

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



PCCW Limited
電訊盈科有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 00008)



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: 06823)

DISCLOSEABLE AND CONNECTED TRANSACTION

SALE OF FURTHER INTEREST IN A SUBSIDIARY

On 30 March 2026 (after trading hours), the Seller and the Purchaser entered into the SPA, pursuant to which the Seller agreed to sell, and the Purchaser agreed to purchase, the Target Interests for a total consideration of US\$209,452,500, which will be settled in cash. Upon Completion, the Target will remain an indirect subsidiary of HKT, which is in turn an indirect subsidiary of PCCW.

The Seller, the Investors and the Target also entered into the SHA Amendment Deed on the same day.

BACKGROUND

On 30 March 2026 (after trading hours), the Seller and the Purchaser entered into the SPA, pursuant to which the Seller agreed to sell, and the Purchaser agreed to purchase, the Target Interests for a total consideration of US\$209,452,500, which will be settled in cash subject to the satisfaction or waiver of certain conditions.

The Seller, the Investors and the Target also entered into the SHA Amendment Deed on the same day.

SUMMARY OF THE PRINCIPAL TERMS OF THE SPA

Date : 30 March 2026.

Parties : The Seller and the Purchaser.

Subject matter : The SPA provides for the sale by the Seller and the purchase by the Purchaser of the Target Interests.

Upon Completion, the Target will remain an indirect subsidiary of HKT, which is in turn an indirect subsidiary of PCCW.

Consideration : The total consideration is US\$209,452,500, which the Purchaser shall pay by way of cash in full at Completion. The consideration was determined after arm's length negotiations between the Seller and the Purchaser with reference to, among other things, the business of the Target Group, the factors set out in the section headed "Reasons for and benefits of the Transaction" below, and the EV to EBITDA Multiple and Price to NAV Multiple of the Transaction.

These multiples are benchmarked against those of the HKT Trust and HKT (as there is no appropriate market comparable in Hong Kong which is engaged in a business similar to the Target Group). These commonly used multiples are selected as we believe they appropriately reflect the valuation and operational performance of the Passive Network Business, which has a large asset base, without distortion resulting from (among other things) the capital structure of the companies. Based on the unaudited consolidated EBITDA of the Target Group of HK\$1,453 million for the financial year ended 31 December 2025 and the unaudited consolidated net asset value of the Target Group attributable to (i) PCCW and (ii) HKT Trust and HKT of HK\$4,178 million as at 31 December 2025 and the total consideration for the Transaction, the EV to EBITDA Multiple and Price to NAV Multiple for the Transaction are 12.5x and 4.3x respectively, which are substantially higher than those of the HKT Trust and HKT, whose EV to EBITDA Multiple and the Price to NAV Multiple are 9.4x and 2.4x respectively for the same period.

The valuation of the Target Group implied by the consideration represents a premium of approximately 7% as compared to the Initial Investment.

Conditions precedent : Completion is conditional upon certain customary conditions including the warranties given by the Seller being true and correct in all respects, and obtaining relevant regulatory approvals in connection with the Transaction.

The Seller and the Purchaser have agreed to use their respective reasonable endeavours to satisfy, or procure the satisfaction of, the relevant Conditions as soon as reasonably practicable and in any event by 31 August 2026 (or such other

date as agreed by the parties). The Seller or the Purchaser may extend the period for satisfaction of the Conditions by up to 30 business days or for such longer period if agreed by both parties.

Completion : Completion shall take place on the twelfth (12th) business day as specified in the SPA after the date on which the last Condition is satisfied or waived in accordance with the SPA, or such other date as the Seller and the Purchaser may agree (the “**Completion Date**”).

SUMMARY OF THE PRINCIPAL TERMS OF THE SHA AMENDMENT DEED

Date : 30 March 2026.

Parties : The Seller, the Purchaser, the Initial Investor and the Target.

Subject matter : Upon Completion, the SHA will be amended pursuant to the terms of the SHA Amendment Deed. The SHA, as amended by the SHA Amendment Deed, sets out the terms on which the management and affairs of the Target Group will be governed from Completion.

Put Option : Each of the Investors may require the Seller to purchase, or procure the purchase of, all Shares held by such Investor and members of its respective group (the “**Put Option**”) to which such Shares have been transferred upon the occurrence of any of the following trigger events:

- i. a material breach of the amended SHA by the Seller (or a member of the Seller’s group to whom Shares have been transferred);
- ii. an insolvency of the Seller (or a member of the Seller’s group to whom Shares have been transferred);
- iii. a termination of the MSA by Passive Netco for cause; or
- iv. a change of control of the Seller (or a member of the Seller’s group to whom Shares have been transferred),

provided that any exercise of the Put Option by the Purchaser shall only be made together with and at the same time as the exercise of the Put Option by the Initial Investor.

Upon the exercise of the Put Option by an Investor, all the Shares held by such Investor and members of its group to

which such Shares have been transferred shall be sold to the Seller at their market value.

- Restriction on transfers : Subject to customary exceptions, no transfer of Shares may take place prior to 27 December 2029.
- Guarantee : HKTL has separately agreed to guarantee certain payment obligations of the Seller under the SHA.
- Termination and default : The amended SHA shall terminate upon certain customary events, including the listing of the Shares on a securities market or if only one of the Seller, the Purchaser and the Initial Investor (together with members of their respective groups) remains holding Shares. The Seller shall pay each of the Investors liquidated damages on certain specified default events at an agreed interest rate.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Further to the Initial Investment, the proceeds from the Transaction will enable HKT to further strengthen resources in enhancing and broadening its service offerings to consumers, providing innovative and advanced technology solutions to its enterprise customers as well as improving its financial position.

The directors (including independent non-executive directors) of PCCW consider that although the Transaction and the grant of the Put Option are not in the ordinary and usual course of business of the PCCW Group, the terms of the SPA and the SHA Amendment Deed and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of PCCW and its shareholders as a whole.

The directors (including independent non-executive directors) of the Trustee-Manager and HKT consider that although the Transaction and the grant of the Put Option are not in the ordinary and usual course of business of the HKT Group, the terms of the SPA and the SHA Amendment Deed and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the HKT Trust and HKT and the holders of Share Stapled Units as a whole.

USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE TRANSACTION

The proceeds from the Transaction will be deployed for general corporate purposes, including the repayment of debt. Upon Completion, (i) the financial results of the Target and Passive Netco will continue to be consolidated in the consolidated financial statements of the PCCW Group and the HKT Group; (ii) the Target and Passive Netco will each remain as an indirect subsidiary of PCCW and HKT; and (iii) the total consideration received from the Purchaser will be accounted for as an equity transaction and will not result in the recognition of any gain or loss in the consolidated income statement of the PCCW Group and the HKT Group.

INFORMATION ON PCCW

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

The principal activity of PCCW is investment holding, and the principal activities of the PCCW Group are the provision of technology and telecommunications and related services including enterprise solutions, mobile services, total home solutions, media entertainment and other new businesses such as loyalty platform, financial services and healthtech services in Hong Kong, the Asia Pacific region, and other parts of the world; and investments in, and development of, systems integration and information technology-related businesses. Through HK Television Entertainment Company Limited, PCCW 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 ON THE HKT TRUST AND HKT

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

INFORMATION ON THE PURCHASER AND THE INITIAL INVESTOR

Both the Purchaser and the Initial Investor are companies solely managed and controlled by CM Capital.

The Purchaser is a company limited by shares and incorporated in the British Virgin Islands. Its principal business activity is alternative investment business.

The Initial Investor is a company limited by shares and incorporated in the Cayman Islands. Its principal business activity is alternative investment business.

CM Capital is primarily engaged in equity investment, investment in setting up industries, business management consulting, and investment consulting. CM Capital is ultimately owned as to 50% by China Merchants Group (which is directly administered by State-owned Assets Supervision and Administration Commission of the State Council) and as to 50% by GLP Capital Investment 5 (HK) Limited (which is indirectly managed and controlled by GLP Holdings Limited).

INFORMATION ON THE TARGET

The Target is a company incorporated in the British Virgin Islands with limited liability. The principal activity of the Target is investment holding. Passive Netco is a wholly-owned subsidiary of the Target. Passive Netco engages in the Passive Network Business.

According to the unaudited management accounts of the Target Group for the year ended 31 December 2025 and unaudited pro forma management accounts for the year ended 31 December 2024 prepared as if the reorganisation of the Passive Network Business was completed on 1 January 2021, both of which prepared in accordance with Hong Kong Financial Reporting Standards: (i) the unaudited consolidated net profit of the Target Group for the financial year ended 31 December 2025 was approximately HK\$1,334 million before taxation, and HK\$1,114 million after taxation; (ii) the pro forma consolidated net profit of the Target Group for the financial year ended 31 December 2024 was approximately HK\$1,270 million before taxation, and HK\$1,061 million after taxation; and (iii) the unaudited consolidated net asset value of the Target Group attributable to (a) PCCW and (b) HKT Trust and HKT was HK\$4,178 million as of 31 December 2025.

LISTING RULES IMPLICATIONS

The Initial Investment and the Transaction are aggregated pursuant to Rule 14.22 of the Listing Rules. In respect of each of (i) PCCW and (ii) HKT Trust and HKT, as the highest percentage ratio in respect of the Transaction (as aggregated with the Initial Investment) is more than 5% but all of the applicable percentage ratios are less than 25%, and as HKT is a subsidiary of PCCW, the Transaction constitutes a discloseable transaction for each of (i) PCCW and (ii) HKT Trust and HKT under Chapter 14 of the Listing Rules.

Rules 14.74(1), 14A.61 and 14A.79 of the Listing Rules apply to the Put Option and accordingly, on the grant of the Put Option, the transaction will be classified as if the Put Option had been exercised. As the highest percentage ratio in respect of the Put Option (as aggregated with the put option granted under the Initial Investment) is more than 5% but all of the applicable percentage ratios are less than 25%, the grant of the Put Option constitutes a discloseable transaction for each of (i) PCCW and (ii) HKT Trust and HKT under Chapter 14 of the Listing Rules.

Subsequent to the Initial Investment and as at the date of this announcement, the Target is owned as to 60% by the Seller and 40% by the Initial Investor. Since the Initial Investor and the Purchaser are both solely managed and controlled by CM Capital, a substantial shareholder of the Target, each of the Initial Investor and the Purchaser is considered to be a connected person of PCCW and HKT Trust and HKT at the subsidiary level. The Transaction and the grant of the Put Option therefore each constitutes a connected transaction for each of (i) PCCW and (ii) HKT Trust and HKT under Chapter 14A of the Listing Rules.

Since (i) the Purchaser is a connected person of each of (a) PCCW and (b) HKT Trust and HKT at the subsidiary level; (ii) the directors of each of (a) PCCW and (b) Trustee-Manager and HKT have approved the Transaction and the grant of the Put Option, and (iii) the independent non-executive directors of each of (a) PCCW and (b) Trustee-

Manager and HKT confirmed that the terms of the Transaction and the Put Option are fair and reasonable, each of the Transaction and the Put Option is on normal commercial terms or better and in the interests of (a) PCCW and its shareholders or (b) HKT Trust and HKT and holders of Share Stapled Units (as applicable) as a whole, each of the Transaction and the grant of the Put Option is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

None of the directors of each of (i) PCCW and (ii) Trustee-Manager and HKT has a material interest in the Transaction or the grant of the Put Option, and none of the directors has abstained from voting on the relevant board resolutions.

Shareholders of PCCW, holders of Share Stapled Units and potential investors should note that Completion is subject to the relevant Conditions. Therefore, there is no assurance that the Transaction will be completed. Shareholders of PCCW, holders of Share Stapled Units and potential investors should, accordingly, exercise caution when dealing in the shares of PCCW and the Share Stapled Units.

DEFINITIONS

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

“China Merchants Group”	China Merchants Group Limited (招商局集團有限公司), a state-owned enterprise established in the PRC with limited liability
“CM Capital”	China Merchants Capital Holdings Co., Ltd. * (招商局資本控股有限責任公司), a company established in the PRC with limited liability
“Completion”	means the completion of the sale and purchase of the Target Interests in accordance with the provisions of the SPA
“Completion Date”	has the meaning given to it in the paragraph “Summary of the principal terms of the SPA – Completion” in this announcement
“Conditions”	means the conditions to which Completion is subject, as described in the paragraph “Summary of the principal terms of the SPA – Conditions precedent” in this announcement
“EBITDA”	means earnings before interest income, finance costs, income tax, depreciation and amortisation, gains/losses on disposal of property, plant and equipment, interests in leasehold land, right-of-use assets and intangible assets, net other gains/losses, losses on property, plant and

equipment, restructuring costs, impairment losses on goodwill, tangible and intangible assets and interests in associates and joint ventures, and share of results of associates and joint ventures (to the extent applicable).

“EV to EBITDA Multiple”	means the enterprise value to EBITDA multiple calculated in the following manner: (i) in respect of the Target Interests, the total consideration for the Transaction divided by 9% of the unaudited consolidated EBITDA of the Target Group for the year ended 31 December 2025; and (ii) in respect of HKT Trust and HKT, the enterprise value (being the sum of the market capitalisation of the SSUs as at 30 March 2026 and the net debt of HKT Group as at 31 December 2025) divided by the consolidated EBITDA of the HKT Group for the year ended 31 December 2025
“GLP Holdings Limited”	GLP Holdings Limited, a company incorporated in the Cayman Islands
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“HKT”	means 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: 06823)
“HKT Group”	means HKT and its subsidiaries
“HKT Trust”	means 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: 06823)
“HKTL”	means Hong Kong Telecommunications (HKT) Limited, an indirect wholly-owned subsidiary of HKT
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Investment”	means the sale and purchase of the Initial Investor Target Interests as disclosed in the Prior Announcement
“Initial Investor”	means Magic Investment BidCo Limited, a company limited by shares incorporated in the Cayman Islands

“Initial Investor Target Interests”	means (i) shares comprising 40% of the entire issued share capital of the Target; and (ii) a receivable in the amount of approximately HK\$344 million, being 40% of a receivable of approximately HK\$859 million owed from Passive Netco to the Seller, in each case, as at the completion of the Initial Investment
“Investor(s)”	means the Initial Investor and the Purchaser
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“MSA”	means the master services agreement entered into between the Passive Netco and HKTL on 27 December 2024, relating to the provision of various network access services, network access services in respect of dark fibre, operational and maintenance services, network rollout services and ancillary services, the principal terms of which are summarised in the Prior Announcement
“Passive Netco”	means Fiber Link Global Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target
“Passive Network Business”	means the business of supplying copper and fibre connection access services in Hong Kong and the Greater Bay Area and operating, maintaining and extending the passive components of copper and fibre access networks and providing related services
“PCCW”	means 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: 00008) and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the United States of America (ticker: PCCWY)
“PCCW Group”	means PCCW and its subsidiaries
“percentage ratios”	has the meaning given to it in the Listing Rules
“Price to NAV Multiple”	means the price to net asset value multiple calculated in the following manner: (i) in respect of the Target Interests, the total consideration for the Transaction divided by 9% of the unaudited consolidated net asset value of the Target Group attributable to (a) PCCW and (b) HKT Trust and HKT as at 31 December 2025; and (ii) in respect of HKT Trust and HKT, the market capitalisation of the SSUs as at 30 March 2026 divided

by the consolidated net assets of the HKT Group as at 31 December 2025

“Prior Announcement”	means the joint announcement of PCCW and the HKT Trust and HKT dated 26 June 2024 in relation to the Seller’s sale of the Initial Investor Target Interests to the Initial Investor
“Purchaser”	means Pegasus Investment BidCo Limited, a limited company incorporated in the British Virgin Islands
“Put Option”	has the meaning given to it in the paragraph “Summary of the principal terms of the SHA Amendment Deed – Put Option” in this announcement
“Receivable”	means such amount of the total amounts owing from Passive Netco to the Seller which is equal to 9% of the total amounts owing from Passive Netco to the Seller and the Initial Investor outstanding as at the Completion Date
“Sale Shares”	means such number of Shares comprising 9% of the entire issued share capital of the Target as at Completion
“Seller”	means Apex Link Communications Holdings Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of HKT. The principal activity of the Seller is investment holding
“Shares”	means ordinary shares in the capital of the Target
“Share Stapled Units” or “SSUs”	means the share stapled units jointly issued by the HKT Trust and HKT
“SHA”	means the shareholders’ agreement dated 26 June 2024 in relation to the Target entered into between the Seller, the Initial Investor and the Target
“SHA Amendment Deed”	means the deed of amendment dated 30 March 2026 between the SHA Parties, the principal terms of which are summarised in the section headed “Summary of the principal terms of the SHA Amendment Deed” in this announcement
“SHA Parties”	means the Seller, the Purchaser, the Initial Investor and the Target
“SPA”	means the share purchase agreement dated 30 March 2026 between the Seller and the Purchaser, relating to the sale of the Target Interests by the Seller to the Purchaser, the principal terms of which are summarised in the

section headed “Summary of the principal terms of the SPA” in this announcement

“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Target”	means Regional Link Telecom Services Holdings Limited, a company incorporated in the British Virgin Islands, and an indirect non-wholly-owned subsidiary of each of HKT and PCCW as at the date of this announcement
“Target Group”	means the Target and its subsidiaries
“Target Interests”	means the Sale Shares and the Receivable
“Transaction”	means the sale and purchase of the Target Interests pursuant to the SPA
“Trustee-Manager”	means 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
“US\$”	means United States dollars, the lawful currency of the United States of America
“%”	means per cent.

** For identification purpose only*

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, 31 March 2026

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

Executive Directors:

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

Non-Executive Directors:

Tse Sze Wing, Edmund, GBS; Tang Yongbo (Deputy Chairman); Feng Lanxiao; Zhao Xingfu and Wei Zhe, David

Independent Non-Executive Directors:

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

As at the date of this joint 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; Tang Yongbo and Zhao Xingfu

Independent Non-Executive Directors:

Chang Hsin Kang; Sunil Varma; Aman Mehta; Frances Waikwun Wong and Charlene Dawes