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PCCW Limited

電訊盈科有限公司

(Stock Code: 0008)

Trade Champion Limited

(Incorporated in the Cayman Islands with limited liability) *(Incorporated in Hong Kong with limited liability)*

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

CLOSE OF THE PARTIAL OFFER

Reference is made to (i) the joint announcement issued by the Offeror and the Company dated August 6, 2020 regarding the Partial Offer; (ii) the announcement issued by the Company dated August 12, 2020 in relation to the formation of the Independent Board Committee and the appointment of the independent financial adviser; (iii) the joint announcement issued by the Offeror and the Company dated August 26, 2020 in relation to the extension of time for despatch of the Composite Document; (iv) the joint announcement issued by the Offeror and the Company dated September 1, 2020 in relation to the despatch of the Composite Document; (v) the composite document jointly issued by the Offeror and the Company dated September 2, 2020 (the “**Composite Document**”); and (vi) the joint announcement issued by the Offeror and the Company dated October 5, 2020 in relation to the Partial Offer becoming unconditional in all respects. Unless otherwise defined, capitalised terms used in this joint announcement have the same meanings as those defined in the Composite Document.

CLOSE OF THE PARTIAL OFFER AND LEVEL OF ACCEPTANCES AND APPROVAL

The Partial Offer closed on October 19, 2020, being the Final Closing Date.

As at 4:00 p.m. on October 19, 2020 (being the latest time and date for acceptance of the Partial Offer):

- (i) the Offeror has received valid acceptances of the Partial Offer in respect of 1,643,050,919 Shares, representing approximately 30.00% of the total number of Shares held by Qualifying Shareholders and approximately 21.26% of the total number of Shares in issue, in each case as at the date of this joint announcement; and
- (ii) the Partial Offer has been approved by Qualifying Shareholders (including China Unicom BVI under the Irrevocable Undertaking) holding 3,106,493,403 Shares, representing approximately 56.71% of the total number of Shares held by Qualifying Shareholders and approximately 40.19% of the total number of Shares in issue, in each case as at the date of this joint announcement.

BASIS OF THE PRO RATA ENTITLEMENT OF ACCEPTING SHAREHOLDERS

Pursuant to the terms of the Partial Offer, the Offeror will take up 154,592,765 Shares in aggregate at the Offer Price of HK\$5.20 for each Offer Share. In accordance with the formula set out on page I-1 of the Composite Document, the total number of Shares to be taken up by the Offeror from each Accepting 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

As a total of more than 154,592,765 Shares were tendered for acceptance by the Qualifying Shareholders, if a Qualifying Shareholder tenders all his/her/its Shares for acceptance under the Partial Offer, not all of such Shares 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.

SETTLEMENT OF THE PARTIAL OFFER AND RETURN OF THE SHARE CERTIFICATES

Remittances in respect of the Offer Shares tendered for acceptance and taken up by the Offeror under the Partial Offer (after deducting the seller's ad valorem stamp duty arising therefrom and, if applicable, the fees payable to the Share Registrar in respect of lost or unavailable Share certificates) together with, if applicable, any Share certificate(s) for Shares not taken up by the Offeror will be despatched to the relevant Accepting Shareholders by ordinary post at their own risk as soon as possible, but in any event on or before Thursday, October 29, 2020.

ODD LOT ARRANGEMENTS

As set out in the Composite Document, Computershare Hong Kong Investor Services Limited whose address is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (telephone number: 2862 8647, office hours: 9:00 a.m. to 4:30 p.m.) has been appointed as the designated agent to match sales and purchases of odd lot holdings of Shares in the market for a period of six weeks following the closing of the Partial Offer to enable such Qualifying Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots of 1,000 Shares each. Qualifying Shareholders should note that the matching of odd lots is not guaranteed.

Qualifying Shareholders who would like to match odd lots are recommended to make an appointment in advance by dialling the telephone number of Computershare Hong Kong Investor Services Limited set out above. Qualifying Shareholders who are in any doubt about the matching arrangements described above are recommended to consult their own professional advisers.

INTERESTS OF THE OFFEROR AND PARTIES ACTING AND PRESUMED TO BE ACTING IN CONCERT WITH IT IN THE SHARES

Immediately before the commencement of the Offer Period, the Offeror and parties acting, and presumed to be acting, in concert with it were interested in an aggregate of 2,251,901,526 Shares (representing approximately 29.13% of the total number of Shares in issue as at the date of the Announcement).

Upon the close of the Partial Offer, the Offeror will acquire and become the owner of 154,592,765 Shares, representing approximately 2.00% of the issued Shares as at the date of this joint announcement, and the Offeror and parties acting, and presumed to be acting, in concert with it will be interested in an aggregate of 2,395,672,758 Shares, representing approximately 30.99% of the total number of Shares in issue as at the date of this joint announcement (as disclosed in the Composite Document, the Directors who are presumed to be acting in concert with the Offeror (the entire issued share capital of which is indirectly held by the Principal) in respect of the Partial Offer by virtue of class (6) of the definition of "acting in concert" will no longer be presumed to be acting in concert with it following the completion of the Partial Offer, and accordingly their shareholdings are not included in the aggregate shareholding of the Offeror and parties acting, and presumed to be acting, in concert with it immediately upon completion of the Partial Offer).

Save for the Shares to be acquired under the Partial Offer, none of the Offeror or parties acting, or presumed to be acting, in concert with it acquired or agreed to acquire any Shares or rights over Shares during the Offer Period and up to the date of this joint announcement. None of the Offeror or parties acting, or presumed to be acting, in concert with it borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, save for any borrowed Shares which have been either on-lent or sold, during the Offer Period and up to the date of this joint announcement.

Notwithstanding that connected exempt principal traders within SCB group are not parties acting in concert with the Offeror, Shares owned by connected exempt principal traders within SCB group (other than those Shares held by such connected exempt principal traders as a custodian for and on behalf of non-discretionary clients who are not concert parties of the Offeror or the Company (to the extent that the relevant exempt principal traders are aware, having made reasonable enquiries) and over which such exempt principal traders have no voting discretion) were required not to:

- (i) be assented, and were not assented to the Partial Offer until the Partial Offer becomes or is declared unconditional as to acceptance in accordance with the requirements of Rule 35.3 of the Takeovers Code; and
- (ii) approve, and did not approve the Partial Offer in accordance with the requirements of Rule 35.4 of the Takeovers Code.

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, October 19, 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 Keping 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.