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**PCCW Limited**  
**電訊盈科有限公司**

*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 0008)**

**CONNECTED TRANSACTION - THE TENDER FOR PURCHASE BY  
PCCW WEALTH LIMITED  
OF THE NOTES**

**THE TENDER FOR PURCHASE BY PCCW WEALTH LIMITED OF THE NOTES**

Reference is made to (i) the announcement of the Notes Issuer dated 25 November 2022 in relation to the launch of the Tender Offer and (ii) the announcement of the Company dated 25 November 2022 in relation to the possible connected transaction.

As at 16:00 (London time) on 9 December 2022, U.S.\$49,500,000 in aggregate principal amount (equivalent to approximately HK\$386,100,000) of the Notes have been validly tendered pursuant to the Tender Offer. On

12 December 2022, the Offeror has decided that the Maximum Tender Consideration is U.S.\$30,000,000 and to accept U.S.\$31,085,000 in aggregate principal amount (equivalent to approximately HK\$242,463,000) of the Notes validly tendered pursuant to the Tender Offer. The aggregate Tender Consideration payable for the Notes validly offered for sale and accepted for purchase by the Offeror is U.S.\$29,994,434.54 (equivalent to approximately HK\$233,956,589.41). An announcement made by the Notes Issuer in relation to the results of the Tender Offer is available on the website of the Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) (under stock code: 4403).

### **LISTING RULES IMPLICATIONS**

The Notes Issuer is indirectly majority owned and controlled by Mr Li. Mr Li is the Chairman and an Executive Director of PCCW and is interested (for the purposes of Part XV of the SFO) in approximately 30.89% of the total number of shares of PCCW in issue. Accordingly, the Notes Issuer is a connected person of PCCW under the Listing Rules by virtue of being an associate of a connected person of PCCW.

As the Offeror has decided to accept U.S.\$31,085,000 in aggregate principal amount of the Notes validly tendered pursuant to the Tender Offer, the Tender Offer constitutes a connected financial assistance by PCCW to the Notes Issuer under the Listing Rules, notwithstanding that the Tender Offer does not involve PCCW making any payment to the Notes Issuer or entering into any contractual arrangement with the Notes Issuer. Settlement of the Tender Offer will also not involve the Notes Issuer.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Tender Offer exceeds 0.1% but all the applicable percentage ratios are less than 5%, the Tender Offer is only subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

### **THE TENDER**

Reference is made to (i) the announcement of the Notes Issuer dated 25 November 2022 in relation to the launch of the Tender Offer and (ii) the announcement of the Company dated 25 November 2022 in relation to the possible connected transaction.

As at 16:00 (London time) on 9 December 2022, U.S.\$49,500,000 in aggregate principal amount (equivalent to approximately HK\$386,100,000) of the Notes have been validly tendered pursuant to the Tender Offer. On 12 December 2022, the Offeror has decided that the Maximum Tender Consideration is U.S.\$30,000,000 and to accept U.S.\$31,085,000 in aggregate principal amount (equivalent to approximately HK\$242,463,000) of the Notes validly tendered pursuant to the Tender Offer. The aggregate Tender Consideration payable for the Notes validly offered for sale and accepted for purchase by the Offeror is U.S.\$29,994,434.54 (equivalent to approximately HK\$233,956,589.41). An announcement made by the Notes Issuer in relation to the results of the Tender Offer is available on the website of the Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) (under stock code: 4403).

### **Principal terms of the PCCW Tender Offer**

The principal terms of the Tender Offer are set out below:

Description	U.S.\$900,000,000 5.75 per cent. Subordinated Notes due 2024, comprising the U.S.\$550,000,000 5.75 per cent. Subordinated Notes due 2024, the U.S.\$250,000,000 5.75 per cent. Subordinated Notes due 2024 and the U.S.\$100,000,000 5.75 per cent. Subordinated Notes due 2024, consolidated to form one single series
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ISIN/ Common Code	XS2022434364 / 202243436
Outstanding Principal Amount*	U.S.\$900,000,000
Tender Offer Price	94.0 per cent. of the principal amount of Notes payable in cash <sup>(1)</sup>
Maximum Tender Consideration	U.S.\$30,000,000 or such higher amount as announced by the Offeror on or around the date of the announcement of the results of the Tender Offer <sup>(2)</sup>

\* *Outstanding Principal Amount as at 25 November 2022. The Offeror has informed the Notes Issuer that as at the date of the Tender Offer Memorandum, the Offeror, together with any other entities directly or indirectly wholly controlled by Mr Li, did not hold any Notes.*

*Note: (1) In addition to the Tender Offer Price, the Offeror will also pay Qualifying Holders (whose Notes are accepted for purchase by the Offeror) on the Settlement Date an Accrued Interest Amount.*

*(2) The Offeror will only accept for purchase Notes up to an amount that will result in the aggregate Tender Consideration being no greater than the Maximum Tender Consideration pursuant to the Tender Offer. The Tender Consideration will be an amount in United States dollars equal to the sum of (i) the product of (x) the Tender Offer Price and (y) the principal amount of the relevant Notes; and (ii) the Accrued Interest Amount in respect of such Notes, rounded, if necessary, to the nearest U.S.\$0.01, with half a cent being rounded upwards.*

## **Completion**

Completion of the Tender Offer is only subject to acceptance or rejection by the Offeror in its sole and absolute discretion of the Notes tendered by the Qualifying Holders under the Tender Offer. As set out above, the Offeror has decided to accept U.S.\$31,085,000 in aggregate principal amount (equivalent to approximately HK\$242,463,000) of the Notes validly tendered pursuant to the Tender Offer.

No other condition will need to be satisfied prior to completion of the Tender Offer. Settlement of the Tender Offer is expected to be on or about the Settlement Date. On the Settlement Date, the Offeror will purchase the Notes validly offered for sale and accepted for purchase by the Offeror pursuant to the Tender Offer, and will pay (or procure the payment of) the aggregate Tender Consideration in the manner as described in the Tender Offer Memorandum.

## **REASONS FOR AND BENEFITS OF THE TENDER OFFER**

The Offeror and its advisors believe that investment in the Notes offers promising prospects for attractive returns at current market prices, and in particular, that the expected returns and associated risks as assessed by the Offeror and its advisors fit well with the principal investment criteria of the Offeror.

The independent non-executive directors of the Company consider that: (i) the terms of the Tender Offer are fair and reasonable; (ii) the Tender Offer is on normal commercial terms or better for the Company and in the ordinary and usual course of business of the Company; and (iii) the Tender Offer is in the interests of the Company and its shareholders as a whole.

The directors of the Company believe that the terms of the Tender Offer are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Mr Li has a material interest in the Tender Offer and abstained from voting on the Board resolution approving the Tender Offer. Save for Mr Li, no other director of the Company has a material interest in the Tender Offer or is required to abstain from voting on the Board resolution approving the Tender Offer.

## **INFORMATION IN RELATION TO THE NOTES ISSUER, THE OFFEROR AND PCCW LIMITED**

The Notes Issuer is an exempted company incorporated under the laws of the Cayman Islands and registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance and its principal business activity is investment holdings, including insurance businesses across Thailand, Cambodia, Japan, the Philippines, Indonesia, and Singapore.

The Offeror is an investment holding company which is directly wholly-owned by the Company and is principally engaged in the investments in securities and financial products.

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

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

To the best of the knowledge, information and belief of the Company having made reasonable enquiry, the holders of the Notes validly tendered and accepted for purchase pursuant to the Tender Offer and their respective ultimate beneficial owners are independent third parties and not connected persons of the Offeror or the Notes Issuer for the purpose of the Listing Rules.

### **LISTING RULES IMPLICATIONS**

The Notes Issuer is indirectly majority owned and controlled by Mr Li. Mr Li is the Chairman and an Executive Director of PCCW and is interested (for the purposes of Part XV of the SFO) in approximately 30.89% of the total number of shares of PCCW in issue. Accordingly, the Notes Issuer is a connected person of PCCW under the Listing Rules by virtue of being an associate of a connected person of PCCW.

As the Offeror has decided to accept U.S.\$31,085,000 in aggregate principal amount of the Notes validly tendered pursuant to the Tender Offer, the Tender Offer constitutes a connected financial assistance by PCCW to the Notes Issuer under the Listing Rules, notwithstanding that the Tender Offer does not involve PCCW making any payment to the Notes Issuer or entering into any contractual arrangement with the Notes Issuer. Settlement of the Tender Offer will also not involve the Notes Issuer.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Tender Offer exceeds 0.1% but all the applicable percentage ratios are less than 5%, the Tender Offer is only subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

### **DEFINITIONS**

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

<b>“Accrued Interest”</b>	interest accrued and unpaid (if any) on the Notes from (and including) the interest payment date in respect of such Notes immediately preceding the Settlement Date to (but excluding) the Settlement Date, calculated in accordance with the terms and conditions of the Notes
<b>“Accrued Interest Amount”</b>	with respect to any Notes validly tendered for sale and accepted by the Offeror pursuant to the Tender Offer, an amount in cash (rounded to the nearest U.S.\$0.01, with half a cent being rounded upwards) equal to the Accrued Interest on such Notes
<b>“Board”</b>	the board of directors of the Company
<b>“connected person”</b>	has the meaning given to it in the Listing Rules
<b>“Group”</b>	PCCW and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Mr Li”</b>	Mr Li Tzar Kai, Richard
<b>“Notes”</b>	the U.S.\$900,000,000 5.75 per cent. Subordinated Notes due 2024, comprising the U.S.\$550,000,000 5.75 per cent. Subordinated Notes due 2024, the U.S.\$250,000,000 5.75 per cent. Subordinated Notes due 2024 and the U.S.\$100,000,000 5.75 per cent. Subordinated Notes due 2024, consolidated to form one single series, issued by the Notes Issuer (ISIN/Common Code: XS2022434364 / 202243436)
<b>“Notes Issuer”</b>	FWD Group Limited, the issuer of the Notes which are listed on the Stock Exchange (stock code: 4403)
<b>“Offeror”</b>	PCCW Wealth Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
<b>“PCCW” or “Company”</b>	PCCW Limited, a company incorporated in Hong Kong with limited liability, the shares listed on the main board of the Stock Exchange (stock code: 0008) and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the United States of America (ticker: PCCWY)
<b>“percentage ratios”</b>	has the meaning given to it in the Listing Rules
<b>“Qualifying Holder”</b>	holder(s) of Notes who are eligible to participate in the Tender Offer in accordance to the terms and conditions of the Tender Offer Memorandum

“Settlement Date”	the settlement date of Tender Offer, which is expected to be on or about 15 December 2022
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender Consideration”	the aggregate consideration payable on the Settlement Date to Qualifying Holders whose Notes are validly offered for sale and accepted for purchase by the Offeror pursuant to the Tender Offer
“Tender Offer”	the invitation by the Offeror to the Qualifying Holders to tender their Notes held by such Qualifying Holders for purchase by the Offeror for cash up to the Maximum Tender Consideration.
“Tender Offer Memorandum”	the tender offer memorandum in relation to the Tender Offer dated 25 November 2022
“U.S.\$”	United States dollars, the lawful currency of the United States of America
“%”	Per cent.

*Unless indicated otherwise, in this announcement, conversion of amounts from US\$ into HK\$ has been made at the rate of U.S.\$1 = HK\$7.80 for illustration purpose only.*

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

Hong Kong, 12 December 2022

As at the date of this announcement, the directors of the Company 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; Meng Shusen; Wang Fang and Wei Zhe, David

***Independent Non-Executive Directors***

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