In HK\$ million	TSS	Mobile	2024		Consolidated
			Other Businesses	Eliminations	
Revenue					
External revenue	23,243	10,684	826	–	34,753
Inter-segment revenue	1,214	800	54	(2,068)	–
Total revenue	24,457	11,484	880	(2,068)	34,753
External revenue from contracts with customers:					
Timing of revenue recognition					
At a point in time	5,136	2,526	727	–	8,389
Over time	18,025	8,158	99	–	26,282
External revenue from other sources:					
Rental income	82	–	–	–	82
	23,243	10,684	826	–	34,753
Results					
EBITDA	9,532	5,311	(1,100)	–	13,743
Other information					
Capital expenditure (including property, plant and equipment and interests in leasehold land) incurred during the year	1,339	690	185	–	2,214

In HK\$ million	TSS	Mobile	2025		Consolidated
			Other Businesses	Eliminations	
Revenue					
External revenue	23,891	11,830	832	–	36,553
Inter-segment revenue	1,237	864	49	(2,150)	–
Total revenue	25,128	12,694	881	(2,150)	36,553
External revenue from contracts with customers:					
Timing of revenue recognition					
At a point in time	5,742	3,297	741	–	9,780
Over time	18,062	8,533	91	–	26,686
External revenue from other sources:					
Rental income	87	–	–	–	87
	23,891	11,830	832	–	36,553
Results					
EBITDA	9,721	5,568	(1,055)	–	14,234
Other information					
Capital expenditure (including property, plant and equipment and interests in leasehold land) incurred during the year	1,308	662	136	–	2,106

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7 SEGMENT INFORMATION (CONTINUED)

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

In HK\$ million	2024	2025
Total segment EBITDA	13,743	14,234
Gains on disposal of property, plant and equipment and right-of-use assets, net	10	5
Depreciation and amortisation	(5,505)	(5,837)
Other gains, net	131	174
Finance costs, net	(2,238)	(1,720)
Share of results of associates	(121)	(86)
Share of results of joint ventures	(5)	(3)
Restructuring costs	–	(113)
Profit before income tax	6,015	6,654

The following table sets out information about the geographical location of the Groups' revenue from external customers. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location that the Groups derive revenue from customers.

In HK\$ million	2024	2025
Hong Kong (place of domicile)	28,154	29,548
Mainland and other parts of China	1,849	2,040
Others	4,750	4,965
	34,753	36,553

As at 31 December 2025, the total of non-current assets, other than financial instruments and deferred income tax assets, located in Hong Kong was HK\$104,807 million (2024: HK\$101,241 million), and the total of these non-current assets located in other geographical locations was HK\$3,150 million (2024: HK\$2,917 million).

8 REVENUE

In HK\$ million	2024	2025
Revenue from contracts with customers	34,671	36,466
Revenue from other sources: rental income	82	87
	34,753	36,553

a. Revenue recognition in relation to contract liabilities

In HK\$ million	2024	2025
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	1,450	1,415

b. Unsatisfied long-term fixed-price contracts

In HK\$ million	2024	2025
Aggregate amount of the transaction price allocated to long-term fixed-price contracts that are partially or fully unsatisfied as at 31 December	22,506	22,503

As at 31 December 2025, management expected that 54% and 27% (2024: 53% and 27%) of the transaction price allocated to the unsatisfied long-term fixed-price contracts would be recognised as revenue during the first and second year respectively after the end of the reporting period. The remaining 19% (2024: 20%) would be recognised as revenue in the periods afterward. The amount disclosed above does not include unsatisfied performance obligation that is related to the Groups' contracts with customers with duration of one year or less and contracts with customers billed directly according to performance completed to date.

9 PROFIT BEFORE INCOME TAX

Profit before income tax was stated after charging and crediting the following:

a. Staff costs

In HK\$ million	2024	2025
Salaries, bonuses and other benefits	1,912	1,709
Share-based compensation expenses	34	42
Retirement costs for staff under defined contribution retirement schemes	310	309
	2,256	2,060
Less: staff costs included in cost of sales	(633)	(641)
	1,623	1,419

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9 PROFIT BEFORE INCOME TAX (CONTINUED)

Profit before income tax was stated after charging and crediting the following: (continued)

b. Cost of sales

In HK\$ million	2024	2025
Cost of inventories sold	8,172	9,612
Connectivity costs	6,970	7,433
Staff costs	633	641
Write-back of provision for inventory obsolescence, net	(9)	(9)
Others	1,944	1,463
	17,710	19,140

c. General and administrative expenses

In HK\$ million	2024	2025
Staff costs	1,623	1,419
Impairment loss for trade receivables	232	219
Depreciation of property, plant and equipment	1,066	932
Depreciation of right-of-use assets – land and buildings	1,197	1,146
Depreciation of right-of-use assets – network capacity and equipment	101	99
Amortisation of land lease premium – interests in leasehold land	12	10
Amortisation of intangible assets	1,402	1,936
Amortisation of fulfilment costs	484	486
Amortisation of customer acquisition costs	1,243	1,228
Exchange (gains)/losses, net	(227)	243
Less: cash flow hedges: transfer from equity	229	(229)
Gains on disposal of property, plant and equipment and right-of-use assets, net	(10)	(5)
Remuneration to the Company's auditor		
– audit and audit related services	16	18
– non-audit services	6	6
Remuneration to other auditors		
– audit and audit related services	10	14
– non-audit services	1	2
Others	1,410	1,600
	8,795	9,124

10 FINANCE COSTS, NET

In HK\$ million	2024	2025
Interest expense, excluding interest expense on lease liabilities	(2,247)	(1,978)
Interest expense on lease liabilities	(89)	(100)
Notional accretion on carrier licence fee liabilities	(87)	(94)
Other finance costs	(11)	(11)
Hedge ineffectiveness: cross currency swap contracts and foreign exchange forward contracts – cash flow hedges for foreign currency risk	(108)	46
Hedge ineffectiveness: interest rate swap contracts – cash flow hedges for interest rate risk	25	(20)
Cash flow hedges: transfer from equity	21	5
	(2,496)	(2,152)
Interest capitalised in property, plant and equipment and intangible assets (<i>note a</i>)	197	384
Total finance costs	(2,299)	(1,768)
Total interest income	61	48
Finance costs, net	(2,238)	(1,720)

a. The capitalisation rates used to determine the amount of interest eligible for capitalisation in property, plant and equipment and intangible assets ranged from 2.79% to 4.36% for the year ended 31 December 2025 (2024: from 4.19% to 4.98%).

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11 DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

Details of directors' emoluments are set out below:

a. Directors' emoluments – cash and cash equivalents paid/payable

In HK\$ million	2024							
	Directors' fees	Salaries	Allowances	Benefits in kind ¹	Bonuses ²	Retirement scheme contributions	Share-based compensation ³	Total
Executive directors								
Li Tzar Kai, Richard	–	–	–	–	–	–	–	–
Hui Hon Hing, Susanna	–	5.01	5.01	0.03	8.48	0.60	6.64	25.77
Non-executive directors								
Peter Anthony Allen	–	–	–	–	–	–	–	–
Chung Cho Yee, Mico	0.26	–	–	–	–	–	–	0.26
Tang Yongbo	0.26 ⁴	–	–	–	–	–	–	0.26
Wang Fang ⁵	0.13 ⁶	–	–	–	–	–	–	0.13
Independent non-executive directors								
Chang Hsin Kang	0.26	–	–	–	–	–	–	0.26
Sunil Varma	0.38 ⁷	–	–	–	–	–	–	0.38
Aman Mehta	0.38 ⁸	–	–	–	–	–	–	0.38
Frances Waikwun Wong	0.38 ⁹	–	–	–	–	–	–	0.38
Charlene Dawes ¹⁰	0.22	–	–	–	–	–	–	0.22
	2.27	5.01	5.01	0.03	8.48	0.60	6.64	28.04

Notes:

- Benefits in kind mainly includes medical insurance premium.
- Bonus amount shown above represents the 2023 bonuses that were paid in 2024. It was determined by reference to the Groups and the individual performance during the year ended 31 December 2023.
- Share-based compensation amount shown above represents the aggregate fair values at the respective award dates of the PCCW Shares and Share Stapled Units vested in 2024 for the director under the share award schemes.
- Fee receivable as a non-executive director in 2024 was surrendered to a subsidiary of China United Network Communications Group Company Limited in accordance with an arrangement between Mr Tang Yongbo and China United Network Communications Group Company Limited.
- Resigned as a non-executive director with effect from 28 June 2024.
- Fee receivable as a non-executive director in 2024 was surrendered to a subsidiary of China United Network Communications Group Company Limited in accordance with an arrangement between Ms Wang Fang and China United Network Communications Group Company Limited.
- Includes HK\$128,200 fee as Chairman of Audit Committee.
- Includes HK\$128,200 fee as Chairman of Nomination Committee.
- Includes HK\$128,200 fee as Chairwoman of Remuneration Committee.
- Appointed as an independent non-executive director with effect from 22 February 2024.

11 DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (CONTINUED)

Details of directors' emoluments are set out below: (continued)

a. Directors' emoluments – cash and cash equivalents paid/payable (continued)

In HK\$ million	2025							
	Directors' fees	Salaries	Allowances	Benefits in kind ¹	Bonuses ²	Retirement scheme contributions	Share-based compensation ³	Total
Executive directors								
Li Tzar Kai, Richard	–	–	–	–	–	–	–	–
Hui Hon Hing, Susanna	–	5.17	5.17	0.04	11.08	0.62	7.42	29.50
Non-executive directors								
Peter Anthony Allen	–	–	–	–	–	–	–	–
Chung Cho Yee, Mico	0.26	–	–	–	–	–	–	0.26
Tang Yongbo	0.26 ⁴	–	–	–	–	–	–	0.26
Zhao Xingfu ⁵	0.22 ⁶	–	–	–	–	–	–	0.22
Independent non-executive directors								
Chang Hsin Kang	0.26	–	–	–	–	–	–	0.26
Sunil Varma	0.38 ⁷	–	–	–	–	–	–	0.38
Aman Mehta	0.38 ⁸	–	–	–	–	–	–	0.38
Frances Waikwun Wong	0.38 ⁹	–	–	–	–	–	–	0.38
Charlene Dawes	0.26	–	–	–	–	–	–	0.26
	2.40	5.17	5.17	0.04	11.08	0.62	7.42	31.90

Notes:

- Benefits in kind mainly includes medical insurance premium.
- Bonus amount shown above represents the 2024 bonuses that were paid in 2025. It was determined by reference to the Groups and the individual performance during the year ended 31 December 2024.
- Share-based compensation amount shown above represents the aggregate fair values at the respective award dates of the PCCW Shares and Share Stapled Units vested in 2025 for the director under the share award schemes.
- Fee receivable as a non-executive director in 2025 was surrendered to a subsidiary of China United Network Communications Group Company Limited in accordance with an arrangement between Mr Tang Yongbo and China United Network Communications Group Company Limited.
- Appointed as a non-executive director with effect from 20 February 2025.
- Fee receivable as a non-executive director in 2025 was surrendered to a subsidiary of China United Network Communications Group Company Limited in accordance with an arrangement between Mr Zhao Xingfu and China United Network Communications Group Company Limited.
- Includes HK\$128,200 fee as Chairman of Audit Committee.
- Includes HK\$128,200 fee as Chairman of Nomination Committee.
- Includes HK\$128,200 fee as Chairwoman of Remuneration Committee.

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11 DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (CONTINUED)

b. Directors' other services

No other emoluments were paid to or receivable by any director in respect of directors' other services in connection with the management of the affairs of the Company or its subsidiary undertakings during the year ended 31 December 2025 (2024: nil).

c. Directors' retirement benefits

No retirement benefits were paid to or receivable by any director during the year ended 31 December 2025 by a defined contribution retirement scheme operated by the Groups in respect of services as a director of the Company and its subsidiaries (2024: nil).

No other retirement benefits were paid to or receivable by any director in respect of other services in connection with the management of the affairs of the Company or its subsidiary undertakings during the year ended 31 December 2025 (2024: nil).

d. Directors' termination benefits

No payments or benefits in respect of the termination of directors' services were paid to or receivable by the directors during the year ended 31 December 2025 (2024: nil).

e. Consideration provided to third parties for making available directors' services

No consideration was provided to or receivable by third parties for making available directors' services during the year ended 31 December 2025 (2024: nil).

f. Information about loans, quasi-loans and other dealings entered into by the Company or subsidiary undertakings of the Company, where applicable, in favour of directors

There were no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected entities during the year ended 31 December 2025 (2024: nil).

g. Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Groups' business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the year ended 31 December 2025 (2024: nil).

11 DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (CONTINUED)

h. Individuals with highest emoluments

- i. Of the five individuals with the highest emoluments, one (2024: one) is a director of the Company and the Trustee-Manager whose emoluments are disclosed in note 11(a). The emoluments in respect of the four (2024: four) non-director individuals for the year ended 31 December 2025 were as follows:

In HK\$ million	2024	2025
Salaries, share-based compensation, allowances and benefits in kind	15	15
Bonuses	5	5
Retirement scheme contributions	1	1
	21	21

- ii. The emoluments of the four (2024: four) non-director individuals for the year ended 31 December 2025 were within the following emolument ranges:

	Number of individuals	
	2024	2025
HK\$3,500,001 – HK\$4,000,000	–	1
HK\$4,000,001 – HK\$4,500,000	–	1
HK\$4,500,001 – HK\$5,000,000	3	–
HK\$6,000,001 – HK\$6,500,000	1	1
HK\$6,500,001 – HK\$7,000,000	–	1
	4	4

12 INCOME TAX

a. Income tax in the consolidated income statement represents:

In HK\$ million	2024	2025
Current income tax:		
Hong Kong profits tax		
– provision for current year	551	274
– over provision in respect of prior years	(36)	(6)
Overseas tax		
– provision for current year	39	36
– under/(over) provision in respect of prior years	9	(3)
Movement of deferred income tax (note 32(a))	351	603
	914	904

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12 INCOME TAX (CONTINUED)**a. Income tax in the consolidated income statement represents: (continued)**

Hong Kong profits tax is provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year.

Overseas tax is calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the respective jurisdictions.

In December 2021, the Organisation for Economic Co-operation and Development released the Global Anti-Base Erosion rules, also known as Pillar Two, aimed at reforming international corporate taxation. Hong Kong passed legislation to implement Pillar Two, with the Hong Kong minimum top-up tax and Income Inclusion Rule effective retroactively from 1 January 2025. The Groups are within the scope of this legislation.

Following the amendments to HKAS 12 *Income Taxes* issued by the HKICPA in July 2023, the Groups have applied the mandatory temporary exception under paragraph 4 of the amendments to HKAS 12 and have not recognised or disclosed deferred income tax assets and liabilities related to Pillar Two Income Taxes.

For the year ended 31 December 2025, the Groups have completed their assessment and have not identified any material current Pillar Two tax exposure.

b. Reconciliation between income tax expense and accounting profit at applicable tax rate:

In HK\$ million	2024	2025
Profit before income tax	6,015	6,654
Notional tax on profit before income tax, calculated at the Hong Kong tax rate of 16.5% (2024: 16.5%)	992	1,098
Effect of different tax rates of subsidiaries operating overseas	15	(20)
Income not subject to tax	(88)	(148)
Expenses not deductible for tax purposes	165	41
Tax losses not recognised	149	170
Over provision in respect of prior years, net	(27)	(9)
Recognition and utilisation of previously unrecognised tax losses, net	(53)	(48)
Recognition of previously unrecognised temporary differences	12	7
Results of associates and joint ventures not deductible for tax purposes	21	15
Corporate income tax incentives	(272)	(202)
Income tax expense	914	904

13 DISTRIBUTIONS/DIVIDENDS

In HK\$ million	2024	2025
Interim distribution/dividend declared and paid in respect of the current year of 33.80 HK cents (2024: 32.92 HK cents) per Share Stapled Unit/ordinary share of the Company	2,495	2,562
Less: distribution/dividend for Share Stapled Units/ordinary shares of the Company held by the Share Stapled Unit Award Schemes	(1)	(1)
	2,494	2,561
Final distribution/dividend declared in respect of the previous financial year, approved and paid during the year of 45.88 HK cents (2024: 44.44 HK cents) per Share Stapled Unit/ordinary share of the Company	3,369	3,478
Less: distribution/dividend for Share Stapled Units/ordinary shares of the Company held by the Share Stapled Unit Award Schemes	(2)	(2)
	3,367	3,476
	5,861	6,037

For the year ended 31 December 2025, the Company proposed a final dividend of 47.97 HK cents per ordinary share, totalling HK\$3,637 million (2024: 45.88 HK cents per ordinary share, totalling HK\$3,478 million) to the HKT Trust after the end of the reporting period.

For the year ended 31 December 2025, the HKT Trust proposed a final distribution of 47.97 HK cents per Share Stapled Unit, totalling HK\$3,637 million (2024: 45.88 HK cents per Share Stapled Unit, totalling HK\$3,478 million) to holders of Share Stapled Units after the end of the reporting period.

The final distribution/dividend proposed after the end of the reporting period, referred to above, is not recognised as a liability as at the end of the reporting period.

14 EARNINGS PER SHARE STAPLED UNIT/SHARE OF THE COMPANY

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

	2024	2025
Earnings (in HK\$ million)		
Earnings for the purpose of basic and diluted earnings per Share Stapled Unit/share of the Company	5,070	5,286
Number of Share Stapled Units/shares of the Company		
Weighted average number of Share Stapled Units/ordinary shares of the Company	7,579,751,203	7,580,020,412
Effect of Share Stapled Units held under the Share Stapled Unit Award Schemes	(4,053,880)	(3,124,309)
Weighted average number of Share Stapled Units/ordinary shares of the Company for the purpose of basic earnings per Share Stapled Unit/share of the Company	7,575,697,323	7,576,896,103
Effect of Share Stapled Units awarded under the Share Stapled Unit Award Schemes	1,412,948	1,750,160
Weighted average number of Share Stapled Units/ordinary shares of the Company for the purpose of diluted earnings per Share Stapled Unit/share of the Company	7,577,110,271	7,578,646,263

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15 PROPERTY, PLANT AND EQUIPMENT

In HK\$ million	2024					Total
	Buildings	Exchange equipment	Transmission plant	Other plant and equipment	Projects under construction	
Cost						
Beginning of year	1,353	23,593	30,648	16,928	2,683	75,205
Additions	–	212	395	367	1,240	2,214
Disposals	–	(859)	(42)	(180)	–	(1,081)
Transfers	–	298	424	203	(925)	–
Exchange differences	–	(124)	5	(39)	(5)	(163)
End of year	1,353	23,120	31,430	17,279	2,993	76,175
Accumulated depreciation and impairment						
Beginning of year	836	17,568	18,131	11,392	–	47,927
Charge for the year	27	371	364	304	–	1,066
Disposals	–	(858)	(42)	(180)	–	(1,080)
Exchange differences	–	(83)	1	(24)	–	(106)
End of year	863	16,998	18,454	11,492	–	47,807
Net book value						
End of year	490	6,122	12,976	5,787	2,993	28,368
Beginning of year	517	6,025	12,517	5,536	2,683	27,278

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

In HK\$ million	2025					Total
	Buildings	Exchange equipment	Transmission plant	Other plant and equipment	Projects under construction	
Cost						
Beginning of year	1,353	23,120	31,430	17,279	2,993	76,175
Additions	–	48	689	334	1,035	2,106
Disposals	–	(565)	(257)	(93)	–	(915)
Transfers	–	100	520	109	(729)	–
Exchange differences	–	13	134	13	48	208
End of year	1,353	22,716	32,516	17,642	3,347	77,574
Accumulated depreciation and impairment						
Beginning of year	863	16,998	18,454	11,492	–	47,807
Charge for the year	27	267	326	312	–	932
Disposals	–	(565)	(257)	(90)	–	(912)
Exchange differences	–	4	112	13	–	129
End of year	890	16,704	18,635	11,727	–	47,956
Net book value						
End of year	463	6,012	13,881	5,915	3,347	29,618
Beginning of year	490	6,122	12,976	5,787	2,993	28,368

The depreciation charge for the year is included in general and administrative expenses in the consolidated income statement.

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16 RIGHT-OF-USE ASSETS

In HK\$ million	2024	2025
Land and buildings	1,619	2,323
Network capacity and equipment	207	230
Total	1,826	2,553

The Groups obtain right to control the use of various land and buildings, and network capacity and equipment for a period of time through lease arrangements. Lease arrangements are negotiated on an individual basis and contain a wide range of different terms and conditions including lease payments and lease terms ranging from 1 to 11 years for land and buildings, and from 1 to 15 years for network capacity and equipment. Except for lease covenants mainly related to the maintenance and use of the leased assets that are commonly found in lease arrangements, there are no other covenants or restrictions imposed by the lease agreements. The leased assets may not be used as security for borrowing purposes.

Additions to the right-of-use assets during the year ended 31 December 2025 were HK\$2,023 million (2024: HK\$1,162 million).

During the year ended 31 December 2025, total cash outflow for leases amounted to HK\$1,441 million (2024: HK\$1,527 million), which included cash outflow for short-term lease expenses amounted to HK\$98 million (2024: HK\$115 million) that were recognised in the consolidated income statement.

The depreciation charge for the year is included in general and administrative expenses in the consolidated income statement.

17 INTERESTS IN LEASEHOLD LAND

In HK\$ million	2024	2025
Cost		
Beginning and end of year	536	536
Accumulated amortisation		
Beginning of year	371	383
Charge for the year	12	10
End of year	383	393
Net book value		
End of year	153	143
Beginning of year	165	153

18 GOODWILL

In HK\$ million	2024	2025
Cost		
Beginning of year	49,806	49,799
Exchange differences	(7)	14
End of year	49,799	49,813

Impairment tests for CGUs containing goodwill

Goodwill was allocated to the Groups' CGUs identified according to operating segments as follows:

In HK\$ million	2024	2025
TSS		
– Local telephony and data services	31,738	31,739
– Global	1,208	1,221
Mobile	16,853	16,853
Total	49,799	49,813

The recoverable amounts of the CGUs are determined based on value-in-use calculations. For the year ended 31 December 2025, these calculations use cash flow projections based on financial budgets approved by management generally covering a 5-year period.

The key assumptions used for the value-in-use calculation of Local telephony and data services include average revenue growth rate of 2% (2024: 1%), average EBITDA growth rate of 2% (2024: 2%), estimated terminal growth rate of 1% (2024: 1%) and pre-tax discount rate of 8% (2024: 10%). There was no impairment required from the review of goodwill. A reasonably possible change in assumptions would not result in impairment and as such disclosure of sensitivity analysis is not considered necessary.

The key assumptions used for the value-in-use calculation of Global Business include average revenue growth rate of 2% (2024: 2%), average EBITDA growth rate of 19% (2024: 19%) based on past performance and taking into account expectation of future business and market developments, estimated terminal growth rate of 3% (2024: 3%) and pre-tax discount rate of 14% (2024: 15%). There was no impairment required from the review of goodwill and the recoverable amount was approximately 16% higher than the carrying value of the CGU. Management has performed a sensitivity analysis on key assumptions used in determining the recoverable amount, it indicated that a decrease in the average EBITDA growth rate of 2% (with all other assumptions unchanged) would reduce the CGU's recoverable amount to its carrying value.

The key assumptions used for the value-in-use calculation of Mobile include average revenue growth rate of 2% (2024: 1%), average EBITDA growth rate of 2% (2024: 2%), estimated terminal growth rate of 2% (2024: 2%) and pre-tax discount rate of 11% (2024: 12%). There was no impairment required from the review of goodwill. A reasonably possible change in assumptions would not result in impairment and as such disclosure of sensitivity analysis is not considered necessary.

The average revenue and EBITDA growth rates used are based on the financial budgets approved by management, taking into account the market growth rate, past experience, growth target of each CGU, as well as expected efficiency improvements. The terminal growth rates used to extrapolate the cash flows beyond the financial budgets period are based on the long-term average growth rates for the businesses in which the CGUs operate. The pre-tax discount rates used reflect specific risks relating to the relevant CGU.

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19 INTANGIBLE ASSETS

In HK\$ million	2024						Total
	Trademarks	Carrier licences	Customer base	Software*	Capitalised programme costs	Others	
Cost							
Beginning of year	2,053	8,465	210	14,985	355	282	26,350
Additions	–	506	–	2,410	89	–	3,005
Write-off	–	(31)	–	(1)	(153)	(3)	(188)
Disposal	–	(1,939)	–	–	–	–	(1,939)
Exchange differences	1	–	–	–	–	(1)	–
End of year	2,054	7,001	210	17,394	291	278	27,228
Accumulated amortisation							
Beginning of year	1,060	3,483	67	3,735	272	58	8,675
Charge for the year	105	618	20	491	89	79	1,402
Write-off	–	(31)	–	–	(153)	–	(184)
Disposal	–	(1,376)	–	–	–	–	(1,376)
End of year	1,165	2,694	87	4,226	208	137	8,517
Net book value							
End of year	889	4,307	123	13,168	83	141	18,711
Beginning of year	993	4,982	143	11,250	83	224	17,675

19 INTANGIBLE ASSETS (CONTINUED)

In HK\$ million	2025						Total
	Trademarks	Carrier licences	Customer base	Software*	Capitalised programme costs	Others	
Cost							
Beginning of year	2,054	7,001	210	17,394	291	278	27,228
Additions	–	791	–	3,074	77	–	3,942
Write-off	–	(589)	–	(77)	(68)	(129)	(863)
Exchange differences	–	–	–	–	–	2	2
End of year	2,054	7,203	210	20,391	300	151	30,309
Accumulated amortisation							
Beginning of year	1,165	2,694	87	4,226	208	137	8,517
Charge for the year	101	612	21	1,093	85	24	1,936
Write-off	–	(589)	–	(77)	(68)	(66)	(800)
End of year	1,266	2,717	108	5,242	225	95	9,653
Net book value							
End of year	788	4,486	102	15,149	75	56	20,656
Beginning of year	889	4,307	123	13,168	83	141	18,711

* Included software under development. The additions in 2025 are primarily internally generated (2024: same).

The amortisation charge for the year is included in general and administrative expenses in the consolidated income statement.

As at 31 December 2024 and 2025, no impairment loss was recognised for the intangible assets. Impairment assessments for intangible assets are performed as part of the impairment assessments for the corresponding CGUs. For details of the accounting policies and the impairment assessments, please refer to notes 3(o)(ii) and 18.

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20 INTERESTS IN ASSOCIATES

In HK\$ million	2024	2025
Share of net assets of associates	469	523
Loan due from an associate	7	7
Provision for impairment	(64)	(93)
	412	437

During the year ended 31 December 2025, the Groups made investments in associates of HK\$68 million (2024: nil), mainly in an associate engaged in business in the provision of virtual banking services.

As at 31 December 2025, loan due from an associate of HK\$7 million (2024: HK\$7 million) is secured, bears interest at 8% per annum (2024: same) and is repayable within 1 year (2024: same). The loan is considered as part of the net investment in this associate for which full provision for impairment has been made as at 31 December 2024 and 2025.

During the year ended 31 December 2024, the Groups' interest in an associate engaged in business in the provision of virtual banking services decreased from 15% to approximately 13.44% as a result of the dilution impact of issuing new shares of the associate and recognised a gain on deemed disposal of interest in an associate of HK\$51 million in other gains, net in the consolidated income statement.

During the year ended 31 December 2025, the Groups' interest in an associate engaged in business in the provision of virtual banking services decreased from approximately 13.44% to approximately 12.32% as a net result of the additional investment in the associate and the dilution impact of issuing new shares of the associate. Accordingly, the Groups recognised a gain on deemed disposal of interest in an associate of HK\$62 million in other gains, net in the consolidated income statement.

a. As at 31 December 2024 and 2025, the Groups considered that there were no principal associates.

b. Contingent liabilities in respect of associates

There were no contingent liabilities relating to the Groups' interests in the associates. As at 31 December 2025, the Groups' share of the contingent liabilities of an associate was HK\$2 million (2024: HK\$3 million).

c. Summarised unaudited financial information of the Groups' associates

For the year ended 31 December 2025, the aggregate net amounts of the Groups' share of loss after income tax, other comprehensive income and total comprehensive loss of the individually immaterial associates that are accounted for using the equity method were HK\$86 million (2024: HK\$121 million), HK\$2 million (2024: other comprehensive loss of HK\$2 million) and HK\$84 million (2024: HK\$123 million), respectively.

d. Reconciliation of summarised unaudited financial information of the Groups' associates

As at 31 December 2025, the aggregate carrying amount of interests in individually immaterial associates that are accounted for using the equity method was HK\$437 million (2024: HK\$412 million).

During the year ended 31 December 2025, the Groups did not have any unrecognised share of losses of associates (2024: nil).

As at 31 December 2025, there was no accumulated share of losses of associates unrecognised by the Groups (2024: nil).

21 INTERESTS IN JOINT VENTURES

In HK\$ million	2024	2025
Share of net assets of joint ventures	334	350
Loans due from joint ventures	476	157
	810	507

During the year ended 31 December 2025, the Groups made an investment in a joint venture engaged in business in the provision of electric vehicle charging solutions of HK\$16 million (2024: HK\$26 million).

As at 31 December 2025, the loan due from a joint venture of HK\$157 million (2024: HK\$164 million) bears interest at HIBOR plus 3% per annum (2024: same). The loan is unsecured and has no fixed repayment terms. The amount is considered as part of the interests in joint ventures.

a. As at 31 December 2024 and 2025, the Groups considered that there were no principal joint ventures.

b. Commitments and contingent liabilities in respect of joint ventures

As at 31 December 2025, the Groups' commitments in respect of joint ventures are as follows:

In HK\$ million	2024	2025
The Groups' commitments to provide funding	–	30
The Groups' share of joint ventures' capital commitments authorised and contracted for acquisition of property, plant and equipment	24	64
The Groups' share of joint ventures' other commitments	7	30

There were no contingent liabilities relating to the Groups' interests in the joint ventures. As at 31 December 2025, the Groups had no share of contingent liabilities of the joint ventures (2024: nil).

c. Summarised unaudited financial information of the Groups' joint ventures

For the year ended 31 December 2025, the aggregate net amounts of the Groups' share of loss after income tax, other comprehensive income and total comprehensive loss of the individually immaterial joint ventures that are accounted for using the equity method were HK\$3 million (2024: HK\$5 million), HK\$3 million (2024: other comprehensive loss of HK\$9 million) and nil (2024: HK\$14 million), respectively.

d. Reconciliation of summarised unaudited financial information of the Groups' joint ventures

As at 31 December 2025, the aggregate carrying amount of interests in individually immaterial joint ventures that are accounted for using the equity method was HK\$507 million (2024: HK\$810 million).

During the year ended 31 December 2025, the Groups did not have any unrecognised share of losses of joint ventures (2024: nil).

As at 31 December 2025, there was no accumulated share of losses of joint ventures unrecognised by the Groups (2024: nil).

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22 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

In HK\$ million	2024	2025
Beginning of year	130	823
Additions	280	–
Disposal	–	(51)
Changes in fair value	413	(667)
End of year	823	105
Non-current assets		
Listed securities	765	47
Unlisted securities	58	58
	823	105

As at 31 December 2025, financial assets at FVOCI comprised equity investments which are held for strategic purposes (2024: same).

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

In HK\$ million	2024	2025
Listed securities	25	32
Less: securities held for employee share award schemes to be vested within one year classified as current assets	(18)	(21)
Listed securities (non-current)	7	11
Unlisted securities (non-current)	10	10
Total non-current portion	17	21

Financial assets at FVPL mainly comprise:

- equity investments for which the Groups have not elected to recognise fair value gains and losses through other comprehensive income; and
- PCCW Shares acquired and subscribed under the PCCW Purchase Scheme, PCCW Subscription Scheme and PCCW 2024 Share Award Scheme. Refer to note 29(c)(ii) for details of the share award schemes of PCCW.

During the year ended 31 December 2025, there was no disposal of unlisted instruments recognised as financial assets at FVPL (2024: nil).

During the year ended 31 December 2025, there was no addition of unlisted instruments recognised as financial assets at FVPL (2024: nil).

24 INTERESTS IN SUBSIDIARIES

a. Particulars of the principal subsidiaries of the Company as at 31 December 2025 are as follows:

Company name	Place of incorporation/ operations	Amount of issued capital/ registered capital	Interest held by the Company		Principal activities
			Directly	Indirectly	
HKT Group Holdings Limited (“HKTGH”)	Cayman Islands	US\$636,000,032	100%	–	Investment holding
HKT Services Limited	Hong Kong	HK\$1	–	100%	Provision of management services to group companies
Hong Kong Telecommunications (HKT) Limited (“HKTL”)	Hong Kong	HK\$9,945,156,001	–	100%	Provision of telecommunications services
CSL Mobile Limited	Hong Kong	HK\$7,900,280,100 ordinary shares and HK\$1,254,000,000 non-voting deferred shares	–	100%	Provision of mobile services to its customers and the sale of mobile handsets and accessories
Sun Mobile Limited	Hong Kong	HK\$41,600,002	–	60% ¹	Provision of mobile telecommunications services to customers in Hong Kong
MD Mobile Services Limited	Hong Kong	HK\$1	–	100%	Provision of mobile services
Club HKT Limited	Hong Kong	HK\$1	–	100%	Operating customer loyalty programme and online merchandise sales in Hong Kong
Gateway Global Communications Limited	United Kingdom	GBP2	–	100%	Provision of network-based telecommunications services to external customers and related companies
PCCW Global (UK) Limited	United Kingdom	GBP152,100	–	100%	Provision of transmission and telecommunications services
PCCW Global TechCo UK Pte. Ltd.	United Kingdom	GBP1	–	100%	Provision of transmission and telecommunications and related services

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24 INTERESTS IN SUBSIDIARIES (CONTINUED)
a. Particulars of the principal subsidiaries of the Company as at 31 December 2025 are as follows: (continued)

Company name	Place of incorporation/ operations	Amount of issued capital/ registered capital	Interest held by the Company		Principal activities
			Directly	Indirectly	
Console Connect TechCo SG Pte. Ltd.	Singapore	S\$1	–	100%	Support service on transmission and telecommunications business
PCCW Global ServCo SG Pte. Ltd.	Singapore	S\$1	–	100%	Telecommunications resellers/third party telecommunications providers
Console Connect (HK) Limited	Hong Kong	HK\$1	–	100%	Telecommunications and technology business
HKT Global (HK) Limited	Hong Kong	HK\$1	–	100%	Transmission and telecommunications business
HKT Network (HK) Limited	Hong Kong	HK\$1	–	100%	Transmission and telecommunications business
PCCW Global, Inc.	Delaware, U.S.	US\$18.01	–	100%	Provision of voice and network-based telecommunications services, and technical consulting and engineering services
PCCW Global Limited	Hong Kong/ Dubai Media City	HK\$240,016,690.65	–	100%	Provision of network-based telecommunications services
PCCW Global (Japan) K.K.	Japan	JPY10,000,000	–	100%	Provision of telecommunications services
HKT Global (Singapore) Pte. Ltd.	Singapore/ Malaysia	S\$260,960,522.64	–	100%	Provision of telecommunications solutions related services
PCCW (Macau), Limitada	Macau	MOP2,000,000	–	75% ²	Selling customer premises equipment and related solutions, conducting systems integration projects and providing outsourced contact centre services
Fiber Link Global Limited	Hong Kong	HK\$3,183,805,983	–	60% ¹	Provision of passive network connectivity services

24 INTERESTS IN SUBSIDIARIES (CONTINUED)

a. Particulars of the principal subsidiaries of the Company as at 31 December 2025 are as follows: (continued)

Company name	Place of incorporation/ operations	Amount of issued capital/ registered capital	Interest held by the Company		Principal activities
			Directly	Indirectly	
Now TV Limited	Hong Kong	HK\$8,041,216,269 ordinary shares, HK\$1 "A" Class share and HK\$4 "B" Class shares	–	100%	Provision of pay television programme services, interactive multimedia services, the sale of advertising in various telephone directories, the publishing of those directories in Hong Kong and the sale of advertising on the Internet
PCCW Content Limited	Hong Kong	HK\$1	–	100%	Distribution of media content
廣州電盈綜合客戶服務技術發展有限公司 ⁴ (PCCW Customer Management Technology and Services (Guangzhou) Limited ⁵)	The People's Republic of China (the "PRC")	HK\$93,240,000	–	100%	Customer service and consultancy
HKT Teleservices International Limited	Hong Kong	HK\$350,000,002	–	100%	Provision of customer relationship management and customer contact management solutions and services
北京訊通通信服務有限公司 (Beijing Xun Tong HKT Communications Services (China) Limited ⁵)	The PRC	RMB10,000,000	–	50% ³	Provision of telecommunications services, internet information services and computer system services

Certain subsidiaries which do not materially affect the results or financial position of the Groups are not included in the above.

Notes:

- 1 The equity interest held by non-controlling interest is 40% as at 31 December 2025.
- 2 The equity interest held by non-controlling interest is 25% as at 31 December 2025.
- 3 The equity interest held by non-controlling interest is 50% as at 31 December 2025. The entity is accounted for as a subsidiary of the Groups as the Groups own more than half of the voting rights in the board of directors even though the equity interest attributable to the Groups is 50%.
- 4 Represents a wholly-foreign owned enterprise.
- 5 Unofficial company name.

b. Non-controlling interests of the Groups' subsidiaries

The total of non-controlling interests as at 31 December 2025 was HK\$1,573 million (2024: HK\$1,363 million), of which HK\$1,500 million (2024: HK\$1,282 million) was attributable to the non-controlling interest in Fiber Link Global Limited.

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25 OTHER NON-CURRENT ASSETS

In HK\$ million	2024	2025
Prepayments	849	745
Deposits	82	98
	931	843

26 CURRENT ASSETS AND LIABILITIES**a. Inventories**

In HK\$ million	2024	2025
Purchased parts and materials	1,062	1,048
Finished goods	394	478
Consumable inventories	47	20
	1,503	1,546

b. Prepayments, deposits and other current assets

In HK\$ million	2024	2025
Prepayments	1,032	952
Deposits	393	382
Other current assets	2,277	2,685
	3,702	4,019

c. Trade receivables, net

In HK\$ million	2024	2025
Trade receivables (note i)	2,847	2,670
Less: loss allowance (note ii)	(137)	(121)
Trade receivables, net	2,710	2,549

The balance represents amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days from the date of invoice and therefore are all classified as current. Details about the Groups' impairment policies are provided in note 3(o)(i).

As at 31 December 2025, included in trade receivables, net were amounts due from related parties of HK\$129 million (2024: HK\$152 million).

26 CURRENT ASSETS AND LIABILITIES (CONTINUED)

c. Trade receivables, net (continued)

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

In HK\$ million	2024	2025
1 – 30 days	1,580	1,448
31 – 60 days	389	438
61 – 90 days	177	197
91 – 120 days	170	129
Over 120 days	531	458
	2,847	2,670

ii. Impairment for trade receivables

The Groups apply the HKFRS 9 (2014) simplified approach to measure loss allowance for expected credit losses which uses a lifetime expected loss allowance for trade receivables.

To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are estimated based on the corresponding historical credit losses experienced, adjusted with the expected change between current and forward-looking information on macroeconomic factors, if material. On that basis, the loss allowance as at 31 December 2025 was determined as follows:

Expected credit loss rate	2024	2025
Current	2%	2%
1 – 120 days past due	4%	4%
Over 120 days past due	20%	18%

The movements in the loss allowance during the year were as follows:

In HK\$ million	2024	2025
Beginning of year	139	137
Net impairment loss recognised	232	219
Uncollectible amounts written off	(234)	(235)
End of year	137	121

d. Restricted cash

As at 31 December 2025, restricted cash included a cash balance of HK\$187 million (2024: HK\$179 million) which has been mainly received from and restricted for the use of certain customers.

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26 CURRENT ASSETS AND LIABILITIES (CONTINUED)**e. Short-term borrowings**

In HK\$ million	2024	2025
US\$500 million 3.625% guaranteed notes due 2025 (note i)	3,881	–
US\$750 million 3.00% guaranteed notes due 2026 (note ii)	–	5,829
Bank borrowings (note iii)	53	55
	3,934	5,884
Secured	–	–
Unsecured	3,934	5,884

i. US\$500 million 3.625% guaranteed notes due 2025

On 2 April 2015, HKT Capital No. 2 Limited, an indirect wholly-owned subsidiary of the Company, issued US\$500 million 3.625% guaranteed notes due 2025, which were listed on the Singapore Exchange Securities Trading Limited. The notes were irrevocably and unconditionally guaranteed by HKTGH and HKTL and ranked pari passu with all other outstanding unsecured and unsubordinated obligations of HKTGH and HKTL. The notes were fully redeemed in April 2025 and were delisted from the Singapore Exchange Securities Trading Limited.

ii. US\$750 million 3.00% guaranteed notes due 2026

On 14 July 2016, HKT Capital No. 4 Limited, an indirect wholly-owned subsidiary of the Company, issued US\$750 million 3.00% guaranteed notes due 2026, which are listed on the Singapore Exchange Securities Trading Limited. The notes are irrevocably and unconditionally guaranteed by HKTGH and HKTL and rank pari passu with all other outstanding unsecured and unsubordinated obligations of HKTGH and HKTL.

iii. Refer to note 39 for details of the Groups' banking facilities.

f. Trade payables

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

In HK\$ million	2024	2025
1 – 30 days	2,841	3,697
31 – 60 days	1,685	2,816
61 – 90 days	895	1,159
91 – 120 days	980	1,065
Over 120 days	811	1,025
	7,212	9,762

As at 31 December 2025, included in trade payables were amounts due to related parties of HK\$186 million (2024: HK\$155 million).

27 LONG-TERM BORROWINGS

In HK\$ million	2024	2025
Repayable within a period		
– over one year, but not exceeding two years	10,059	10,075
– over two years, but not exceeding five years	19,996	23,608
– over five years	7,317	5,008
	37,372	38,691
Representing:		
US\$300 million zero coupon guaranteed notes due 2030 (<i>note a</i>)	2,322	2,326
EUR200 million 1.65% guaranteed notes due 2027 (<i>note b</i>)	1,612	1,828
US\$750 million 3.00% guaranteed notes due 2026 (<i>note c</i>)	5,817	–
US\$500 million 3.25% guaranteed notes due 2029 (<i>note d</i>)	3,822	3,839
US\$650 million 3.00% guaranteed notes due 2032 (<i>note e</i>)	4,994	5,008
Bank borrowings (<i>note f</i>)	18,805	25,690
	37,372	38,691
Secured	–	–
Unsecured	37,372	38,691

a. US\$300 million zero coupon guaranteed notes due 2030

On 15 January 2015, HKT Capital No. 1 Limited, an indirect wholly-owned subsidiary of the Company, issued US\$300 million zero coupon guaranteed notes due 2030, which are listed on the Taipei Exchange. The notes are irrevocably and unconditionally guaranteed by HKTGH and HKTL and rank pari passu with all other outstanding unsecured and unsubordinated obligations of HKTGH and HKTL.

b. EUR200 million 1.65% guaranteed notes due 2027

On 10 April 2015, HKT Capital No. 3 Limited, an indirect wholly-owned subsidiary of the Company, issued EUR200 million 1.65% guaranteed notes due 2027, which are listed on the Singapore Exchange Securities Trading Limited. The notes are irrevocably and unconditionally guaranteed by HKTGH and HKTL and rank pari passu with all other outstanding unsecured and unsubordinated obligations of HKTGH and HKTL.

c. US\$750 million 3.00% guaranteed notes due 2026

The notes were classified as short-term borrowings during the year ended 31 December 2025. Please refer to note 26(e) for more details.

d. US\$500 million 3.25% guaranteed notes due 2029

On 30 September 2019, HKT Capital No. 5 Limited, an indirect wholly-owned subsidiary of the Company, issued US\$500 million 3.25% guaranteed notes due 2029, which are listed on the Singapore Exchange Securities Trading Limited. The notes are irrevocably and unconditionally guaranteed by HKTGH and HKTL and rank pari passu with all other outstanding unsecured and unsubordinated obligations of HKTGH and HKTL.

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27 LONG-TERM BORROWINGS (CONTINUED)**e. US\$650 million 3.00% guaranteed notes due 2032**

On 18 January 2022, HKT Capital No. 6 Limited, an indirect wholly-owned subsidiary of the Company, issued US\$650 million 3.00% guaranteed notes due 2032, which are listed on the Singapore Exchange Securities Trading Limited. The notes are irrevocably and unconditionally guaranteed by HKTGH and HKTL and rank pari passu with all other outstanding unsecured and unsubordinated obligations of HKTGH and HKTL.

f. Refer to note 39 for details of the Groups' banking facilities.

28 DERIVATIVE FINANCIAL INSTRUMENTS

In HK\$ million	2024	2025
Non-current assets		
Cross currency swap contracts – cash flow hedges for foreign currency risk (<i>note a</i>)	11	121
Interest rate swap contracts – cash flow hedges for interest rate risk (<i>note b</i>)	47	–
	58	121
Current assets		
Cross currency swap contracts and foreign exchange forward contracts – cash flow hedges for foreign currency risk (<i>note a</i>)	–	40
Current liabilities		
Cross currency swap contracts and foreign exchange forward contracts – cash flow hedges for foreign currency risk (<i>note a</i>)	(41)	–
Interest rate swap contracts – cash flow hedges for interest rate risk (<i>note b</i>)	–	(17)
	(41)	(17)
Non-current liabilities		
Cross currency swap contracts and foreign exchange forward contracts – cash flow hedges for foreign currency risk (<i>note a</i>)	(720)	(753)
Interest rate swap contracts – cash flow hedges for interest rate risk (<i>note b</i>)	(49)	(61)
	(769)	(814)

Derivatives are mainly used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at FVPL.

Hedge effectiveness is determined at the inception of the hedging relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument.

Hedge ineffectiveness for the Groups' cross currency swap, foreign exchange forward and interest rate swap contracts may occur due to:

- differences in critical terms between the hedged item and the hedging instrument; and
- changes in credit risk of the derivative counterparty.

28 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

a. Cash flow hedges for foreign currency risk

For certain borrowings denominated in foreign currencies, the Groups have entered into cross currency swap contracts and foreign exchange forward contracts to hedge the foreign currency risk. For certain purchases denominated in foreign currencies, the Groups have entered into foreign exchange forward contracts to hedge the foreign currency risk. The Groups performed qualitative assessment of hedge effectiveness. As the cross currency swap contracts and the foreign exchange forward contracts have similar critical terms as the hedged items, such as notional amounts, maturity dates and payment dates, the economic relationship exists between the hedged items and the hedging instruments.

The effects of the foreign currency related hedging instruments outstanding at the end of the reporting period on the Groups' financial position and performance are as follows:

	2024	2025
Net carrying amount (liabilities)	(HK\$750 million)	(HK\$592 million)
Notional amount	EUR200 million and US\$2,870 million	EUR200 million and US\$2,725 million
Maturity date	January 2025 to January 2032	January 2026 to January 2032
Hedge ratio	1:1*	1:1*
Change# in fair value of the hedging instruments during the year	(HK\$245 million)	HK\$143 million
Change# in value of the hedged items during the year	HK\$138 million	(HK\$103 million)
Weighted average hedged exchange rate for the year	EUR1:HK\$8.32 US\$1:HK\$7.80	EUR1:HK\$8.32 US\$1:HK\$7.76

* The hedge ratio is 1:1 as the notional amount and timing of the hedging instruments match with that of the hedged items.

Positive change refers to increase in net assets, whereas negative change refers to decrease in net assets.

b. Cash flow hedges for interest rate risk

For certain borrowings subject to cash flow interest rate risk, the Groups have entered into floating-to-fixed interest rate swap contracts. The Groups performed qualitative assessment of hedge effectiveness. As the interest rate swap contracts have similar critical terms as the hedged items, such as notional amounts, maturity dates and payment dates, the economic relationship exists between the hedged items and the hedging instruments.

The effects of the interest rate related hedging instruments outstanding at the end of the reporting period on the Groups' financial position and performance are as follows:

	2024	2025
Net carrying amount (liabilities)	(HK\$2 million)	(HK\$78 million)
Notional amount	HK\$4,550 million	HK\$6,500 million
Maturity date	July 2026 to March 2027	July 2026 to June 2027
Hedge ratio	1:1*	1:1*
Change# in fair value of the hedging instruments during the year	(HK\$19 million)	(HK\$70 million)
Change# in value of the hedged items during the year	HK\$12 million	HK\$50 million
Weighted average receive leg/pay leg interest ratio	1.26	0.88

* The hedge ratio is 1:1 as the notional amount and timing of the hedging instruments match with that of the hedged items.

Positive change refers to increase in net assets, whereas negative change refers to decrease in net assets.

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28 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**c. Hedging reserve and costs of hedging reserve**

The Groups' hedging reserve and costs of hedging reserve relate to the following hedging instruments:

In HK\$ million	Cash flow hedges for foreign currency risk	Cash flow hedges for interest rate risk	Total
Hedging reserve			
As at 1 January 2024	(262)	43	(219)
Cash flow hedges:			
– effective portion of changes in fair value	(138)	(45)	(183)
– transfer from equity to consolidated income statement	196	–	196
As at 31 December 2024 and 1 January 2025	(204)	(2)	(206)
Cash flow hedges:			
– effective portion of changes in fair value	94	(50)	44
– transfer from equity to consolidated income statement	(236)	–	(236)
As at 31 December 2025	(346)	(52)	(398)

In HK\$ million	Cash flow hedges for foreign currency risk
Costs of hedging reserve	
As at 1 January 2024	(145)
Cash flow hedges:	
– transfer from equity to consolidated income statement	12
Costs of hedging	118
As at 31 December 2024 and 1 January 2025	(15)
Cash flow hedges:	
– transfer from equity to consolidated income statement	2
Costs of hedging	5
As at 31 December 2025	(8)

29 EMPLOYEE BENEFITS

a. Employee retirement benefits – Defined contribution retirement schemes

The Groups operate defined contribution retirement schemes, including the Mandatory Provident Fund Scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The schemes are administered by independent trustees.

Under the defined contribution retirement scheme, the employer is required to make contributions to the scheme at rates specified under the rules of the scheme. Where employees leave the scheme prior to the full vesting of the employer’s contributions, the amount of forfeited contributions is used to reduce the contributions payable by the Groups.

Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees’ relevant income, subject to a current cap of monthly relevant income of HK\$30,000. Contributions to the scheme vest immediately upon the completion of the services in the relevant service period.

Forfeited contributions totalling HK\$9 million (2024: HK\$10 million) were utilised during the year ended 31 December 2025 to reduce contributions and no forfeited contribution (2024: nil) was available as at 31 December 2025.

b. Other post-employment benefits

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. As at 31 December 2025, included in other payables were LSP obligations of HK\$31 million (2024: HK\$25 million).

c. Equity compensation benefits

PCCW and the Groups currently have the following share option schemes and share award schemes:

Share option schemes

- Share option scheme of PCCW adopted on 30 May 2024 (the “PCCW 2024 Share Option Scheme”).
- Share Stapled Unit option scheme of the HKT Trust and the Company adopted on 30 May 2024 (the “2024-2034 Share Stapled Unit Option Scheme”).

Share award schemes

- Share award schemes of PCCW namely the PCCW Purchase Scheme, the PCCW Subscription Scheme and the PCCW Limited 2024 Share Award Scheme (collectively the “PCCW Share Award Schemes”).
- Share Stapled Unit award schemes of the HKT Trust and the Company namely the HKT Share Stapled Units Purchase Scheme, the HKT Share Stapled Units Subscription Scheme and the HKT Trust and HKT Limited 2024 Share Stapled Unit Award Scheme (collectively the “Share Stapled Unit Award Schemes”).

The details of the 2024-2034 Share Stapled Unit Option Scheme and the Share Stapled Unit Award Schemes are disclosed under the section “Share Stapled Unit Schemes” in the Combined Report of the Directors of the 2025 Annual Report of the HKT Trust and the Company.

i. Share option schemes

No share options/Share Stapled Unit options have been granted under the PCCW 2024 Share Option Scheme and the 2024-2034 Share Stapled Unit Option Scheme since their adoption and up to and including 31 December 2025.

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29 EMPLOYEE BENEFITS (CONTINUED)**c. Equity compensation benefits (continued)****ii. Share award schemes**

Subject to the relevant scheme rules of the PCCW 2012 Share Award Schemes and the 2011 Share Stapled Unit Award Schemes, each scheme provides that prior to the vesting of the awards under the relevant scheme to selected participants (including any director or employee of PCCW and its participating companies for the PCCW 2012 Share Award Schemes; and any director or employee of the Company or any of its subsidiaries for the 2011 Share Stapled Unit Award Schemes), the relevant PCCW Shares/Share Stapled Units will be held in trust by the trustee for such selected participants, and will be vested over a period of time determined by the respective approving body, provided that each selected participant shall remain at all times up to and including the relevant vesting date (or, as the case may be, each relevant vesting date) an employee or a director of PCCW, the Company, the relevant participating company or subsidiary, and satisfies any other conditions specified at the time the award is made, notwithstanding that the respective approving body shall be at liberty to waive such conditions. Other than satisfying the vesting conditions, selected participants are not required to provide any consideration in order to acquire the PCCW Shares/Share Stapled Units awarded to him/her under the relevant scheme.

Subject to the relevant scheme rules of the PCCW 2024 Share Award Scheme and the 2024 Share Stapled Unit Award Scheme, each scheme provides that prior to the vesting of the awards under the relevant scheme to eligible participants (including PCCW Employee Participants[#], directors and employees of any holding companies, fellow subsidiaries or associated companies of PCCW, and PCCW Service Providers[#] for the PCCW 2024 Share Award Scheme; and Employee Participants^{*}, directors and employees of any holding companies, fellow subsidiaries or associated companies of HKT Trust and the Company, and Service Providers^{*} for the 2024 Share Stapled Unit Award Scheme), the relevant PCCW Shares/Share Stapled Units will be held in trust by the trustee for such eligible participants selected by the respective approving body (“selected participant(s)”), and will be vested over a period of time determined by the respective approving body, provided that each selected participant shall remain at all times up to and including the relevant vesting date (or, as the case may be, each relevant vesting date) an eligible participant, and satisfies any other conditions specified at the time the award is made, notwithstanding that the respective approving body shall be at liberty to waive such conditions. Other than satisfying the vesting conditions, selected participants are not required to provide any consideration in order to acquire the PCCW Shares/Share Stapled Units awarded to him/her under the relevant scheme.

During the year ended 31 December 2025, share-based compensation expenses in respect of the PCCW Share Award Schemes of HK\$26 million (2024: HK\$19 million) were recognised in the consolidated income statement and as an obligation in liabilities in the consolidated statement of financial position, respectively.

During the year ended 31 December 2025, share-based compensation expenses in respect of the Share Stapled Unit Award Schemes of HK\$16 million (2024: HK\$15 million) were recognised in the consolidated income statement and employee share-based compensation reserve in the consolidated statement of financial position, respectively.

[#] As defined in the section “Share Schemes of the Company and its Subsidiaries” in the Report of the Directors of PCCW’s 2025 Annual Report.

^{*} As defined in the section “Share Stapled Unit Schemes” in the Combined Report of the Directors of HKT Trust and the Company’s 2025 Annual Report.

29 EMPLOYEE BENEFITS (CONTINUED)

c. Equity compensation benefits (continued)

ii. Share award schemes (continued)

(1) Movements in the number of PCCW Shares held under the PCCW Share Award Schemes and the Share Stapled Units held under the Share Stapled Unit Award Schemes

(a) PCCW 2012 Share Award Schemes

	Number of PCCW Shares	
	2024	2025
PCCW Purchase Scheme:		
Beginning of year	1,101,442	683,692
Purchase from the market by the trustee at weighted average market price of HK\$5.39 (2024: HK\$4.06) per PCCW Share	659,000	95,000
PCCW Shares vested	(1,076,750)	(678,860)
End of year	683,692	99,832
PCCW Subscription Scheme:		
Beginning of year	6,814,708	4,411,296
PCCW Shares vested	(2,403,412)	(2,716,327)
End of year	4,411,296	1,694,969

(b) PCCW 2024 Share Award Scheme

	Number of PCCW Shares	
	2024	2025
Grants Funded by Existing PCCW Shares:		
Beginning of year	–	544,000
Purchase from the market by the trustee at weighted average market price of HK\$5.39 (2024: HK\$4.20) per PCCW Share	544,000	543,598
PCCW Shares vested	–	(543,799)
End of year	544,000	543,799
Grants Funded by New PCCW Shares:		
Beginning of year	–	–
New PCCW Shares issued by PCCW at issue price of HK\$0.01 per PCCW Share	–	3,698,315
End of year	–	3,698,315

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29 EMPLOYEE BENEFITS (CONTINUED)**c. Equity compensation benefits (continued)****ii. Share award schemes (continued)**

(1) Movements in the number of PCCW Shares held under the PCCW Share Award Schemes and the Share Stapled Units held under the Share Stapled Unit Award Schemes (continued)

(c) 2011 Share Stapled Unit Award Schemes

	Number of Share Stapled Units	
	2024	2025
HKT Share Stapled Units Purchase Scheme:		
Beginning of year	436,552	266,709
Purchase from the market by the trustee at weighted average market price of HK\$12.87 (2024: HK\$9.81) per Share Stapled Unit	256,000	42,000
Share Stapled Units vested	(425,843)	(265,073)
End of year	266,709	43,636
HKT Share Stapled Units Subscription Scheme:		
Beginning of year	4,337,670	3,352,065
Share Stapled Units vested	(985,605)	(1,099,449)
End of year	3,352,065	2,252,616

(d) 2024 Share Stapled Unit Award Scheme

	Number of Share Stapled Units	
	2024	2025
Grants Funded by Existing Share Stapled Units:		
Beginning of year	–	238,000
Purchase from the market by the trustee at weighted average market price of HK\$12.87 (2024: HK\$9.96) per Share Stapled Unit	238,000	237,520
Share Stapled Units vested	–	(237,760)
End of year	238,000	237,760
Grants Funded by New Share Stapled Units:		
Beginning of year	–	–
New Share Stapled Units jointly issued by HKT Trust and the Company at issue price of approximately HK\$11.62 per Share Stapled Unit	–	1,688,770
End of year	–	1,688,770

29 EMPLOYEE BENEFITS (CONTINUED)

c. Equity compensation benefits (continued)

ii. Share award schemes (continued)

(2) Movements in the number of unvested PCCW Shares and Share Stapled Units and their related weighted average fair value on the date of award

(a) PCCW 2012 Share Award Schemes

Date of award	Vesting period	Fair value on the date of award HK\$	As at 1 January 2024	2024 Number of PCCW Shares			As at 31 December 2024
				Awarded	Forfeited	Vested	
PCCW Purchase Scheme (PCCW Shares)							
19 April 2022	19 April 2022 to 19 April 2024	4.52	492,525	–	–	(492,525)	–
19 April 2023	19 April 2023 to 19 April 2024	4.01	13,422	–	–	(13,422)	–
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	129,129	–	–	(129,129)	–
30 May 2023	30 May 2023 to 30 May 2025	4.02	129,127	–	–	–	129,127
1 June 2023	1 June 2023 to 1 June 2024	3.97	4,301	–	–	(4,301)	–
1 June 2023	1 June 2023 to 1 June 2025	3.97	4,298	–	–	–	4,298
4 August 2023	4 August 2023 to 4 August 2024	3.92	437,373	–	–	(437,373)	–
4 August 2023	4 August 2023 to 4 August 2025	3.92	437,372	–	–	–	437,372
19 April 2024	19 April 2024 to 19 April 2025	3.85	–	13,144	–	–	13,144
19 April 2024	19 April 2024 to 19 April 2026	3.85	–	13,143	–	–	13,143
30 May 2024	30 May 2024 to 30 May 2025	4.19	–	85,700	–	–	85,700
30 May 2024	30 May 2024 to 30 May 2026	4.19	–	85,699	–	–	85,699
Total			1,660,964	197,686	–	(1,076,750)	781,900
Weighted average fair value on the date of award (HK\$)			4.12	4.14	–	4.21	4.00
PCCW Subscription Scheme (PCCW Shares)							
19 April 2022	19 April 2022 to 19 April 2024	4.52	1,102,526	–	(19,604)	(1,082,922)	–
15 August 2022	15 August 2022 to 19 April 2024	4.15	5,710	–	–	(5,710)	–
19 April 2023	19 April 2023 to 19 April 2024	4.01	1,078,144	–	(27,306)	(1,050,838)	–
19 April 2023	19 April 2023 to 19 April 2025	4.01	1,077,443	–	(89,846)	–	987,597
30 May 2023	30 May 2023 to 30 May 2024	4.02	202,100	–	–	(202,100)	–
30 May 2023	30 May 2023 to 30 May 2025	4.02	202,093	–	–	–	202,093
23 June 2023	23 June 2023 to 23 June 2024	3.85	65,685	–	(3,843)	(61,842)	–
23 June 2023	23 June 2023 to 23 June 2025	3.85	65,634	–	(4,707)	–	60,927
19 April 2024	19 April 2024 to 19 April 2025	3.85	–	1,407,149	(68,983)	–	1,338,166
19 April 2024	19 April 2024 to 19 April 2026	3.85	–	1,353,622	(68,929)	–	1,284,693
30 May 2024	30 May 2024 to 30 May 2025	4.19	–	240,294	–	–	240,294
30 May 2024	30 May 2024 to 30 May 2026	4.19	–	240,280	–	–	240,280
Total			3,799,335	3,241,345	(283,218)	(2,403,412)	4,354,050
Weighted average fair value on the date of award (HK\$)			4.15	3.90	3.96	4.24	3.93

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29 EMPLOYEE BENEFITS (CONTINUED)
c. Equity compensation benefits (continued)
ii. Share award schemes (continued)

(2) Movements in the number of unvested PCCW Shares and Share Stapled Units and their related weighted average fair value on the date of award (continued)

(a) PCCW 2012 Share Award Schemes (continued)

Date of award	Vesting period	Fair value on the date of award HK\$	As at 1 January 2025	2025 Number of PCCW Shares			As at 31 December 2025
				Awarded	Forfeited	Vested	
PCCW Purchase Scheme (PCCW Shares)							
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 2025	4.02	129,127	–	(4,198)	(124,929)	–
1 June 2023	1 June 2023 to 1 June 2025	3.97	4,298	–	–	(4,298)	–
4 August 2023	4 August 2023 to 4 August 2025	3.92	437,372	–	–	(437,372)	–
19 April 2024	19 April 2024 to 19 April 2025	3.85	13,144	–	–	(13,144)	–
19 April 2024	19 April 2024 to 19 April 2026	3.85	13,143	–	–	–	13,143
30 May 2024	30 May 2024 to 30 May 2025	4.19	85,700	–	–	(85,700)	–
30 May 2024	30 May 2024 to 30 May 2026	4.19	85,699	–	–	–	85,699
Total			781,900	–	(4,198)	(678,860)	98,842
Weighted average fair value on the date of award (HK\$)			4.00	–	4.02	3.97	4.14
PCCW Subscription Scheme (PCCW Shares)							
19 April 2023	19 April 2023 to 19 April 2025	4.01	987,597	–	(13,388)	(974,209)	–
30 May 2023	30 May 2023 to 30 May 2025	4.02	202,093	–	(35,595)	(166,498)	–
23 June 2023	23 June 2023 to 23 June 2025	3.85	60,927	–	(2,550)	(58,377)	–
19 April 2024	19 April 2024 to 19 April 2025	3.85	1,338,166	–	(25,800)	(1,312,366)	–
19 April 2024	19 April 2024 to 19 April 2026	3.85	1,284,693	–	(65,285)	–	1,219,408
30 May 2024	30 May 2024 to 30 May 2025	4.19	240,294	–	(35,417)	(204,877)	–
30 May 2024	30 May 2024 to 30 May 2026	4.19	240,280	–	(35,417)	–	204,863
Total			4,354,050	–	(213,452)	(2,716,327)	1,424,271
Weighted average fair value on the date of award (HK\$)			3.93	–	4.00	3.94	3.90

29 EMPLOYEE BENEFITS (CONTINUED)

c. Equity compensation benefits (continued)

ii. Share award schemes (continued)

(2) Movements in the number of unvested PCCW Shares and Share Stapled Units and their related weighted average fair value on the date of award (continued)

(b) PCCW 2024 Share Award Scheme

Date of award	Vesting period	Fair value on the date of award HK\$	As at 1 January 2024	2024 Number of PCCW Shares			As at 31 December 2024
				Awarded	Forfeited	Vested	
Grants Funded by Existing PCCW Shares							
26 June 2024	26 June 2024 to 26 June 2025	3.88	–	543,799	–	–	543,799
26 June 2024	26 June 2024 to 26 June 2026	3.88	–	543,799	–	–	543,799
Total			–	1,087,598	–	–	1,087,598
Weighted average fair value on the date of award (HK\$)			–	3.88	–	–	3.88

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29 EMPLOYEE BENEFITS (CONTINUED)
c. Equity compensation benefits (continued)
ii. Share award schemes (continued)

(2) Movements in the number of unvested PCCW Shares and Share Stapled Units and their related weighted average fair value on the date of award (continued)

(b) PCCW 2024 Share Award Scheme (continued)

Date of award	Vesting period	Fair value on the date of award HK\$	As at 1 January 2025	2025 Number of PCCW Shares			As at 31 December 2025
				Awarded	Forfeited	Vested	
Grants Funded by Existing PCCW Shares							
26 June 2024	26 June 2024 to 26 June 2025	3.88	543,799	–	–	(543,799)	–
26 June 2024	26 June 2024 to 26 June 2026	3.88	543,799	–	–	–	543,799
Total			1,087,598	–	–	(543,799)	543,799
Weighted average fair value on the date of award (HK\$)			3.88	–	–	3.88	3.88
Grants Funded by New PCCW Shares							
25 April 2025	25 April 2025 to 25 April 2026	5.02	–	1,512,736	(38,283)	–	1,474,453
25 April 2025	25 April 2025 to 25 April 2027	5.02	–	1,512,015	(38,244)	–	1,473,771
28 May 2025	28 May 2025 to 28 May 2026	5.14	–	280,745	–	–	280,745
28 May 2025	28 May 2025 to 28 May 2027	5.14	–	280,735	–	–	280,735
13 June 2025	13 June 2025 to 13 June 2026	5.18	–	64,893	–	–	64,893
13 June 2025	13 June 2025 to 13 June 2027	5.18	–	64,892	–	–	64,892
Total			–	3,716,016	(76,527)	–	3,639,489
Weighted average fair value on the date of award (HK\$)			–	5.04	5.02	–	5.04

29 EMPLOYEE BENEFITS (CONTINUED)

c. Equity compensation benefits (continued)

ii. Share award schemes (continued)

(2) Movements in the number of unvested PCCW Shares and Share Stapled Units and their related weighted average fair value on the date of award (continued)

(c) 2011 Share Stapled Unit Award Schemes

Date of award	Vesting period	Fair value on the date of award HK\$	2024 Number of Share Stapled Units			As at 31 December 2024	
			As at 1 January 2024	Awarded	Forfeited		Vested
HKT Share Stapled Units Purchase Scheme (Share Stapled Units)							
19 April 2022	19 April 2022 to 19 April 2024	10.86	202,377	–	–	(202,377)	–
19 April 2023	19 April 2023 to 19 April 2024	10.18	5,135	–	–	(5,135)	–
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)	–
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)	–
1 June 2023	1 June 2023 to 1 June 2025	9.96	1,645	–	–	–	1,645
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
19 April 2024	19 April 2024 to 19 April 2025	8.68	–	5,749	–	–	5,749
19 April 2024	19 April 2024 to 19 April 2026	8.68	–	5,746	–	–	5,746
30 May 2024	30 May 2024 to 30 May 2025	9.20	–	37,471	–	–	37,471
30 May 2024	30 May 2024 to 30 May 2026	9.20	–	37,469	–	–	37,469
Total			649,302	86,435	–	(425,843)	309,894
Weighted average fair value on the date of award (HK\$)			9.80	9.13	–	10.05	9.27
HKT Share Stapled Units Subscription Scheme (Share Stapled Units)							
19 April 2022	19 April 2022 to 19 April 2024	10.86	487,970	–	(8,053)	(479,917)	–
15 August 2022	15 August 2022 to 19 April 2024	11.00	2,346	–	–	(2,346)	–
19 April 2023	19 April 2023 to 19 April 2024	10.18	412,806	–	(10,457)	(402,349)	–
19 April 2023	19 April 2023 to 19 April 2025	10.18	412,100	–	(34,361)	–	377,739
30 May 2023	30 May 2023 to 30 May 2024	9.98	77,310	–	–	(77,310)	–
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)	–
23 June 2023	23 June 2023 to 23 June 2025	9.05	25,105	–	(1,800)	–	23,305
19 April 2024	19 April 2024 to 19 April 2025	8.68	–	592,718	(30,194)	–	562,524
19 April 2024	19 April 2024 to 19 April 2026	8.68	–	591,812	(30,130)	–	561,682
30 May 2024	30 May 2024 to 30 May 2025	9.20	–	105,069	–	–	105,069
30 May 2024	30 May 2024 to 30 May 2026	9.20	–	105,054	–	–	105,054
Total			1,520,091	1,394,653	(116,468)	(985,605)	1,812,671
Weighted average fair value on the date of award (HK\$)			10.34	8.76	9.42	10.47	9.11

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29 EMPLOYEE BENEFITS (CONTINUED)
c. Equity compensation benefits (continued)
ii. Share award schemes (continued)

(2) Movements in the number of unvested PCCW Shares and Share Stapled Units and their related weighted average fair value on the date of award (continued)

(c) 2011 Share Stapled Unit Award Schemes (continued)

Date of award	Vesting period	Fair value on the date of award HK\$	As at 1 January 2025	2025 Number of Share Stapled Units			As at 31 December 2025
				Awarded	Forfeited	Vested	
HKT Share Stapled Units Purchase Scheme (Share Stapled Units)							
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 2025	9.98	49,390	–	(1,606)	(47,784)	–
1 June 2023	1 June 2023 to 1 June 2025	9.96	1,645	–	–	(1,645)	–
4 August 2023	4 August 2023 to 4 August 2025	9.10	167,292	–	–	(167,292)	–
19 April 2024	19 April 2024 to 19 April 2025	8.68	5,749	–	–	(5,749)	–
19 April 2024	19 April 2024 to 19 April 2026	8.68	5,746	–	–	–	5,746
30 May 2024	30 May 2024 to 30 May 2025	9.20	37,471	–	–	(37,471)	–
30 May 2024	30 May 2024 to 30 May 2026	9.20	37,469	–	–	–	37,469
Total			309,894	–	(1,606)	(265,073)	43,215
Weighted average fair value on the date of award (HK\$)			9.27	–	9.98	9.29	9.13
HKT Share Stapled Units Subscription Scheme (Share Stapled Units)							
19 April 2023	19 April 2023 to 19 April 2025	10.18	377,739	–	(5,119)	(372,620)	–
30 May 2023	30 May 2023 to 30 May 2025	9.98	77,298	–	(13,614)	(63,684)	–
23 June 2023	23 June 2023 to 23 June 2025	9.05	23,305	–	(975)	(22,330)	–
19 April 2024	19 April 2024 to 19 April 2025	8.68	562,524	–	(11,292)	(551,232)	–
19 April 2024	19 April 2024 to 19 April 2026	8.68	561,682	–	(28,541)	–	533,141
30 May 2024	30 May 2024 to 30 May 2025	9.20	105,069	–	(15,486)	(89,583)	–
30 May 2024	30 May 2024 to 30 May 2026	9.20	105,054	–	(15,485)	–	89,569
Total			1,812,671	–	(90,512)	(1,099,449)	622,710
Weighted average fair value on the date of award (HK\$)			9.11	–	9.14	9.31	8.75

29 EMPLOYEE BENEFITS (CONTINUED)

c. Equity compensation benefits (continued)

ii. Share award schemes (continued)

(2) Movements in the number of unvested PCCW Shares and Share Stapled Units and their related weighted average fair value on the date of award (continued)

(d) 2024 Share Stapled Unit Award Scheme

Date of award	Vesting period	Fair value on the date of award HK\$	As at 1 January 2024	2024 Number of Share Stapled Units			As at 31 December 2024
				Awarded	Forfeited	Vested	
Grants Funded by Existing Share Stapled Units							
26 June 2024	26 June 2024 to 26 June 2025	8.72	–	237,760	–	–	237,760
26 June 2024	26 June 2024 to 26 June 2026	8.72	–	237,760	–	–	237,760
Total			–	475,520	–	–	475,520
Weighted average fair value on the date of award (HK\$)			–	8.72	–	–	8.72

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29 EMPLOYEE BENEFITS (CONTINUED)
c. Equity compensation benefits (continued)
ii. Share award schemes (continued)

(2) Movements in the number of unvested PCCW Shares and Share Stapled Units and their related weighted average fair value on the date of award (continued)

(d) 2024 Share Stapled Unit Award Scheme (continued)

Date of award	Vesting period	Fair value on the date of award HK\$	As at 1 January 2025	2025 Number of Share Stapled Units			As at 31 December 2025
				Awarded	Forfeited	Vested	
Grants Funded by Existing Share Stapled Units							
26 June 2024	26 June 2024 to 26 June 2025	8.72	237,760	–	–	(237,760)	–
26 June 2024	26 June 2024 to 26 June 2026	8.72	237,760	–	–	–	237,760
Total			475,520	–	–	(237,760)	237,760
Weighted average fair value on the date of award (HK\$)			8.72	–	–	8.72	8.72
Grants Funded by New Share Stapled Units							
25 April 2025	25 April 2025 to 25 April 2026	10.94	–	697,115	(17,646)	–	679,469
25 April 2025	25 April 2025 to 25 April 2027	10.94	–	696,430	(17,615)	–	678,815
28 May 2025	28 May 2025 to 28 May 2026	11.36	–	121,807	–	–	121,807
28 May 2025	28 May 2025 to 28 May 2027	11.36	–	121,796	–	–	121,796
13 June 2025	13 June 2025 to 13 June 2026	11.38	–	29,890	–	–	29,890
13 June 2025	13 June 2025 to 13 June 2027	11.38	–	29,888	–	–	29,888
Total			–	1,696,926	(35,261)	–	1,661,665
Weighted average fair value on the date of award (HK\$)			–	11.02	10.94	–	11.02

The fair values of the PCCW Shares and the Share Stapled Units awarded during the year on the dates of award are measured by the respective quoted market prices of the PCCW Shares and the Share Stapled Units at the respective award dates.

The PCCW Shares and the Share Stapled Units unvested had a weighted average remaining vesting period at the end of the reporting period as follows:

	2024	2025
PCCW Purchase Scheme (PCCW Shares)	0.63 year	0.40 year
PCCW Subscription Scheme (PCCW Shares)	0.67 year	0.31 year
HKT Share Stapled Units Purchase Scheme (Share Stapled Units)	0.64 year	0.40 year
HKT Share Stapled Units Subscription Scheme (Share Stapled Units)	0.69 year	0.31 year
PCCW 2024 Share Award Scheme (Grants Funded by Existing PCCW Shares)	0.98 year	0.48 year
PCCW 2024 Share Award Scheme (Grants Funded by New PCCW Shares)	–	0.83 year
2024 Share Stapled Unit Award Scheme (Grants Funded by Existing Share Stapled Units)	0.98 year	0.48 year
2024 Share Stapled Unit Award Scheme (Grants Funded by New Share Stapled Units)	–	0.83 year

30 EQUITY OF HKT LIMITED

a. Share capital of HKT Limited

	2024		2025	
	Number of shares	Nominal value HK\$	Number of shares	Nominal value HK\$
Authorised:				
Ordinary shares of HK\$0.0005 each				
Beginning and end of year	20,000,000,000	10,000,000	20,000,000,000	10,000,000
Preference shares of HK\$0.0005 each				
Beginning and end of year	20,000,000,000	10,000,000	20,000,000,000	10,000,000
Issued and fully paid:				
Ordinary shares of HK\$0.0005 each				
Beginning of year	7,579,742,334	3,789,871	7,579,776,147	3,789,888
Issued during the year <i>(note (i))</i>	33,813	17	2,622,252	1,311
End of year	7,579,776,147	3,789,888	7,582,398,399	3,791,199
Preference shares of HK\$0.0005 each				
Beginning of year	7,579,742,334	3,789,871	7,579,776,147	3,789,888
Issued during the year <i>(note (i))</i>	33,813	17	2,622,252	1,311
End of year	7,579,776,147	3,789,888	7,582,398,399	3,791,199

- (i) During the year ended 31 December 2024, the Company issued and allotted 33,813 new fully paid ordinary shares with nominal value of HK\$0.0005 per share and 33,813 new fully paid preference shares with nominal value of HK\$0.0005 per share respectively under the 2024 Share Stapled Unit Award Scheme with a consideration of approximately HK\$300,000 in total.

During the year ended 31 December 2025, the Company issued and allotted 2,622,252 new fully paid ordinary shares with nominal value of HK\$0.0005 per share and 2,622,252 new fully paid preference shares with nominal value of HK\$0.0005 per share respectively under the 2024 Share Stapled Unit Award Scheme with a consideration of approximately HK\$31,000,000 in total.

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

In HK\$ million	2024		Total
	Share premium	Retained profits	
As at 1 January 2024	35,204	101	35,305
Total comprehensive income for the year	–	3,512	3,512
Dividend paid in respect of the previous year	(352)	(3,017)	(3,369)
Interim dividend declared and paid in respect of the current year	(1,894)	(601)	(2,495)
As at 31 December 2024	32,958	(5)	32,953

In HK\$ million	2025		Total
	Share premium	Retained profits	
As at 1 January 2025	32,958	(5)	32,953
Total comprehensive income for the year	–	6,042	6,042
Issue of shares (note 30(a)(i))	31	–	31
Dividend paid in respect of the previous year	–	(3,478)	(3,478)
Interim dividend declared and paid in respect of the current year	–	(2,562)	(2,562)
As at 31 December 2025	32,989	(3)	32,986

31 RESERVES

In HK\$ million	2024											
	Share premium	Capital contribution reserve	Merger reserve	Treasury stock	Employee share-based compensation reserve	Currency translation reserve	Hedging reserve	Costs of hedging reserve	Financial assets at FVOCI reserve	Other reserves	Retained profits	Total
As at 1 January 2024	7,860	26,250	(347)	(52)	11	88	(219)	(145)	(17)	124	1,751	35,304
Total comprehensive income/(loss) for the year												
Profit for the year	-	-	-	-	-	-	-	-	-	-	5,070	5,070
Other comprehensive income/(loss)												
Item that will not be reclassified subsequently to consolidated income statement:												
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	413	-	-	413
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	-	-	-	-	-	(74)	-	-	-	-	-	(74)
– exchange differences on translating foreign operations of joint ventures	-	-	-	-	-	(9)	-	-	-	-	-	(9)
Cash flow hedges:												
– effective portion of changes in fair value	-	-	-	-	-	-	(183)	-	-	-	-	(183)
– transfer from equity to consolidated income statement	-	-	-	-	-	-	196	12	-	-	-	208
Costs of hedging	-	-	-	-	-	-	-	118	-	-	-	118
Share of other comprehensive loss of an associate	-	-	-	-	-	-	-	-	(2)	-	-	(2)
Total comprehensive income/(loss) for the year	-	-	-	-	-	(83)	13	130	411	-	5,070	5,541
Transactions with equity holders												
Purchases of Share Stapled Units under the Share Stapled Unit Award Schemes	-	-	-	(5)	-	-	-	-	-	-	-	(5)
Employee share-based compensation	-	-	-	-	15	-	-	-	-	-	-	15
Vesting of Share Stapled Units under the Share Stapled Unit Award Schemes	-	-	-	15	(13)	-	-	-	-	-	(2)	-
Distribution/Dividend for Share Stapled Units/shares of the Company granted under the Share Stapled Unit Award Schemes	-	-	-	-	(2)	-	-	-	-	-	-	(2)
Distribution/Dividend paid in respect of the previous year	-	(352)	-	-	-	-	-	-	-	-	(3,015)	(3,367)
Interim distribution/dividend declared and paid in respect of the current year	-	(1,894)	-	-	-	-	-	-	-	-	(600)	(2,494)
Total contributions by and distributions to equity holders	-	(2,246)	-	10	-	-	-	-	-	-	(3,617)	(5,853)
Change in interests in subsidiaries that does not result in a loss of control (note 40)	-	-	-	-	-	-	-	-	-	-	3,282	3,282
Total transactions with equity holders	-	(2,246)	-	10	-	-	-	-	-	-	(335)	(2,571)
As at 31 December 2024	7,860	24,004	(347)	(42)	11	5	(206)	(15)	394	124	6,486	38,274

NOTES TO THE HKT TRUST AND HKT LIMITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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31 RESERVES (CONTINUED)

In HK\$ million	2025											
	Share premium	Capital contribution reserve	Merger reserve	Treasury stock	Employee share-based compensation reserve	Currency translation reserve	Hedging reserve	Costs of hedging reserve	Financial assets at FVOCI reserve	Other reserves	Retained profits	Total
As at 1 January 2025	7,860	24,004	(347)	(42)	11	5	(206)	(15)	394	124	6,486	38,274
Total comprehensive income/(loss) for the year												
Profit for the year	-	-	-	-	-	-	-	-	-	-	5,286	5,286
Other comprehensive income/(loss)												
Item that will not be reclassified subsequently to consolidated income statement:												
Changes in fair value of a financial asset at fair value through other comprehensive income	-	-	-	-	-	-	-	-	(667)	-	-	(667)
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	-	-	-	-	-	93	-	-	-	-	-	93
- exchange differences on translating foreign operations of joint ventures	-	-	-	-	-	3	-	-	-	-	-	3
Cash flow hedges:												
- effective portion of changes in fair value	-	-	-	-	-	-	44	-	-	-	-	44
- transfer from equity to consolidated income statement	-	-	-	-	-	-	(236)	2	-	-	-	(234)
Costs of hedging	-	-	-	-	-	-	-	5	-	-	-	5
Share of other comprehensive income of an associate	-	-	-	-	-	-	-	-	2	-	-	2
Total comprehensive income/(loss) for the year	-	-	-	-	-	96	(192)	7	(665)	-	5,286	4,532
Transactions with equity holders												
Issue of Share Stapled Units/shares of the Company under the Share Stapled Unit Award Schemes (note 30(a)(i))	31	-	-	-	-	-	-	-	-	-	-	31
Purchases/Subscription of Share Stapled Units under the Share Stapled Unit Award Schemes	-	-	-	(23)	-	-	-	-	-	-	-	(23)
Receipt of PCCW Shares under the PCCW Share Award Schemes	-	-	-	-	-	-	-	-	-	22	-	22
Employee share-based compensation	-	-	-	-	16	-	-	-	-	-	-	16
Vesting of Share Stapled Units under the Share Stapled Unit Award Schemes	-	-	-	17	(12)	-	-	-	-	-	(5)	-
Distribution/Dividend for Share Stapled Units/shares of the Company granted under the Share Stapled Unit Award Schemes	-	-	-	-	(2)	-	-	-	-	-	-	(2)
Distribution/Dividend paid in respect of the previous year	-	-	-	-	-	-	-	-	-	-	(3,476)	(3,476)
Interim distribution/dividend declared and paid in respect of the current year	-	-	-	-	-	-	-	-	-	-	(2,561)	(2,561)
Total contributions by and distributions to equity holders	31	-	-	(6)	2	-	-	-	-	22	(6,042)	(5,993)
Transfer of gain on disposal of financial assets at FVOCI	-	-	-	-	-	-	-	-	(31)	-	31	-
Total transactions with equity holders	31	-	-	(6)	2	-	-	-	(31)	22	(6,011)	(5,993)
As at 31 December 2025	7,891	24,004	(347)	(48)	13	101	(398)	(8)	(302)	146	5,761	36,813

32 DEFERRED INCOME TAX

As at 31 December 2025, deferred income tax liabilities/(assets) represent:

In HK\$ million	2024	2025
Deferred income tax assets	(790)	(731)
Deferred income tax liabilities	5,746	6,290
	4,956	5,559

a. Movements in deferred income tax liabilities/(assets) were as follows:

In HK\$ million	2024			Total
	Accelerated tax depreciation and amortisation	Tax losses	Others	
Beginning of year	5,708	(1,103)	(2)	4,603
Charged/(Credited) to the consolidated income statement (note 12(a))	683	(332)	–	351
Exchange differences	1	1	–	2
End of year	6,392	(1,434)	(2)	4,956

In HK\$ million	2025			Total
	Accelerated tax depreciation and amortisation	Tax losses	Others	
Beginning of year	6,392	(1,434)	(2)	4,956
Charged to the consolidated income statement (note 12(a))	473	130	–	603
End of year	6,865	(1,304)	(2)	5,559

- b. Deferred income tax assets are recognised for tax losses carry-forward to the extent that realisation of the related tax benefit through utilisation against future taxable profits is probable. As at 31 December 2025, the Groups had unutilised estimated tax losses for which no deferred income tax assets have been recognised of HK\$4,621 million (2024: HK\$3,942 million) to carry forward for deduction against future taxable income. Estimated tax losses of HK\$173 million (2024: HK\$176 million) and HK\$2 million (2024: nil) will expire within 1 to 5 years and after 5 years from 31 December 2025 respectively. The remaining portion of the tax losses, mainly relating to Hong Kong companies, can be carried forward indefinitely.

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33 CARRIER LICENCE FEE LIABILITIES

As at 31 December 2025, the Groups had carrier licence fee liabilities payable as follows:

In HK\$ million	Present value of the minimum annual fees	2024 Interest expense relating to future periods	Total minimum annual fees	Present value of the minimum annual fees	2025 Interest expense relating to future periods	Total minimum annual fees
Payable within a period						
– not exceeding one year	324	3	327	384	4	388
– over one year, but not exceeding two years	324	12	336	382	15	397
– over two years, but not exceeding five years	957	85	1,042	1,116	107	1,223
– over five years	1,917	412	2,329	1,996	479	2,475
	3,522	512	4,034	3,878	605	4,483
Less: amounts payable within one year classified as current liabilities	(324)	(3)	(327)	(384)	(4)	(388)
Non-current portion	3,198	509	3,707	3,494	601	4,095

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

a. Reconciliation of profit before income tax to net cash generated from operating activities

In HK\$ million	2024	2025
Profit before income tax	6,015	6,654
Adjustments for:		
Other gains, net	(131)	(174)
Finance costs, net	2,238	1,720
Gains on disposal of property, plant and equipment and right-of-use assets, net	(10)	(5)
Write-back of provision for inventory obsolescence, net	(9)	(9)
Impairment loss for trade receivables	232	219
Depreciation of property, plant and equipment	1,066	932
Depreciation of right-of-use assets	1,298	1,245
Amortisation of land lease premium – interests in leasehold land	12	10
Amortisation of intangible assets	1,402	1,936
Amortisation of fulfilment costs	484	486
Amortisation of customer acquisition costs	1,243	1,228
Share of results of associates	121	86
Share of results of joint ventures	5	3
Share-based compensation expenses	34	42
Increase in PCCW Shares and Share Stapled Units under share award schemes	(10)	(26)
(Increase)/Decrease in operating assets		
– inventories	(535)	(34)
– trade receivables, prepayments, deposits and other current assets	(427)	(380)
– contract assets	(43)	(69)
– amounts due from related companies	2	(6)
– restricted cash	32	(8)
– fulfilment costs	(656)	(687)
– customer acquisition costs	(1,187)	(1,286)
– other non-current assets	(13)	88
Increase/(Decrease) in operating liabilities		
– trade payables	1,431	2,511
– accruals and other payables	(298)	(291)
– amount due to a fellow subsidiary	(137)	(2,581)
– amount due to a related company	1	–
– advances from customers	22	12
– contract liabilities	(42)	208
– other long-term liabilities	(20)	(3)
CASH GENERATED FROM OPERATIONS	12,120	11,821
Interest received	48	37
Income tax paid, net of tax refund		
– Hong Kong profits tax paid*	(217)	(196)
– overseas profits tax paid	(40)	(34)
NET CASH GENERATED FROM OPERATING ACTIVITIES	11,911	11,628

* As at 31 December 2024 and 2025, the Hong Kong profits tax assessments and/or the current income tax liabilities of certain subsidiaries of the Groups had not been received or not yet due, such that any corresponding tax charge settlement would be deferred to upcoming financial years.

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34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**b. Movements of financial (assets)/liabilities arising from financing activities**

Movements of financial (assets)/liabilities arising from financing activities are as follows:

In HK\$ million	2024								
	Prepaid finance costs (included in prepayments, deposits and other current assets)	Interest payable (included in accruals and other payables)	Borrowings	Derivative financial instruments, net	Amount due to a fellow subsidiary	Amounts due to related companies	Lease liabilities	Amount due to a non-controlling interest	Total
As at 1 January 2024	(25)	358	44,567	724	2,349	84	2,049	–	50,106
Cash flows in financing activities									
New borrowings raised	–	(58)	29,989	–	–	–	–	–	29,931
Finance costs (paid)/received	–	(1,912)	–	38	–	(2)	–	–	(1,876)
Repayments of borrowings	–	–	(33,117)	–	–	–	–	–	(33,117)
Payment for lease liabilities (including interest)	–	–	–	–	–	–	(1,412)	–	(1,412)
Movement in amount due to a fellow subsidiary	–	–	–	–	717	–	–	–	717
Movement in amount due to a related company	–	–	–	–	–	(3)	–	–	(3)
Movement in amount due to a non-controlling interest	–	–	–	–	–	–	–	344	344
Cash flows in investing activities									
Loan repayment in relation to licence fee (note 36(b)(i))	–	–	(130)	–	–	–	–	–	(130)
Other changes (including non-cash movements)	(3)	1,939	(3)	(10)	(137)	3	1,216	–	3,005
As at 31 December 2024	(28)	327	41,306	752	2,929	82	1,853	344	47,565

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

b. Movements of financial (assets)/liabilities arising from financing activities (continued)

Movements of financial (assets)/liabilities arising from financing activities are as follows: (continued)

In HK\$ million	2025								
	Prepaid finance costs (included in prepayments, deposits and other current assets)	Interest payable (included in accruals and other payables)	Borrowings	Derivative financial instruments, net	Amount due to a fellow subsidiary	Amounts due to related companies	Lease liabilities	non-controlling interest	Amount due to a
As at 1 January 2025	(28)	327	41,306	752	2,929	82	1,853	344	47,565
Cash flows in financing activities									
New borrowings raised	(3)	(10)	40,064	–	–	–	–	–	40,051
Finance costs paid	–	(1,568)	–	(40)	–	(2)	–	–	(1,610)
Repayments of borrowings	–	–	(37,349)	(10)	–	–	–	–	(37,359)
Payment for lease liabilities (including interest)	–	–	–	–	–	–	(1,343)	–	(1,343)
Movement in amount due to a fellow subsidiary	–	–	–	–	819	–	–	–	819
Movement in amount due to a related company	–	–	–	–	–	2	–	–	2
Movement in amount due to a non-controlling interest	–	–	–	–	–	–	–	(7)	(7)
Cash flows in investing activities									
Loan repayment in relation to licence fee (note 36(b)(i))	–	–	(130)	–	–	–	–	–	(130)
Other changes (including non-cash movements)	6	1,514	684	(32)	(2,581)	2	2,000	–	1,593
As at 31 December 2025	(25)	263	44,575	670	1,167	84	2,510	337	49,581

c. Analysis of cash and cash equivalents

In HK\$ million	2024	2025
Total cash and bank balances	2,324	2,619
Less: restricted cash	(179)	(187)
Less: short-term deposits	(295)	(475)
Cash and cash equivalents as at 31 December	1,850	1,957

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35 CAPITAL MANAGEMENT

The Groups' primary objectives when managing capital are to safeguard the Groups' ability to continue as a going concern, so that they can continue to provide returns for equity holders of the Groups and benefits for other stakeholders to support the Groups' stability and growth; and to earn a margin commensurate with the level of business and market risks in the Groups' operation.

The Groups monitor capital by reviewing the level of capital that is at the disposal of the Groups ("Adjusted Capital"), taking into consideration the future capital requirements of the Groups, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Adjusted Capital comprises all components of equity.

The Groups are not subject to externally imposed capital requirements, except for the debt covenant requirement of loan agreements with external parties and the minimum capital requirement of a subsidiary regulated by the Bermuda Monetary Authority. A subsidiary of the Groups also has a minimum capital requirement as a condition for a stored value facilities licence granted by the Hong Kong Monetary Authority.

36 FINANCIAL INSTRUMENTS

The tables below analyse financial instruments by category:

In HK\$ million	2024				Total
	Financial assets at amortised cost	Financial assets at FVOCI	Financial assets at FVPL	Derivatives used for hedging	
Non-current assets					
Financial assets at FVOCI	–	823	–	–	823
Financial assets at FVPL	–	–	17	–	17
Derivative financial instruments	–	–	–	58	58
Other non-current assets (excluding prepayments)	82	–	–	–	82
	82	823	17	58	980
Current assets					
Prepayments, deposits and other current assets (excluding prepayments)	2,670	–	–	–	2,670
Trade receivables, net	2,710	–	–	–	2,710
Amounts due from related companies	20	–	–	–	20
Financial assets at FVPL	–	–	18	–	18
Restricted cash	179	–	–	–	179
Short-term deposits	295	–	–	–	295
Cash and cash equivalents	1,850	–	–	–	1,850
	7,724	–	18	–	7,742
Total	7,806	823	35	58	8,722

36 FINANCIAL INSTRUMENTS (CONTINUED)

The tables below analyse financial instruments by category: (continued)

In HK\$ million	Derivatives used for hedging	2024 Other financial liabilities at amortised cost	Total
Current liabilities			
Short-term borrowings	–	(3,934)	(3,934)
Trade payables	–	(7,212)	(7,212)
Accruals and other payables	–	(6,650)	(6,650)
Derivative financial instruments*	(41)	–	(41)
Carrier licence fee liabilities	–	(324)	(324)
Amount due to a fellow subsidiary	–	(2,929)	(2,929)
Amounts due to related companies	–	(82)	(82)
Advances from customers	–	(301)	(301)
Lease liabilities	–	(1,028)	(1,028)
	(41)	(22,460)	(22,501)
Non-current liabilities			
Long-term borrowings	–	(37,372)	(37,372)
Derivative financial instruments	(769)	–	(769)
Carrier licence fee liabilities	–	(3,198)	(3,198)
Lease liabilities	–	(825)	(825)
Amount due to a non-controlling interest	–	(344)	(344)
Other long-term liabilities	–	(2,112)	(2,112)
	(769)	(43,851)	(44,620)
Total	(810)	(66,311)	(67,121)

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36 FINANCIAL INSTRUMENTS (CONTINUED)

The tables below analyse financial instruments by category: (continued)

In HK\$ million	2025				Total
	Financial assets at amortised cost	Financial assets at FVOCI	Financial assets at FVPL	Derivatives used for hedging	
Non-current assets					
Financial assets at FVOCI	–	105	–	–	105
Financial assets at FVPL	–	–	21	–	21
Derivative financial instrument	–	–	–	121	121
Other non-current assets (excluding prepayments)	98	–	–	–	98
	98	105	21	121	345
Current assets					
Prepayments, deposits and other current assets (excluding prepayments)	3,067	–	–	–	3,067
Trade receivables, net	2,549	–	–	–	2,549
Amounts due from related companies	650	–	–	–	650
Financial assets at FVPL	–	–	21	–	21
Derivative financial instruments	–	–	–	40	40
Restricted cash	187	–	–	–	187
Short-term deposits	475	–	–	–	475
Cash and cash equivalents	1,957	–	–	–	1,957
	8,885	–	21	40	8,946
Total	8,983	105	42	161	9,291

36 FINANCIAL INSTRUMENTS (CONTINUED)

The tables below analyse financial instruments by category: (continued)

In HK\$ million	Derivatives used for hedging	2025 Other financial liabilities at amortised cost	Total
Current liabilities			
Short-term borrowings	–	(5,884)	(5,884)
Trade payables	–	(9,762)	(9,762)
Accruals and other payables	–	(6,319)	(6,319)
Derivative financial instruments	(17)	–	(17)
Carrier licence fee liabilities	–	(384)	(384)
Amount due to a fellow subsidiary	–	(1,167)	(1,167)
Amounts due to related companies	–	(84)	(84)
Advances from customers	–	(313)	(313)
Lease liabilities	–	(891)	(891)
	(17)	(24,804)	(24,821)
Non-current liabilities			
Long-term borrowings	–	(38,691)	(38,691)
Derivative financial instruments*	(814)	–	(814)
Carrier licence fee liabilities	–	(3,494)	(3,494)
Lease liabilities	–	(1,619)	(1,619)
Amount due to a non-controlling interest	–	(337)	(337)
Other long-term liabilities	–	(2,116)	(2,116)
	(814)	(46,257)	(47,071)
Total	(831)	(71,061)	(71,892)

* As at 31 December 2025, derivative financial instruments classified as non-current liabilities of HK\$64 million (2024: current liabilities of HK\$32 million) related to foreign exchange forward contracts with an aggregate notional contract amount of US\$589 million (approximately HK\$4,490 million) (2024: US\$470 million (approximately HK\$3,686 million)) were designated as cash flow hedges of US\$300 million zero coupon guaranteed notes due 2030. Refer to notes 27(a) and 28(a) for details of the guaranteed notes and the foreign exchange forward contracts respectively.

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36 FINANCIAL INSTRUMENTS (CONTINUED)

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

a. Credit risk

The Groups' credit risk is primarily attributable to cash and cash equivalents, short-term deposits, restricted cash, trade receivables, contract assets, amounts due from related companies, derivative financial instruments, deposits and other receivables. Management has policies in place and exposure to these credit risks is monitored on an ongoing basis.

The Groups' normal credit period for customers is ranging up to 30 days from the date of invoice unless there is a separate mutual agreement on extension of the credit period. The Groups maintain a well-defined credit policy and individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Debtors who have overdue balances are requested to settle all outstanding balances before any further credit is granted. Normally, the Groups do not obtain collateral from customers. As at 31 December 2024 and 2025, the Groups did not have a significant exposure to any individual debtors or counterparties.

Further quantitative disclosures in respect of the Groups' exposure to credit risk arising from trade receivables are set out in note 26(c).

The overall impact of impairment of the contract assets on the HKT Trust and HKT Limited consolidated financial statements is considered by management. Management considered the lifetime expected losses with respect to these contract assets were minimal as at 31 December 2024 and 2025 and the Groups made no write-off or provision for these contract assets during the years ended 31 December 2024 and 2025.

Amounts due from related companies, deposits and other receivables are considered to have low credit risk. These assets are continuously monitored by assessing the credit quality of the counterparty, taking into account its financial position, past experience and other factors. Where necessary, provision for impairment loss is made for estimated irrecoverable amounts. As at 31 December 2024 and 2025, amounts due from related companies, deposits and other receivables were fully performing.

Derivative financial instruments, restricted cash, short-term deposits and cash and cash equivalents are considered to have low credit risk. These assets are executed with creditworthy financial institutions or investment counterparties and the Groups do not expect any significant counterparty risk. Moreover, credit limits are set for individual counterparties and periodic reviews are conducted to ensure that the limits are strictly followed.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the consolidated statement of financial position. Except for the guarantees given by the Groups as disclosed in note 38, the Groups do not provide any other guarantees which would expose the Groups to credit risk.

36 FINANCIAL INSTRUMENTS (CONTINUED)

b. Liquidity risk

The Groups' policy is to regularly monitor current and expected liquidity requirements and their compliance with debt covenants, to ensure that they maintain sufficient reserves of cash and adequate lines of funding from major financial institutions to meet their liquidity requirements in the short and longer term. Management believes there is no significant liquidity risk as the Groups have sufficient cash and banking facilities to fund their operations and debt servicing requirements.

The Groups are subject to certain corporate guarantee obligations to guarantee performance of their subsidiaries in the normal course of their businesses. Refer to note 38 for details.

The following tables detail the remaining contractual maturities at the end of the reporting periods of the Groups' non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Groups can be required to pay:

In HK\$ million	2024				Total contractual undiscounted cash outflow	Carrying amount
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years		
Current liabilities						
Short-term borrowings	(3,973)	–	–	–	(3,973)	(3,934)
Trade payables	(7,212)	–	–	–	(7,212)	(7,212)
Accruals and other payables	(6,650)	–	–	–	(6,650)	(6,650)
Derivative financial instruments	(41)	–	–	–	(41)	(41)
Carrier licence fee liabilities	(327)	–	–	–	(327)	(324)
Amount due to a fellow subsidiary	(2,929)	–	–	–	(2,929)	(2,929)
Amounts due to related companies	(82)	–	–	–	(82)	(82)
Advances from customers	(301)	–	–	–	(301)	(301)
Lease liabilities	(1,103)	–	–	–	(1,103)	(1,028)
	(22,618)	–	–	–	(22,618)	(22,501)
Non-current liabilities						
Long-term borrowings (note (i))	(1,457)	(11,340)	(21,894)	(7,688)	(42,379)	(37,372)
Derivative financial instruments	(82)	(141)	(371)	(312)	(906)	(769)
Carrier licence fee liabilities	–	(336)	(1,042)	(2,329)	(3,707)	(3,198)
Lease liabilities	–	(483)	(373)	(11)	(867)	(825)
Amount due to a non-controlling interest	–	(344)	–	–	(344)	(344)
Other long-term liabilities (note (ii))	–	(30)	(941)	(2,321)	(3,292)	(2,112)
	(1,539)	(12,674)	(24,621)	(12,661)	(51,495)	(44,620)
Total	(24,157)	(12,674)	(24,621)	(12,661)	(74,113)	(67,121)

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36 FINANCIAL INSTRUMENTS (CONTINUED)**b. Liquidity risk (continued)**

In HK\$ million	2025				Total contractual undiscounted cash outflow	Carrying amount
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years		
Current liabilities						
Short-term borrowings	(5,981)	—	—	—	(5,981)	(5,884)
Trade payables	(9,762)	—	—	—	(9,762)	(9,762)
Accruals and other payables	(6,319)	—	—	—	(6,319)	(6,319)
Derivative financial instruments	(17)	—	—	—	(17)	(17)
Carrier licence fee liabilities	(388)	—	—	—	(388)	(384)
Amount due to a fellow subsidiary	(1,167)	—	—	—	(1,167)	(1,167)
Amounts due to related companies	(84)	—	—	—	(84)	(84)
Advances from customers	(313)	—	—	—	(313)	(313)
Lease liabilities	(977)	—	—	—	(977)	(891)
	(25,008)	—	—	—	(25,008)	(24,821)
Non-current liabilities						
Long-term borrowings (note (i))	(1,306)	(11,329)	(25,429)	(5,212)	(43,276)	(38,691)
Derivative financial instruments	(115)	(87)	(371)	(329)	(902)	(814)
Carrier licence fee liabilities	—	(397)	(1,223)	(2,475)	(4,095)	(3,494)
Lease liabilities	—	(571)	(771)	(419)	(1,761)	(1,619)
Amount due to a non-controlling interest	—	(337)	—	—	(337)	(337)
Other long-term liabilities (note (ii))	(300)	(319)	(2,252)	(182)	(3,053)	(2,116)
	(1,721)	(13,040)	(30,046)	(8,617)	(53,424)	(47,071)
Total	(26,729)	(13,040)	(30,046)	(8,617)	(78,432)	(71,892)

Notes:

- (i) As at 31 December 2025, bank borrowings of HK\$780 million (2024: HK\$910 million) included in long-term borrowings were for financing a 15-year 3G spectrum utilisation fee paid upfront by the Groups.
- (ii) As at 31 December 2025, other long-term liabilities included HK\$480 million (2024: HK\$704 million) of long-term interest payable, which related to interest drawn under an arrangement with a bank to receive agreed amounts by instalments to settle interest payments of a fixed-to-fixed cross currency swap contract with a notional contract amount of EUR200 million (approximately HK\$1,665 million) (2024: EUR200 million (approximately HK\$1,665 million)). Refer to notes 27(b) and 28(a) for details of the guaranteed notes and the derivative financial instruments respectively.

36 FINANCIAL INSTRUMENTS (CONTINUED)

c. Market risk

Market risk comprises foreign currency, interest rate and equity price exposure deriving from the Groups' operation, investment and funding activities. As a matter of policy, the Groups enter into cross currency swap contracts, interest rate swap contracts, foreign exchange forward contracts and other financial instruments to manage their exposure to market risk directly related to their operations and financing. The Groups do not undertake any speculative trading activities in connection with these financial instruments or enter into or acquire high market risk instruments for trading purposes.

The Finance and Management Committee, a sub-committee of the Executive Committee of the board of directors of the Company, determines the appropriate risk management activities with the aim of prudently managing the market risk associated with transactions undertaken in the normal course of the Groups' business.

All treasury risk management activities are carried out in accordance with policies and guidelines approved by the Finance and Management Committee, which are reviewed on a regular basis. Early termination and amendments to the terms of the transaction would typically occur when there are changes in the underlying assets or liabilities or in the risk management strategy of the Groups.

In the normal course of business, the Groups use the above-mentioned financial instruments to limit their exposure to adverse fluctuations in foreign exchange rates and interest rates. These instruments are executed with creditworthy financial institutions and all contracts are denominated in major currencies.

i. Foreign currency risk

The Groups operate internationally and are exposed to foreign currency risk arising from various currency exposure. Foreign currency risk arises when the Groups' recognised assets and liabilities are denominated in a currency that is not the functional currency of the relevant group entity.

The Groups' borrowings are substantially denominated in Hong Kong dollars, United States dollars and Euro. As at 31 December 2024 and 2025, all of the Groups' borrowings denominated in United States dollars/Euro were swapped into Hong Kong dollars by cross currency swap contracts and foreign exchange forward contracts. Given this, management does not expect that there will be any significant foreign currency risk associated with the Groups' borrowings. The cross currency swap contracts and foreign exchange forward contracts outstanding as at 31 December 2025 with an aggregate notional contract amount of US\$2,489 million (approximately HK\$19,317 million) (2024: US\$2,870 million (approximately HK\$22,400 million)) and EUR200 million (approximately HK\$1,665 million) (2024: EUR200 million (approximately HK\$1,665 million)) were designated as cash flow hedges against foreign currency risk.

In respect of trade receivables and payables held in currencies other than the functional currency of the operations to which they relate, the Groups ensure that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot or forward rates where necessary to address short-term imbalances. The foreign exchange forward contracts outstanding as at 31 December 2025 with an aggregate notional contract amount of US\$236 million (approximately HK\$1,821 million) (2024: nil) were designated as cash flow hedges against foreign currency risk.

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36 FINANCIAL INSTRUMENTS (CONTINUED)**c. Market risk (continued)****i. Foreign currency risk (continued)**

The following table details the Groups' exposure at the end of the reporting period to currency risk arising from significant monetary assets or liabilities denominated in foreign currencies:

In HK\$ million	2024		2025	
	United States Dollars	Euro	United States Dollars	Euro
Trade receivables	1,072	50	942	63
Short-term deposits	295	–	358	–
Cash and cash equivalents	595	85	450	42
Short-term borrowings	(3,881)	–	(5,829)	–
Trade payables	(2,558)	(53)	(2,911)	(32)
Advances from customers	(19)	–	(21)	–
Lease liabilities	(38)	(3)	(47)	(41)
Long-term borrowings	(16,955)	(1,612)	(11,173)	(1,828)
Gross exposure arising from net monetary liabilities	(21,489)	(1,533)	(18,231)	(1,796)
Net monetary (assets)/liabilities denominated in respective entities' functional currencies	(306)	(44)	(234)	19
Borrowings with hedging instruments	20,836	1,612	17,002	1,828
Overall net exposure	(959)	35	(1,463)	51

As at 31 December 2025, if the Hong Kong dollar had weakened/strengthened by 1% (2024: same) against the United States dollar, with all other variables held constant, the profit after tax of the Groups for the year would have decreased/increased by approximately HK\$12 million (2024: HK\$8 million), mainly as a result of foreign exchange losses/gains on translation of United States dollar denominated monetary assets and liabilities which are not hedged by hedging instruments. Meanwhile, the hedging reserve and costs of hedging reserve of the Groups as at 31 December 2025 would have collectively debited/credited by approximately HK\$170 million (2024: HK\$208 million), mainly as a result of foreign exchange losses/gains on the borrowings being hedged by cross currency swap contracts and foreign exchange forward contracts.

As at 31 December 2025, if the Hong Kong dollar had weakened/strengthened by 5% (2024: same) against Euro, with all other variables held constant, the profit after tax of the Groups for the year would have increased/decreased by approximately HK\$2 million (2024: HK\$1 million), mainly as a result of foreign exchange gains/losses on translation of Euro denominated monetary assets and liabilities which are not hedged by hedging instruments. Meanwhile, the hedging reserve and costs of hedging reserve of the Groups as at 31 December 2025 would have collectively debited/credited by approximately HK\$91 million (2024: HK\$81 million), mainly as a result of foreign exchange losses/gains on the long-term borrowing being hedged by a cross currency swap contract.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates occurred at the end of the reporting period and applied to the Groups' exposure to currency risk for monetary assets and liabilities in existence at those dates, and that all other variables, in particular interest rates, remained constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next annual reporting period. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any change in the movement in value of the United States dollar against other currencies. The analysis was performed on the same methodology for the years ended 31 December 2024 and 2025.

36 FINANCIAL INSTRUMENTS (CONTINUED)

c. Market risk (continued)

ii. Interest rate risk

Given the relatively insignificant amount of interest-bearing assets, the Groups' income and operating cash flows are substantially independent of changes in market interest rates.

The Groups' interest rate risk arises primarily from borrowings. Borrowings at variable rates and fixed rates expose the Groups to cash flow interest rate risk and fair value interest rate risk respectively. In addition, from time to time, the Groups draw under their revolving credit facilities which are substantially denominated in Hong Kong dollars with floating rate interest.

The Groups have entered into floating-to-fixed interest rate swap contracts to hedge the cash flow interest rate risk arising from certain floating rate borrowings.

The following table details the interest rate profile of the Groups' borrowings at the end of the reporting period, after taking into account the effect of the cash flow hedging instruments:

	2024		2025	
	Effective	HK\$ million	Effective	HK\$ million
	interest rate		interest rate	
	%		%	
Net fixed rate borrowings:				
Short-term borrowing with hedging instruments	3.85	3,881	3.13	5,829
Long-term bank borrowings with hedging instruments	4.17	4,515	3.93	6,469
Long-term borrowings with hedging instruments	3.46	18,567	3.57	13,001
Variable rate borrowings:				
Short-term bank borrowing	4.97	53	4.62	55
Long-term bank borrowings	5.32	14,290	3.84	19,221
Total borrowings		41,306		44,575

As at 31 December 2025, if the interest rate on variable rate borrowings had increased/decreased by 75 basis points (2024: same), with all other variables held constant, the profit after tax of the Groups for the year would have decreased/increased by approximately HK\$122 million (2024: HK\$91 million), mainly as a result of higher/lower interest expense on floating rate borrowings in existence at the end of the reporting period.

The sensitivity analysis has been determined assuming that the change in interest rate occurred at the end of the reporting period and applied to the Groups' exposure to interest rate risk for floating rate borrowings in existence at those dates. The 75 basis points (2024: same) increase or decrease represents management's assessment of a reasonably possible change in interest rate over the period until the end of the next annual reporting period. The analysis was performed on the same methodology for the years ended 31 December 2024 and 2025.

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36 FINANCIAL INSTRUMENTS (CONTINUED)**c. Market risk (continued)****iii. Equity price risk**

The Groups are exposed to equity price changes arising from equity investments.

Investments are held for their long-term growth potential or long-term strategic purposes. Performance of the Groups' listed investments is monitored regularly for price changes, whereas performance of the Groups' unlisted investments is assessed at least semi-annually against the performance of the associated business as well as similar listed entities, based on the limited information available to the Groups. Assessment of investment's relevance to the Groups' long-term strategic plans is also made by management on regular basis (if applicable).

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 2025 except as follows:

In HK\$ million	2024		2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term borrowings	37,372	36,223	38,691	38,238

The fair values of borrowings are the net present value of the estimated future cash flows discounted at the prevailing market rates. The fair values are within level 2 of the fair value hierarchy (as defined in note 36(e)).

e. Estimation of fair values

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

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

36 FINANCIAL INSTRUMENTS (CONTINUED)

e. Estimation of fair values (continued)

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

In HK\$ million	As at 31 December 2024			Total
	Level 1	Level 2	Level 3	
Assets				
Financial assets at FVOCI				
– Unlisted securities (non-current)	–	–	58	58
– Listed securities (non-current)	765	–	–	765
Financial assets at FVPL				
– Unlisted securities (non-current)	–	–	10	10
– Listed securities (non-current)	7	–	–	7
– Listed securities (current)	18	–	–	18
Derivative financial instruments				
– Non-current	–	58	–	58
Total assets	790	58	68	916
Liabilities				
Derivative financial instruments				
– Current	–	(41)	–	(41)
– Non-current	–	(769)	–	(769)
Total liabilities	–	(810)	–	(810)

In HK\$ million	As at 31 December 2025			Total
	Level 1	Level 2	Level 3	
Assets				
Financial assets at FVOCI				
– Unlisted securities (non-current)	–	–	58	58
– Listed securities (non-current)	47	–	–	47
Financial assets at FVPL				
– Unlisted securities (non-current)	–	–	10	10
– Listed securities (non-current)	11	–	–	11
– Listed securities (current)	21	–	–	21
Derivative financial instruments				
– Non-current	–	121	–	121
– Current	–	40	–	40
Total assets	79	161	68	308
Liabilities				
Derivative financial instruments				
– Current	–	(17)	–	(17)
– Non-current	–	(814)	–	(814)
Total liabilities	–	(831)	–	(831)

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36 FINANCIAL INSTRUMENTS (CONTINUED)

e. Estimation of fair values (continued)

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

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

Instruments included in level 3 comprised investments in unlisted instruments classified as financial assets at FVOCI or financial assets at FVPL. During the year ended 31 December 2025, there was no movement in the unlisted instruments classified as financial assets at FVPL included in level 3 (2024: same) and no movement in the unlisted instruments classified as financial assets at FVOCI included in level 3 (2024: changes in fair value of HK\$72 million).

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

There were no transfers of financial assets and liabilities between fair value hierarchy classifications during the years ended 31 December 2024 and 2025.

There were no material changes in valuation techniques during the years ended 31 December 2024 and 2025.

f. Groups' valuation process

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

37 COMMITMENTS

a. Capital

As at 31 December 2025, capital commitments authorised and contracted for by nature were as follows:

In HK\$ million	2024	2025
Acquisition of property, plant and equipment	1,612	1,664

b. Committed leases not yet commenced

As at 31 December 2025, the total future lease payments for leases committed but not yet commenced were payable as follows:

Land and buildings

In HK\$ million	2024	2025
Within 1 year	2	7
After 1 year but within 5 years	3	11
	5	18

Network capacity and equipment

In HK\$ million	2024	2025
Within 1 year	–	40
After 1 year but within 5 years	–	62
	–	102

c. Others

As at 31 December 2025, the Groups had other outstanding commitments as follows:

In HK\$ million	2024	2025
Purchase of rights to broadcast certain TV content	1,302	841
Operating expenditure commitments	961	552
	2,263	1,393

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37 COMMITMENTS (CONTINUED)**d. Lease receivables**

As at 31 December 2025, the maturity analysis of the total future minimum lease receipts under non-cancellable operating leases is as follows:

In HK\$ million	2024	2025
Within 1 year	22	21
After 1 year but within 2 years	15	8
After 2 years but within 3 years	7	–
	44	29

The Groups lease out properties under operating leases. The majority of the leases typically run for periods of 1 to 5 years (2024: 1 to 5 years). None of the leases include material contingent rentals.

38 CONTINGENT LIABILITIES

In HK\$ million	2024	2025
Performance guarantees	903	883
Others	2	2
	905	885

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

39 BANKING FACILITIES

Aggregate banking facilities as at 31 December 2025 was HK\$44,012 million (2024: HK\$37,610 million) of which the undrawn facilities amounted to HK\$18,087 million (2024: HK\$18,612 million).

Majority of the Groups' banking facilities are subject to the fulfilment of covenants relating to certain of the Groups' consolidated statement of financial position ratios, as are commonly found in lending arrangements with financial institutions. If the Groups were to breach the covenants, the drawn down facilities would become payable on demand and the undrawn facilities would be cancelled. The Groups regularly monitor their compliance with these covenants. As at 31 December 2025, the Groups were in compliance with the covenants relating to the banking facilities. Further details of the Groups' management of liquidity risk are set out in note 36(b).

Summaries of short-term and long-term borrowings are set out in notes 26(e) and 27 respectively.

40 CHANGE IN INTERESTS IN SUBSIDIARIES WITHOUT A LOSS OF CONTROL

On 26 June 2024, the Company's indirect wholly-owned subsidiary, Apex Link Communications Holdings Limited (the "Seller"), entered into a share purchase agreement with an independent third party (the "Partner"), pursuant to which the Partner shall purchase (i) 40% interest in Fiber Link Global Limited (the "Passive Netco"), an indirect wholly-owned subsidiary of the Company which would engage in the provision of copper and fibre connection access services in Hong Kong and the Greater Bay Area and operating, maintaining and extending the passive components of copper and fibre access networks and providing related services; and (ii) a receivable in the amount of HK\$344 million owing from Passive Netco to the Seller, for an aggregate consideration of US\$870 million (the "Transaction"). As at 31 December 2024, all conditions of the agreement had been fulfilled and the Transaction had been completed.

41 POSSIBLE IMPACT OF NEW AND AMENDED STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2025

Up to the date of approval of these consolidated financial statements, the HKICPA has issued the following new and amended HKFRS Accounting Standards which are not yet effective for the accounting period ended 31 December 2025 and which have not been early adopted in these consolidated financial statements:

		Effective for accounting periods beginning on or after
HKAS 28 (2011) (Amendments)	Investments in Associates and Joint Ventures	To be announced
HKFRS 7 (Amendments)	Financial Instruments: Disclosures	1 January 2026
HKFRS 9 (Amendments)	Financial Instruments	1 January 2026
HKFRS 10 (Amendments)	Consolidated Financial Statements	To be announced
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 and Amendments	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Annual Improvements to HKFRS Accounting Standards – Volume 11		1 January 2026
HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027

Apart from the above, a number of improvements and minor amendments to HKFRS Accounting Standards have also been issued by the HKICPA but they are not yet effective for the accounting period ended 31 December 2025 and have not been early adopted in these consolidated financial statements.

None of the above is expected to have a significant effect on the result of operation and financial position of the Groups.

FIVE YEAR FINANCIAL SUMMARY

For the year ended 31 December 2025

Results

In HK\$ million

	2021 (Restated)	2022	2023	2024	2025
Revenue by Principal Activity					
Telecommunications Services	22,259	22,705	22,867	23,243	23,891
Mobile	10,838	10,556	10,621	10,684	11,830
Other Businesses	864	864	842	826	832
	33,961	34,125	34,330	34,753	36,553
Cost of sales	(16,729)	(17,094)	(17,454)	(17,710)	(19,140)
General and administrative expenses	(10,127)	(9,777)	(9,130)	(8,795)	(9,124)
Other (losses)/gains, net	(8)	(8)	10	131	174
Finance costs, net	(1,148)	(1,589)	(2,134)	(2,238)	(1,720)
Share of results of equity accounted entities	(130)	(97)	(114)	(126)	(89)
Profit before income tax	5,819	5,560	5,508	6,015	6,654
Income tax	(997)	(641)	(496)	(914)	(904)
Profit for the year	4,822	4,919	5,012	5,101	5,750
Profit attributable to:					
Holders of Share Stapled Units/shares of the Company	4,808	4,901	4,991	5,070	5,286
Non-controlling interests	14	18	21	31	464

Assets and Liabilities

As at 31 December

In HK\$ million

	2021	2022	2023	2024	2025
Total non-current assets	98,477	100,035	102,675	105,928	109,033
Total current assets	11,135	11,160	9,443	10,885	12,119
Total current liabilities	(16,203)	(22,609)	(20,129)	(25,821)	(28,454)
Total non-current liabilities	(56,212)	(52,157)	(56,607)	(51,347)	(54,304)
Net assets	37,197	36,429	35,382	39,645	38,394

INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

TO THE SOLE SHAREHOLDER OF HKT MANAGEMENT LIMITED

(Incorporated in Hong Kong with limited liability)

Opinion

What we have audited

The financial statements of HKT Management Limited (the “Company”), which are set out on pages 201 to 210, comprise:

- the statement of financial position as at 31 December 2025;
- the income statement for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

The directors are responsible for the other information. The other information comprises all of the information included in the HKT Trust and HKT Limited 2025 annual report other than the financial statements of the Company, the consolidated financial statements of HKT Trust and HKT Limited and our auditor’s reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Directors and the Audit Committee for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Sean William Tuckfield (practising certificate number: P03802).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 9 February 2026

www.pwchk.com

PricewaterhouseCoopers
22/F Prince's Building, Central
Hong Kong SAR, China
T: +852 2289 8888, F: +852 2810 9888

INCOME STATEMENT OF HKT MANAGEMENT LIMITED

For the year ended 31 December 2025

In HK\$'000	Note	2024	2025
Management fee income		61	62
General and administrative expenses		(61)	(62)
Result before income tax	5	–	–
Income tax	6	–	–
Result for the year		–	–

The notes on pages 206 to 210 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME OF HKT MANAGEMENT LIMITED

For the year ended 31 December 2025

In HK\$'000	2024	2025
Result for the year	—	—
Other comprehensive income	—	—
Total comprehensive income for the year	—	—

The notes on pages 206 to 210 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION OF HKT MANAGEMENT LIMITED

As at 31 December 2025

In HK\$'000	Note	2024	2025
ASSET AND LIABILITIES			
Current asset			
Amount due from a fellow subsidiary	4(c)	667	729
		667	729
Current liabilities			
Accruals and other payables		(57)	(58)
Amounts due to fellow subsidiaries	4(c)	(610)	(671)
		(667)	(729)
Net assets		–	–
CAPITAL AND RESERVES			
Share capital	7	–	–
Reserves		–	–
Total equity		–	–

Approved and authorised for issue by the board of directors (the “Board”) on 9 February 2026 and signed on behalf of the Board by

Li Tzar Kai, Richard
Director

Hui Hon Hing, Susanna
Director

The notes on pages 206 to 210 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY OF HKT MANAGEMENT LIMITED

For the year ended 31 December 2025

In HK\$'000	2024		Total
	Share capital	Retained profits	
As at 1 January 2024	–	–	–
Total comprehensive income for the year			
Result for the year	–	–	–
Other comprehensive income	–	–	–
Total comprehensive income for the year	–	–	–
Transactions with the equity holder of the Company	–	–	–
As at 31 December 2024	–	–	–

In HK\$'000	2025		Total
	Share capital	Retained profits	
As at 1 January 2025	–	–	–
Total comprehensive income for the year			
Result for the year	–	–	–
Other comprehensive income	–	–	–
Total comprehensive income for the year	–	–	–
Transactions with the equity holder of the Company	–	–	–
As at 31 December 2025	–	–	–

The notes on pages 206 to 210 form part of these financial statements.

STATEMENT OF CASH FLOWS OF HKT MANAGEMENT LIMITED

For the year ended 31 December 2025

In HK\$'000	2024	2025
OPERATING ACTIVITIES		
Result before income tax	–	–
Adjustments for:		
Increase in amount due from a fellow subsidiary	(61)	(62)
Increase in accruals and other payables	2	1
Increase in amounts due to fellow subsidiaries	59	61
NET CASH GENERATED FROM OPERATING ACTIVITIES	–	–
INVESTING ACTIVITIES		
NET CASH GENERATED FROM INVESTING ACTIVITIES	–	–
FINANCING ACTIVITIES		
NET CASH GENERATED FROM FINANCING ACTIVITIES	–	–
NET CHANGE IN CASH AND CASH EQUIVALENTS	–	–
CASH AND CASH EQUIVALENTS		
Beginning of year	–	–
End of year	–	–

The notes on pages 206 to 210 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS OF HKT MANAGEMENT LIMITED

31 December 2025

1 GENERAL INFORMATION

HKT Management Limited (the “Company”) was incorporated in the Hong Kong Special Administrative Region (“Hong Kong”) under the Hong Kong Companies Ordinance on 14 June 2011. Its registered office is located at 39th Floor, PCCW Tower, Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong. The Company is an indirect wholly-owned subsidiary of PCCW Limited, which is also the ultimate holding company of the Company incorporated in Hong Kong with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the United States.

The Company has a limited and specific role, which is to administer the HKT Trust.

The financial statements are presented in Hong Kong dollars, unless otherwise stated.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

a. Statement of compliance

HKT Management Limited’s financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which is a collective term for all individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the requirements of the Hong Kong Companies Ordinance (Cap. 622). A summary of the material accounting policies adopted by the Company is set out below.

b. Basis of preparation of the financial statements

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

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

The Company has not early adopted any new or amended HKFRS Accounting Standards that are not yet effective for the current accounting period, details of which are set out in note 10.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of judgements about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

c. Impairment of assets

The Company assesses on forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost.

For intercompany receivable, the Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition by considering available reasonable and supportive forward-looking information. Considerations may include:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of the borrower in the Company and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is delinquent and in default status when there are unsettled amounts remaining on the account on the day after the invoice due date.

At each reporting date, the Company measures the loss allowance for the intercompany receivable at an amount equal to the lifetime expected credit losses if the credit risk on that intercompany receivable has increased significantly since initial recognition. If, at the reporting date, the credit risk on an intercompany receivable has not increased significantly since initial recognition, the Company measures the loss allowance for that intercompany receivable at an amount equal to 12-month expected credit losses.

Intercompany receivable is written off when there is no reasonable expectation of recovery. The Company categorises an intercompany receivable for write-off when the intercompany fails to make contractual payments for a period greater than the predefined limit. Where the receivable has been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the income statement.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

d. Related parties

For the purposes of these financial statements, a party is considered to be related to the Company if:

- i. a person or a close member of that person's family is related to the Company if that person:
 - (1) has control or joint control of the Company;
 - (2) has significant influence over the Company; or
 - (3) is a member of the key management personnel of the Company or of the Company's parent.
- ii. an entity is related to the Company if any of the following conditions applies:
 - (1) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (2) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (3) both entities are joint ventures of the same third party.
 - (4) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (5) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
 - (6) the entity is controlled or jointly controlled by a person identified in (i).
 - (7) a person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (8) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company has no accounting estimates and judgements that would significantly affect its results and financial position.

4 RELATED PARTY TRANSACTION

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

In HK\$'000	2024	2025
Management fee receivable from a fellow subsidiary	61	62

- This transaction was carried out after negotiations between the Company and the related party in the ordinary course of business and on the basis of estimated market value as determined by the directors.
- The directors' emoluments of the Company were borne by a fellow subsidiary of the Company for the years ended 31 December 2024 and 2025.
- The amounts due from/to fellow subsidiaries are unsecured, non-interest bearing, and have no fixed repayment terms.

5 RESULT BEFORE INCOME TAX

Result before income tax was stated after charging the following:

In HK\$'000	2024	2025
Auditor's remuneration	59	60

6 INCOME TAX

No Hong Kong profits tax has been provided as the Company did not have any assessable profit during the years ended 31 December 2024 and 2025.

No deferred income tax asset and liability was recognised as at 31 December 2024 and 2025.

7 SHARE CAPITAL

	2024		2025	
	Number of share	Share capital HK\$	Number of share	Share capital HK\$
Issued and fully paid:				
Ordinary share of no par value				
Beginning and end of year	1	1	1	1

8 CAPITAL MANAGEMENT

The Company has a specific and limited role to administer the HKT Trust. It is not actively engaged in running the businesses which are managed by HKT Limited, a fellow subsidiary of the Company, and the operating subsidiaries of HKT Limited. Therefore, the Company is not subject to externally imposed capital requirements.

9 FINANCIAL INSTRUMENTS

As the principal activity of the Company is to administer the HKT Trust, the Company is not exposed to credit, liquidity and market risk (including foreign currency risk and interest rate risk). Risk management is carried out under policies approved by the Board.

31 December 2025

10 POSSIBLE IMPACT OF NEW AND AMENDED STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2025

Up to the date of approval of these financial statements, the HKICPA has issued the following new and amended HKFRS Accounting Standards which are not yet effective for the accounting period ended 31 December 2025 and which have not been early adopted in these financial statements:

	Effective for accounting periods beginning on or after
HKAS 28 (2011) (Amendments) Investments in Associates and Joint Ventures	To be announced
HKFRS 7 (Amendments) Financial Instruments: Disclosures	1 January 2026
HKFRS 9 (Amendments) Financial Instruments	1 January 2026
HKFRS 10 (Amendments) Consolidated Financial Statements	To be announced
HKFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 and Amendments Subsidiaries without Public Accountability: Disclosures	1 January 2027
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HK Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027

Apart from the above, a number of improvements and minor amendments to HKFRS Accounting Standards have also been issued by the HKICPA but they are not yet effective for the accounting period ended 31 December 2025 and have not been early adopted in these financial statements.

None of the above is expected to have a significant effect on the result of operation and financial position of the Company.

CORPORATE INFORMATION

HKT LIMITED

(incorporated in the Cayman Islands with limited liability)

BOARD OF DIRECTORS

Executive Directors

Li Tzar Kai, Richard (*Executive Chairman*)

Hui Hon Hing, Susanna (*Group Managing Director*)

Non-Executive Directors

Peter Anthony Allen

Chung Cho Yee, Mico

Tang Yongbo

Zhao Xingfu

Independent Non-Executive Directors

Chang Hsin Kang

Sunil Varma

Aman Mehta

Frances Waikwun Wong

Charlene Dawes

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

Cheung Hok Chee, Vanessa

REGISTERED OFFICE

PO Box 309, Uglan House

Grand Cayman, KY1-1104

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

39th Floor, PCCW Tower

Taikoo Place, 979 King's Road

Quarry Bay, Hong Kong

SHARE STAPLED UNITS INFORMATION

Board lot: 1,000 units

Issued units as at 31 December 2025: 7,582,398,399 units

DISTRIBUTION

Distribution per share stapled unit for the year ended 31 December 2025:

Interim 33.80 HK cents

Final 47.97 HK cents*

* Subject to the approval of holders of share stapled units at the 2026 Annual General Meeting

FINANCIAL CALENDAR

Announcement of 2025 Annual Results 9 February 2026

2026 Annual General Meeting 21 May 2026

Closure of books 28-29 May 2026
(both days inclusive)

Record date for 2025 final distribution 29 May 2026

Payment of 2025 final distribution on or around 17 June 2026

INVESTOR RELATIONS CONTACT

Email: ir@hkt.com

HKT MANAGEMENT LIMITED

(incorporated in Hong Kong with limited liability)

(THE TRUSTEE-MANAGER OF THE HKT TRUST)

BOARD OF DIRECTORS

Executive Directors

Li Tzar Kai, Richard (*Executive Chairman*)

Hui Hon Hing, Susanna (*Group Managing Director*)

Non-Executive Directors

Peter Anthony Allen

Chung Cho Yee, Mico

Tang Yongbo

Zhao Xingfu

Independent Non-Executive Directors

Chang Hsin Kang

Sunil Varma

Aman Mehta

Frances Waikwun Wong

Charlene Dawes

REGISTERED OFFICE

39th Floor, PCCW Tower

Taikoo Place, 979 King's Road

Quarry Bay, Hong Kong

PRINCIPAL SHARE REGISTRAR

Maples Fund Services (Cayman) Limited

PO Box 1093, Boundary Hall, Cricket Square

Grand Cayman, KY1-1102

Cayman Islands

SHARE STAPLED UNITS REGISTRAR AND HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716

17th Floor, Hopewell Centre

183 Queen's Road East

Wan Chai, Hong Kong

Telephone: +852 2862 8555

Fax: +852 2865 0990

Website: www.computershare.com/hk/contact

LISTINGS

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

STOCK CODES

The Stock Exchange of Hong Kong Limited

06823

Reuters

6823.HK

Bloomberg

6823 HK

WEBSITE OF HKT LIMITED

www.hkt.com

ANNUAL REPORT 2025

This Annual Report 2025 in both English and Chinese is now available in printed form from HKT Limited, HKT Management Limited and the Share Stapled Units Registrar, and in accessible format on the websites of HKT Limited (www.hkt.com/ir) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk).

Holders of share stapled units who:

- A) received the Annual Report 2025 using electronic means through the website of HKT Limited may request a printed copy, or
- B) received the Annual Report 2025 in either English or Chinese may request a printed copy of the other language version

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

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

Holders of share stapled units who have chosen (or are deemed to have agreed) to receive the corporate communications of the HKT Trust, HKT Limited and HKT Management Limited (including but not limited to the Annual Report 2025) using electronic means through the website of HKT Limited and who, for any reason, have difficulty in receiving or gaining access to the Annual Report 2025 will promptly, upon request in writing or by email to the Share Stapled Units Registrar, be sent the Annual Report 2025 in printed form, free of charge.

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

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

HKT Limited (Incorporated in the Cayman Islands with limited liability)

Principal Place of Business in Hong Kong:
39/F, PCCW Tower, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
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The Share Stapled Units are listed on The Stock Exchange of Hong Kong Limited (SEHK: 6823)

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