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**PCCW Limited**

**電訊盈科有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 0008)**

**HKT**<sup>®</sup>

**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)*

**(Stock Code: 6823)**

## **JOINT ANNOUNCEMENT**

### **CONTINUING CONNECTED TRANSACTIONS WITH THE FWD GROUP FOR PCCW AND HKT**

#### **CONTINUING CONNECTED TRANSACTIONS**

##### ***Services provided by the HKT Group to the FWD Group and services provided by the FWD Group to the PCCW Group and the HKT Group***

Reference is made to the 2020 Announcement. The existing agreements in respect of the transactions referred to in the 2020 Announcement and described under the headings “A. Services provided by the HKT Group to the FWD Group” and “B. Services provided by the FWD Group to the PCCW Group and the HKT Group” below will expire on 31 December 2022. Accordingly, on 23 December 2022, the respective members of the PCCW Group and the HKT Group specified below entered into the relevant renewal agreements described under the headings “A. Services provided by the HKT Group to the FWD Group” and “B. Services provided by the FWD Group to the PCCW Group and the HKT Group” below with members of the FWD Group, for the provision and receipt of certain services and products by the PCCW Group and the HKT Group to or from the FWD Group for the three years ending 31 December 2025.

##### ***Branding and marketing arrangements between (i) the PCCW Group and the HKT Group and (ii) the FWD Group***

Based on transaction levels to date, the parties entered into amendment agreements to revise the respective Annual Caps for the year ending 31 December 2022 in respect of the Existing Branding and Marketing Arrangements Framework Agreements so that they would more closely reflect current projections of transaction levels between the relevant parties for the year ending 31 December 2022.

Further, the Existing Branding and Marketing Arrangements Framework Agreements will expire on 31 December 2022. Accordingly, on 23 December 2022, the respective members of the PCCW Group and the HKT Group specified below entered into the relevant Branding and Marketing Arrangements Framework Agreements described under the heading “C. Branding and marketing arrangements between (i) the PCCW Group and the HKT Group and (ii) the FWD Group” below

with members of the FWD Group, for the provision of the branding and marketing services by the PCCW Group and the HKT Group to the FWD Group for the three years ending 31 December 2025.

For the reasons explained below under the heading “*Information in relation to the FWD Group*”, members of the FWD Group are connected persons of PCCW and also connected persons of HKT Trust and HKT under the Listing Rules. The transactions contemplated by the CCT Agreements are continuing connected transactions for PCCW under Rule 14A.31 of the Listing Rules. The transactions contemplated by the HKT CCT Agreements are continuing connected transactions for HKT Trust and HKT under Rule 14A.31 of the Listing Rules.

The Annual Caps in respect of the CCT Agreements, aggregated by the respective types of services as described in this announcement, for the three years ending 31 December 2023, 2024 and 2025 are set forth below in this announcement.

### **LISTING RULES IMPLICATIONS**

Following the revision of the Annual Caps for the year ending 31 December 2022 in respect of the Existing Branding and Marketing Arrangements Framework Agreements, one or more of the applicable percentage ratios in respect of the Annual Caps for the transactions under both Existing Branding and Marketing Arrangements Framework Agreements (as amended) on an aggregated basis exceed 0.1% but all of the applicable percentage ratios are less than 5%. Accordingly, in respect of PCCW, following such revision the continuing connected transactions under the Existing Branding and Marketing Arrangements Framework Agreements (as amended) are subject to the announcement, reporting and annual review requirements, but are exempt from the independent shareholders’ approval requirement, under Chapter 14A of the Listing Rules.

In respect of PCCW, one or more of the applicable percentage ratios in respect of the Annual Caps for the CCT Agreements, when aggregated by the respective types of services as described in this announcement, exceed 0.1%, but all of the applicable percentage ratios are less than 5%. Accordingly, in respect of PCCW, the continuing connected transactions contemplated by the CCT Agreements are subject to the announcement, reporting and annual review requirements, but are exempt from the independent shareholders’ approval requirement, under Chapter 14A of the Listing Rules.

In respect of HKT Trust and HKT, one or more of the applicable percentage ratios in respect of the Annual Caps for the HKT CCT Agreements, when aggregated by the respective types of services as described in this announcement, exceed 0.1%, but all of the applicable percentage ratios are less than 5%. Accordingly, in respect of HKT Trust and HKT, the continuing connected transactions contemplated by the HKT CCT Agreements are subject to the announcement, reporting and annual review requirements, but are exempt from the independent shareholders’ approval requirement, under Chapter 14A of the Listing Rules.

## CONTINUING CONNECTED TRANSACTIONS

### ***Services provided by the HKT Group to the FWD Group and services provided by the FWD Group to the PCCW Group and the HKT Group***

Reference is made to the 2020 Announcement. The existing agreements in respect of the transactions referred to in the 2020 Announcement and described under the headings “A. *Services provided by the HKT Group to the FWD Group*” and “B. *Services provided by the FWD Group to the PCCW Group and the HKT Group*” below will expire on 31 December 2022. Accordingly, on 23 December 2022, the respective members of the PCCW Group and the HKT Group specified below entered into the relevant renewal agreements described under the headings “A. *Services provided by the HKT Group to the FWD Group*” and “B. *Services provided by the FWD Group to the PCCW Group and the HKT Group*” below with members of the FWD Group, for the provision and receipt of certain services and products by the PCCW Group and the HKT Group to or from the FWD Group for the three years ending 31 December 2025.

### ***Branding and marketing arrangements between (i) the PCCW Group and the HKT Group and (ii) the FWD Group***

Based on transaction levels to date, the parties entered into amendment agreements to revise the respective Annual Caps for the year ending 31 December 2022 in respect of the Existing Branding and Marketing Arrangements Framework Agreements so that they would more closely reflect current projections of transaction levels between the relevant parties for the year ending 31 December 2022.

Further, the Existing Branding and Marketing Arrangements Framework Agreements will expire on 31 December 2022. Accordingly, on 23 December 2022, the respective members of the PCCW Group and the HKT Group specified below entered into the relevant Branding and Marketing Arrangements Framework Agreements described under the heading “C. *Branding and marketing arrangements between (i) the PCCW Group and the HKT Group and (ii) the FWD Group*” below with members of the FWD Group, for the provision of the branding and marketing services by the PCCW Group and the HKT Group to the FWD Group for the three years ending 31 December 2025.

For the reasons explained below under the heading “*Information in relation to the FWD Group*”, members of the FWD Group are connected persons of PCCW and also connected persons of HKT Trust and HKT under the Listing Rules.

## SUMMARY OF THE PRINCIPAL TERMS OF THE CCT AGREEMENTS

The key terms of the CCT Agreements are summarised below:

### **A. *Services provided by the HKT Group to the FWD Group***

#### **(1) *Telecommunications and Related Services Agreement***

Parties:	(a) HK Telecom; and (b) FWD Group Management
Date of existing agreement:	24 December 2020
Current term:	24 December 2020 to 31 December 2022

Date of renewal agreement: 23 December 2022

Renewal term: 1 January 2023 to 31 December 2025

Under the Telecommunications and Related Services Agreement, HK Telecom has agreed to provide, or procure other members of the HKT Group to provide, telecommunications and related services to the FWD Group. Such 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 Group to the FWD Group. The services are charged at prevailing market rates for services of similar scope, scale, quality, reliability and services level that would be charged for independent third party customers, as agreed by the relevant members of the HKT Group and the FWD Group from time to time; and
2. other support services, such as computer and 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 Group to the FWD Group. The services are charged on cost-plus basis as agreed by the relevant members of the HKT Group and the FWD Group from time to time.

Set out below are the Annual Caps for the transactions under the Telecommunications and Related Services Agreement for the three years ending 31 December 2023, 2024 and 2025:

<u>2023</u>	<u>2024</u>	<u>2025</u>
HK\$125 million	HK\$150 million	HK\$150 million

These Annual Caps have been determined by the parties through arm's length negotiations based on (i) the historical transaction amounts for these services for the year ended 31 December 2021 (being approximately HK\$38 million) and the six months ended 30 June 2022 (being approximately HK\$25 million); (ii) anticipated expansion of FWD Group's business in the region and the estimated level of services required having considered the year-over-year growth; (iii) the full year effect of such expansion for 2023, 2024 and 2025; and (iv) the expected increase in the service fees to be paid by FWD Group considering expected inflation.

As one or more of the applicable percentage ratios in respect of the Annual Caps for the transactions under the Telecommunications and Related Services Agreement exceed 0.1% but all of the applicable percentage ratios are less than 5% for both of (i) PCCW; and (ii) HKT Trust and HKT, the continuing connected transactions under the Telecommunications and Related Services Agreement are subject to the announcement, reporting and annual review requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules for both of (i) PCCW; and (ii) HKT Trust and HKT.

(2) Insurance and Related Services Agreement

Parties:	(a) HKTIA; and (b) FWD Life Insurance
Date of existing agreement:	24 December 2020
Current term:	24 December 2020 to 31 December 2022
Date of renewal agreement:	23 December 2022
Renewal term:	1 January 2023 to 31 December 2025

Under the Insurance and Related Services Agreement, HKTIA has agreed to provide, or procure other members of the HKT Group to provide, insurance and related services to the FWD Group. Such services are expected to include, without limitation, the following:

1. insurance agency services in Hong Kong to be provided by members of the HKT 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 product or service as agreed by the relevant members of the HKT Group and the FWD Group;
2. reinsurance services to be provided by the HKT Group to the FWD Group under which relevant members of the HKT Group, such as Risk Finance, 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 Group. Premium to be received by the HKT Group from the FWD Group will be determined based on prevailing market rates and actuarial review of the relevant members of the HKT Group and the FWD Group; and
3. other insurance and related services as may be agreed to be provided by members of the HKT Group and the FWD Group from time to time.

Set out below are the Annual Caps for the transactions under the Insurance and Related Services Agreement for the three years ending 31 December 2023, 2024 and 2025:

<u>2023</u>	<u>2024</u>	<u>2025</u>
HK\$100 million	HK\$200 million	HK\$200 million

These Annual Caps have been determined by the parties through arm's length negotiations based on (i) the historical transaction amounts for these services for the year ended 31 December 2021 (being approximately HK\$16 million) and the six months ended 30 June 2022 (being approximately HK\$7 million); (ii) anticipated expansion of FWD Group's business in the region and the estimated level of services required having considered the year-over-year growth; (iii) the full year effect of such expansion for 2023, 2024 and 2025; and (iv) the expected increase in service fees to be paid by FWD Group considering expected inflation.

As one or more of the applicable percentage ratios in respect of the Annual Caps for the transactions under the Insurance and Related Services Agreement exceed 0.1% but all of the applicable percentage ratios are less than 5% for both of (i) PCCW; and (ii) HKT Trust and HKT, the continuing connected transactions under the Insurance and Related Services

Agreement are subject to the announcement, reporting and annual review requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules for both of (i) PCCW; and (ii) HKT Trust and HKT.

**B. Services provided by the FWD Group to the PCCW Group and the HKT Group**

FWD Insurance Services and Products Agreements

Parties:	(1) (a) PCCW Services; and (b) FWD Life Insurance (2) (a) HKT Services; and (b) FWD Life Insurance
Date of existing agreement:	24 December 2020
Current term:	24 December 2020 to 31 December 2022
Date of renewal agreement:	23 December 2022
Renewal term:	1 January 2023 to 31 December 2025

Each of PCCW Services and HKT Services entered into a FWD Insurance Services and Products Agreement with FWD Life Insurance on the same terms. Under the FWD Insurance Services and Products Agreements, 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 PCCW Group (excluding the HKT Group) and the HKT Group respectively. Such 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 respective groups; and
2. other insurance and related services and products as may be agreed to be provided by members of the respective groups from time to time.

Set out below are the Annual Caps for the transactions for the three years ending 31 December 2023, 2024 and 2025 (i) in respect of PCCW, under the FWD Insurance Services and Products Agreement entered into by PCCW Services; and (ii) in respect of HKT Trust and HKT, under the FWD Insurance Services and Products Agreement entered into by HKT Services:

PCCW Services:			
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	HK\$100 million	HK\$100 million	HK\$100 million
HKT Services:			
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	HK\$300 million	HK\$300 million	HK\$300 million

These Annual Caps have been determined by the parties through arm's length negotiations based on (i) the historical transaction amounts for these services for the year ended 31 December 2021 (being approximately HK\$32 million for PCCW Services and approximately HK\$105 million for HKT Services) and the six months ended 30 June 2022 (being approximately HK\$30 million for PCCW Services and approximately HK\$112

million for HKT Services); (ii) anticipated expansion of FWD Group's business in the region and the estimated level of services and products required having considered the year-over-year growth; and (iii) anticipated continuation of the business relationship between the PCCW Group and the FWD Group in the future.

In respect of PCCW, as one or more of the applicable percentage ratios in respect of the Annual Caps for the transactions under both FWD Insurance Services and Products Agreements, on an aggregated basis, exceed 0.1% but all of the applicable percentage ratios are less than 5%, the continuing connected transactions under both FWD Insurance Services and Products Agreements, on an aggregated basis, are subject to the announcement, reporting and annual review requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

In respect of HKT Trust and HKT, as one or more of the applicable percentage ratios in respect of the Annual Caps for the transactions under the FWD Insurance Services and Products Agreement entered into by HKT Services exceed 0.1% but all of the applicable percentage ratios are less than 5%, the continuing connected transactions under such FWD Insurance Services and Products Agreement entered into by HKT Services are subject to the announcement, reporting and annual review requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

***C. Branding and marketing arrangements between (i) the PCCW Group and the HKT Group and (ii) the FWD Group***

*Existing Branding and Marketing Arrangements Framework Agreements (as amended)*

Date: 23 December 2022

Parties: (1) (a) PCCW Interactive Media; and (b) FWD Life Insurance  
(2) (a) now Productions; and (b) FWD Life Insurance

Term: 1 January 2022 to 31 December 2022

*Branding and Marketing Arrangements Framework Agreements*

Date: 23 December 2022

Parties: (1) (a) PCCW Interactive Media; and (b) FWD Life Insurance  
(2) (a) now Productions; and (b) FWD Life Insurance

Term: 1 January 2023 to 31 December 2025

Each of PCCW Interactive Media and now Productions entered into an Existing Branding and Marketing Arrangements Framework Agreement and a Branding and Marketing Arrangements Framework Agreement with FWD Life Insurance on substantially the same terms. Pursuant to the Existing Branding and Marketing Arrangements Framework Agreements and the Branding and Marketing Arrangements Framework Agreements, PCCW Interactive Media and now Productions will provide or enter into, or procure other members of the PCCW Group and HKT Group, respectively, to provide or enter into, branding and marketing arrangements to or with the FWD Group. Such arrangements include, without limitation, group spokesperson opportunities and related marketing or branding campaigns and events.

Set out below are the previous and revised Annual Caps for the transactions for the year ending 31 December 2022 (i) in respect of PCCW, under the Existing Branding and Marketing Arrangements Framework Agreement entered into by PCCW Interactive Media; and (ii) in respect of HKT Trust and HKT, under the Existing Branding and Marketing Arrangements Framework Agreement entered into by now Productions:

PCCW Interactive Media:

<u>Previous Annual Cap for 2022</u> HK\$30 million	<u>Revised Annual Cap for 2022</u> HK\$100 million
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now Productions:

<u>Previous Annual Cap for 2022</u> HK\$0.6 million	<u>Revised Annual Cap for 2022</u> HK\$3 million
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Set out below are the Annual Caps for the transactions for the three years ending 31 December 2023, 2024 and 2025 (i) in respect of PCCW, under the Branding and Marketing Arrangements Framework Agreement entered into by PCCW Interactive Media; and (ii) in respect of HKT Trust and HKT, under the Branding and Marketing Arrangements Framework Agreement entered into by now Productions:

PCCW Interactive Media:

<u>2023</u> HK\$140 million	<u>2024</u> HK\$160 million	<u>2025</u> HK\$192 million
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now Productions:

<u>2023</u> HK\$5 million	<u>2024</u> HK\$7 million	<u>2025</u> HK\$8 million
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These Annual Caps have been determined by the parties through arm's length negotiations based on (i) the historical transaction amounts for these services for the year ended 31 December 2021 (being approximately HK\$30 million for PCCW Interactive Media) and the six months ended 30 June 2022 (being approximately HK\$6 million for PCCW Interactive Media); (ii) anticipated expansion of the respective businesses of the FWD Group, the PCCW Group (excluding the HKT Group) and the HKT Group in the region and the estimated level of services to be provided; and (iii) anticipated growth of the business relationship between the PCCW Group, the HKT Group, and the FWD Group in the future and the full year effect of such growth in 2023, 2024 and 2025.

In respect of PCCW, as one or more of the applicable percentage ratios in respect of the Annual Caps for the transactions under both Existing Branding and Marketing Arrangements Framework Agreements (as amended) and both Branding and Marketing Arrangements Framework Agreements, in each case on an aggregated basis, exceed 0.1% but all of the applicable percentage ratios are less than 5%, the continuing connected transactions under both Existing Branding and Marketing Arrangements Framework Agreements (as amended) and both Branding and Marketing Arrangements Framework Agreements, in each case on an aggregated basis, are subject to the announcement, reporting and annual review requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

In respect of HKT Trust and HKT, as all of the applicable percentage ratios in respect of the Annual Caps for the transactions under the Existing Branding and Marketing Arrangements Framework Agreement (as amended) or Branding and Marketing Arrangements Framework Agreement entered into by now Productions are less than 0.1%,



the continuing connected transactions under such Existing Branding and Marketing Arrangements Framework Agreement (as amended) or Branding and Marketing Arrangements Framework Agreement entered into by now Productions are exempt from the independent shareholders' approval, annual review and all disclosure requirements, under Chapter 14A of the Listing Rules.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE CCT AGREEMENTS**

The services to be provided under each of the CCT Agreements are in the ordinary course of business, and within the core competencies, of the relevant members of the PCCW Group and the HKT Group (as applicable) providing or receiving services. In each case, services are to be provided on normal commercial terms. The services to be provided by the PCCW Group and the HKT Group can be provided from existing available resources and capacity. Provision of those services can be expected to generate additional revenue and operating profit for the relevant members of the PCCW Group and the HKT Group providing the services, and to increase utilisation of their existing resources. Insurance services and products to be provided to the PCCW Group and the HKT Group by the FWD Group are to be provided on normal commercial terms and are services and products used by the PCCW Group and the HKT Group in the ordinary course of their respective businesses. The FWD Group is a well-known and reputable provider of insurance services and products. There may also be opportunities for the PCCW Group and the HKT Group to grow their respective business relationships with the FWD Group in the future, pursuant to transactions on normal commercial terms and within the core competencies of each group.

## **INFORMATION IN RELATION TO THE FWD GROUP**

FWD Group is a pan-Asian life insurance business with approximately 10 million customers across ten markets, including some of the fastest growing insurance markets in the world. Established in 2013, FWD is focused on making the insurance journey simpler, faster and smoother, with innovative propositions and easy-to-understand products, supported by digital technology. Through this customer-led approach, FWD is committed to changing the way people feel about insurance.

The FWD Group is majority owned and controlled by the Pacific Century Group, which is an Asia-based private investment group with interests across three core business pillars – Technology, Media & Telecommunications (TMT), Financial Services and Property. The Pacific Century Group is owned and controlled by certain trusts in respect of which Mr. Li Tzar Kai, Richard is the founder. Mr. Li Tzar Kai, Richard is the Chairman and Executive Director of each of PCCW, HKT and the Trustee-Manager and is interested (for the purposes of the SFO) in approximately 30.89% of the total number of shares of PCCW in issue and approximately 2.91% of the total number of share stapled units of HKT Trust and HKT in issue. Mr. Li Tzar Kai, Richard is also a director of certain FWD Group companies.

Accordingly, members of the FWD Group are associates of Mr. Li Tzar Kai, Richard for the purpose of the Listing Rules and connected persons of each of (i) PCCW; and (ii) HKT Trust and HKT under the Listing Rules. As a result, transactions between members of the FWD Group and members of the PCCW Group are connected transactions for PCCW under Chapter 14A of the Listing Rules and transactions between members of the FWD Group and members of the HKT Group are connected transactions for HKT Trust and HKT under Chapter 14A of the Listing Rules.

## **INFORMATION IN RELATION TO THE PCCW GROUP**

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

The principal activity of PCCW is investment holding, and the principal activities of PCCW Group are the provision of telecommunications and related services which include local telephony, local data and broadband, international telecommunications, mobile, enterprise solutions, FinTech, HealthTech, e-commerce, big data analytics, and other telecommunications businesses such as CPE sales, outsourcing, consulting, and contact centres and the provision of interactive pay-TV services; multimedia businesses including over-the-top digital media entertainment services and the development of content, talent and events in Hong Kong, the Asia-Pacific region, and other parts of the world; and investments in, and development of, systems integration, network engineering, and information technology-related businesses. Through HK Television Entertainment Company Limited, PCCW Group also operates a domestic free television service in Hong Kong. The PCCW Group also has an interest in the development and management of premium-grade property and infrastructure projects as well as premium-grade property investments through its interest in Pacific Century Premium Developments Limited.

## **INFORMATION IN RELATION TO THE HKT GROUP**

HKT is a company incorporated in the Cayman Islands with limited liability.

The HKT Trust, a trust constituted on 7 November 2011 under the laws of 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 HKT and anything necessary or desirable for or in connection with investing in HKT.

The principal activities of the HKT Group are the provision of telecommunications and related services which include local telephony, local data and broadband, international telecommunications, mobile, enterprise solutions, FinTech, HealthTech, e-commerce, big data analytics, media entertainment including the provision of interactive pay-TV services, and other telecommunications businesses such as CPE sales, outsourcing, consulting, and contact centers. It operates primarily in Hong Kong, and also serves customers in mainland China and other parts of the world.

## **DIRECTORS' VIEWS**

### **Views of directors of PCCW and HKT in respect of the continuing connected transactions**

The directors of PCCW (including its independent non-executive directors) consider that the CCT Agreements and the transactions contemplated by them are on normal commercial terms and in the ordinary and usual course of business of the PCCW Group and that the terms of the CCT Agreements and the transactions contemplated by them, and their respective Annual Caps, are fair and reasonable and in the interests of PCCW and its shareholders as a whole.

The directors of HKT and the Trustee-Manager (including their respective independent non-executive directors) consider that the HKT CCT Agreements and the transactions contemplated by them are on normal commercial terms and in the ordinary and usual course of business of the HKT Group and that the terms of the HKT CCT Agreements and the transactions contemplated by them, and their respective Annual Caps, are fair and reasonable and in the interests of HKT Trust, HKT, and the holders of share stapled units of HKT Trust and HKT as a whole.

## **Directors who abstained from Voting**

Members of the FWD Group are associates of Mr. Li Tzar Kai, Richard, the Chairman and Executive Director of each of PCCW, HKT and the Trustee-Manager. As a result, Mr. Li Tzar Kai, Richard is considered to have a material interest in the CCT Agreements and abstained from voting on the resolutions of the board of directors of PCCW approving the CCT Agreements, and on the resolutions of the boards of directors of HKT and the Trustee-Manager approving the HKT CCT Agreements.

As Mr. Peter Anthony Allen, a Non-Executive Director of HKT and the Trustee-Manager, is a director of certain FWD Group companies, Mr. Peter Anthony Allen abstained from voting on the resolutions of the boards of directors of HKT and the Trustee-Manager approving the HKT CCT Agreements.

Save as aforesaid:

- (a) None of the other directors of PCCW has any material interest in the CCT Agreements or the transactions contemplated by them, and none of the other directors of PCCW abstained from voting on the resolutions of the board of directors of PCCW approving the CCT Agreements.
- (b) None of the other directors of HKT and the Trustee-Manager has any material interest in the HKT CCT Agreements or the transactions contemplated by them, and none of the other directors of HKT and the Trustee-Manager abstained from voting on the resolutions of the boards of directors of HKT and the Trustee-Manager approving the HKT CCT Agreements.

## **LISTING RULES IMPLICATIONS**

As explained under the heading “*Information in relation to the FWD Group*” in this announcement, members of the FWD Group are connected persons of each of (i) PCCW; and (ii) HKT Trust and HKT under the Listing Rules.

The CCT Agreements, and the transactions contemplated by them, are continuing connected transactions for PCCW under Rule 14A.31 of the Listing Rules. The HKT CCT Agreements, and the transactions contemplated by them, are continuing connected transactions for HKT Trust and HKT under Rule 14A.31 of the Listing Rules.

Following the revision of the Annual Caps for the year ending 31 December 2022 in respect of the Existing Branding and Marketing Arrangements Framework Agreements, one or more of the applicable percentage ratios in respect of the Annual Caps for the transactions under both Existing Branding and Marketing Arrangements Framework Agreements (as amended) on an aggregated basis exceed 0.1%, but all of the applicable percentage ratios are less than 5%. Accordingly, in respect of PCCW, following such revision the continuing connected transactions under the Existing Branding and Marketing Arrangements Framework Agreements (as amended) are subject to the announcement, reporting and annual review requirements, but are exempt from the independent shareholders’ approval requirement, under Chapter 14A of the Listing Rules.

In respect of PCCW, one or more of the applicable percentage ratios in respect of the Annual Caps for the CCT Agreements, when aggregated by the respective types of services as described in this announcement, exceed 0.1%, but all of the applicable percentage ratios are less than 5%.

Accordingly, in respect of PCCW, the continuing connected transactions contemplated by the CCT Agreements are subject to the announcement, reporting and annual review requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

In respect of HKT Trust and HKT, one or more of the applicable percentage ratios in respect of the Annual Caps for the HKT CCT Agreements, when aggregated by the respective types of services as described in this announcement, exceed 0.1%, but all of the applicable percentage ratios are less than 5%. Accordingly, in respect of HKT Trust and HKT, the continuing connected transactions contemplated by the HKT CCT Agreements are subject to the announcement, reporting and annual review requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

<b>“2020 Announcement”</b>	the joint announcement of PCCW and HKT dated 24 December 2020 relating to, among other things, continuing connected transactions with the FWD Group
<b>“Annual Caps”</b>	(i) the annual caps applicable to the Existing Branding and Marketing Arrangements Framework Agreements for the year ended 31 December 2022, and (ii) the annual caps applicable to the CCT Agreements (other than the Existing Branding and Marketing Arrangements Framework Agreements) for the three years ending 31 December 2023, 2024 and 2025 as set forth in this announcement, as the case may be
<b>“associate”</b>	has the meaning given to it in the Listing Rules
<b>“Branding and Marketing Arrangements Framework Agreements”</b>	(1) the branding and marketing arrangements framework agreement entered into by PCCW Interactive Media with FWD Life Insurance dated 23 December 2022, in respect of the years ending 31 December 2023, 2024 and 2025, details of which are disclosed in this announcement; and (2) the branding and marketing arrangements framework agreement entered into by now Productions with FWD Life Insurance dated 23 December 2022, in respect of the years ending 31 December 2023, 2024 and 2025, details of which are disclosed in this announcement
<b>“CCT Agreements”</b>	the Telecommunications and Related Services Agreement, the Insurance and Related Services Agreement, the FWD Insurance Services and Products Agreements, the Existing Branding and Marketing Arrangements Framework Agreements (as amended) and the Branding and Marketing Arrangements Framework Agreements
<b>“connected person”</b>	has the meaning given to it in the Listing Rules

<b>“CPE”</b>	customer premises equipment
<b>“Existing Branding and Marketing Arrangements Framework Agreements”</b>	(1) the branding and marketing arrangements framework agreement entered into by PCCW Interactive Media with FWD Life Insurance in respect of the year ending 31 December 2022, details of which are disclosed in this announcement; and (2) the branding and marketing arrangements framework agreement entered into by now Productions with FWD Life Insurance in respect of the year ending 31 December 2022, details of which are disclosed in this announcement
<b>“FWD Group”</b>	FWD Group Holdings Limited and its subsidiaries
<b>“FWD Group Management”</b>	FWD Group Management Holdings Limited, a company incorporated in Hong Kong with limited liability
<b>“FWD Insurance Services and Products Agreements”</b>	(1) the amended and restated insurance services and products framework agreement entered into by PCCW Services with FWD Life Insurance dated 23 December 2022, details of which are disclosed in this announcement; and (2) the amended and restated insurance services and products framework agreement entered into by HKT Services with FWD Life Insurance dated 23 December 2022, details of which are disclosed in this announcement
<b>“FWD Life Insurance”</b>	FWD Life Insurance Company (Bermuda) Limited, a company incorporated in Bermuda with limited liability and registered as a non-Hong Kong company in Hong Kong
<b>“HK Telecom”</b>	Hong Kong Telecommunications (HKT) Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of HKT and an indirect non-wholly owned subsidiary of PCCW
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“HKT”</b>	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, and having its share stapled units jointly issued with the HKT Trust listed on the main board of the Stock Exchange (stock code: 6823)
<b>“HKT CCT Agreements”</b>	the Telecommunications and Related Services Agreement, the Insurance and Related Services Agreement, the FWD Insurance Services and Products Agreement entered into by HKT Services, and the Existing Branding and Marketing Arrangements Framework Agreement (as amended) and the Branding and Marketing Arrangements Framework Agreement each entered into by now Productions, details of which are disclosed in this announcement

<b>“HKT Group”</b>	HKT and its subsidiaries
<b>“HKT Services”</b>	HKT Services Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of HKT and an indirect non-wholly owned subsidiary of PCCW
<b>“HKT Trust”</b>	a trust constituted on 7 November 2011 under the laws of Hong Kong and managed by the Trustee-Manager, and having its share stapled units jointly issued with HKT listed on the main board of the Stock Exchange (stock code: 6823)
<b>“HKTIA”</b>	HKT Financial Services (IA) Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of HKT and an indirect non-wholly owned subsidiary of PCCW
<b>“Hong Kong”</b>	Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Insurance and Related Services Agreement”</b>	the amended and restated insurance and related services framework agreement entered into between HKTIA and FWD Life Insurance dated 23 December 2022, details of which are disclosed in this announcement
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“now Productions”</b>	now Productions Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of HKT and an indirect non-wholly-owned subsidiary of PCCW
<b>“PCCW”</b>	PCCW Limited, a company incorporated in Hong Kong with limited liability and having its shares 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)
<b>“PCCW Group”</b>	PCCW and its subsidiaries, including the HKT Group
<b>“PCCW Interactive Media”</b>	PCCW Interactive Media Holdings Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of PCCW
<b>“PCCW Services”</b>	PCCW Services Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of PCCW
<b>“percentage ratios”</b>	has the meaning given in the Listing Rules

“ <b>Risk Finance</b> ”	PCCW Risk Finance Limited, a company incorporated in Bermuda with limited liability, an indirect wholly-owned subsidiary of HKT and an indirect non-wholly owned subsidiary of PCCW
“ <b>SFO</b> ”	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“ <b>Stock Exchange</b> ”	The Stock Exchange of Hong Kong Limited
“ <b>Telecommunications and Related Services Agreement</b> ”	the amended and restated telecommunications and related services framework agreement entered into between HK Telecom and FWD Group Management dated 23 December 2022, details of which are disclosed in this announcement
“ <b>Trustee-Manager</b> ”	HKT Management Limited (a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of PCCW), in its capacity as the trustee-manager of the HKT Trust

*In this announcement, percentages and figures expressed in millions have been rounded.*

By order of the board of  
**PCCW Limited**  
**Cheung Hok Chee, Vanessa**  
*Group General Counsel and Company Secretary*

By order of the boards of  
**HKT Management Limited**  
and  
**HKT Limited**  
**Cheung Hok Chee, Vanessa**  
*Group General Counsel and Company Secretary*

Hong Kong, 23 December 2022

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

***Executive Directors:***

*Li Tzar Kai, Richard (Chairman); Hui Hon Hing, Susanna (Acting Group Managing Director and Group Chief Financial Officer)*

***Non-Executive Directors:***

*Tse Sze Wing, Edmund, GBS; Meng Shusen; Wang Fang and Wei Zhe, David*

***Independent Non-Executive Directors:***

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

*As at the date of this announcement, the directors of the Trustee-Manager and HKT are as follows:*

***Executive Directors:***

*Li Tzar Kai, Richard (Executive Chairman) and Hui Hon Hing, Susanna (Group Managing Director)*

***Non-Executive Directors:***

*Peter Anthony Allen; Chung Cho Yee, Mico and Wang Fang*

***Independent Non-Executive Directors:***

*Professor Chang Hsin Kang, F<sub>REng</sub>, GBS, JP; Sunil Varma; Aman Mehta and Frances Waikwun Wong*