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**PACIFIC CENTURY CYBERWORKS LIMITED**      **Cable & Wireless HKT Limited**  
(盈科數碼動力有限公司)                      香港電訊有限公司  
(Incorporated in Hong Kong with limited liability)      (Incorporated in Hong Kong with limited liability)

## **ANNOUNCEMENT**

The Board of Directors of PCCW announces that all the conditions of the Merger have been satisfied or waived, that HKT has become an indirect wholly-owned subsidiary of PCCW and that the shares of HKT have been withdrawn from listing on the Stock Exchange with effect from 10:00 a.m. on 17 August 2000.

HKT shareholders who have chosen the Increased Cash Election can expect an additional amount of US\$2.392 (or HK\$18.62) per PCCW share in respect of approximately 3.18% of the PCCW shares otherwise receivable pursuant to the Combination Alternative. It is anticipated that share certificates for PCCW shares and cheques for cash entitlements will be posted to eligible HKT shareholders on or before 21 August 2000.

*Terms defined in the Composite Document dated 26 May 2000 sent to HKT shareholders in connection with the Scheme shall, unless the context otherwise requires, have the same meaning in this announcement.*

### **MERGER HAS BECOME EFFECTIVE**

On 1 August 2000, the Board of Directors of Pacific Century CyberWorks Limited ("PCCW") and the Board of Directors of Cable & Wireless HKT Limited ("HKT") announced that the High Court of the Hong Kong Special Administrative Region had granted an order ("Court Order") sanctioning the scheme of arrangement ("Scheme") pursuant to section 166 of the Companies Ordinance to implement the proposed acquisition of the entire issued share capital of HKT by an indirect wholly-owned subsidiary of PCCW (the "Merger").

The Board of Directors of PCCW is pleased to announce that on 17 August 2000, a copy of the Court Order sanctioning the Scheme was filed with the Companies Registry in Hong Kong and that all the conditions of the Merger have been satisfied or waived. HKT has thereby become an indirect wholly-owned subsidiary of PCCW and the shares of HKT have been withdrawn from listing on the Stock Exchange with effect from 10:00 a.m. on 17 August 2000.

### **DESPATCH OF ENTITLEMENTS TO HKT SHAREHOLDERS**

HKT shareholders who have chosen the Increased Cash Election can expect an additional amount of US\$2.392 (or HK\$18.62) per PCCW share in respect of approximately 3.18% of the PCCW shares otherwise receivable pursuant to the Combination Alternative. The total amount of cash to be paid out under the Combination Alternative, either in full or as part of the Mix and Match, and Increased Cash Election will be US\$11.32 billion (HK\$88.09 billion at the Reference Rate) which is the maximum aggregate amount as stated in the Composite Document.

PCCW will issue 8,669,938,322 new ordinary shares of HK\$0.05 each to those persons so entitled pursuant to the Scheme, representing approximately 40.8% of the enlarged share capital of PCCW as at the close of 17 August 2000, or approximately 38.5% on a fully diluted basis assuming that all existing options over PCCW shares are exercised. The number of issued shares of PCCW as at the close of 17 August 2000 is 21,226,907,815. It is anticipated that share certificates for PCCW shares and cheques for cash entitlements will be posted to eligible HKT shareholders on or before 21 August 2000.

After the Scheme becomes effective, PCRD, PCG and PCD, which are controlled by Mr. Richard Li Tzar Kai, will together hold approximately 38.2% and C&W FE will hold approximately 21.4% of the enlarged share capital of PCCW as at the close of 17 August 2000, or approximately 36.1% and 20.2% respectively on a fully diluted basis assuming that all existing options over PCCW shares are exercised.

By Order of the Board  
**Pacific Century CyberWorks Limited**  
**Chu Mee Lai, Helen**  
*Company Secretary*

By Order of the Board  
**Cable & Wireless HKT Limited**  
**Donald J Hess**  
*Company Secretary*

Hong Kong, 17 August 2000

*The Directors of PCCW and HKT jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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.*