

## GENERAL ANNOUNCEMENT::ANNOUNCEMENT RELATING TO PCCW LIMITED

### Issuer & Securities

#### Issuer/ Manager

PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

#### Securities

PACIFIC CENTURY REGIONAL DEVTS - SG1J17886040 - P15

#### Stapled Security

No

### Announcement Details

#### Announcement Title

General Announcement

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Announcement Relating to PCCW Limited

#### Announcement Reference

SG200807OTHRZRXS

#### Submitted By (Co./ Ind. Name)

Lim Beng Jin

#### Designation

Company Secretary

#### Description (Please provide a detailed description of the event in the box below)

The Board of Directors of Pacific Century Regional Developments Limited ("PCRD") refers to the announcement made by its associated company, PCCW Limited ("PCCW"), which is listed on The Stock Exchange of Hong Kong Limited, on 6 August 2020 (the "PCCW Announcement"). The PCCW Announcement relates to a conditional voluntary cash partial offer by Standard Chartered Bank (Hong Kong) Limited on behalf of Trade Champion Limited to acquire 154,592,765 ordinary shares of no par value in the share capital of PCCW ("PCCW Shares"), representing approximately 2.00% of the PCCW Shares in issue, from Qualifying Shareholders (as defined in the PCCW Announcement). PCRD is not a Qualifying Shareholder for the purposes of the aforementioned partial offer.

The detailed announcement from PCCW is attached.

By Order of the Board  
Lim Beng Jin  
Company Secretary  
7 August 2020

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#### Attachments

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[PCCW-Joint Announcement 2020.pdf](#)

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Total size = 129K MB

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*This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.*

**Trade Champion Limited**  
(Incorporated in the Cayman Islands with limited liability)



**PCCW Limited**  
電訊盈科有限公司  
(Incorporated in Hong Kong with limited liability)  
(Stock Code: 0008)

## **JOINT ANNOUNCEMENT**

### **VOLUNTARY CASH PARTIAL OFFER BY STANDARD CHARTERED BANK (HONG KONG) LIMITED ON BEHALF OF THE OFFEROR TO ACQUIRE 154,592,765 SHARES IN THE SHARE CAPITAL OF THE COMPANY FROM QUALIFYING SHAREHOLDERS**

**Financial adviser to the Offeror**



#### **THE PARTIAL OFFER**

The Offeror and the Company jointly announce that SCB, on behalf of the Offeror, will make a conditional voluntary cash partial offer to Qualifying Shareholders to acquire 154,592,765 Offer Shares (representing approximately 2.00% of the Shares in issue, or approximately 2.82% of the Shares in issue held by the Qualifying Shareholders as at the date of this Announcement), at the Offer Price of HK\$5.20 per Share.

The Offeror has applied for, and the Executive has given, consent for the making of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code.

It is intended that following closing of the Partial Offer, the Company will maintain its listing on the Stock Exchange.

The aggregate cash consideration payable by the Offeror under the Partial Offer will amount to approximately HK\$803,882,378. The Offeror intends to finance the cash required for the Partial Offer from internal cash resources. SCB, as the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the aggregate cash consideration payable under the Partial Offer.

## **BENEFITS TO THE QUALIFYING SHAREHOLDERS**

Upon the Partial Offer becoming unconditional, each Qualifying Shareholder:

- (a) will receive a payment of HK\$5.20 in cash for every Share in respect of which that Qualifying Shareholder validly accepts the Partial Offer and which is taken up by the Offeror under the Partial Offer (less the seller's ad valorem stamp duty arising therefrom); and
- (b) will have the opportunity of retaining an interest in the Company going forward.

Each Qualifying Shareholder will also be entitled to the Interim Cash Dividend and the Dividend in Specie in respect of each Share held as at the Record Date (whether or not such Qualifying Shareholder accepts the Partial Offer in respect of some or all of its Offer Shares).

## **GENERAL**

It is expected that the Composite Document containing, among other things, (i) further details of the Partial Offer; (ii) the recommendation from the Independent Board Committee to the Qualifying Shareholders; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Partial Offer; and (iv) the form of acceptance, will be jointly despatched by the Offeror and the Company to the Qualifying Shareholders within 21 days of the date of this Announcement in accordance with the Takeovers Code.

The Independent Board Committee comprising all non-executive Directors will be established to make a recommendation to the Qualifying Shareholders as to whether the terms of the Partial Offer are fair and reasonable and as to acceptance. An independent financial adviser will be appointed in due course (with the approval of the Independent Board Committee) to advise the Independent Board Committee in respect of the Partial Offer. An announcement shall be made by the Company upon the establishment of the Independent Board Committee and the appointment of an independent financial adviser.

**WARNING: Shareholders and potential investors of the Company should note that the Partial Offer will be subject to the satisfaction of the conditions. Accordingly, the Partial Offer may or may not become unconditional. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their professional advisers.**

## **NOTICE TO U.S. HOLDERS OF SHARES**

*The Partial Offer is being made for the securities of a company incorporated in Hong Kong with limited liability and is subject to Hong Kong disclosure and other procedural requirements, which are different from those of the USA. The financial information included in this joint announcement has been prepared in accordance with Hong Kong Financial Reporting Standards and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the USA. The Partial Offer will be made in the USA pursuant to the applicable U.S. tender offer rules or certain available exemptions or exceptions therefrom and otherwise in accordance with the requirements of the SFO. Accordingly, the Partial Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and law.*

*The receipt of cash pursuant to the Partial Offer by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of acceptance of the Partial Offer.*

*U.S. holders of Shares may encounter difficulty enforcing their rights and any claims arising out of the U.S. federal securities laws, as each of the Offeror and the Company is located in a country outside the USA and some or all of their respective officers and directors may be residents of a country other than the United States. U.S. holders of Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, U.S. holders of Shares may encounter difficulty compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.*

## **THE PARTIAL OFFER**

The Offeror and the Company jointly announce that SCB, on behalf of the Offeror, will make a conditional voluntary cash partial offer to Qualifying Shareholders to acquire 154,592,765 Offer Shares (representing approximately 2.00% of the Shares in issue as at the date of this Announcement, or approximately 2.82% of the Shares in issue held by the Qualifying Shareholders as at the date of this Announcement).

The Offeror has applied for, and the Executive has given, consent for the making of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code.

As at the date of this Announcement, there are 7,729,638,249 Shares in issue. Further details of the shareholding structure of the Company are set out in the section headed “*Shareholding structure of the Company and effect of the Partial Offer*” below.

### **Offer Price**

The Partial Offer will be made at the following price:

For each Offer Share ..... HK\$5.20 in cash

Reference is made to the announcement of the Company on August 6, 2020 in which the Company has declared (i) an interim cash dividend to Shareholders of 9.18 HK cents in respect of each Share they hold as at the Record Date (the “**Interim Cash Dividend**”); and (ii) a special interim dividend in the form of a distribution in specie to Shareholders of 85 PCPD Shares for every 1,000 Shares they hold as at the Record Date, provided however that if the Bondholders’ Consent is obtained by September 1, 2020, the amount of the distribution in specie will be increased to 108 PCPD Shares for every 1,000 Shares they hold as at the Record Date (the “**Dividend in Specie**”). If the Bondholders’ Consent is not obtained by September 1, 2020, the Dividend in Specie will not be increased and will remain at 85 PCPD Shares for every 1,000 Shares held as at the Record Date. The implied value of the Dividend in Specie (assuming that the Bondholders’ Consent is obtained and based on the closing price of HK\$1.38 per PCPD Share as at the Last Trading Day) is 14.90 HK cents per Share (the “**Dividend in Specie Value**”).

The Offeror will not receive the Interim Cash Dividend or the Dividend in Specie in respect of the Offer Shares, and the Offer Price has been determined on that basis.

### **Conditions of the Partial Offer**

The Partial Offer will be subject to the fulfilment of the following conditions on the First Closing Date (unless the First Closing Date is extended in accordance with the Takeovers Code):

- (i) acceptances being received in respect of 154,592,765 Offer Shares for the Partial Offer; and
- (ii) approval of the Partial Offer pursuant to Rule 28.5 of the Takeovers Code by Qualifying Shareholders who are registered as Shareholders in the register of members of the Company as at the First Closing Date holding over 50% of the Shares not held by the Offeror and parties acting, or presumed to be acting, in concert with it, signified by means of a separate tick box on the form of acceptance specifying the number of Shares in respect of which the Partial Offer is approved.

**Whether or not the Qualifying Shareholders accept the Partial Offer, they may approve the Partial Offer AND specify the number of Shares in respect of which they signify their approval of the Partial Offer in the form of acceptance.**

In the event that the conditions of the Partial Offer are not fulfilled, unless the First Closing Date is extended in accordance with the Takeovers Code, the Partial Offer will not proceed and will immediately lapse.

Pursuant to Rule 15.1 of the Takeovers Code, the Partial Offer must initially be open for acceptance for at least 21 days following the Despatch Date.

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter.

Accordingly, if the Partial Offer is declared unconditional in all respects on or before the 7th day after the Despatch Date, then the Final Closing Date would be on (but no earlier than) the First Closing Date. If the Partial Offer is declared unconditional in all respects later than the 7th day after the Despatch Date, then the Final Closing Date would be at least 14 days after the date of such declaration.

Pursuant to Rule 28.4 of the Takeovers Code, if the Partial Offer has been approved for the purposes of Rule 28.5 of the Takeovers Code by Qualifying Shareholders who are registered as Shareholders in the register of members of the Company as at the First Closing Date holding over 50% of the Shares not held by the Offeror and parties acting, and presumed to be acting, in concert with it, and has been declared unconditional as to acceptances on the First Closing Date, the Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

**WARNING: Shareholders and potential investors of the Company should note that the Partial Offer will be subject to the satisfaction of the conditions. Accordingly, the Partial Offer may or may not become unconditional. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their professional advisers.**

## **VALUE OF THE PARTIAL OFFER**

### **Comparison of value**

The Offer Price of HK\$5.20 per Offer Share represents:

- (i) a premium of approximately 15.81% over the closing price of HK\$4.49 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 17.59% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 18.10% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 17.85% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;

- (v) a premium of approximately 207.69% to the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$1.69 per Share as at June 30, 2020, calculated based on the unaudited consolidated net asset value attributable to the Shareholders of HK\$13,071 million as at June 30, 2020 and 7,729,638,249 Shares in issue as at the date of this Announcement;
- (vi) a premium of approximately 158.71% to the audited consolidated net asset value attributable to the Shareholders of approximately HK\$2.01 per Share as at December 31, 2019, calculated based on the audited consolidated net asset value attributable to the Shareholders of HK\$15,538 million as at December 31, 2019 and 7,729,638,249 Shares in issue as at the date of this Announcement; and
- (vii) taking into consideration the Interim Cash Dividend and the Dividend in Specie, a premium of approximately 22.35% over the implied ex-dividend price of HK\$4.25 per Share (being the closing price of the Shares as at the Last Trading Day, adjusted for the Interim Cash Dividend and the Dividend in Specie Value). For the avoidance of doubt, the Interim Cash Dividend and the Dividend in Specie are made independently of the Partial Offer and each Qualifying Shareholder will be entitled to the Interim Cash Dividend and the Dividend in Specie in respect of each Share held as at the Record Date whether or not such Qualifying Shareholder accepts the Partial Offer in respect of some or all of its Offer Shares.

### **Highest and lowest Share prices**

During the six-month period preceding the date of this Announcement and up to the Last Trading Day, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$4.82 on February 24, 2020 and HK\$3.92 on March 23, 2020, respectively.

### **Total consideration of the Partial Offer**

The aggregate cash consideration payable by the Offeror for the relevant Offer Shares under the Partial Offer is approximately HK\$803,882,378.

### **BENEFITS TO THE QUALIFYING SHAREHOLDERS**

Upon the Partial Offer becoming unconditional, each Qualifying Shareholder:

- (a) will receive a payment of HK\$5.20 in cash for every Share in respect of which that Qualifying Shareholder validly accepts the Partial Offer and which is taken up by the Offeror under the Partial Offer (less the seller's ad valorem stamp duty arising therefrom); and
- (b) will have the opportunity of retaining an interest in the Company going forward.

Each Qualifying Shareholder will also be entitled to the Interim Cash Dividend and the Dividend in Specie in respect of each Share held as at the Record Date (whether or not such Qualifying Shareholder accepts the Partial Offer in respect of some or all of its Offer Shares).

### **OTHER TERMS OF THE PARTIAL OFFER**

#### **Acceptance of the Partial Offer**

The number of Shares to be taken up by the Offeror pursuant to the Partial Offer is 154,592,765 Shares which represent approximately 2.00% and 2.82% of the 7,729,638,249 Shares in issue and of the 5,482,273,723 Shares held by the Qualifying Shareholders, respectively, as of the date of this Announcement.



While the number of Shares to be taken up by the Offeror pursuant to the Partial Offer represents approximately 2.82% of the Shares held by the Qualifying Shareholders as at the date of this Announcement, Qualifying Shareholders may accept the Partial Offer in respect of **some (which may be more than such percentage) or all** of the Shares held by them. Subject to the Partial Offer becoming unconditional in all respects: (i) if valid acceptances are received for 154,592,765 Shares, all Shares validly accepted will be taken up; and (ii) if valid acceptances are received for more than 154,592,765 Shares, the total number of Shares to be taken up by the Offeror from each accepting Qualifying Shareholder will be determined by the total number of Offer Shares tendered for acceptance in accordance with the following formula:

$$\frac{A}{B} \times C$$

- A = 154,592,765 Shares, being the total number of Shares for which the Partial Offer is made
- B = the total number of Shares tendered by all Qualifying Shareholders under the Partial Offer
- C = the number of Shares tendered by the relevant individual Qualifying Shareholder under the Partial Offer

### **Partial nature of the Partial Offer and Effect of Fractions**

It is possible that, if a Qualifying Shareholder tenders all his/her Shares for acceptance under the Partial Offer, not all of such securities will be taken up.

Fractions of Shares will not be taken up under the Partial Offer and, accordingly, the number of Shares that the Offeror will take up from each Qualifying Shareholder in accordance with the above formula will be rounded up or down to the nearest whole number at the discretion of the Offeror.

### **Odd lots**

Shareholders should note that acceptance of the Partial Offer may result in their holding odd lots of Shares. Accordingly, it is intended that a designated broker will be appointed by the Offeror to match sales and purchases of odd lot holdings of Shares in the market for a reasonable time period following the closing of the Partial Offer to enable such Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots. Details of such arrangement will be disclosed in the Composite Document.

### **Effect of accepting the Partial Offer**

Acceptance of the Partial Offer by any Shareholder will constitute a warranty by such Shareholder to the Offeror that the Shares sold by it to the Offeror under the Partial Offer are fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Final Closing Date, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after, the Final Closing Date (other than the Interim Cash Dividend and the Dividend in Specie). No dividends or other distributions (other than the Interim Cash Dividend and the Dividend in Specie) are expected to be declared, made or paid prior to the Final Closing Date.

Acceptance of the Partial Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

### **Settlement of consideration**

Settlement of the consideration payable by the Offeror in respect of acceptance of the Partial Offer will be made as soon as possible but in any event within seven business days (as defined in



the Takeovers Code) of the Final Closing Date. Further details regarding the timing of settlement of the consideration payable by the Offeror in respect of acceptance of the Partial Offer will be set out in the Composite Document.

## **CONFIRMATION OF FINANCIAL RESOURCES**

The Offeror intends to finance the cash required for the Partial Offer from internal cash resources. SCB, as the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the aggregate cash consideration payable under the Partial Offer.

## **PUBLIC FLOAT**

The Company has a public float of approximately 52.49% of the Shares in issue as at the date of this Announcement. Assuming that the Partial Offer is completed, the Company will have a public float of approximately 50.49% of the Shares in issue immediately following completion of the Partial Offer (assuming there are no changes to the total number of Shares in issue after the date of this Announcement) and accordingly the number of Shares in public hands will continue to meet the 25% minimum public float requirement under Rule 8.08 of the Listing Rules.

## **REASONS FOR THE PARTIAL OFFER AND INTENTION OF THE OFFEROR**

A key rationale for the Partial Offer is to provide the Company with greater flexibility to manage its capital structure. In light of the Principal's current holdings (see the section headed "*Shareholding structure of the Company and effect of the Partial Offer*" below), the Company is restricted from pursuing share repurchases opportunistically without potentially triggering a mandatory general offer by the Principal under the Takeovers Code. Assuming that the Partial Offer is completed, it would give the Company additional flexibility (within the limit of the creeper requirements under the Takeovers Code).

Reference is made to the announcements of the Company on August 6, 2020 in which the Company has: (i) announced the proposed transfer of PCCW Media Limited to the HKT Group and a strategic review of PCCW International OTT (Cayman Islands) Holdings Limited; and (ii) has declared the Dividend in Specie which will leave the Company with a reduced interest in Pacific Century Premium Developments Limited (Stock Code: 0432). The Offeror intends that the existing businesses, staffing and assets deployment of the Group in the ordinary course be continued (including as set out in the announcements of the Company on August 6, 2020) and considers that the Group should continue to review its strategy and focus to best suit the operating environment of the Group.

## **GENERAL**

It is expected that the Composite Document containing, among other things, (i) further details of the Partial Offer; (ii) the recommendation from the Independent Board Committee to the Qualifying Shareholders; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Partial Offer; and (iv) the form of acceptance, will be jointly despatched by the Offeror and the Company to the Qualifying Shareholders within 21 days of the date of this Announcement in accordance with the Takeovers Code.

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising all non-executive Directors will be established to make a recommendation to the Qualifying Shareholders as to whether the terms of the Partial Offer are fair and reasonable and as to acceptance. An independent financial adviser will be appointed in due course (with the approval of the Independent Board Committee) to advise the Independent Board Committee in respect of the Partial Offer and in particular as to whether the terms of the Partial Offer are fair and reasonable and as to acceptance. An announcement shall be made by the Company upon the establishment of the Independent Board Committee and the appointment of an independent financial adviser.

## **MISCELLANEOUS**

### **Information about the Offeror**

The Offeror is a limited company incorporated in the Cayman Islands and the sole director of the Offeror is Fung Jenny Wai Ling.

The entire issued share capital of the Offeror is indirectly held by the Principal. The Principal is an Executive Director and the Chairman of the Company.

### **Information about the Group**

As at the date of this Announcement, the Group is principally engaged in the provision of telecommunications and related services which include local telephony, local data and broadband, international telecommunications, mobile, enterprise solutions and other telecommunications businesses such as customer premises equipment sales, outsourcing, consulting, and contact centers; the provision of interactive pay-TV services, over-the-top (OTT) digital media entertainment services in Hong Kong, the Asia Pacific Region and other parts of the world; investments in, and development of, systems integration, network engineering, and information technology-related businesses; and development and management of premium-grade property and infrastructure projects as well as premium-grade property investments. Through HK Television Entertainment Company Limited, the Company also operates a domestic free television service in Hong Kong.

Reference is made to the announcements of the Company on August 6, 2020 in which the Company: (i) has announced the proposed transfer of PCCW Media Limited to the HKT Group and a strategic review of PCCW International OTT (Cayman Islands) Holdings Limited; and (ii) has declared the Dividend in Specie which will leave the Company with a reduced interest in Pacific Century Premium Developments Limited (Stock Code: 0432).

### **Overseas Shareholders**

The availability of the Partial Offer to persons who are not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, seek their own legal advice. It is the responsibility of those Shareholders who wish to accept the Partial Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Partial Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Shareholders in respect of such jurisdictions).

Acceptance of the Partial Offer by any Shareholder will be deemed to constitute a representation and warranty from such Shareholder to the Offeror that the local laws and requirements have been complied with and that the Partial Offer can be accepted by such Shareholder lawfully under the laws of the relevant jurisdiction. Shareholders should consult their professional advisers if in doubt.

In the event that the despatch of the Composite Document to any overseas Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that are unduly burdensome, subject to the Executive's waiver, the Composite Document will not be despatched to such overseas Shareholders. The Offeror will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

## **Hong Kong stamp duty**

In Hong Kong, the seller's ad valorem stamp duty arising in connection with acceptance of the Partial Offer will be payable by the relevant Qualifying Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Partial Offer, whichever is higher, which will be deducted from the cash amount payable by the Offeror to such Qualifying Shareholder on acceptance of the Partial Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty will be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Qualifying Shareholders accepting the Partial Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Partial Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

**Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Partial Offer. None of the Offeror, SCB and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Partial Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Partial Offer.**

## **Interests and other arrangements**

As at the date of this Announcement,

- (i) the Offeror and parties acting, and presumed to be acting, in concert with it are interested in an aggregate of 2,247,364,526 Shares (representing approximately 29.07% of the total number of Shares in issue). Save for the aforesaid, neither the Offeror nor parties acting, or presumed to be acting, in concert with it hold any Shares, convertible securities, warrants or options in respect of Shares or any other voting rights or rights over the Shares or any outstanding derivatives in respect of securities in the Company entered into by the Offeror or any party acting, or presumed to be acting, in concert with it;
- (ii) none of the Offeror and its concert parties has received any irrevocable commitment to accept the Partial Offer;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares and which might be material to the Partial Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) there is no agreement or arrangement to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a condition of the Partial Offer;
- (v) none of the Offeror and its concert parties has borrowed or lent any relevant securities in the Company, save for any borrowed Shares which have been either on-lent or sold;
- (vi) other than the Offer Price under the Partial Offer, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or parties acting in concert with it in connection with the Partial Offer;
- (vii) there is no understanding, arrangement, agreement or special deal (under Rule 25 of the Takeovers Code) between the Offeror or parties acting in concert with it on the one hand, and Shareholders or parties acting in concert with them on the other hand; and

(viii) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) the Offeror or parties acting, or presumed to be acting, in concert with it or (b) the Company, its subsidiaries or associated companies.

Neither the Offeror nor any person acting in concert with it has acquired any voting rights or rights over Shares during the six months immediately prior to the date of this Announcement.

### Shareholding structure of the Company and effect of the Partial Offer

Assuming that there will be no change to the issued share capital of the Company between the date of this Announcement and up to the Closing Date, the shareholding structure of the Company, as at the date of this Announcement and after the closing of the Partial Offer, is set out below:

	As at the date of this Announcement		Immediately after the completion of the Partial Offer and assuming all Qualifying Shareholders validly elect to accept the Partial Offer and there are no other changes to the shareholdings held by all parties	
	Approx. No. of Shares	%	Approx. No. of Shares	%
<b>Offeror and concert parties</b>				
The Offeror	0	0	154,592,765	2.00
The Principal (Note 1)	2,236,536,593	28.93	2,236,536,593	28.93
Fung Jenny Wai Ling (Note 2)	6,400	0.0001	6,400	0.0001
<b>Sub-total of Offeror and parties acting in concert with it (Note 3)</b>	<b>2,236,542,993</b>	<b>28.93</b>	<b>2,391,135,758</b>	<b>30.93</b>
<b>Directors (excluding the Principal) (Note 4)</b>				
Hui Hon Hing, Susanna	7,242,175	0.09	7,242,175	0.09
Srinivas Bangalore Gangaiah	2,218,768	0.03	2,218,768	0.03
Lee Chi Hong, Robert	993,111	0.01	993,111	0.01
Tse Sze Wing, Edmund	367,479	0.005	367,479	0.005
<b>Sub-total of Directors (excluding the Principal)</b>	<b>10,821,533</b>	<b>0.14</b>	<b>10,821,533</b>	<b>0.14</b>
<b>Sub-total of Offeror and parties acting, and presumed to be acting, in concert with it</b>	<b>2,247,364,526</b>	<b>29.07</b>	<b>2,401,957,291</b>	<b>31.07</b>
<b>Substantial shareholders (Note 5)</b>				
China Unicom Network Communications Group Company Limited ("Unicom") (Note 6)	1,424,935,885	18.43	1,424,935,885	18.43
BlackRock, Inc.	461,014,040	5.96	461,014,040	5.96
<b>Trustee (Note 7)</b>	<b>11,808,749</b>	<b>0.15</b>	<b>11,808,749</b>	<b>0.15</b>
<b>Other Shareholders</b>	<b>3,584,515,049</b>	<b>46.37</b>	<b>3,429,922,284</b>	<b>44.37</b>
<b>Total</b>	<b>7,729,638,249</b>	<b>100.00</b>	<b>7,729,638,249</b>	<b>100.00</b>

1. The Principal's shareholding after the completion of the Partial Offer is expressed without taking into account the Shares to be acquired by the Offeror, in which the Principal will be interested as ultimate beneficial owner of the Offeror. After the completion of the Partial Offer, the Principal, together with his concert parties, will be interested in aggregate in 2,391,135,758 Shares (representing approximately 30.93% of the existing total number of Shares in issue).
2. Fung Jenny Wai Ling, the sole director of the Offeror, is presumed to be acting in concert with the Offeror under the Takeovers Code. Fung Jenny Wai Ling is taken for the purposes of the Takeovers Code to be interested in 6,400 Shares held by a close relative. Fung Jenny Wai Ling was deemed to be interested in the shareholdings of the related trusts of the Principal under Part XV of the SFO as she controlled the exercise of one-third or more of the voting power at general meetings of certain companies operating such related trusts.
3. SCB is the financial adviser to the Offeror in respect of the Partial Offer. Accordingly, SCB and persons controlling, controlled by or under the same control as SCB (except exempt principal traders and exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code) are presumed to be acting in concert with the Offeror in relation to the Company in accordance with class 5 of the definition of

*“acting in concert” under the Takeovers Code. Details of holdings or borrowings or lendings of, and dealings in, Shares or derivatives in respect of them by other parts of the SCB group will be obtained as soon as possible after this joint announcement in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made if the holdings, borrowings, lendings, or dealings of the other parts of the SCB group are significant. The statements in this joint announcement as to the holdings or borrowings or lendings of, or their dealings in, Shares or derivatives in respect of Shares by parties acting in concert with the Offeror are subject to the holdings, borrowings, lendings, or dealings (if any) of the other parts of the SCB group. Notwithstanding that connected exempt principal traders within the SCB group are not acting in concert with the Offeror, Shares held by any such connected exempt principal traders must not be voted in the context of the Partial Offer in accordance with the requirements of Rule 35.4 of the Takeovers Code, unless (i) the relevant connected exempt principal trader holds the Shares as a simple custodian for and on behalf of non-discretionary clients, and (ii) there are contractual arrangements in place between the relevant connected exempt principal trader and its clients that strictly prohibit the relevant connected exempt principal trader from exercising any voting discretion over the relevant Shares, and all voting instructions shall originate from the client only, and if no instructions are given, then no votes shall be cast for the relevant Shares held by the relevant connected exempt principal trader. For this purpose, a written confirmation of the matters set out in points (i) and (ii) above and whether the relevant underlying clients are entitled to vote in the context of the Partial Offer will be submitted to the Executive prior to the publication of the Composite Document.*

4. *The Directors are presumed to be acting in concert with the Principal by virtue of class (6) of the definition of “acting in concert” under the Takeovers Code. The number of Shares held by the relevant Directors excludes any interests which are subject to certain vesting conditions pursuant to an award scheme of the Company.*
5. *The number of Shares held by the relevant Shareholders is based on the disclosure of interests published on the website of the Stock Exchange, and to the best of the knowledge of the Company.*
6. *Unicom indirectly holds these interests through China Unicom Group Corporation (BVI) Limited, a company wholly-owned by Unicom.*
7. *Under its mandate, the Trustee is a non-voting and non-participating Shareholder. As such, the Trustee will not participate in the Partial Offer in respect of the Shares that it holds.*

Save as aforesaid, as at the date of this Announcement, the Company has no other shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest.

## **Dealings disclosure**

In accordance with Rule 3.8 of the Takeovers Code, the respective associates of the Company and the Offeror (as defined under the Takeovers Code and including but not limited to any person who owns or controls 5% or more of any class of relevant securities of the Company or the Offeror) are reminded to disclose their dealings in the relevant securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below.

*“Responsibilities of stockbrokers, banks and other intermediaries Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*



## **WARNING**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their own professional advisers.**

## **DEFINITIONS**

Unless the context requires otherwise, the following expressions shall have the following meanings in this Announcement:

“acting in concert”	has the meaning given to it under the Takeovers Code
“Announcement”	this announcement
“Announcement Date”	the date of this announcement
“associate(s)”	has the meaning given to it under the Takeovers Code
“Board”	the board of Directors
“Bondholders’ Consent”	the consent of the holders or beneficial owners of U.S.\$700,000,000 4.75 per cent. guaranteed notes due 2022 issued by PCPD Capital Limited and guaranteed by Pacific Century Premium Developments Limited to the change of control of Pacific Century Premium Developments Limited if the further distribution of PCPD Shares is included as part of the Dividend in Specie
“Closing Date”	the First Closing Date of the Partial Offer or any subsequent closing date of the Partial Offer as may be extended or revised in accordance with the Takeovers Code
“Company”	PCCW Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0008) and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the United States of America (ticker: PCCWY)
“Composite Document”	the composite document to be jointly issued by the Offeror and the Company in connection with the Partial Offer in compliance with the Takeovers Code
“concert parties”	with respect to a person, parties acting in concert or presumed to acting in concert with that person for the purposes of the Takeovers Code
“Despatch Date”	the date of despatch of the Composite Document to the Shareholders as required by the Takeovers Code
“Director(s)”	director(s) of the Company for the time being
“Distribution”	any dividend, right or other distribution in respect of Shares

“Dividend in Specie”	has the meaning given to that term in the section headed “ <i>Offer Price</i> ” of this Announcement
“Dividend in Specie Value”	has the meaning given to that term in the section headed “ <i>Offer Price</i> ” of this Announcement
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“Final Closing Date”	the date which is the 14th day after (i) the date on which the Partial Offer is declared unconditional in all respects or (ii) the First Closing Date, whichever is the later, provided that the Partial Offer will be open for acceptance for at least 21 days following the Despatch Date
“First Closing Date”	the date stated in the Composite Document as the first closing day of the Partial Offer, which shall be at least 21 days following the Despatch Date, or such later date as may be extended by the Offeror in accordance with the Takeovers Code
“Group”	the Company and its subsidiaries
“HKT”	HKT Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability and registered as a non-Hong Kong company in Hong Kong, the share stapled units of which jointly issued with the HKT Trust are listed on the Hong Kong Stock Exchange (Stock Code: 6823). HKT is a subsidiary of the Company
“HKT Group”	HKT and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board comprising all of the non-executive Directors formed for the purpose of making a recommendation to the Qualifying Shareholders as to whether the terms of the Partial Offer are fair and reasonable and as to acceptance
“Interim Cash Dividend”	has the meaning given to that term in the section headed “ <i>Offer Price</i> ” of this Announcement
“Last Trading Day”	August 6, 2020, being the last trading day for the Shares immediately before the publication of this Announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Price”	HK\$5.20 for each Offer Share payable by the Offeror to the Qualifying Shareholders accepting the Partial Offer
“Offer Shares”	the Shares subject to the Partial Offer, being 154,592,765 Shares, and “Offer Share” shall be construed accordingly



“Offeror”	Trade Champion Limited, a company incorporated in the Cayman Islands with limited liability, whose ultimate beneficial shareholder is the Principal
“Partial Offer”	the conditional voluntary cash partial offer to be made by SCB on behalf of the Offeror to Qualifying Shareholders to acquire 154,592,765 Shares on the terms and conditions set out in this Announcement and to be set out in the Composite Document, and in compliance with the Takeovers Code
“PCPD Shares”	ordinary shares of HK\$0.50 each in the issued share capital of Pacific Century Premium Developments Limited (Stock Code: 0432), and “PCPD Share” shall be construed accordingly
“PRC”	the People’s Republic of China which, for the purpose of this Announcement, shall exclude the Hong Kong and Macao Special Administrative Regions of the People’s Republic of China and Taiwan
“Principal”	Li Tzar Kai, Richard
“Qualifying Shareholder”	each Shareholder other than the Offeror or any parties acting, or presumed to be acting, in concert with it, and “Qualifying Shareholders” shall be construed accordingly
“Record Date”	means September 8, 2020
“relevant securities”	has the meaning given to it under Note 4 to Rule 22 of the Takeovers Code
“rights over shares”	has the meaning given to it under the Takeovers Code
“SCB”	Standard Chartered Bank (Hong Kong) Limited
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share”	an ordinary share of no par value in the share capital of the Company, and “Shares” shall be construed accordingly
“Shareholder”	a holder of any Shares, and “Shareholders” shall be construed accordingly
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning given to it under the Listing Rules
“substantial shareholder”	has the meaning given to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Trustee”	means Computershare Hong Kong Trustees Limited, the trustee of the Company’s share award schemes
“United States”, “U.S.” or “USA”	means the United States of America, its territories and possessions, any State of the United States and the District of Columbia
“U.S. Exchange Act”	means the U.S. Securities Exchange Act of 1934, as amended
“%”	per cent.

By Order of the Sole Director of  
**Trade Champion Limited**  
**Fung Jenny Wai Ling**  
*Director*

By Order of the Board of  
**PCCW Limited**  
**Bernadette M. Lomas**  
*Group General Counsel and Company Secretary*

Hong Kong, August 6, 2020

*As at the date of this announcement, the Directors are as follows:*

***Executive Directors***

*Li Tzar Kai, Richard (Chairman); Srinivas Bangalore Gangaiah (aka BG Srinivas) (Group Managing Director); Hui Hon Hing, Susanna (Group Chief Financial Officer) and Lee Chi Hong, Robert*

***Non-Executive Directors***

*Tse Sze Wing, Edmund, GBS; Li Fushen (Deputy Chairman); Mai Yanzhou; Zhu Kebing and Wei Zhe, David*

***Independent Non-Executive Directors***

*Aman Mehta; Frances Waikwun Wong; Bryce Wayne Lee; Lars Eric Nils Rodert; David Christopher Chance and David Lawrence Herzog*

*The Directors jointly and severally accept full responsibility for the accuracy of information contained in this Announcement relating to the Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.*

*As at the date of this Announcement, the sole director of the Offeror is Fung Jenny Wai Ling.*

*The sole director of the Offeror accepts full responsibility for the accuracy of information contained in this Announcement (other than the information relating to the Group) and confirms, having made all reasonable inquiries, that to the best of her knowledge, opinions expressed in this Announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.*

*The Principal accepts full responsibility for the accuracy of information contained in this Announcement (including, in his capacity as a Director, the information relating to the Group) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this Announcement (including those expressed by him in his capacity as a Director) have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.*