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PCCW Limited
電訊盈科有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00008)



**PACIFIC CENTURY PREMIUM
DEVELOPMENTS LIMITED**
盈科大衍地產發展有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 00432)

JOINT ANNOUNCEMENT

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL
OF
PCPD'S INTERESTS IN
PACIFIC CENTURY PLACE, BEIJING**

**(1) VERY SUBSTANTIAL DISPOSAL
IN RELATION TO THE DISPOSAL
OF
PCPD'S INTERESTS IN
PACIFIC CENTURY PLACE, BEIJING**

**(2) MAJOR TRANSACTION IN
RELATION TO THE PAYMENT OF
BREAK-UP FEE**

THE DISPOSAL

On 8 April 2014, Excel Bright as vendor and PCPD as guarantor of the Vendor's obligations entered into the SPA with the Purchaser. Pursuant to the SPA, Excel Bright has conditionally agreed to sell, transfer, convey and assign and the Purchaser has conditionally agreed to purchase the Sale Share (representing the entire issued share capital of Gain Score) and to take an assignment of the Shareholder Loan on and subject to the terms and conditions of the SPA. The Consideration payable by the Purchaser to Excel Bright for the purchase of the Sale Share and the assignment of the Shareholder Loan is the initial amount of USD928,000,000 (equivalent to approximately HK\$7,201,280,000), subject to adjustments in accordance with the terms of the SPA and as described in this announcement. The principal asset of Gain Score Group is the land use rights and property rights in the Property held by BJW.

BREAK-UP FEE

If the SPA is terminated due to the failure to fulfill the conditions precedent to Completion referred to in the section headed “The SPA – Conditions” of this announcement on or before 28 August 2014 (or such other date as Excel Bright and the Purchaser may agree in writing), PCPD will be required to pay the Break-up Fee of USD100,000,000 (equivalent to approximately HK\$776,000,000) to the Purchaser.

Payment of the Break-up Fee is not dependent or consequential on any breach of the SPA.

LISTING RULES IMPLICATIONS

PCPD

As some of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules for the Disposal are more than 75%, the Disposal constitutes a very substantial disposal for PCPD under Chapter 14 of the Listing Rules. Hence, the sale and purchase of the Sale Share and the assignment of the Shareholder Loan are subject to the reporting, announcement and shareholders’ approval requirements under the Listing Rules. A SGM will be convened by PCPD to consider and, if thought fit, approve the sale and purchase of the Sale Share and the assignment of the Shareholder Loan subject to the terms and conditions of the SPA.

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules for payment of the Break-up Fee is more than 25% but all the applicable percentage ratios are less than 75%, the payment of the Break-up Fee constitutes a major transaction for PCPD under Chapter 14 of the Listing Rules. Hence, the payment of the Break-up Fee is subject to the reporting, announcement and shareholders’ approval requirements under the Listing Rules. The payment of the Break-up Fee has been approved by a wholly-owned subsidiary of PCCW, Asian Motion Limited, as holder of more than 50% of the PCPD Shares in issue giving the right to attend and vote at general meetings of PCPD by way of written approval, as permitted by Rule 14.44 of the Listing Rules. As the approval for the payment of the Break-up Fee has been obtained as aforesaid, no further approval of such payment is required to be sought from the PCPD Shareholders at the SGM. As at the date of this announcement, Asian Motion Limited holds 296,266,666 PCPD Shares, representing approximately 74.50% of the PCPD Shares in issue.

PCCW has provided a written undertaking to the Purchaser and PCPD in relation to the approval of the Disposal as a very substantial disposal for PCPD under the Listing Rules. The undertaking provides that, (i) subject to the PCCW Shareholders passing an ordinary resolution approving the Disposal as a major transaction for PCCW under the Listing Rules, all the PCPD Shares in respect of which the relevant subsidiaries of PCCW are entitled to exercise voting rights will be voted in favour of the ordinary resolution(s) of PCPD Shareholders to be proposed at the SGM to approve the Disposal, and (ii) such relevant subsidiaries, taken together, will maintain a combined holding of PCPD Shares representing in aggregate not less than 50.1% of the PCPD Shares which have voting rights in respect of the said resolution(s) at the SGM, up to the time of the vote on the said resolution(s) at the SGM.

The PCPD Circular containing, among other things, further details of the terms of the SPA and of the Break-up Fee, a valuation report on the Property and other information as required under the Listing Rules, and the notice convening the SGM together with the proxy form will be despatched to the PCPD Shareholders by PCPD. It is expected that the PCPD Circular will be despatched on or before 17 April 2014.

PCCW

As not all of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules for the Disposal are less than 25% but all the applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction for PCCW under Chapter 14 of the Listing Rules. Hence, the sale and purchase of the Sale Share and the assignment of the Shareholder Loan are subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules. An EGM will be convened by PCCW to consider and, if thought fit, approve the sale and purchase of the Sale Share and the assignment of the Shareholder Loan subject to the terms and conditions of the SPA.

PCRD has provided a written undertaking to the Purchaser and PCCW to vote all the PCCW Shares in respect of which it is then entitled to exercise voting rights in favour of the ordinary resolution(s) of PCCW Shareholders to be proposed to approve the Disposal at the EGM and to maintain its current shareholding in PCCW (except for a reduction of the number of PCCW Shares held pursuant to any pro rata repurchase of PCCW Shares by PCCW from its shareholders) until the time of the vote on the ordinary resolution(s) to approve the Disposal at the EGM (with the EGM to be held no later than 28 August 2014). As at the date of this announcement, PCRD holds 1,548,211,301 PCCW Shares, which represent approximately 21.29% of the issued and paid up capital of PCCW.

The PCCW Circular containing, among other things, further details of the terms of the SPA, a valuation report on the Property and other information as required under the Listing Rules, and the notice convening the EGM together with the proxy form will be despatched to the PCCW Shareholders by PCCW. It is expected that the PCCW Circular will be despatched on or before 17 April 2014.

Unconditionality of the Break-up Fee

As mentioned above, if the SPA is terminated due to the failure to fulfill the conditions precedent to Completion referred to in the section headed “The SPA – Conditions” of this announcement on or before 28 August 2014 (or such other date as Excel Bright and the Purchaser may agree in writing), PCPD will be required to pay the Break-up Fee of USD100,000,000 (equivalent to approximately HK\$776,000,000) to the Purchaser. For the avoidance of doubt, the obligation of PCPD to pay the Break-up Fee in such event is not conditional upon the approval by the PCPD Shareholders at the SGM or the approval by the PCCW Shareholders since, in respect of PCPD, the payment of the Break-up Fee has been approved by a wholly-owned subsidiary of PCCW, Asian Motion Limited, as holder of more than 50% of the PCPD Shares in issue giving the right to attend and vote at general meetings of PCPD by way of written approval, as permitted by Rule 14.44 of the Listing Rules and, in respect of PCCW, the payment of the Break-up Fee is not a notifiable transaction for PCCW under Chapter 14 of the Listing Rules.

PCPD Shareholders, PCCW Shareholders and potential investors of PCPD and PCCW should note that Completion is subject to a number of conditions. There is no assurance that the Disposal will be completed. PCPD Shareholders, PCCW Shareholders and potential investors of PCPD and PCCW should, accordingly, exercise caution when dealing in the PCPD Shares and PCCW Shares.

INTRODUCTION

On 8 April 2014, Excel Bright as vendor and PCPD as guarantor of the Vendor’s obligations entered into the SPA with the Purchaser. Pursuant to the SPA, Excel Bright has conditionally agreed to sell, transfer, convey and assign and the Purchaser has conditionally agreed to purchase the Sale Share (representing the entire issued share capital of Gain Score) and to take an assignment of the Shareholder Loan on and subject to the terms and conditions of the SPA. The Consideration payable by the Purchaser to Excel Bright for the purchase of the Sale Share and the assignment of the Shareholder Loan is the initial amount of USD928,000,000 (equivalent to approximately HK\$7,201,280,000), subject to adjustments in accordance with the terms of the SPA and as described in this announcement. The principal asset of Gain Score Group is the land use rights and property rights in the Property held by BJJW.

If the SPA is terminated due to the failure to fulfill the conditions precedent to Completion referred to in the section headed “The SPA – Conditions” of this announcement on or before 28 August 2014 (or such other date as Excel Bright and the Purchaser may agree in writing), PCPD will be required to pay the Break-up Fee of USD100,000,000 (equivalent to approximately HK\$776,000,000) to the Purchaser. Payment of the Break-up Fee is not dependent or consequential on any breach of the SPA.

THE SPA

Below is a summary of the principal terms of the SPA:

Date

8 April 2014

Parties

1. Excel Bright, as vendor
2. PCPD, as guarantor of the Vendor's obligations
3. Vinter Star Limited, as purchaser

To the best of the PCPD Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of PCPD and PCPD's connected persons (as defined under the Listing Rules).

To the best of the PCCW Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of PCCW and PCCW's connected persons (as defined under the Listing Rules).

Guarantee

PCPD has agreed to guarantee to the Purchaser the punctual and complete payment and performance of the Vendor's obligations, commitments, representations, warranties, undertakings, indemnities, covenants and other terms and provisions under the SPA and other documents in relation to the SPA to which Excel Bright is a party.

Assets to be disposed of

Pursuant to the SPA, Excel Bright has conditionally agreed to sell, transfer, convey and assign and the Purchaser has conditionally agreed to purchase the Sale Share (representing the entire issued share capital of Gain Score) and to take an assignment of the Shareholder Loan on and subject to the terms and conditions of the SPA.

Gain Score is a company incorporated in the British Virgin Islands with an authorized share capital of USD50,000 divided into 50,000 shares of USD1 each, of which one share has been issued and is fully paid up and is legally and beneficially owned by Excel Bright as at the date of this announcement.

New Mile is a company incorporated in Hong Kong with an issued and paid up capital of HK\$1 and one share in issue which is legally and beneficially owned by Gain Score as at the date of this announcement.

BJJW is a wholly foreign owned enterprise under the PRC laws (with its entire equity interest registered in the name of and owned by New Mile) and it holds the land use rights certificates and property rights certificates in respect of the Property.

After Completion, the Gain Score Group Companies will cease to be subsidiaries of PCPD and PCCW, and PCPD and PCCW will no longer have any ownership interest in the land use rights and property rights in the Property.

Consideration

Initial Consideration

The Consideration payable by the Purchaser to Excel Bright for the purchase of the Sale Share and the assignment of the Shareholder Loan is the initial amount of USD928,000,000 (equivalent to approximately HK\$7,201,280,000), subject to adjustments in accordance with the terms of the SPA and as described in the section headed “The SPA – Adjustments to Consideration” of this announcement. Out of the Consideration, (i) the Shareholder Loan Consideration is a sum equal to the USD equivalent of the outstanding principal amount of the Shareholder Loan, and (ii) the Sale Share Consideration is the sum calculated by deducting the amount of the Shareholder Loan Consideration from the Consideration.

The Initial Consideration in the sum of USD928,000,000 (equivalent to approximately HK\$7,201,280,000) (subject to the adjustment (if any) in accordance with the SPA) is payable by the Purchaser to Excel Bright in the following manner:

- (i) the First Instalment in the sum of USD185,600,000 (equivalent to approximately HK\$1,440,256,000), being the aggregate of the Deposit and the Further Payment, is payable by the Purchaser to Excel Bright upon signing of the SPA; and
- (ii) the Second Instalment in the sum of USD232,000,000 (equivalent to approximately HK\$1,800,320,000) is payable by the Purchaser to Excel Bright on or before the earlier of 30 April 2014 and Completion; and
- (iii) the amount of the Initial Consideration after making the agreed adjustments (see the section headed “The SPA – Adjustments to Consideration – Initial Adjustment” of this announcement) (the “**Adjusted Consideration**”) less the First Instalment and the Second Instalment (if already paid) (the “**Balance**”) is payable by the Purchaser to Excel Bright on Completion.

If the Completion occurs after 28 August 2014, the Purchaser is required to pay to Excel Bright interest accrued on the Balance calculated at the Interest Rate for the period from (and including) 28 August 2014 up to (but excluding) the date of Completion.

Adjustments to Consideration

Initial Adjustment

Pursuant to the terms of the SPA, the Initial Consideration is to be adjusted upward or downward by adjustments to the Initial Consideration (the “**Initial Adjustment**”). The Initial Adjustment will be calculated in accordance with certain agreed principles and calculations, and will be based on the unaudited management accounts of the Gain Score Group as at a month end date no more than three months prior to the Completion Date. Based on the management accounts of the Gain Score Group as at 31 December 2013 and pursuant to those agreed principles and calculations, an illustration in the SPA shows that the Initial Consideration could be adjusted upward by approximately USD12,500,000 (equivalent to approximately HK\$97,000,000) and on that basis the Adjusted Consideration would be approximately USD940,500,000 (equivalent to approximately HK\$7,298,280,000).

Final Adjustment

After the date of Completion, Excel Bright will prepare and deliver to the Purchaser the Completion Accounts and the calculation of the adjustments to the Initial Consideration (the “**Final Adjustment**”) in accordance with the SPA. The Final Adjustment is to be made in accordance with the same agreed principles and calculations as those used for the calculation of the Initial Adjustment, but based on the Completion Accounts.

The Purchaser will be deemed to have agreed to the Final Adjustment and Excel Bright’s calculation of the Final Adjustment for all purposes of the SPA unless the Purchaser within 30 days of receipt of such calculation serves a notice on Excel Bright objecting to the Final Adjustment and/or the calculation of the Final Adjustment and explaining in reasonable detail the reasons for its objection (the “**Objection Notice**”).

Within 20 Business Days following the Purchaser’s service of the Objection Notice on Excel Bright, Excel Bright and the Purchaser are required to negotiate with a view to reaching an agreement on the amount(s) and item(s) in dispute. If they are unable to reach an agreement within such period, then within 10 Business Days thereafter, Excel Bright and the Purchaser are required to jointly refer the matter or matters in dispute to (and shall jointly appoint) a certifying accountant to be mutually agreed by Excel Bright and the Purchaser. If Excel Bright and the Purchaser are unable to mutually agree on a certifying accountant within such period, then Excel Bright and the Purchaser are required to refer the matter to the President of the Hong Kong Institute of Certified Public Accountants who will designate a certifying accountant to determine the matter or matters in dispute and whose decision as to the Final Adjustment and the calculation of the Final Adjustment will be final and binding on the parties.

When the calculation of the Final Adjustment has become final and binding pursuant to the terms of the SPA:

- (i) if the Final Adjustment is in excess of the amount of the Initial Adjustment, such excess amount will be payable by the Purchaser to Excel Bright; or

- (ii) if the Final Adjustment is less than the amount of the Initial Adjustment, such shortfall amount will be payable by Excel Bright to the Purchaser.

Subject to Completion having taken place, the final adjustment payment mentioned above (if any) is payable by Excel Bright or the Purchaser (as appropriate) within 14 Business Days after the date on which the Final Adjustment becomes final and binding pursuant to the terms of the SPA.

The provisions in the SPA relating to adjustments of the Consideration are the sole and exclusive remedies for the determination of the adjustments to the Initial Consideration and the Consideration. The Consideration, all parts thereof and (if Completion occurs after 28 August 2014) interest accrued on the Balance calculated at the Interest Rate for the period from (and including) 28 August 2014 up to (but excluding) the date of Completion are payable by the Purchaser in US Dollars.

Further terms in relation to default

Purchaser's Initial Damages Amount and Purchaser's Additional Damages Amount

In the event that the conditions precedent to Completion referred to in the section headed "The SPA – Conditions" of this announcement are fulfilled but Completion does not occur on the Targeted Completion Date (or, if the deferral situation mentioned in the section headed "The SPA – Completion" of this announcement applies and the date for Completion is so deferred as a result, the date to which the date for Completion is so deferred) as a result of:

- (a) a breach of any of the Fundamental Warranties by Excel Bright under the SPA; or
- (b) failure of Excel Bright to deliver title to the Sale Share and the Shareholder Loan at Completion in accordance with the SPA; or
- (c) an Existing Facility Default which results from an action or omission of, and is not outside the power and control of, Excel Bright, Pride Pacific, PCPD or any Gain Score Group Company,

in each case other than due to a default of the Purchaser, then unless Excel Bright and the Purchaser agree in writing to an extension of the date and/or time of Completion, the Purchaser is entitled to terminate the SPA (except certain agreed provisions) by giving notice to the other parties to the SPA, whereupon (a) within 14 Business Days after the date of the receipt by BJJW of the duly executed New Onshore Mortgage Release Documents, Excel Bright is required to (i) refund to the Purchaser the First Instalment and the Second Instalment (in each case, to the extent that the same has been received by Excel Bright) together with all interest accrued thereon at the Interest Rate and (ii) pay to the Purchaser the Purchaser's Initial Damages Amount; and (b) following the Purchaser's receipt of all such amounts, the SPA (except certain agreed provisions) will terminate and cease to have effect.

The receipt and retention of the Purchaser's Initial Damages Amount by the Purchaser will be without prejudice to the Purchaser's right to claim against Excel Bright for damages (if any) to which the Purchaser is entitled against Excel Bright in respect of any and all losses, damages, costs and expenses which may be suffered or incurred by the Purchaser arising as a result of the default of Excel Bright and/or PCPD over and above the amount of the Purchaser's Initial Damages Amount (the "**Purchaser's Additional Damages Amount**"), provided that the Purchaser's Additional Damages Amount together with the Purchaser's Initial Damages Amount will in no event exceed an amount equal to the aggregate of the First Instalment and the Second Instalment. The parties to the SPA are not precluded by anything in the SPA from bringing any action for specific performance.

Vendor's damages if the New Onshore Mortgage Registration Completion fails to occur

In the event that (i) the conditions precedent to Completion referred to in the section headed "The SPA – Conditions" of this announcement are fulfilled, and (ii) no Existing Facility Default exists, but Completion does not occur on or before the Long Stop Date as a result of the New Onshore Mortgage Registration Completion having not occurred on or before 28 August 2014 (or such other date as stipulated in the SPA), unless Excel Bright agrees in writing to a deferral of the date and/or time of Completion:

- (a) if, despite the Purchaser having promptly taken all necessary steps and actions (but limited as to matters within its powers) with respect to the registration of the New Onshore Mortgage by the Relevant Housing and Land Bureau, the New Onshore Mortgage Registration Completion does not so occur and the sole reason therefor is refusal or delay by the Relevant Housing and Land Bureau which in turn is solely as a result of defective title of BJJW to the Property (not amounting to a breach of any of the Fundamental Warranties in respect of the Property), then as the parties' sole and exclusive remedies, either the Purchaser or Excel Bright is entitled to terminate the SPA (except certain agreed provisions) by giving notice to the other parties to the SPA, whereupon (i) within 14 Business Days after the date of the receipt by BJJW of the duly executed New Onshore Mortgage Release Documents, Excel Bright is required to refund to the Purchaser the First Instalment and the Second Instalment (in each case, to the extent that the same has been received by Excel Bright) in each case, together with interest incurred thereon at the Interest Rate, and (ii) following the Purchaser's receipt of all such amounts, the SPA (except certain agreed provisions) will terminate and cease to have effect; or
- (b) if the New Onshore Mortgage Registration Completion does not so occur solely due to refusal or delay by the Relevant Housing and Land Bureau despite (1) the Purchaser having promptly taken all necessary steps and actions (but limited as to matters within its powers) with respect to the registration of the New Onshore Mortgage by the Relevant Housing and Land Bureau, and (2) Excel Bright having taken steps and actions as required under the SPA (but otherwise than in the circumstances provided for in paragraph (a) above), then as the parties' sole and exclusive remedies, either the Purchaser or Excel Bright is entitled to terminate the

SPA (except certain agreed provisions) by giving notice to the other parties to the SPA, whereupon: (i) the Deposit will be forfeited to the benefit of Excel Bright absolutely as and for liquidated damages (and not as penalty) in full and final settlement of all claims Excel Bright may have under or in respect of the SPA, (ii) within 14 Business Days after the date of the receipt by BJJW of the duly executed New Onshore Mortgage Release Documents, Excel Bright is required to refund to the Purchaser the First Instalment (*less* the Deposit) and the Second Instalment (in each case, to the extent that the same has been received by Excel Bright), in each case, without interest; and (iii) following the Purchaser's receipt of all such amounts, the SPA (except certain agreed provisions) will terminate and cease to have effect.

Vendor's Additional Damages Amount

In the event that the conditions precedent to Completion referred to in the section headed "The SPA – Conditions" of this announcement are fulfilled but Completion does not occur on the Targeted Completion Date (or, if the deferral situation mentioned in the section headed "The SPA – Completion" of this announcement applies and the date for Completion is so deferred as a result, the date to which the date for Completion is so deferred) as a result of:

- (a) the Purchaser's refusal or failure to pay the Second Instalment to Excel Bright in accordance with the SPA; or
- (b) the Purchaser's refusal or failure to pay the Balance to Excel Bright in accordance with the SPA,

then unless Excel Bright and the Purchaser agree in writing to an extension of the date and/or time of Completion, (a) Excel Bright is entitled to (i) terminate the SPA (except certain agreed provisions) by giving notice to the Purchaser, and (ii) the Deposit will be forfeited to Excel Bright absolutely. The forfeiture of the Deposit as aforesaid will be without prejudice to Excel Bright's right to claim against the Purchaser for any damages to which Excel Bright is entitled against the Purchaser in respect of any and all losses, damages, costs and expenses which may be suffered or incurred by Excel Bright arising as a result of the default or failure of the Purchaser over and above the amount of the Deposit forfeited to Excel Bright as aforesaid (the "**Vendor's Additional Damages Amount**"), provided that the Vendor's Additional Damages Amount together with the Deposit forfeited to Excel Bright as aforesaid will in no event exceed an amount equal to the aggregate of the First Instalment and the Second Instalment.

Excel Bright is entitled (i) to retain the amount of the First Instalment (*less* the Deposit) and the Second Instalment in each case, to the extent that the same has been received by it from the Purchaser (the "**Retained Amount**") pending application towards Excel Bright's claims against the Purchaser in respect of any and all losses, damages, costs and expenses suffered or incurred by Excel Bright arising from the Purchaser's default or failure; and (ii) to retain the Retained Amount pending the final determination of such claims.

Excel Bright is entitled to apply the Retained Amount so retained towards the amount (if any) determined by legal proceedings or (if Excel Bright and the Purchaser so agree) arbitration in favour of Excel Bright. If the amount to which Excel Bright is entitled as finally determined is less than the Retained Amount, the excess (the “**Retained Amount Balance**”), if any, will be refunded to the Purchaser within 14 Business Days from the date of issuance of the court order by the relevant court or arbitral award in respect of which such determination is finally made.

If no legal proceedings (or, if applicable, arbitration proceedings or alternative dispute resolution procedure) in respect of any such claims and/or entitlements are commenced by Excel Bright against the Purchaser within 90 days after the date scheduled for Completion, then Excel Bright is required to refund to the Purchaser such Retained Amount (without any interest) within 14 Business Days after the expiry of the 90-day period.

If legal proceedings (or, if applicable, arbitration proceedings or alternative dispute resolution procedure) in respect of any claims are commenced by Excel Bright against the Purchaser within 90 days after the date scheduled for Completion, and the Retained Amount exceeds the amount so claimed by Excel Bright as stated in Excel Bright’s documents commencing legal proceedings (or, if applicable, arbitration proceedings or alternative dispute resolution procedure), Excel Bright is required to refund to the Purchaser such portion of the Retained Amount equal to the excess (without any interest) within 14 Business Days after the date of the relevant documents of Excel Bright’s legal proceedings (or, if applicable, arbitration proceedings or alternative dispute resolution procedure). Following the final determination of all amounts to which Excel Bright is entitled under the SPA and the receipt by the Purchaser of all Retained Amount or the Retained Amount Balance (if any), as the case may be, the SPA (except certain agreed provisions) will terminate and cease to have effect. This does not preclude Excel Bright from bringing any action for specific performance.

In the event that the conditions precedent to Completion referred to in the section headed “The SPA – Conditions” of this announcement have been fulfilled but Completion does not occur on or before the Targeted Completion Date (or, if the deferral situation mentioned in the section headed “The SPA – Completion” of this announcement applies and the date for Completion is so deferred as a result, the date to which the date for Completion is so deferred) as a result of an Existing Facility Default (other than an Existing Facility Default which results from an action or omission of, and is not outside the power and control of, Excel Bright, Pride Pacific, PCPD or any Gain Score Group Company), then unless Excel Bright and the Purchaser agree in writing to a further extension of the date of Completion, either the Purchaser or Excel Bright is entitled to terminate the SPA (except certain agreed provisions) by giving notice to the other parties to the SPA, whereupon (i) within 14 Business Days after the date of the receipt by BJJW of the duly executed New Onshore Mortgage Release Documents, Excel Bright is required to refund to the Purchaser the First Instalment and the Second Instalment (in each case, to the extent that the same has been received by Excel Bright), in each case, without interest and (ii) following the Purchaser’s receipt of all such amounts, the SPA (except certain agreed provisions) will terminate and cease to have effect.

Conditions

PCPD is required to ensure that a special general meeting of PCPD is duly convened as soon as practicable after the date of the SPA to approve the completion of the sale and purchase of the Sale Share and the assignment of the Shareholder Loan under the SPA.

Completion of the sale and purchase of the Sale Share and the assignment of the Shareholder Loan as contemplated under the SPA is conditional upon the following conditions precedent being or having been fulfilled:

- (a) the passing of a resolution at a duly convened special general meeting of PCPD by the requisite majority of its shareholders who are not prohibited from voting under the Listing Rules to approve the sale and purchase of the Sale Share and the assignment of the Shareholder Loan under the SPA and the Deed of Assignment; and
- (b) the passing of a resolution at a duly convened extraordinary general meeting of PCCW by the requisite majority of its shareholders who are not prohibited from voting under the Listing Rules to approve the sale and purchase of the Sale Share and the assignment of the Shareholder Loan under the SPA and the Deed of Assignment.

PCPD agreed to use reasonable endeavours to procure the fulfilment of the conditions precedent set out in (a) and (b) above by 28 August 2014 (or such other date as Excel Bright and the Purchaser may agree in writing). The conditions precedent set out in (a) and (b) above cannot be waived by any party to the SPA.

Break-up Fee

If the SPA is terminated due to the failure to fulfill the conditions precedent to Completion referred to in the section headed “The SPA – Conditions” of this announcement on or before 28 August 2014 (or such other date as Excel Bright and the Purchaser may agree in writing), PCPD will be required to pay the Break-up Fee of USD100,000,000 (equivalent to approximately HK\$776,000,000) to the Purchaser.

Payment of the Break-up Fee is not dependent or consequential on any breach of the SPA.

The amount of Break-up Fee was determined by the parties to the SPA with reference to the amount of the Deposit, the Further Payment and the Second Instalment made and to be made by the Purchaser before the SGM and it was considered commercially appropriate and fair.

BJJW Undertaking

It is a requirement under the SPA that BJJW will execute the BJJW Undertaking in favour of Excel Bright at Completion. Pursuant to the BJJW Undertaking, BJJW will give, among other things, the following undertakings:

- (a) without specified time limit and to the extent not prohibited under the laws of the PRC:
 - (i) not to change the existing name of the whole development on the Site currently known as Pacific Century Place (i.e. “Pacific Century Place”, “盈科中心” and “Ying Ke Zhong Xin”) as the name of the whole development without the prior written approval of Excel Bright; and
 - (ii) an exclusive right of use of the existing signage structures located at (1) the north-facing facade of the podium of the development on the Site and (2) the north-western corner of the north plaza outside the north entrance of the podium of the development on the Site free of charges or fees and not to change the design of the name of the whole development thereon and not to remove or relocate such structures without the prior written approval of Excel Bright; and
- (b) within a period of 10 years after the Completion and to the extent not prohibited under the laws of the PRC, Excel Bright will have the exclusive right to use the existing signage light box free of charges or fees located on the top floor of the tower of Tower C of the development on the Site for putting up sign at any time and from time to time (including the existing sign (at Excel Bright’s cost) provided that prior approval of BJJW is required to be obtained in respect of any change in the design (including size and outlook) and logo (such approval not to be unreasonably withheld or delayed)). At any time and from time to time after the expiry of such 10-year period, Excel Bright will have a right of first refusal to lease such light box from BJJW at the then prevailing market rent.

The BJJW Undertaking also contains provisions to protect the above rights conferred upon Excel Bright in case of any proposed sale, transfer, assignment or disposal to a third party of any interest in the development on the Site by BJJW.

Certain other terms

- (a) Subject to Completion having taken place, the Purchaser has agreed to use reasonable endeavours to procure BJJW to grant to the tenant/licensee of each Connected Lease (the “**Connected Tenant/Licensee**”) an option to renew the relevant lease/licence of the premises at the then prevailing market terms (as mutually agreed upon by BJJW and the relevant Connected Tenant/Licensee, such terms will in any event include an option to renew similar to that as provided under the SPA) including the then prevailing market rent upon the expiry of the relevant Connected Lease, except as mentioned below. If a third party makes a bona fide

offer to BJJW to enter into a lease with BJJW with respect to the relevant premises in question, then, prior to accepting such offer, the Purchaser is required to cause BJJW to deliver a notice to the relevant Connected Tenant/Licensee offering it the right to renew the relevant Connected Lease on the same terms as those offered by the third party. The relevant Connected Tenant/Licensee may therefore exercise its right to renew its Connected Lease on the same terms as those offered by the third party or if it does not exercise its right to renew pursuant to the SPA, (i) such Connected Tenant/Licensee will be deemed to have waived its right to renew the relevant Connected Lease pursuant thereto, (ii) the Purchaser will not be required to perform its obligation as described hereinabove in respect of the relevant Connected Tenant/Licensee, and (iii) the Purchaser will be entitled to cause BJJW to enter into a lease with the third party on the same terms as offered by such third party.

- (b) Subject to Completion having taken place in accordance with the SPA, Excel Bright is required to indemnify and hold harmless the Purchaser and each member of Gain Score Group and each of their respective successors and permitted assigns, from and against all liabilities, losses, suits, claims in writing, damages and reasonable attorneys' fees, taxes, court costs and other out-of-pocket expenses that the Purchaser or any member of Gain Score Group suffers, incurs, expends or is claimed against (in writing) in relation to, or that arise out of or result from, inter alia, the breach by Excel Bright of certain terms of the SPA or documents entered into in relation to the SPA to which Excel Bright is a party and any liabilities for taxes to which any member of Gain Score Group is subject for all taxable periods ending on or before the date of Completion and, with respect to any taxable period that begins on or before and ends after the date of Completion, for the portion of tax calculated proportionally in respect of the taxable period ending on the date of Completion, subject to the agreed exclusions under the SPA.

Completion

Subject to fulfilment of the conditions precedent to Completion referred to in the section headed "The SPA – Conditions" of this announcement, Completion is to take place on the Targeted Completion Date (or, if the deferral situation mentioned in this section applies and the date for Completion is deferred as a result, the date to which the date for Completion is so deferred) unless the SPA has been terminated in accordance with the terms therein. If the New Onshore Mortgage Registration Completion does not occur on or before 28 August 2014 despite the Purchaser having promptly taken all necessary steps and actions (but limited as to matters within its powers) with respect to the registration of such mortgage with the Relevant Housing and Land Bureau, then the Completion Date will be deferred to a date (which shall be no later than 14 Business Days after the Long Stop Date) mutually agreed by Excel Bright and the Purchaser (both acting reasonably).

FURTHER INFORMATION RELATING TO THE GAIN SCORE GROUP AND THE PROPERTY

The Property is in a premium grade investment building located at the Site in the city centre of Beijing, the PRC with convenient access via public and private transportation. It comprises a commercial and residential complex, with two towers of office buildings, two towers of service apartments and a shopping mall (excluding the Excluded Portion).

As at 31 December 2013, the Property was stated as investment property at valuation of HK\$6,657 million for the PCPD Group. As at 31 December 2013, the total value of the Property was HK\$6,642 million for the PCCW Group, which comprised investment property at valuation of HK\$6,603 million and land and buildings at cost of HK\$39 million.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Disposal

The PCPD Group is principally engaged in the development and management of premium property and infrastructure projects as well as investment in premium-grade buildings in Asia.

As PCPD continues to consider various business and investment opportunities, PCPD is exploring different methods to satisfy the anticipated funding requirements of the PCPD Group. Given that the global economy has shown signs of stabilisation and gradual recovery, the PCPD Directors consider that the Disposal represents a good opportunity for the PCPD Group to realise the Property at a reasonable price such that the overall financing resources of the PCPD Group could be enhanced.

Following the completion of the Residence Bel-Air project in Hong Kong, PCPD is committed to building its presence in Asia, particularly in economies that are experiencing high growth. It is believed that the Disposal would release the PCPD Group's capital, allowing PCPD to focus its resources on the existing landmark developments in Hokkaido, Japan and Phang-nga, Thailand as well as the project in Jakarta, Indonesia and at the same time to provide greater financial flexibility for the PCPD Group to explore and capitalise on business and investment opportunities globally.

In Indonesia, the PCPD Group plans to develop a 40-storey Grade A office building with development area of not less than 132,000 square metres; the project site is located in Sudirman CBD, one of the prime business districts within what is referred to as the Golden Triangle of Jakarta. This project has quickly proceeded to the design and planning stage. The ground-breaking ceremony was held on 30 October 2013 and the project is expected to be completed by the end of 2016 and to be operational by 2017.

In Japan, the PCPD Group is developing an all-season resort project at Hanazono in Hokkaido, Japan. The development will consist of hotels, apartments and villas. The planning works for this project is progressing in accordance with its schedule, where the ski business has already been in operation. The detailed design works of Hanazono all-season resort project in Hokkaido, Japan is making good progress.

In Thailand, development plans for luxury resort complexes in Thai Muang Beach, Phang-nga in Southern Thailand, represent long-term expansion prospects for the PCPD Group. The planning works for the Phang-nga project continue in accordance with its schedule. The PCPD Group has signed contracts with one of the top-class international hotel operators for the management of a hotel in the project in Phang-nga, Southern Thailand. The master planning for the project in Phang-nga, Southern Thailand is progressing in accordance with its schedule. In addition to the development projects as mentioned above, the businesses of the PCPD Group include property and facilities management.

Following completion of the Disposal, in addition to the PCPD Group's commitment to the existing business projects in Japan, Thailand and Indonesia, it is also the key business objective of the PCPD Group to continue to explore other suitable business and investment opportunities in the PRC. As a key driver of global economic growth, the PRC remains the PCPD Group's top priority for business investments, including property development projects and property investment opportunities that are in line with PCPD's principal business. The PCPD Group would evaluate any proposals, including those involving the PRC, as it considers appropriate and would analyze the advantages and disadvantages involved.

The Disposal will provide the PCPD Group with cash flow and greater financial flexibilities and it may benefit the PCPD Group's long term growth and profitability. As at 31 December 2013, PCPD had cash (including cash equivalents) amounting to approximately HK\$866 million which includes the amount drawn down under the term loan facility of HK\$1,500 million under the HKD Facility Documents; such loan facility will be fully repaid upon Completion.

The Consideration was determined after arm's length negotiations between Excel Bright and the Purchaser with the value of the Property of USD928,000,000 (equivalent to approximately HK\$7,201,280,000) being determined on the basis of prevailing property market conditions whilst the initial and final adjustments will be made to cover the fair value of other assets and liabilities within the Gain Score Group. The value of the Property payable by the Purchaser is approximately 8% higher than the book value as at 31 December 2013. The PCPD Directors regard the Consideration as reasonable and that the Disposal would be in the best interest of the PCPD Shareholders.

The PCPD Directors, including the independent non-executive PCPD Directors, consider that the terms of the SPA are on normal commercial terms and are fair and reasonable and the Disposal is in the interest of the PCPD Shareholders as a whole.

Although PCPD is majority-owned by PCCW, PCPD is a separately listed company with its own board of directors. Having regard to the reasons for and benefits of the Disposal as described by the PCPD Directors, the PCCW Directors, including the independent non-executive PCCW Directors, consider that the terms of the SPA are on normal commercial terms and are fair and reasonable and the Disposal is in the interest of the PCCW Shareholders as a whole.

The payment of the Break-up Fee

In order to secure that the Purchaser pays to Excel Bright an amount of USD417,600,000 (equivalent to approximately HK\$3,240,576,000) before the date of the SGM for the protection of Excel Bright in the event of default of the Purchaser and to compensate the Purchaser for the loss of opportunity in the event that the PCPD Shareholders and PCCW Shareholders do not approve the SPA, Excel Bright and the Purchaser agreed on a Break-up Fee arrangement.

The PCPD Directors, including the independent non-executive PCPD Directors, consider that the terms of the SPA are on normal commercial terms and are fair and reasonable and the payment of the Break-up Fee, if any, is in the interest of the PCPD Shareholders as a whole, in the context of the agreed terms of the Disposal.

Although PCPD is majority-owned by PCCW, PCPD is a separately listed company with its own board of directors. Having regard to the reasons for and benefits of the Disposal as described by the PCPD Directors, the PCCW Directors, including the independent non-executive PCCW Directors, consider that the terms of the SPA are on normal commercial terms and are fair and reasonable and the payment of the Break-up Fee, if any, is in the interest of the PCCW Shareholders as a whole, in the context of the agreed terms of the Disposal.

FINANCIAL EFFECTS OF THE TRANSACTIONS AND USE OF PROCEEDS

Financial effects of the Disposal

Set out below is a summary of unaudited consolidated income statement of the Gain Score Group for the years ended 31 December 2011, 2012 and 2013:

	For the year ended 31 December		
	2011	2012	2013
	(unaudited)	(unaudited)	(unaudited)
<i>HK\$ million</i>			
Revenue	260	239	236
Profit before taxation	153	460	732
Profit after taxation	104	342	534

The unaudited consolidated net asset value of the Gain Score Group was approximately HK\$3,850 million as at 31 December 2013 according to PCPD's latest unaudited management report. It is expected that, for illustrative purpose only, the Disposal will result in an estimated consolidated profit before taxation for the PCPD Group of approximately HK\$2,646 million which is based on (i) the Initial Consideration of USD928 million (equivalent to approximately HK\$7,201 million); (ii) the estimated Final Adjustment of USD12.5 million (equivalent to approximately HK\$97 million); (iii) the unaudited consolidated net asset value of the Gain Score Group of approximately HK\$3,850 million; (iv) the exchange reserve of approximately HK\$1,321 million in relation to the Gain Score Group to be transferred to profit and loss upon Disposal; (v) an estimated cash settlement of indebtedness of approximately HK\$241 million against the outstanding indebtedness owed by the Gain Score Group to Excel Bright of approximately HK\$2,294 million; and (vi) the related expenses of approximately HK\$70 million.

The unaudited consolidated net asset value of the Gain Score Group was approximately HK\$3,835 million as at 31 December 2013 according to PCCW's latest unaudited management report. It is expected that, for illustrative purpose only, the Disposal will result in an estimated consolidated profit before taxation for the PCCW Group of approximately HK\$2,661 million which is based on (i) the Initial Consideration of USD928 million (equivalent to approximately HK\$7,201 million); (ii) the estimated Final Adjustment of USD12.5 million (equivalent to approximately HK\$97 million); (iii) the unaudited consolidated net asset value of the Gain Score Group of approximately HK\$3,835 million; (iv) the exchange reserve of approximately HK\$1,321 million in relation to the Gain Score Group to be transferred to profit and loss upon Disposal; (v) an estimated cash settlement of indebtedness of approximately HK\$241 million against the outstanding indebtedness owed by the Gain Score Group to Excel Bright of approximately HK\$2,294 million; and (vi) the related expenses of approximately HK\$70 million.

The actual gain or loss arising from the Disposal would be different from the above and will be subject to audit and determined based on (i) the amounts as at the date of Completion of the Gain Score Group's consolidated net assets/liabilities (as the case may be); (ii) the Shareholder Loan and the exchange reserve balance; (iii) the prevailing Exchange Rate; and (iv) the actual amount of expenses incidental to the Disposal.

Upon Completion, the Gain Score Group Companies will cease to be subsidiaries of PCPD and PCCW, and PCPD and PCCW will no longer have any ownership interest in the land use rights and property rights in the Property. The profit and loss and the assets and liabilities of the Gain Score Group will no longer be consolidated into the PCPD Group's and PCCW Group's consolidated financial statements.

The major assets of the PCPD Group upon Completion include the property development projects in Hokkaido, Japan, Phang-nga, Thailand and Jakarta, Indonesia.

Use of proceeds

PCPD intends to use the net proceeds from the Disposal, after fully repaying all outstanding balances in the amount of HK\$1,500 million under the HKD Facility Documents upon Completion, as general working capital, to repay existing debts (including towards financing the redemption of the 2014 Convertible Note which remains outstanding and has not otherwise been converted or redeemed by other means on the maturity date of the 2014 Convertible Note) and partly as funds for the purposes of funding the existing projects in Japan, Thailand and Indonesia, and for further business developments and investments that may be undertaken by the PCPD Group in the coming future, including new development projects and new investment schemes, in Asia or overseas.

Financial effects of the payment of the Break-up Fee

The payment of the Break-up Fee of USD100,000,000 (equivalent to approximately HK\$776,000,000), if materialized, will be expensed in the consolidated income statements for the PCPD Group and the PCCW Group, and will result in a loss of USD100,000,000 (equivalent to approximately HK\$776,000,000) for both the PCPD Group and the PCCW Group.

POSSIBLE SALES OF PCPD SHARES BY PCCW TO EXPAND PCPD'S INVESTOR BASE AND INCREASE ITS PUBLIC FLOAT AND TRADING LIQUIDITY

Following the publication of this announcement, PCCW may explore ways to expand PCPD's shareholder base, including the possibility of selling some of the PCPD Shares held by PCCW's relevant wholly-owned subsidiaries, with the intention of increasing its public float and trading liquidity. In any event, PCCW would still maintain its majority indirect shareholding in PCPD. The PCCW Directors consider that it would be in the interests of all PCPD Shareholders and all PCCW Shareholders for PCPD's investor base to be expanded and for the number of PCPD Shares held by the public to be increased.

As part of any such sale of PCPD Shares, PCCW may arrange for its wholly-owned subsidiary which holds the 2014 Convertible Note to convert all or part of the 2014 Convertible Note into PCPD Shares.

As mentioned above, PCPD may elect to apply part of the proceeds from the Disposal to finance the redemption of the 2014 Convertible Note which remains outstanding and which has not otherwise been converted or redeemed by other means on its maturity date of 9 May 2014.

LISTING RULES IMPLICATIONS

PCPD

As some of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules for the Disposal are more than 75%, the Disposal constitutes a very substantial disposal for PCPD under Chapter 14 of the Listing Rules. Hence, the sale and purchase of the Sale Share and the assignment of the Shareholder Loan are subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules. A SGM will be convened by PCPD to consider and, if thought fit, approve the sale and purchase of the Sale Share and the assignment of the Shareholder Loan subject to the terms and conditions of the SPA.

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules for payment of the Break-up Fee is more than 25% but all the applicable percentage ratios are less than 75%, the payment of the Break-up Fee constitutes a major transaction for PCPD under Chapter 14 of the Listing Rules. Hence, the payment of the Break-up Fee is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules. The payment of the Break-up Fee has been approved by a wholly-owned subsidiary of PCCW, Asian Motion Limited, as holder of more than 50% of the PCPD Shares in issue giving the right to attend and vote at general meetings of PCPD by way of written approval, as permitted by Rule 14.44 of the Listing Rules. As the approval for the payment of the Break-up Fee has been obtained as aforesaid, no further approval of such payment is required to be sought from the PCPD Shareholders at the SGM. As at the date of this announcement, Asian Motion Limited holds 296,266,666 PCPD Shares, representing approximately 74.50% of the PCPD Shares in issue.

PCCW has provided a written undertaking to the Purchaser and PCPD in relation to the approval of the Disposal as a very substantial disposal for PCPD under the Listing Rules. The undertaking provides that, (i) subject to the PCCW Shareholders passing an ordinary resolution approving the Disposal as a major transaction for PCCW under the Listing Rules, all the PCPD Shares in respect of which the relevant subsidiaries of PCCW are entitled to exercise voting rights will be voted in favour of the ordinary resolution(s) of PCPD Shareholders to be proposed at the SGM to approve the Disposal, and (ii) such relevant subsidiaries, taken together, will maintain a combined holding of PCPD Shares representing in aggregate not less than 50.1% of the PCPD Shares which have voting rights in respect of the said resolution(s) at the SGM, up to the time of the vote on the said resolution(s) at the SGM.

The PCPD Circular containing, among other things, further details of the terms of the SPA and of the Break-up Fee, a valuation report on the Property and other information as required under the Listing Rules, and the notice convening the SGM together with the proxy form will be despatched to the PCPD Shareholders by PCPD. It is expected that the PCPD Circular will be despatched on or before 17 April 2014.

Reference is made to the Lease and Licence Announcement. Upon Completion, all PCP Beijing Leases between BJJW on the one hand and the Parent Group and the HKT Group on the other hand as more particularly described in the sections headed “*Lease and Licence Agreements with the Parent Group*” and “*Lease and Licence Agreements with the HKT Group*” of the Lease and Licence Announcement, which are expected to continue after Completion, will cease to constitute continuing connected transactions for PCPD under Chapter 14A of the Listing Rules.

Furthermore, since the Gain Score Group Companies will cease to be subsidiaries of PCPD following Completion, provision of goods and services by the Parent Group and the HKT Group respectively to the PCPD Group (as more particularly described in the sections headed “*Principal Terms of the Parent Group Master Agreement*” and “*Principal Terms of the HKT Group Master Agreement*” respectively in the Services Announcement) will not cover the Gain Score Group Companies after Completion.

PCCW

As not all of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules for the Disposal are less than 25% but all the applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction for PCCW under Chapter 14 of the Listing Rules. Hence, the sale and purchase of the Sale Share and the assignment of the Shareholder Loan are subject to the reporting, announcement and shareholders’ approval requirements under the Listing Rules. An EGM will be convened by PCCW to consider and, if thought fit, approve the sale and purchase of the Sale Share and the assignment of the Shareholder Loan subject to the terms and conditions of the SPA.

PCRD has provided a written undertaking to the Purchaser and PCCW to vote all the PCCW Shares in respect of which it is then entitled to exercise voting rights in favour of the ordinary resolution(s) of PCCW Shareholders to be proposed to approve the Disposal at the EGM and to maintain its current shareholding in PCCW (except for a reduction of the number of PCCW Shares held pursuant to any pro rata repurchase of PCCW Shares by PCCW from its shareholders) until the time of the vote on the ordinary resolution(s) to approve the Disposal at the EGM (with the EGM to be held no later than 28 August 2014). As at the date of this announcement, PCRD holds 1,548,211,301 PCCW Shares, which represent approximately 21.29% of the issued and paid up capital of PCCW.

The PCCW Circular containing, among other things, further details of the terms of the SPA, a valuation report on the Property and other information as required under the Listing Rules, and the notice convening the EGM together with the proxy form will be despatched to the PCCW Shareholders by PCCW. It is expected that the PCCW Circular will be despatched on or before 17 April 2014.

Unconditionality of the Break-up Fee

As mentioned above, if the SPA is terminated due to the failure to fulfill the conditions precedent to Completion referred to in the section headed “*The SPA – Conditions*” of this announcement on or before 28 August 2014 (or such other date as Excel Bright and the Purchaser may agree in writing), PCPD will be required to pay the Break-up Fee of

USD100,000,000 (equivalent to approximately HK\$776,000,000) to the Purchaser. For the avoidance of doubt, the obligation of PCPD to pay the Break-up Fee in such event is not conditional upon the approval by the PCPD Shareholders at the SGM or the approval by the PCCW Shareholders since, in respect of PCPD, the payment of the Break-up Fee has been approved by a wholly-owned subsidiary of PCCW, Asian Motion Limited, as holder of more than 50% of the PCPD Shares in issue giving the right to attend and vote at general meetings of PCPD by way of written approval, as permitted by Rule 14.44 of the Listing Rules and, in respect of PCCW, the payment of the Break-up Fee is not a notifiable transaction for PCCW under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

The PCPD Group is principally engaged in the development and management of premium property and infrastructure projects as well as investment in premium-grade buildings in Asia. The principal activity of Excel Bright is investment holding.

The principal activities of the PCCW Group are the provision of local, mobile and international telecommunications services, Internet access services, interactive multimedia and pay-TV services, the sale and rental of telecommunications equipment, and the provision of computer, engineering and other technical services primarily in Hong Kong, and also in mainland China and elsewhere in the Asia Pacific region; investments in, and development of, systems integration, network engineering, and technology-related businesses; and investments in, and development of, infrastructure and properties in Hong Kong, mainland China and elsewhere in the Asia Pacific region.

The Purchaser is principally engaged in property investment holding, and is owned by real estate private equity funds managed by Gaw Capital Partners.

PCPD Shareholders, PCCW Shareholders and potential investors of PCPD and PCCW should note that Completion is subject to a number of conditions. There is no assurance that the Disposal will be completed. PCPD Shareholders, PCCW Shareholders and potential investors of PCPD and PCCW should, accordingly, exercise caution when dealing in the PCPD Shares and PCCW Shares.

DEFINITIONS

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

“2014 Convertible Note” the HK\$2,420 million convertible note issued by PCPD Wealth Limited, a wholly-owned subsidiary of PCPD, and guaranteed by PCPD, which convertible note has a maturity date of 9 May 2014 and is held by PCCW-HKT Partners Limited, a wholly-owned subsidiary of PCCW

“Adjusted Consideration”	has the meaning given to it in the section headed “The SPA – Consideration – Initial Consideration” above
“Balance”	has the meaning given to it in the section headed “The SPA – Consideration – Initial Consideration” above
“BJJW”	北京京威房地產開發有限公司(English translation for reference only: Beijing Jing Wei House and Land Estate Development Co., Ltd.), a wholly foreign owned enterprise established under the PRC laws, and the sole shareholder of which is New Mile
“BJJW Undertaking”	the letter of undertaking to be given by BJJW in favour of Excel Bright pursuant to which BJJW will, among others, give certain undertakings as mentioned in the section headed “The SPA – BJJW Undertaking” above
“Break-up Fee”	the sum of USD100,000,000 (equivalent to approximately HK\$776,000,000) to be payable by PCPD to the Purchaser pursuant to the SPA if the SPA is terminated due to the failure to fulfill the conditions precedent set out in (a) and (b) or either of them under the section headed “The SPA – Conditions” above
“Business Day”	a day on which banks in Hong Kong and the PRC are generally open for business (other than a Saturday or Sunday or public holiday or any day on which a tropical cyclone signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong)
“Completion”	completion of the Disposal pursuant to the terms and conditions of the SPA
“Completion Accounts”	the unaudited management accounts of the Gain Score Group Companies as of the date of Completion to be prepared in accordance with the terms of the SPA
“Completion Date”	the date when Completion shall take place in accordance with the SPA
“Connected Lease(s)”	the Lease and Licence Agreements as defined and more particularly described in the Lease and Licence Announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Connected Tenant/Licensee”	has the meaning given to it in the section headed “The SPA – Certain other terms” above
“Consideration”	the aggregate consideration for the sale and purchase of the Sale Share and the assignment of the Shareholder Loan under the SPA, being the amount payable by the Purchaser to Excel Bright in accordance with the SPA
“Deed of Assignment”	the deed of assignment in respect of the Shareholder Loan to be executed by Excel Bright in favour of the Purchaser and with the consent of Gain Score on Completion
“Deposit”	the sum of USD92,800,000 (equivalent to approximately HK\$720,128,000), being 10% of the Initial Consideration, payable or to be paid by the Purchaser to Excel Bright pursuant to the SPA
“Disposal”	the disposal of the Sale Share and the assignment of the Shareholder Loan by Excel Bright to the Purchaser pursuant to the SPA
“EGM”	the extraordinary general meeting of PCCW to be convened to consider and, if thought fit, to approve, among other things, the sale and purchase of the Sale Share and the assignment of the Shareholder Loan subject to the terms and conditions of the SPA
“Excel Bright” or “Vendor”	Excel Bright Properties Limited, a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of PCPD
“Exchange Rate”	(i) for conversion between RMB and US Dollars, the middle exchange rate for exchange between RMB and US Dollars posted by the People’s Bank of China; (ii) for conversion between RMB and HK Dollars, the middle exchange rate for exchange between RMB and HK Dollars posted by such bank; and (iii) for conversion between HK Dollars and US Dollars, by applying both the Exchange Rates in (i) and (ii) above, in each case on the date that is one Business Day immediately prior to the relevant date of payment or determination

“Excluded Portion”	certain premises (as specified in the SPA) in the property development known as “Pacific Century Place”, “盈科中心” and “Ying Ke Zhong Xin” located at 2A Gong Ti Bei Lu, Chaoyang District, Beijing, the PRC, which do not form part of the Property
“Existing Facility Default”	<p>a default by Excel Bright, Pride Pacific, PCPD or any Gain Score Group Company under the RMB Facility Documents or the HKD Facility Documents resulting in:</p> <ul style="list-style-type: none"> (i) the occurrence of an event of default under the RMB Facility Documents and/or the HKD Facility Documents, <i>and</i> the acceleration of any of the loans under the RMB Facility or the HKD Facility; (ii) enforcement of the Existing Onshore Mortgage; or (iii) the Existing Onshore Lender Consent being revoked, <p>in each case following the notification thereof in writing by the Existing Onshore Lender under the RMB Facility and/or the facility agent under the HKD Facility that such event has occurred</p>
“Existing Onshore Lender”	Standard Chartered Bank (China) Limited, Beijing Branch
“Existing Onshore Lender Consent”	the conditional consent in writing from Standard Chartered Bank (Hong Kong) Limited (as the facility agent under the HKD Facility for and on behalf of the lenders in respect of the HKD Facility) and Standard Chartered Bank (China) Limited, Beijing Branch (as the lender in respect of the RMB Facility) to Pride Pacific, BJJW, PCPD and New Mile dated 25 March 2014 with respect to the entering into of the SPA, the New Onshore Facility Agreement and the New Onshore Mortgage
“Existing Onshore Mortgage”	certain mortgage entered into between BJJW and the Existing Onshore Lender with respect to the Property

“Final Adjustment”	has the meaning given to it in the section headed “The SPA – Adjustments to Consideration – Final Adjustment” above
“First Instalment”	the sum of USD185,600,000 (equivalent to approximately HK\$1,440,256,000), being the aggregate of the Deposit and the Further Payment, payable or to be paid by the Purchaser to Excel Bright pursuant to the SPA
“Fundamental Warranties”	certain warranties given by Excel Bright with respect to ownership of the Sale Share and the Property, ownership of share in New Mile by Gain Score, and ownership of registered capital of BJJW by New Mile, as specified in the SPA
“Further Payment”	the sum of USD92,800,000 (equivalent to approximately HK\$720,128,000), being 10% of the Initial Consideration and part of the First Instalment payable by the Purchaser to Excel Bright pursuant to the SPA
“Gain Score”	Gain Score Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of Excel Bright
“Gain Score Group”	Gain Score, New Mile and BJJW collectively
“Gain Score Group Company”	any member of the Gain Score Group, and “Gain Score Group Companies” will be construed accordingly
“HK\$” or “HK Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKD Facility”	the term loan facility and the revolving loan facility of up to the aggregate amount of HK\$3,000 million made available under the HKD Facility Documents
“HKD Facility Documents”	collectively, the facility agreement in relation to the HKD Facility dated 8 October 2012 and entered into by and between Pride Pacific as the borrower and the agent of the obligors therein, PCPD and New Mile as the guarantors, Standard Chartered Bank (Hong Kong) Limited as the facility agent and security agent and the financial institutions listed therein as the lenders and co-ordinating arrangers and all guarantees, security and other agreements, instruments and documents relating to or in connection with the HKD Facility

“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 under the Companies Ordinance (Chapter 622 of the laws of Hong Kong, as amended, supplemented or otherwise modified from time to time) 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”	HKT and its subsidiaries
“HKT Group Master Agreement”	has the meaning given to it in the Services Announcement
“HKT Trust”	a trust constituted on 7 November 2011 under the laws of Hong Kong and managed by HKT Management Limited (the trustee-manager of the HKT Trust) and having its share stapled units jointly issued with HKT listed on the main board of the Stock Exchange (Stock Code: 06823)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Initial Adjustment”	has the meaning given to it in the section headed “The SPA – Adjustments to Consideration – Initial Adjustment” above
“Initial Consideration”	the sum of USD928,000,000 (equivalent to approximately HK\$7,201,280,000), being the initial amount of Consideration before taking into account the adjustments (if any) pursuant to the SPA
“Interest Rate”	the interest rate as at a particular date quoted by the Intercontinental Exchange Benchmark Administration at 11:00 a.m. London time on the relevant date for the offering of US Dollar deposits in the London interbank market for a period of one week as published by Thomson Reuters Corporation (page LIBOR01)
“Lease and Licence Announcement”	the announcement of PCPD dated 9 December 2013 in relation to, among others, the lease and licence agreements entered into by BJJW on the one hand and the Parent Group and the HKT Group on the other hand

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2014, or such other date as the Purchaser and Excel Bright may agree in writing
“New Mile”	New Mile International Limited, a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of Gain Score
“New Onshore Agent”	United Overseas Bank (China) Limited, in its capacity as facility agent and/or security agent under the New Onshore Facility
“New Onshore Facility”	the term loan facility of up to RMB500,000,000 to be advanced by the New Onshore Lenders subject to and in accordance with the terms of the New Onshore Facility Agreement
“New Onshore Facility Agreement”	the facility agreement in relation to the New Onshore Facility to be entered into by and between BJJW as the borrower, the New Onshore Agent and the New Onshore Lenders
“New Onshore Lenders”	the banks and financial institutions located in the PRC which are named as lenders in the New Onshore Facility Agreement
“New Onshore Mortgage”	certain mortgage to be entered into between BJJW and the New Onshore Agent with respect to the Property pursuant to the New Onshore Facility Agreement
“New Onshore Mortgage Registration Completion”	the completion of the registration of the New Onshore Mortgage with the Relevant Housing and Land Bureau as evidenced by the issue of 他項權利證明書(English translation for reference only: third party rights certificate) each by the Relevant Housing and Land Bureau
“New Onshore Mortgage Release Documents”	all agreements, forms, instruments and other documents necessary to terminate, release and discharge unconditionally the liabilities of, the obligations (including guarantees (if any)) owing by, and any security interests over the assets of, any Gain Score Group Company under the New Onshore Facility Agreement and the New Onshore Mortgage in accordance with the applicable laws

“Objection Notice”	has the meaning given to it in the section headed “The SPA – Adjustments to Consideration – Final Adjustment” above
“Parent Group”	PCCW and its subsidiaries (excluding the PCPD Group and the HKT Group)
“Parent Group Master Agreement”	has the meaning given to it in the Services Announcement
“PCCW”	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: 00008) and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the United States of America (ticker: PCCWY), which is an indirect holding company of PCPD
“PCCW Circular”	the circular in connection with, among other things, the sale and purchase of the Sale Share and the assignment of the Shareholder Loan under the SPA to be despatched to the PCCW Shareholders by PCCW as required under the Listing Rules
“PCCW Directors”	the directors of PCCW
“PCCW Group”	PCCW and its subsidiaries, and including the PCPD Group and the HKT Group
“PCCW Shareholders”	the holders of PCCW Shares
“PCCW Shares”	ordinary shares in the issued share capital of PCCW
“PCP Beijing Leases”	has the meaning given to it in the Lease and Licence Announcement
“PCPD”	Pacific Century Premium Developments Limited (Stock Code: 00432), a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“PCPD Circular”	the circular in connection with, among other things, the sale and purchase of the Sale Share, the assignment of the Shareholder Loan and the Break-up Fee under the SPA to be despatched to the PCPD Shareholders by PCPD as required under the Listing Rules

“PCPD Directors”	the directors of PCPD
“PCPD Group”	PCPD and its subsidiaries
“PCPD Shareholders”	the holders of PCPD Shares
“PCPD Shares”	ordinary shares of HK\$0.50 each in the issued share capital of PCPD
“PCRD”	Pacific Century Regional Developments Limited, a substantial shareholder of PCCW, a company listed on the Singapore Exchange Securities Trading Limited
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Pride Pacific”	Pride Pacific Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of PCPD
“Property”	the property as more particularly described in the property ownership certificates set out in the SPA, being the property development known as “Pacific Century Place”, “盈科中心” and “Ying Ke Zhong Xin” located at the Site (excluding, for the avoidance of doubt, the Excluded Portion)
“Purchaser”	Vinter Star Limited, a company incorporated in the British Virgin Islands
“Purchaser’s Additional Damages Amount”	has the meaning given to it in the section headed “The SPA – Further terms in relation to default – Purchaser’s Initial Damages Amount and Purchaser’s Additional Damages Amount” above
“Purchaser’s Initial Damages Amount”	an amount equal to the Deposit
“Relevant Housing and Land Bureau”	北京朝陽區房屋管理局 (Beijing Chaoyang District Housing Administration Bureau) and 北京市國土資源局朝陽分局 (Beijing Municipal Bureau of Land And Resources, Chaoyang Branch)
“Retained Amount”	has the meaning given to it in the section headed “The SPA – Further terms in relation to default – Vendor’s Additional Damages Amount” above

“Retained Amount Balance”	has the meaning given to it in the section headed “The SPA – Further terms in relation to default – Vendor’s Additional Damages Amount” above
“RMB”	Renminbi, the lawful currency of the PRC
“RMB Facility”	the term loan facility in an aggregate amount of RMB100,000,000 made available under the RMB Facility Documents
“RMB Facility Documents”	collectively, the facility agreement dated 8 October 2012 and entered into by and between BJJW as the borrower, Standard Chartered Bank (China) Limited as the RMB Facility coordinator and Standard Chartered Bank (China) Limited, Beijing Branch as the sole lender and all guarantees, security and other agreements, instruments and documents relating to or in connection with the RMB Facility including the Existing Onshore Mortgage
“Sale Share”	the one (1) issued share of USD1 of and in the share capital of Gain Score, representing the entire issued share capital of Gain Score as at the date of Completion to be sold to the Purchaser by Excel Bright pursuant to the SPA
“Sale Share Consideration”	the consideration for the sale and purchase of the Sale Share under the SPA
“Second Instalment”	the sum of USD232,000,000 (equivalent to approximately HK\$1,800,320,000), being 25% of the Initial Consideration, payable or to be paid by the Purchaser to Excel Bright pursuant to the SPA
“Services Announcement”	the announcement of PCPD dated 9 December 2013 in relation to, among others, the master agreements for procurement of goods and services between the PCPD Group on the one hand and the Parent Group and the HKT Group on the other hand
“SGM”	the special general meeting of PCPD to be convened to consider and, if thought fit, to approve, among other things, the sale and purchase of the Sale Share and the assignment of the Shareholder Loan subject to the terms and conditions of the SPA

“Shareholder Loan”	the amount owing by Gain Score to Excel Bright as at the date of Completion which is to be no more than HK\$2,294,000,000
“Shareholder Loan Consideration”	the consideration for the assignment of the Shareholder Loan under the SPA
“Site”	the piece of land located at 2A Gong Ti Bei Lu, Chaoyang District, Beijing, the PRC
“SPA”	the agreement dated 8 April 2014 relating to the sale and purchase of the Sale Share and the assignment of the Shareholder Loan entered into by Excel Bright as vendor, PCPD as guarantor of the Vendor’s obligations and the Purchaser as purchaser
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Targeted Completion Date”	the later of (i) 28 August 2014, or such earlier date as the Purchaser and Excel Bright may agree in writing, and (ii) the fourteenth Business Day immediately following the date on which all the conditions precedent set out in (a) and (b) under the section headed “The SPA – Conditions” above are fulfilled (such fulfilment to take place on or before 28 August 2014) (or such other date as Excel Bright and the Purchaser may agree in writing)
“USD” or “US Dollars”	United States dollars, the lawful currency of the United States of America
“Vendor’s Additional Damages Amount”	has the meaning given to it in the section headed “The SPA – Further terms in relation to default – Vendor’s Additional Damages Amount” above
“%”	per cent

By order of the board of
PCCW Limited
Philana WY Poon
Group Company Secretary

By order of the board of
Pacific Century Premium Developments Limited
Cheng Wan Seung, Ella
Company Secretary

Hong Kong, 8 April 2014

Unless indicated otherwise, in this announcement, conversion of amounts from RMB into USD has been made at the rate of USD1 = RMB6.1199, conversion of amounts from RMB into HK\$ has been made at the rate of RMB1 = HK\$1.268 and conversion of amounts from USD into HK\$ has been made at the rate of USD1 = HK\$7.76 for illustration purpose only. No representation is made that any such amount could have been or could be converted at such respective rates or at all.

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

Executive Directors:

Li Tzar Kai, Richard (Chairman); Lee Chi Hong, Robert (Deputy Chairman and Chief Executive Officer); Lam Yu Yee (Deputy Chief Executive Officer and Chief Financial Officer); James Chan; and Gan Kim See, Wendy

Independent Non-Executive Directors:

Cheung Kin Piu, Valiant; Prof Wong Yue Chim, Richard, SBS, JP; and Dr Allan Zeman, GBM, GBS, JP

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

Executive Directors:

Li Tzar Kai, Richard (Chairman); Chan Ching Cheong, George (Group Managing Director); Hui Hon Hing, Susanna (Group Chief Financial Officer) and Lee Chi Hong, Robert

Non-Executive Directors:

Sir David Ford, KBE, LVO; Tse Sze Wing, Edmund, GBS; Lu Yimin (Deputy Chairman); Li Fushen; Li Gang and Wei Zhe, David

Independent Non-Executive Directors:

Dr The Hon Sir David Li Kwok Po, GBM, GBS, OBE, JP; Aman Mehta; Frances Waikwun Wong; Bryce Wayne Lee; Lars Eric Nils Rodert and David Christopher Chance

* *For identification only*