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The securities described herein will be sold in accordance with all applicable laws and regulations.

HKT Trust

(a trust constituted on 7 November 2011 under the laws of Hong Kong and managed by HKT Management Limited)

and

HKT Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6823)

PCCW Limited

電訊盈科有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 0008)

JOINT ANNOUNCEMENT

PROPOSED RIGHTS ISSUE OF RIGHTS SHARE STAPLED UNITS AT THE SUBSCRIPTION PRICE OF HK$6.84 PER RIGHTS SHARE STAPLED UNIT ON THE BASIS OF 18 RIGHTS SHARE STAPLED UNITS FOR EVERY 100 EXISTING SHARE STAPLED UNITS HELD ON THE RECORD DATE AND CLOSURE OF REGISTERS

FULL ACCEPTANCE OF THE PROVISIONAL ALLOTMENT UNDER THE RIGHTS ISSUE OF THE HKT TRUST AND HKT LIMITED

Joint Global Coordinators and
Joint Underwriters of the Rights Issue
(in reverse alphabetical order)









Joint Underwriters
(in reverse alphabetical order)





PROPOSED RIGHTS ISSUE

The HKT Trust and HKT propose to raise approximately HK$7,900 million (approximately US$1,013 million) before expenses by way of the Rights Issue, on the basis of 18 Rights Share Stapled Units for every 100 Existing Share Stapled Units held by Qualifying Holders of Share Stapled Units at 5:00 p.m. on the Record Date, which is Friday, 27 June 2014.

The Rights Issue will involve the issue of 1,155,011,542 Rights Share Stapled Units at the Rights Subscription Price of HK$6.84 per Rights Share Stapled Unit payable in full on application.

The estimated net proceeds of the Rights Issue are approximately HK$7,784 million (approximately US$998 million). As contemplated in the Acquisition Circular issued by the HKT Trust and HKT on 31 December 2013, the HKT Trust and HKT intend to apply the net proceeds of the Rights Issue to reduce existing indebtedness of the HKT Group (including but not limited to repaying certain commercial banking facilities referred to in the Acquisition Circular).

To qualify for the Rights Issue, a Holder of Share Stapled Units must be registered as a holder of the relevant Share Stapled Units at 5:00 p.m. on the Record Date and not be a Non-Qualifying Holder of Share Stapled Units.

In order to be registered as Holders of Share Stapled Units at 5:00 p.m. on the Record Date, Holders of Share Stapled Units must lodge any transfers of Share Stapled Units (together with the relevant Share Stapled Unit certificates) with the Share Stapled Units Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Friday, 20 June 2014.

The Registers of the HKT Trust and HKT will be closed from Monday, 23 June 2014 to Friday, 27 June 2014, both days inclusive for determining the entitlements to the Rights Issue. No transfers of Share Stapled Units will be registered during this period.

UNDERTAKING BY PCCW TO ACCEPT ITS PROVISIONAL ALLOTMENT UNDER THE RIGHTS ISSUE IN FULL

Pursuant to PCCW's Undertaking, PCCW, which is interested (indirectly through its wholly-owned subsidiary, CAS) in 4,047,215,832 Share Stapled Units representing approximately 63.07% of the Share Stapled Units in issue as at the date of this announcement, has irrevocably undertaken to the HKT Trust, HKT and the Joint Underwriters, among other things:

(i) to subscribe for, or procure CAS to subscribe for, by no later than the latest date for acceptance of, and payment for, Rights Share Stapled Units, an aggregate of 728,498,849 Rights Share Stapled Units to be provisionally allotted to CAS pursuant to the terms of the Rights Issue in respect of the 4,047,215,832 Share Stapled Units in which PCCW is indirectly interested;

(ii) to remain indirectly interested in, and to procure CAS to remain the registered and beneficial holder of, the 4,047,215,832 Share Stapled Units referred to in paragraph (i) above at 5:00 p.m. on the Record Date as they are on the date of this announcement; and

(iii) if any additional Rights Share Stapled Units are provisionally allotted to PCCW or its subsidiaries (including, but not limited to, CAS) pursuant to the terms of the Rights Issue in respect of any further Share Stapled Units acquired by PCCW or its subsidiaries (including, but not limited to, CAS) on or before 5:00 p.m. on the Record Date in excess of the aggregate of 728,498,849 Rights Share Stapled Units referred to in paragraph (i) above, to subscribe for (or procure subscription for), by no later than the latest date for acceptance of, and payment for, Rights Share Stapled Units, those additional Rights Share Stapled Units.

Save for PCCW's Undertaking, the HKT Trust and HKT have not obtained undertakings from any other Holders of Share Stapled Units that they will subscribe for any or all of the Rights Share Stapled Units to be provisionally allotted to them.

The Joint Underwriters have agreed to underwrite in full the Underwritten Rights Share Stapled Units, being all the Rights Share Stapled Units other than those agreed to be, or to be procured to be, taken up or applied for by PCCW and/or its subsidiaries (including, but not limited to, CAS) pursuant to PCCW's Undertaking or by any other Holder of Share Stapled Units pursuant to an irrevocable undertaking given after the date of this announcement and prior to the Record Date, subject to the terms and conditions of the Underwriting Agreement.

WARNING OF THE RISKS OF DEALING IN THE SHARE STAPLED UNITS AND THE NIL-PAID RIGHTS SHARE STAPLED UNITS

It should be noted that the Underwriting Agreement contains provisions granting to the Joint Underwriters the right to terminate their obligations on the occurrence of certain events, including force majeure. Please refer to the section headed "Termination of the Underwriting Agreement" in this announcement for further details. The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms, the Rights Issue will not proceed, in which case a further announcement will be made by the HKT Trust, HKT and PCCW at the relevant time.

Any Holder of Share Stapled Units or other person contemplating transferring, selling or purchasing the Share Stapled Units and/or the Rights Share Stapled Units in their nil-paid form is advised to exercise caution when dealing in the Share Stapled Units and/or the Rights Share Stapled Units. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser. Any Holder of Share Stapled Units or other person dealing in the Share Stapled Units or in the nil-paid Rights Share Stapled Units up to the date on which the condition to which the Rights Issue is subject has been fulfilled and the Joint Underwriters' right to terminate the Underwriting Agreement has ceased will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

TRADING ARRANGEMENTS

The last day of dealings in the Share Stapled Units on a cum-rights basis is Wednesday, 18 June 2014. The Share Stapled Units will be dealt in on an ex-rights basis from Thursday, 19 June 2014. Dealings in the Rights Share Stapled Units in their nil-paid form are expected to take place from Thursday, 3 July 2014 to Thursday, 10 July 2014 (both days inclusive).

The latest time for acceptance of and payment for the Rights Share Stapled Units is expected to be 4:00 p.m. on the Latest Acceptance Date, which is expected to be on Tuesday, 15 July 2014 (or such other date as the Trustee-Manager, HKT and the Joint Underwriters may agree in writing). The HKT Trust and HKT will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Share Stapled Units in both nil-paid and fully-paid forms. For details of the trading arrangements, please refer to the section headed "Expected Timetable for the Rights Issue" in this announcement.

NO REQUIREMENT FOR APPROVAL OF HOLDERS OF SHARE STAPLED UNITS

As the Rights Issue will not increase the issued capital or the market capitalisation of the HKT Trust and HKT by more than 50%, the Rights Issue is not subject to the approval of Holders of Share Stapled Units in general meeting.

GENERAL

The Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the HKT Group and CSLNW is expected to be despatched by the HKT Trust and HKT, together with the PALs, to Qualifying Holders of Share Stapled Units on or before Monday, 30 June 2014. A copy of the Prospectus will also be made available on the websites of the HKT Trust and HKT (**www.hkt.com/ir**) and the Stock Exchange (**www.hkexnews.hk**). To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the HKT Trust and HKT will send copies of the Prospectus to Non-Qualifying Holders of Share Stapled Units for their information only but will not send any PALs to them. The Prospectus will not be distributed, and the Rights Share Stapled Units will not be sold, in the US, except, in limited circumstances, for certain transactions exempt from registration under the US Securities Act.

1. TERMS OF THE RIGHTS ISSUE

The HKT Trust and HKT propose to raise approximately HK$7,900 million (approximately US$1,013 million) before expenses by way of the Rights Issue, on the basis of 18 Rights Share Stapled Units for every 100 Existing Share Stapled Units held by Qualifying Holders of Share Stapled Units at 5:00 p.m. on the Record Date.

The Rights Issue will involve the issue of 1,155,011,542 Rights Share Stapled Units at a Rights Subscription Price of HK$6.84 per Rights Share Stapled Unit payable in full on application.

The Underwritten Rights Share Stapled Units are fully underwritten on the terms and subject to the conditions set out in the Underwriting Agreement and the Rights Issue would, on completion, raise for the HKT Trust and HKT approximately HK$7,900 million (approximately US$1,013 million) before deducting expenses.

Rights Issue statistics

Basis of the Rights Issue:	18 Rights Share Stapled Units for every 100 Existing Share Stapled Units held at 5:00 p.m. on the Record Date. Any holdings (or balance of holdings) of less than 100 Existing Share Stapled Units will entitle their holders to be provisionally allotted a *pro rata* proportion of 18 Rights Share Stapled Units, rounded down to the nearest Rights Share Stapled Unit
Number of Share Stapled Units in issue:	6,416,730,792 Share Stapled Units as at the date of this announcement
Number of Rights Share Stapled Units:	1,155,011,542 Rights Share Stapled Units
Rights Subscription Price:	HK$6.84 per Rights Share Stapled Unit
Status:	The Rights Share Stapled Units, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the Share Stapled Units then in issue. Following the Rights Share Stapled Units having been issued and fully-paid, holders of the fully-paid Rights Share Stapled Units will be entitled to receive all future distributions the record dates of which are on or after the date of issue of the fully-paid Rights Share Stapled Units
Joint Underwriters (in alphabetical order):	Citigroup, Deutsche Bank, Goldman Sachs, HSBC, Morgan Stanley and Standard Chartered

Number of Underwritten Rights Share Stapled Units:	426,512,693 Rights Share Stapled Units (assuming no additional Share Stapled Units are acquired by PCCW or its subsidiaries prior to the Record Date)

As at the date of this announcement, the HKT Trust and HKT have no outstanding convertible securities, options, or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into, Share Stapled Units and no awards of Share Stapled Units which have been granted under the Share Stapled Units award schemes of the HKT Trust and HKT to any person gives such person any right or entitlement to subscribe for, or otherwise require the issue and allotment by the HKT Trust and HKT of, Share Stapled Units not already issued and allotted.

Assuming no new Share Stapled Units (other than the Rights Share Stapled Units) are allotted and issued on or before the completion of the Rights Issue, the number of Rights Share Stapled Units to be issued represents approximately 18.0% of the issued Share Stapled Units as at the Record Date and approximately 15.3% of the issued Share Stapled Units as enlarged by the allotment and issue of the Rights Share Stapled Units.

Qualifying Holders of Share Stapled Units and closure of Registers

To qualify for the Rights Issue, a Holder of Share Stapled Units must be registered as a holder of the relevant Share Stapled Units at 5:00 p.m. on the Record Date and not be a Non-Qualifying Holder of Share Stapled Units.

The HKT Trust and HKT will send the Rights Issue Documents to the Qualifying Holders of Share Stapled Units only. In respect of Non-Qualifying Holders of Share Stapled Units, to the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the HKT Trust and HKT will send the Prospectus to them for their information only but will not send any PALs to them. The Prospectus will not be distributed, and the Rights Share Stapled Units will not be sold, in the US, except, in limited circumstances, for certain transactions exempt from registration under the US Securities Act.

Specifically, there will be no public offer of the Rights Share Stapled Units in the US. The Rights Share Stapled Units in both nil-paid and fully-paid forms (1) are being offered and sold in offshore transactions in reliance on Regulation S under the US Securities Act, and (2) may be offered and sold in the US to persons whom the HKT Trust and HKT reasonably believe to be "qualified institutional buyers" within the meaning of Rule 144A of the US Securities Act in reliance on the exemption from the registration requirements of the US Securities Act under Section 4(a)(2) thereof and who have fulfilled relevant requirements to the HKT Trust and HKT's satisfaction, in transactions exempt from the registration requirements of the US Securities Act.

In order to be registered as members of the HKT Trust and HKT at 5:00 p.m. on the Record Date, Holders of Share Stapled Units must lodge any transfers of Share Stapled Units (together with the relevant Share Stapled Unit certificates) with the Share Stapled Units Registrar, being

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Wan Chai,
Hong Kong

for registration no later than 4:30 p.m. on Friday, 20 June 2014.

The Registers will be closed from Monday, 23 June 2014 to Friday, 27 June 2014, both days inclusive for determining the entitlements to the Rights Issue. No transfers of Share Stapled Units will be registered during this period.

Qualifying Holders of Share Stapled Units who take up their *pro rata* entitlements in full will not suffer any dilution to their interests in the HKT Trust and HKT under the Rights Issue (apart from fractional entitlements to Rights Share Stapled Units). If a Qualifying Holder of Share Stapled Units does not take up his or her or its entitlement under the Rights Issue in full, his or her or its proportionate holding of Share Stapled Units in the HKT Trust and HKT will be diluted.

The Rights Subscription Price

The Rights Subscription Price for the Rights Share Stapled Units is HK$6.84 per Rights Share Stapled Unit and is payable in full in cash when a Qualifying Holder of Share Stapled Units accepts the provisional allotment of Rights Share Stapled Units or when a renouncee or transferee of nil-paid Rights Share Stapled Units applies for the relevant Rights Share Stapled Units.

The Rights Subscription Price was determined by the HKT Trust and HKT with reference to the prevailing market price of the Share Stapled Units. The Rights Subscription Price represents:

(i) a discount of approximately 18.08% to the theoretical ex-rights price of HK$8.35 per Share Stapled Unit which is calculated based on the closing price of the Share Stapled Units on the Last Trading Day;

(ii) a discount of approximately 20.65% to the closing price of HK$8.62 per Share Stapled Unit as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 19.91% to the average of the closing prices of the Share Stapled Units for the 5 consecutive Trading Days ended on the Last Trading Day of approximately HK$8.54 per Share Stapled Unit;

(iv) a discount of approximately 19.91% to the average of the closing prices of the Share Stapled Units for the 10 consecutive Trading Days ended on the Last Trading Day of approximately HK$8.54 per Share Stapled Unit; and

(v) a discount of approximately 19.43% to the average of the closing prices of the Share Stapled Units for the 30 consecutive Trading Days ended on the Last Trading Day of approximately HK$8.49 per Share Stapled Unit.

Each Rights Share Stapled Unit will have a par value of (i) HK$0.0005 in respect of the Preference Share component; and (ii) HK$0.0005 in respect of the Ordinary Share component, of that Share Stapled Unit. The Unit component of each Share Stapled Unit has no par value.

After taking into consideration the reasons for the Rights Issue as stated in the section headed "Reasons for the Rights Issue and Use of Proceeds", the HKT Directors (including the independent non-executive HKT Directors) consider that the terms of the Rights Issue (including the Rights Subscription Price) are fair and reasonable and in the interests of the HKT Trust and HKT and the Holders of Share Stapled Units as a whole.

Basis of provisional allotment of Rights Share Stapled Units

Each Qualifying Holder of Share Stapled Units will receive a PAL in respect of the Rights Issue. The Rights Share Stapled Units will be provisionally allotted on the basis of 18 Rights Share Stapled Units, in nil-paid form, for every 100 Existing Share Stapled Units held by a Qualifying Holder of Share Stapled Units at 5:00 p.m. on the Record Date, constituting a total of up to 1,155,011,542 Rights Share Stapled Units. Any holdings (or balance of holdings) of less than 100 Existing Share Stapled Units will entitle their holders to be provisionally allotted a pro rata proportion of 18 Rights Share Stapled Units, rounded down to the nearest Rights Share Stapled Unit. The board lot of the Rights Share Stapled Units in nil-paid form will be 1,000 Share Stapled Units.

Application for the provisional allotment of Rights Share Stapled Units of a Qualifying Holder of Share Stapled Units should be made by completing the PAL, and lodging the same with a remittance for the Rights Share Stapled Units being applied for. If a Qualifying Holder of Share Stapled Units wishes to accept part only of, or renounce or transfer a part of, his/her/its Rights Share Stapled Units provisionally allotted to him/her/it under the PAL, such Qualifying Holder of Share Stapled Units will need to split his/her/its PAL into the denominations required. Details of how to split PALs will be set out in the Prospectus.

Status of the Rights Share Stapled Units

The Rights Share Stapled Units, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the Share Stapled Units then in issue. Following the Rights Share Stapled Units having been issued and fully-paid, holders of the fully-paid Rights Share Stapled Units will be entitled to receive all future distributions the record dates of which are on or after the date of issue of the fully-paid Rights Share Stapled Units.

Non-Qualifying Holders of Share Stapled Units

Overseas Holders of Share Stapled Units on the Record Date may not be eligible to take part in the Rights Issue as explained below.

The HKT Boards will make enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules regarding the applicable securities legislation of relevant overseas jurisdictions or requirements of any relevant regulatory body or stock exchange to assess the feasibility of extending the Rights Issue to Overseas Holders of Share Stapled Units. Save and except as provided below, if, after having made and on the basis of such enquiries, the HKT Directors consider that it is necessary or expedient not to offer the Rights Share Stapled Units to

Overseas Holders of Share Stapled Units in any jurisdiction, on account either of the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in such jurisdiction, the Rights Issue will not be available to Overseas Holders of Share Stapled Units in such jurisdictions. Those Overseas Holders of Share Stapled Units will be Non-Qualifying Holders of Share Stapled Units for the purposes of the Rights Issue and no provisional allotment of nil-paid Rights Share Stapled Units or allotment of fully-paid Rights Share Stapled Units will be made to such Overseas Holders of Share Stapled Units. The basis for excluding Non-Qualifying Holders of Share Stapled Units, if any, from the Rights Issue will be set out in the Prospectus.

The HKT Boards reserve the right to treat as invalid any acceptance of or application for nil-paid Rights Share Stapled Units where they believe that such acceptance or application would violate any applicable securities or other laws or regulations in any territory or jurisdiction. Overseas Holders of Share Stapled Units should therefore note that they may or may not be entitled to participate in the Rights Issue subject to the results of the enquiries made by the HKT Trust and HKT. The HKT Trust and HKT reserve the absolute discretion to determine whether to allow such participation as well as the identity of any person(s) who may be allowed to do so. Accordingly, Overseas Holders of Share Stapled Units should exercise caution when dealing in the Share Stapled Units.

Notwithstanding the foregoing, the Prospectus is expected to include provisions permitting certain categories of sophisticated and/or qualified investors in certain overseas jurisdictions to take up their rights under the Rights Issue, subject to complying with certain certification and other requirements (to be described in the Prospectus) which the HKT Directors consider as necessary or desirable in order to enable those investors to take part in the Rights Issue in compliance with their applicable local laws and regulations. Holders of Share Stapled Units complying with those requirements would be Qualifying Holders of Share Stapled Units for the purposes of the Rights Issue.

In respect of Non-Qualifying Holders of Share Stapled Units whose addresses as shown in the Share Stapled Units Register at 5:00 p.m. on the Record Date are in an Excluded Jurisdiction, arrangements will be made for the Rights Share Stapled Units which would otherwise have been provisionally allotted to those Non-Qualifying Holders of Share Stapled Units to be provisionally allotted to a nominee and to be sold in the market by the nominee on behalf of such Non-Qualifying Holders of Share Stapled Units in their nil-paid form as soon as practicable after dealings in the Rights Share Stapled Units in their nil-paid form commence and before dealings in the Rights Share Stapled Units in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid to such Non-Qualifying Holders of Share Stapled Units *pro rata* to their holdings of Share Stapled Units, held at 5:00 p.m. on the Record Date, provided that the HKT Trust and HKT will retain individual proceeds amounts of less than HK$100 for their own benefit.

In respect of any Non-Qualifying Holder of Share Stapled Units resident in an Excluded Jurisdiction but (in the case of a Holder of Share Stapled Units) having an address, or (in the case of a beneficial owner) holding his/her/its interest through a registered owner having an address, shown in the Share Stapled Units Register at 5:00 p.m. on the Record Date which is not in an Excluded Jurisdiction (including where such Non-Qualifying Holder of Share Stapled Units holds interests in Share Stapled Units through CCASS), the nil-paid Rights Share Stapled Units which would otherwise have been available to be taken up by such

Non-Qualifying Holder of Share Stapled Units will not be sold in the market and the relevant Non-Qualifying Holder of Share Stapled Units will not receive the proceeds of any such sale. The reason for the different arrangement in respect of such Non-Qualifying Holders of Share Stapled Units is that the HKT Trust and HKT will not have the necessary information in relation to such Non-Qualifying Holders of Share Stapled Units to make a unilateral determination as to whether those Holders of Share Stapled Units or beneficial owners are Qualifying Holders of Share Stapled Units or Non-Qualifying Holders of Share Stapled Units for the purposes of the Rights Issue. All Non-Qualifying Holders of Share Stapled Units are advised to seek their own legal advice as to whether or not they may be permitted, having regard to their own particular circumstances (including the laws and regulations of the relevant jurisdiction in which they are resident), to sell their nil-paid Rights Share Stapled Units in the market.

The HKT Trust and HKT will, to the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, send the Prospectus to Non-Qualifying Holders of Share Stapled Units for their information only but will not send any PALs to Non-Qualifying Holders of Share Stapled Units. The Prospectus will not be distributed, and the Rights Share Stapled Units will not be sold, in the US, except, in limited circumstances, for certain transactions exempt from registration under the US Securities Act.

Fractional entitlements

The HKT Trust and HKT will not provisionally allot fractions of Rights Share Stapled Units in their nil-paid or fully-paid forms.

The aggregate of fractions of the Rights Share Stapled Units, in nil-paid form, will be provisionally allotted to a nominee appointed by the HKT Trust and HKT, and if a premium (net of expenses) can be obtained, will be sold by the HKT Trust and HKT or their appointed nominee in nil-paid form on the Stock Exchange. The net proceeds of such sale will be retained by the HKT Trust and HKT for their own benefit.

No odd lot matching services will be provided.

No excess applications

Reference is made to the announcement of the HKT Trust and HKT dated 2 May 2014 regarding the public float of the HKT Trust and HKT. In order to ensure there is no adverse impact on the public float of the HKT Trust and HKT, Rights Share Stapled Units which are not taken up by Qualifying Holders of Share Stapled Units or renouncees or transferees of nil-paid Rights Share Stapled Units will not be made available for excess applications.

If the Joint Underwriters are able to obtain, within three Business Days of the Latest Acceptance Date, a price for the Rights Share Stapled Units which are not taken up by Qualifying Holders of Share Stapled Units which exceeds the Rights Subscription Price and expenses of sale of those Rights Share Stapled Units, those Rights Share Stapled Units will be sold to subscribers and any amount exceeding the Rights Subscription Price and expenses of sale of those Rights Share Stapled Units will be paid to such Qualifying Holders of Share Stapled Units pro rata to their lapsed provisional entitlements; provided that individual amounts of less than HK$100 will be retained by the HKT Trust and HKT for their own

benefit. Any remaining Rights Share Stapled Units which are not taken up by Qualifying Holders of Share Stapled Units or renouncees or transferees of nil-paid Rights Share Stapled Units will be subscribed by the Joint Underwriters or by subscribers procured by the Joint Underwriters, in accordance with the provisions of the Underwriting Agreement.

Unsold fractional entitlements of Rights Share Stapled Units and unsold entitlements of Non-Qualifying Holders of Share Stapled Units will not be made available for excess applications.

Allotment and issue of legal interests in Ordinary Shares to the Trustee-Manager

When the Rights Share Stapled Units are allotted, issued and fully-paid, the legal interest in each specifically identified Ordinary Share linked to the Unit comprising a Rights Share Stapled Unit will be allotted and issued to the Trustee-Manager to hold in its capacity as the Trustee-Manager of the HKT Trust in accordance with the terms of the Trust Deed.

Share Stapled Unit certificates and cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue and the Underwriting Agreement" of this announcement, Share Stapled Unit certificates for all fully-paid Rights Share Stapled Units are expected to be posted to those entitled thereto by ordinary mail at their own risk on or before Thursday, 24 July 2014 to Qualifying Holders of Share Stapled Units who have validly accepted, applied for and paid for the Rights Share Stapled Units. Cheques for Non-Qualifying Holders of Share Stapled Units in respect of the premium (if any) from the sale of their nil-paid Rights Share Stapled Units are expected to be posted on or around Thursday, 24 July 2014 by ordinary mail to the applicants at their own risk.

Application for listing / Dealing arrangements

The HKT Trust and HKT will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Rights Share Stapled Units, in both their nil-paid and fully-paid forms. No part of the Share Stapled Units in issue or to be issued under the Rights Issue are listed or dealt in on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Share Stapled Units in both their nil-paid and fully-paid forms, on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Share Stapled Units in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Share Stapled Units on the Stock Exchange in both their nil-paid and fully-paid forms, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any Trading Day is required to take place in CCASS on the second Trading Day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Nil-paid Rights Share Stapled Units are expected to be traded in board lots of 1,000 (as the Share Stapled Units are currently traded on the Stock Exchange in board lots of 1,000).

Dealings in the Rights Share Stapled Units in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, Securities and Futures Commission transaction levy and other applicable fees and charges in Hong Kong. Holders of Share Stapled Units should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Underwriting arrangements for the Rights Issue

(1) PCCW's Undertaking

As at the date of this announcement, PCCW (indirectly through its wholly-owned subsidiary CAS) is beneficially interested in a total of 4,047,215,832 Share Stapled Units. The total number of Share Stapled Units in issue is currently 6,416,730,792. Accordingly, PCCW is beneficially interested in approximately 63.07% of the Share Stapled Units in issue as at the date of this announcement.

PCCW has irrevocably undertaken to the HKT Trust, HKT and the Joint Underwriters, among other things:

(i) to subscribe for, or procure CAS to subscribe for, by no later than the Latest Acceptance Date, an aggregate of 728,498,849 Rights Share Stapled Units to be provisionally allotted to CAS pursuant to the terms of the Rights Issue in respect of the 4,047,215,832 Share Stapled Units in which PCCW is indirectly interested;

(ii) to remain indirectly interested in, and to procure CAS to remain the registered and beneficial holder of, the 4,047,215,832 Share Stapled Units referred to in paragraph (i) above at 5:00 p.m. on the Record Date as they are on the date of this announcement; and

(iii) if any additional Rights Share Stapled Units are provisionally allotted to PCCW or its subsidiaries (including, but not limited to, CAS) pursuant to the terms of the Rights Issue in respect of any further Share Stapled Units acquired by PCCW or its subsidiaries (including, but not limited to, CAS) on or before 5:00 p.m. on the Record Date in excess of the aggregate of 728,498,849 Rights Share Stapled Units referred to in paragraph (i) above, to subscribe for (or procure subscription for), by no later than the Latest Acceptance Date, those additional Rights Share Stapled Units.

Save for PCCW's Undertaking, the HKT Trust and HKT have not obtained undertakings from any other Holders of Share Stapled Units that they will subscribe for any or all of the Rights Share Stapled Units to be provisionally allotted to them.

(2) Underwriting Agreement

The Joint Underwriters have agreed to underwrite in full the Underwritten Rights Share Stapled Units, subject to the terms and conditions of the Underwriting Agreement as described below.

Terms of the Underwriting Agreement

Date: 13 June 2014

Parties:	The Trustee-Manager, HKT and the Joint Underwriters
Number of Rights Share Stapled Units underwritten:	All of the Rights Share Stapled Units other than the aggregate of (1) 728,498,849 Rights Share Stapled Units, to be subscribed (or procured to be subscribed) by CAS pursuant to PCCW's Undertaking; and (2) any additional Rights Share Stapled Units provisionally allotted to PCCW or its subsidiaries (including, but not limited to, CAS) in respect of any further Share Stapled Units acquired by PCCW or its subsidiaries (including, but not limited to, CAS) on or before 5:00 p.m. on the Record Date, being 426,512,693 Rights Share Stapled Units (assuming no further Share Stapled Units are acquired by PCCW or its subsidiaries on or before that time and that no irrevocable undertaking(s) other than PCCW's Undertaking are received prior to the Record Date).
Underwriting commission:	2.20% of the amount determined by multiplying the number of Underwritten Rights Share Stapled Units by the Rights Subscription Price, which amounts to approximately HK$64 million (approximately US$8 million) (assuming no additional Share Stapled Units are acquired by PCCW or its subsidiaries prior to the Record Date and that no irrevocable undertaking(s) other than PCCW's Undertaking are received prior to the Record Date). If irrevocable undertakings to accept Rights Share Stapled Units are obtained from Holders of Share Stapled Units other than PCCW prior to the Record Date, the Rights Share Stapled Units which are subject to the irrevocable undertakings will be deducted from the number of Underwritten Rights Share Stapled Units for the purpose of calculating the underwriting commission, which will be reduced accordingly.

Conditions of the Rights Issue and the Underwriting Agreement

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. The obligations of the Joint Underwriters to underwrite the Rights Issue are conditional upon fulfilment of the following conditions:

(a) permission to deal in, and listing of, all the Rights Share Stapled Units to be issued (in their nil-paid and fully-paid forms) being granted (subject only to allotment and despatch of the appropriate documents of title) by the Stock Exchange by no later than the Business Day prior to the commencement of trading of Rights Share Stapled Units (in their nil-paid and fully-paid forms

respectively) and such permission not being withdrawn or revoked prior to the Latest Time for Termination;

(b) the Trustee-Manager and HKT's compliance with the obligations of the Trustee-Manager and HKT under the Underwriting Agreement in relation to making the Rights Issue and allotment and offer of Rights Share Stapled Units by the times specified therein;

(c) compliance by (i) PCCW with its obligations under PCCW's Undertaking and (ii) any other Holder(s) of Share Stapled Units who give(s) an irrevocable undertaking(s) to subscribe for or procure the subscription of its/their full entitlement of Rights Share Stapled Units pursuant to the Rights Issue on or after the date of this announcement and prior to the Record Date with its/their obligations under such additional irrevocable undertaking(s), in each case by the times specified ;

(d) receipt by the Joint Underwriters (in a form and substance satisfactory to them) of the documents listed in the Underwriting Agreement by the times specified therein; and

(e) no breach of any of the warranties or undertakings given by the Trustee-Manager and HKT pursuant to the Underwriting Agreement having come to the knowledge of any of the Joint Underwriters and a matter not having arisen which would reasonably be expected to give rise to a breach or a claim by the Latest Time for Termination.

If any of the conditions of the Underwriting Agreement have not been fulfilled or waived in accordance with the terms thereof, by the specified time and date or if the Latest Time for Termination occurs or will occur after the Long Stop Date, the Underwriting Agreement will terminate and, save in respect of certain rights or obligations under the Underwriting Agreement, all liabilities of the Joint Underwriters and the Trustee-Manager and HKT under the Underwriting Agreement will cease. In such circumstances, the Trustee-Manager and HKT shall not be liable to pay to the Joint Underwriters the underwriting commission thereunder.

If the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms, the Rights Issue will not proceed.

Termination of the Underwriting Agreement

The Joint Underwriters reserve the right to terminate the arrangements set out in the Underwriting Agreement if at any time prior to the Latest Time for Termination:

(a) any breach of any of the warranties or the undertakings given by the Trustee-Manager and HKT in the Underwriting Agreement comes to the knowledge of any of the Joint Underwriters, or there has been a breach on the part of the Trustee-Manager or HKT of any other provision of the Underwriting Agreement or there has come to the knowledge of any of the Joint Underwriters any matter has arisen which would reasonably be expected to give rise to such a breach or a claim in respect of such warranties or undertakings; or

(b) any statement contained in the Prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if the Prospectus was to be issued at the time, constitute a material omission therefrom; or

(c) the Trustee-Manager and HKT are required to produce a supplementary Prospectus; or

(d) there is any change or prospective change in the condition, results of operations, prospects, management, business, shareholders' equity or in the financial or trading position of any member of the HKT Group which, in the sole opinion of the Joint Underwriters, is or may be materially adverse in the context of the Rights Issue; or

(e) permission to deal in and listing of all the Rights Share Stapled Units (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or

(f) there has occurred, happened or come into effect any event, series of events or circumstances concerning or relating to (whether or not foreseeable):

(i) any change in, or any event or series of events likely to result in any change (whether or not permanent) in local, national or international financial, political, military, industrial, economic, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in or affecting the People's Republic of China, Hong Kong, the United States or the European Union (or any member thereof); or

(ii) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in or affecting the People's Republic of China, Hong Kong, the United States or the European Union (or any member thereof); or

(iii) the declaration of a banking moratorium by authorities in the People's Republic of China, Hong Kong, United States or the European Union (or any member thereof) occurring due to exceptional financial circumstances or otherwise; or

(iv) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange, the London Stock Exchange plc, the New York Stock Exchange, Inc. or NASDAQ, or any major disruption of any securities settlement or clearing services in Hong Kong; or

(v) any suspension of dealings in the Share Stapled Units (other than pending publication of announcements in respect of the Rights Issue); or

(vi) any new law or regulation or any change, or any development involving a prospective change, in existing laws or regulations in Hong Kong or any other

place in which any member of the HKT Group conducts or carries on business,

the effect of which events or circumstances referred to in paragraph (f) above individually or in the aggregate (in the sole opinion of the Joint Underwriters) (1) is or would be materially adverse to, or prejudicially affects or would prejudicially affect, the HKT Group as a whole or its prospects or the Rights Issue or (2) makes or may make it inadvisable or inexpedient to proceed with the Rights Issue.

If prior to the Latest Time for Termination any notice to rescind or terminate the Underwriting Agreement is given by the Joint Underwriters, the obligations of all parties under the Underwriting Agreement shall terminate forthwith and no party will have any claim against any other for costs, damages, compensation or otherwise (save in respect of certain rights or obligations under the Underwriting Agreement including rights of the parties thereto in respect of any antecedent breach). If the Joint Underwriters exercise such right, the Rights Issue will not proceed.

In the event that the Joint Underwriters exercise their right to terminate the Underwriting Agreement, their obligations under the Underwriting Agreement will cease and the Rights Issue will not proceed, in which case, a further announcement will be made by the HKT Trust and HKT at the relevant time.

Lock-up undertakings

Pursuant to the Underwriting Agreement, the HKT Trust and HKT have undertaken to the Joint Underwriters that:

(a) except for (i) the Rights Share Stapled Units to be allotted and issued pursuant to the Rights Issue, (ii) any Share Stapled Units options which may be granted under the Share Stapled Units option scheme adopted by the HKT Trust and HKT on 7 November 2011 and (iii) any Share Stapled Units awards which may be granted under the HKT Trust and HKT's existing Share Stapled Units award schemes (Share Stapled Units awards may involve subscriptions of new Share Stapled Units and/or purchases of existing Share Stapled Units on the Stock Exchange, by a trustee appointed by the HKT Trust and HKT, with the Share Stapled Units subscribed or purchased then held by the trustee for the benefit of the grantees of the awards pending vesting of the awards and the relevant Share Stapled Units in the respective grantees); or

(b) with the prior written consent of the Joint Underwriters,

for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the date on which the Underwriting Agreement becomes unconditional, the HKT Trust and HKT will not (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, grant or sell any option, warrant or right to subscribe for or purchase (either directly or indirectly, conditionally or unconditionally) any Share Stapled Units or any interests in Share Stapled Units or any securities which are convertible into or exercisable or exchangeable for any Share Stapled Units or any interests in Share Stapled Units, or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above, or (iii) announce any intention to enter into or effect any such transaction described in

(i) or (ii) above.

Pursuant to PCCW's Undertaking, PCCW has undertaken to the HKT Trust and HKT and the Joint Underwriters that from the date of PCCW's Undertaking up to 90 days from the date on which the Underwriting Agreement becomes unconditional, it will not and it will procure that none of its subsidiaries which hold Share Stapled Units will:

(i) sell, offer to sell, contract or agree to sell, lend, grant any option, warrant, contract or right to purchase, purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, directly or indirectly, conditionally or unconditionally, any Share Stapled Units held by or any Rights Share Stapled Units provisionally allotted to it or its relevant subsidiaries (as the case maybe) or any interest therein (including, without limitation, any securities which are convertible into or exchangeable or exercisable for, or represent the right to receive, or any warrants or other rights to purchase, any such Share Stapled Units); or

(ii) enter into any swap or other transaction that transfers, in whole or in part, the economic consequences of ownership of any such Share Stapled Units; or

(iii) enter into any transaction with the same economic effect as any transaction described in paragraph (i) or (ii) above; or

(iv) offer to or agree to or announce any intention to enter into or effect any transaction described in paragraph (i), (ii) or (iii) above,

in each case, whether any of the transactions described in paragraph (i), (ii) or (iii) above is to be settled by delivery of Share Stapled Units, in cash or otherwise, and provided that PCCW's Undertaking shall not prohibit or restrict any:

(A) sale, transfer or disposal of Share Stapled Units (or transaction referred to in paragraph (ii) or (iii) above or agreement or announcement referred to in paragraph (iv) above) among PCCW and its wholly-owned subsidiaries; or

(B) sale, transfer or other disposal (or any transaction referred to in paragraph (ii) or (iii) above or agreement or announcement referred to in paragraph (iv) above) pursuant to any security interest, charge or other encumbrance or rights over or in respect of any Share Stapled Units in which PCCW is or may become (or any of its subsidiaries are or may become) interested which is either in existence as at the date of PCCW's Undertaking or which is or may be granted to or created in favour of the Joint Underwriters or their respective affiliates or any bank or other person providing finance to enable PCCW and/or its subsidiaries to subscribe for Rights Share Stapled Units; or

(C) the grant or creation of any such security interest, charge or other encumbrance or rights over or in respect of any Share Stapled Units in which PCCW is or may become (or any of its subsidiaries are or may become) interested in favour of the Joint Underwriters or their respective affiliates or any bank or other person providing finance to enable PCCW and/or its subsidiaries to subscribe for Rights Share Stapled Units.

2. NO REQUIREMENT FOR APPROVAL OF HOLDERS OF SHARE STAPLED UNITS

As the Rights Issue will not increase the issued capital or the market capitalisation of the HKT Trust and HKT by more than 50%, the Rights Issue is not subject to the approval of Holders of Share Stapled Units in general meeting. On the basis that the Rights Share Stapled Units are being offered to Holders of Share Stapled Units (excluding, for these purposes, Non-Qualifying Holders of Share Stapled Units) pro rata to their existing holdings of Share Stapled Units (apart from fractional entitlements to Rights Share Stapled Units), in accordance with Listing Rule 13.36(2)(a), there is no requirement for the Rights Issue to be approved by Holders of Share Stapled Units in general meeting nor for the HKT Directors to issue the Rights Share Stapled Units pursuant to the current general mandate granted to the HKT Directors at the 2014 combined annual general meetings of the HKT Trust and HKT.

3. EFFECT OF THE RIGHTS ISSUE ON THE SHARE STAPLED UNITS HOLDING STRUCTURE OF THE HKT TRUST AND HKT

As at the date of this announcement, the HKT Trust and HKT have 6,416,730,792 Share Stapled Units in issue. Set out below are the Share Stapled Units holding structures of the HKT Trust and HKT under various scenarios as at the date of this announcement and immediately after completion of the Rights Issue:

Upon completion of the Rights Issue, assuming no issue of any Share Stapled Units (other than the Rights Share Stapled Units) on or before completion of the Rights Issue and assuming no additional Share Stapled Units are acquired by PCCW or its subsidiaries prior to the Record Date

Holders of Share Stapled Units	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming all Rights Share Stapled Units are taken up by the Holders of Share Stapled Units)		Immediately after completion of the Rights Issue (assuming no Rights Share Stapled Units are taken up by the Holders of Share Stapled Units other than PCCW and its subsidiaries)	
	No. of Share Stapled Units	**% (approx.)**	**No. of Share Stapled Units**	**% (approx.)**	**No. of Share Stapled Units**	**% (approx.)**
CAS	4,047,215,832	63.07	4,775,714,681	63.07	4,775,714,681	63.07
The Capital Group Companies, Inc.(1)	641,744,278	10.00	757,258,248	10.00	641,744,278	8.48
HKT Directors	304,617,859	4.75	359,449,073	4.75	304,617,859	4.02
Joint Underwriters(2)	-	-	-	-	426,512,693	5.63

Holders of Share Stapled Units	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming all Rights Share Stapled Units are taken up by the Holders of Share Stapled Units)		Immediately after completion of the Rights Issue (assuming no Rights Share Stapled Units are taken up by the Holders of Share Stapled Units other than PCCW and its subsidiaries)	
	No. of Share Stapled Units	**% (approx.)**	**No. of Share Stapled Units**	**% (approx.)**	**No. of Share Stapled Units**	**% (approx.)**
Other Holders of Share Stapled Units (being public Holders of Share Stapled Units)	1,423,152,823	22.18	1,679,320,332	22.18	1,423,152,823	18.80
Total	6,416,730,792	100.00	7,571,742,334	100.00	7,571,742,334	100.00

Notes:

(1) The Capital Group Companies, Inc. indirectly held these interests through its direct/indirect wholly-owned subsidiaries, based on the information that was publicly available to the HKT Trust and HKT.

(2) Pursuant to the underwriting obligations of the Joint Underwriters under the Underwriting Agreement and excluding any other interests.

4. WARNING OF THE RISKS OF DEALING IN THE SHARE STAPLED UNITS AND THE NIL-PAID RIGHTS SHARE STAPLED UNITS

The Share Stapled Units are expected to be dealt in on an ex-rights basis from Thursday, 19 June 2014. Dealings in the Rights Share Stapled Units in their nil-paid form are expected to take place from Thursday, 3 July 2014 to Thursday, 10 July 2014 (both dates inclusive).

It should be noted that the Underwriting Agreement contains provisions granting to the Joint Underwriters the right to terminate their obligations on the occurrence of certain events, including force majeure. Please refer to the section headed "Termination of the Underwriting Agreement" in this announcement for further details. If the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms, the Rights Issue will not proceed, in which case a further announcement will be made by the HKT Trust, HKT and PCCW at the relevant time.

Any Holder of Share Stapled Units or other person contemplating transferring, selling or purchasing the Share Stapled Units and/or the Rights Share Stapled Units in their nil-paid form is advised to exercise caution when dealing in the Share Stapled Units and/or the Rights Share Stapled Units. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser. Any Holder of Share Stapled Units or other person dealing in the Share Stapled Units or in the nil-paid Rights Share Stapled Units up to the date on which the condition to which the Rights Issue is subject has been fulfilled and the Joint

Underwriters' right to terminate the Underwriting Agreement has ceased will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

5. EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

The expected timetable for the Rights Issue is set out below:

	2014
Last day of dealings in the Share Stapled Units on a cum-rights basis	Wednesday, 18 June
Commencement of dealings in the Share Stapled Units on an ex-rights basis	Thursday, 19 June
Latest time for lodging transfers of Share Stapled Units and related documents to be entitled to participate in the Rights Issue	4:30 p.m., Friday, 20 June
Closure of the Registers for determining the entitlements under the Rights Issue (both dates inclusive)	Monday, 23 June to Friday, 27 June
Record Date for determining entitlements under the Rights Issue	5:00 p.m., Friday, 27 June
Registers re-open	Monday, 30 June
Rights Issue Documents to be posted	Monday, 30 June
First day of dealings in nil-paid Rights Share Stapled Units	Thursday, 3 July
Latest time for splitting nil-paid Rights Share Stapled Units	4:30 p.m., Monday, 7 July
Last day of dealings in nil-paid Rights Share Stapled Units	Thursday, 10 July
Latest time for acceptance of and payment for Rights Share Stapled Units	4:00 p.m., Tuesday, 15 July
Rights Issue and Underwriting Agreement expected to become unconditional	4:30 p.m., Wednesday, 16 July
Announcement of the results of acceptances of the Rights Issue	Tuesday, 22 July
Share Stapled Unit certificates for Rights Share Stapled Units to be posted	Thursday, 24 July
Cheques to Non-Qualifying Holders of Share Stapled Units, if any, to be posted	Thursday, 24 July

	2014
First day of dealings in fully-paid Rights Share Stapled Units	9:00 a.m., on Friday, 25 July

Notes:

(i) All times in this announcement refer to Hong Kong time.

(ii) Dates or deadlines specified in this announcement are indicative only and may be extended or varied by agreement between the Trustee-Manager, HKT and the Joint Underwriters. Further announcement will be made in the event that there is any change to the expected timetable.

Effect of bad weather on the latest time for acceptance of Rights Share Stapled Units

The latest time for acceptance of Rights Share Stapled Units, and the payment therefor, will not take place as shown if there is:

- a tropical cyclone warning signal number 8 or above, or

- a "black" rainstorm warning:

  (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 15 July 2014. Instead the latest time for acceptance of the Rights Share Stapled Units, and the payment therefor, will be extended to 5:00 p.m. on the same Business Day; or

  (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 15 July 2014. Instead the latest time for acceptance of the Rights Share Stapled Units, and the payment therefor, will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Share Stapled Units does not take place on Tuesday, 15 July 2014, the subsequent dates mentioned in the section headed "Expected timetable for the Rights Issue" in this announcement above may be affected. An announcement will be made by the HKT Trust and HKT in such event.

6. REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

As stated in the Acquisition Circular, HKT intends to refinance the bank loans incurred for the purpose of funding the purchase price for the acquisition of CSLNW, with longer term financing potentially involving debt financing, equity financing (which the Acquisition Circular stated may take the form of a rights issue) or a combination of these.

The HKT Directors have decided to undertake the Rights Issue to raise funds to enable the HKT Group to reduce existing indebtedness of the HKT Group (including but not limited to repaying certain commercial banking facilities referred to in the Acquisition Circular). The Rights Issue would enable the HKT Trust and HKT to carry out a fund raising exercise while the Qualifying Holders of Share Stapled Units are given the opportunity to maintain their

respective *pro rata* interests in the HKT Trust and HKT by participating in the Rights Issue (subject to fractional entitlements to Rights Share Stapled Units). However, those Qualifying Holders of Share Stapled Units who do not take up in full the Rights Share Stapled Units to which they are entitled and Non-Qualifying Holders of Share Stapled Units should note that their proportionate holdings of Share Stapled Units in the HKT Trust and HKT will be diluted.

The estimated expenses in relation to the Rights Issue (including the underwriting commission, printing, registration, translation, legal, accounting and documentation charges) are estimated to be approximately HK$116 million (approximately US$15 million) and will be payable by the HKT Trust and HKT. The net subscription price per Rights Share Stapled Unit upon full acceptance of the relevant provisional allotment of Rights Share Stapled Units is expected to be approximately HK$6.74.

The estimated net proceeds of the Rights Issue are expected to be approximately HK$7,784 million (approximately US$998 million) after the deduction of all estimated expenses.

Although there is no current intention to deviate from the stated use of proceeds, the HKT Directors may review and vary the purpose for which the proceeds are used in light of what they consider to be the optimal use of proceeds from time to time. Further announcements will be made, if necessary, in the event of material change to the use of proceeds.

7. TAXATION

Holders of Share Stapled Units are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Share Stapled Units or the Rights Share Stapled Units and, regarding the Non-Qualifying Holders of Share Stapled Units, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Share Stapled Units on their behalf.

8. EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The HKT Trust and HKT did not conduct any equity fund raising activities in the 12 months immediately preceding the date of this announcement.

9. UNDERTAKING BY PCCW TO ACCEPT ITS PROVISIONAL ALLOTMENT UNDER THE RIGHTS ISSUE IN FULL

PCCW (indirectly through its wholly-owned subsidiary, CAS) is interested in 4,047,215,832 Share Stapled Units representing approximately 63.07% of the Share Stapled Units in issue as at the date of this announcement. On the date of the Underwriting Agreement, PCCW has given PCCW's Undertaking to the HKT Trust and HKT and the Joint Underwriters to, among other things, complete or procure the completion of the Proposed Subscription (please refer to the section headed "Terms of the Rights Issue – Underwriting arrangements for the Rights Issue – (1) PCCW's Undertaking" in this announcement for details on the terms of PCCW's Undertaking).

Rights Share Stapled Units to be subscribed

PCCW proposes to subscribe, or procure CAS to subscribe, for the 728,498,849 Rights Share Stapled Units, being all the Rights Share Stapled Units to be provisionally allotted to CAS pursuant to the terms of the Rights Issue.

Consideration

Based on the Rights Subscription Price of HK$6.84 per Rights Share Stapled Unit and on the assumption that, as at the Record Date, there are 6,416,730,792 Share Stapled Units in issue, the aggregate consideration payable by CAS for the Proposed Subscription, comprising the subscription for a total of 728,498,849 Rights Share Stapled Units, will be approximately HK$4,983 million (approximately US$639 million).

The consideration will be fully satisfied in cash and will be financed by internal resources of, and the drawdown of undrawn committed banking facilities available to, PCCW.

Reasons for and benefits of the Proposed Subscription

The HKT Trust and HKT is one of the core investments of PCCW. PCCW's Undertaking is given in order to support and maintain the value of PCCW's investment in the HKT Trust and HKT. The directors of PCCW believe that the Proposed Subscription and PCCW's entering into of PCCW's Undertaking are fair and reasonable and in the interests of PCCW and its shareholders taken as a whole.

10. GENERAL

In this announcement, unless otherwise specified, the number of Underwritten Rights Share Stapled Units, the amount of underwriting commission and estimate of net proceeds all assume that no additional Share Stapled Units are acquired by PCCW or its subsidiaries prior to the Record Date.

The Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the HKT Group and CSLNW is expected to be despatched by the HKT Trust and HKT, together with the PALs, to Qualifying Holders of Share Stapled Units on or before Monday, 30 June 2014. A copy of the Prospectus will also be made available on the websites of the HKT Trust and HKT (**www.hkt.com/ir**) and the Stock Exchange (**www.hkexnews.hk**). To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the HKT Trust and HKT will send copies of the Prospectus to Non-Qualifying Holders of Share Stapled Units for their information only but will not send PALs to them. The Prospectus will not be distributed, and the Rights Share Stapled Units will not be sold, in the US, except, in limited circumstances, certain transactions exempt from registration under the US Securities Act.

Information on the HKT Trust and HKT and CSLNW

The HKT Trust has been established as a fixed single investment trust, with its activities being limited to investing in HKT and anything necessary or desirable for or in connection with investing in HKT.

The principal activities of HKT and its subsidiaries are the provision of telecommunications and related services which include local telephony, local data and broadband, international telecommunications, mobile, customer premises equipment sale, outsourcing, consulting and contact centres. HKT and its subsidiaries operate primarily in Hong Kong, and also serve customers in mainland China and other parts of the world.

On 20 December 2013, HKT conditionally agreed to purchase the entire issued share capital of CSLNW, details of which are contained in the Acquisition Circular. The acquisition of CSLNW was completed on 14 May 2014. CSLNW is an investment holding company incorporated in Bermuda which is engaged, through its subsidiaries and joint venture interests, primarily in the provision of mobile telecommunications services through 4G, 3G and 2G networks, and the sale of mobile telecommunications products, to customers in Hong Kong under three mobile brands: "1O1O", "one2free" and "New World Mobility".

Financial information of the HKT Group and the CSLNW Group

For the financial year ended 31 December 2013, the audited consolidated profits before and after taxation of the HKT Group were approximately HK$2,515 million (approximately US$322 million) and HK$2,499 million (approximately US$320 million) respectively.

For the financial year ended 31 December 2012, the audited consolidated profits before and after taxation of the HKT Group were approximately HK$2,115 million (approximately US$271 million) and HK$1,660 million (approximately US$213 million) respectively.

The audited consolidated net assets of the HKT Group attributable to holders of Share Stapled Units as at 31 December 2013 was approximately HK$30,805 million (approximately US$3,949 million).

	HKT Group		**CSLNW Group**	
In HK$ million	**For the year ended 31 December 2012 (Audited)**	**For the year ended 31 December 2013 (Audited)**	**For the twelve months ended 31 December 2012 (Unaudited)**	**For the twelve months ended 31 December 2013 (Unaudited)**
Revenue	21,081	22,832	6,881	8,556
EBITDA[1]	7,669	7,901	2,984	3,521
Adjusted Funds Flow[2]/ Normalised Adjusted Funds Flow[3]	2,672	2,901	348	822

The HKT Group recorded total revenues of HK$21,081 million and HK$22,832 million for the years ended 31 December 2012 and 2013, respectively, which included mobile revenue of HK$2,466 million and HK$2,647 million for the years ended 31 December 2012 and 2013. The growth in revenue was driven by the steady performance in the Telecommunications Services business and broad improvement in the Mobile business.

The HKT Group's EBITDA achieved during the years ended 31 December 2012 and 2013 were HK$7,669 million and HK$7,901 million, of which the mobile business achieved HK$736 million and HK$851 million, respectively. The HKT Group's Adjusted Funds Flow for the periods were HK$2,672 million and HK$2,901 million, respectively. The total mobile subscriber base has increased from 1,645,000 as at end of December 2012 to 1,654,000 by the end of December 2013, while ARPU has increased by 2% to HK$210 from HK$206 a

year ago. The HKT Group's cash outflows in respect of capital expenditures, customer acquisition costs and licence fees for the years ended 31 December 2012 and 2013 were HK$3,625 million and HK$3,583 million, respectively.

For the twelve months ended 31 December 2012 and 2013, the EBITDA of the CSLNW Group amounted to HK$2,984 million and HK$3,521 million, respectively, while the normalised Adjusted Funds Flow reached HK$348 million and HK$822 million, respectively, for the twelve months ended 31 December 2012 and 2013. Total cash outflows in respect of capital expenditures, customer acquisition costs and licence fees of the CSLNW Group for the purpose of deriving the normalised Adjusted Funds Flow for the twelve months ended 31 December 2012 and 2013 were HK$2,535 million and HK$2,418 million, respectively.

The aggregated revenue and EBITDA of the HKT Group for the year ended 31 December 2013 and CSLNW Group for the twelve months ended 31 December 2013 were HK$31,388 million and HK$11,422 million, respectively.

The aggregate of the Adjusted Funds Flow of the HKT Group for the year ended 31 December 2013 and the normalised Adjusted Funds Flow of the CSLNW Group for the twelve months ended 31 December 2013 was HK$3,723 million, before considering certain factors including any synergistic benefits to be realised upon operational restructuring following Completion and financing expenses to be incurred in connection with the funding of the acquisition. On Completion, a gross consideration of approximately US$2,572 million (approximately HK$20,063 million) was paid by the HKT Group. After considering the cash held by the CSLNW Group of approximately HK$1,186 million on 30 April 2014, the net consideration paid was approximately US$2,420 million (approximately HK$18,877 million). Based on loan facilities with principal of approximately US$2,572 million (approximately HK$20,063 million) and an assumed interest rate of 4% per annum, the annual incremental interest expenses would be approximately HK$803 million. Assuming net proceeds of US$998 million (approximately HK$7,784 million) from the rights issue of Share Stapled Units were applied to repay the corresponding portion of these loan facilities drawn for the Acquisition, the estimated incremental interest expense would be reduced by approximately HK$311 million on an annual basis.

The aggregate of the cash outflows in respect of capital expenditures, customer acquisition costs and licence fees of the HKT Group for the year ended 31 December 2013 and the cash outflows in respect of capital expenditures, customer acquisition costs and licence fees for the purpose of deriving the normalised Adjusted Funds Flow of the CSLNW Group for the twelve months ended 31 December 2013 was HK$6,001 million.

Note 1: *EBITDA represents earnings before interest income, finance costs, income tax, depreciation of property, plant and equipment, amortisation of land lease premium and intangible assets, gain/loss on disposal of property, plant and equipment and interests in leasehold land, net other gains/losses, losses on property, plant and equipment, restructuring costs, impairment losses on goodwill, tangible and intangible assets and interests in an associate and joint ventures, and the share of results of an associate and joint ventures. While EBITDA is commonly used in the telecommunications industry worldwide as an indicator of operating performance, leverage and liquidity, it is not presented as a measure of operating performance in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") and should not be considered as representing net cash flows from operating activities.*

The computation of the EBITDA may not be comparable to similarly titled measures of other companies.

Note 2: EBITDA, less capital expenditures, customer acquisition costs and license fees paid, taxes paid, finance costs and interest expense paid, and adjusted for interest income received and changes in working capital. Adjusted Funds Flow is not presented as a measure of leverage or liquidity in accordance with HKFRS and should not be considered as representing net cash flows or any other similar measure derived in accordance with HKFRS, or an alternative to cash flow from operations or a measure of liquidity. The computation of Adjusted Funds Flow for the purposes of this announcement may not be comparable to similarly titled measures of other companies.

Note 3: The normalised Adjusted Funds Flow represents the Adjusted Funds Flow of the CSLNW Group adjusted for (i) one-off payment of HK$310 million in respect of 4G spectrum rights acquired during the twelve months ended 31 December 2013, which is not expected to be incurred on a recurring basis; and (ii) capital expenditures of HK$106 million and HK$89 million for the twelve months ended 31 December 2012 and 2013, respectively, in relation to projects that are not required by the HKT Group and are to be pre-funded by the vendors of CSLNW, which will not affect the Adjusted Funds Flow of the HKT Group after Completion. This normalised Adjusted Funds Flow is considered to be an appropriate measure for the purpose of assessing the CSLNW Group's recurring contribution to the Adjusted Funds Flow of the HKT Group after Completion. The computation of the normalised Adjusted Funds Flow for the purposes of this announcement may not be comparable to similarly titled measures of other companies.

Management discussion and analysis of the CSLNW Group

Revenues

Revenues of the CSLNW Group for the twelve months ended 31 December 2012 and 2013 were HK$6,881 million and HK$8,556 million, respectively. The revenue of the CSLNW Group represents revenue from the provision of mobile telecommunications services and sale of mobile telecommunications products to customers in Hong Kong under the CSLNW Group's three mobile brands: "1O1O", "one2free", and "New World Mobility". The increase in revenues was driven by continuous expansion in customer base and popularity of the wide selection of handset subscription offerings and smart devices, and competitive tariff packages.

EBITDA

The CSLNW Group's EBITDA for the twelve months ended 31 December 2012 and 2013, were HK$2,984 million and HK$3,521 million, respectively. Overall increase in EBITDA was mainly attributable to the year-on-year revenue increase during the period under review.

Normalised Adjusted Funds Flow

The normalised Adjusted Funds Flow represents the Adjusted Funds Flow of the CSLNW Group adjusted to exclude certain material one-off payments, such as the 4G spectrum rights

acquisition costs, and capital expenditures in relation to projects pre-funded by the vendors of CSLNW. Normalised Adjusted Funds Flow for the twelve months ended 31 December 2012 and 2013 were HK$348 million and HK$822 million, respectively. The increase in normalised Adjusted Funds Flow for the year ended 31 December 2013 as compared with 2012 was mainly contributed by the improvement in EBITDA over the periods, the effect of which was partly offset with the increase in tax payment in 2013 due to the utilisation of tax losses in 2012.

Information on PCCW

The principal activities of PCCW and its subsidiaries 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.

Information on the Joint Underwriters

To the best knowledge, information and belief of the HKT Directors having made all reasonable enquiries, each of the Joint Underwriters and their respective ultimate beneficial owners are third parties independent of the HKT Trust and HKT and their connected persons.

To the best knowledge, information and belief of the directors of PCCW having made all reasonable enquiries, each of the Joint Underwriters and their respective ultimate beneficial owners are third parties independent of PCCW and its connected persons.

11. DEFINITIONS

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

"Acquisition Circular"	the circular of the HKT Trust and HKT dated 31 December 2013 relating to the acquisition of CSLNW by HKT;
"associate(s)"	has the same meaning ascribed to it in the Listing Rules and (in the case of the HKT Trust and HKT) as modified by the Listing Agreement;
"Business Day"	a day (other than a Saturday, Sunday, any public holiday in Hong Kong or a day on which a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which commercial banks in Hong Kong are generally open for business;

"CAS"	CAS Holding No. 1 Limited, a wholly-owned subsidiary of PCCW;
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC;
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant;
"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant;
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation;
"CCASS Participant"	a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant;
"Citigroup"	Citigroup Global Markets Asia Limited, licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the SFO;
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended and supplemented from time to time;
"Completion"	completion of the acquisition of the entire issued share capital of CSLNW by HKT which occurred on 14 May 2014;
"connected person(s)"	has the same meaning ascribed to it in the Listing Rules and (in the case of the HKT Trust and HKT) as modified by the Listing Agreement;
"CSLNW"	CSL New World Mobility Limited (now known as CSL Holdings Limited), an investment holding company incorporated in Bermuda with limited liability which is engaged, through its subsidiaries and joint venture interests, primarily in the provision of mobile telecommunications services through 4G, 3G and 2G networks, and the sale of mobile telecommunications products, to customers in Hong Kong under three mobile brands: "1O1O", "one2free" and "New World Mobility";
"CSLNW Group"	CSLNW and its subsidiaries at the relevant time;

"Deutsche Bank"	Deutsche Bank AG, Hong Kong Branch, licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities;
"Excluded Jurisdiction"	any jurisdiction in respect of which the HKT Trust and HKT determine, in accordance with Rule 13.36(2)(a) of the Listing Rules, that it is necessary or expedient not to offer Rights Share Stapled Units to Holders of Share Stapled Units in such jurisdiction on account either of the legal restrictions under the laws of a place outside Hong Kong or the requirements of a relevant regulatory body or stock exchange in that place (other than offers to certain categories of sophisticated and/or qualified investors permitted by, and in accordance with, applicable local laws and regulations);
"Existing Share Stapled Units"	the Share Stapled Units which are in issue at 5:00 p.m. on the Record Date;
"Goldman Sachs"	Goldman Sachs (Asia) L.L.C., a corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities;
"HKSCC"	Hong Kong Securities Clearing Company Limited;
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong;
"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 Part XI of the then Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as subsequently amended, repealed and replaced by Part 16 of 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: 6823);
"HKT Boards"	the board of directors of the Trustee-Manager and the board of directors of HKT;
"HKT Directors"	the directors of the Trustee-Manager and HKT;
"HKT Group"	the HKT Trust and HKT and its subsidiaries at the relevant time;

"HKT Trust"	a trust constituted on 7 November 2011 under the laws of Hong Kong and managed by the Trustee-Manager and having its Share Stapled Units, jointly issued with HKT, listed on the main board of the Stock Exchange (stock code: 6823);
"Holder(s) of Share Stapled Units"	person(s) duly registered in the Share Stapled Units Register as holder(s) of Share Stapled Units, except that where the registered holder of Share Stapled Units is HKSCC Nominees Limited on behalf of CCASS shall also include, where the context so admits, the CCASS Participants whose CCASS stock accounts are deposited with such Share Stapled Units;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Hong Kong Branch Register of Members"	the branch register of members in Hong Kong of HKT as maintained in accordance with the provisions of the Trust Deed;
"HSBC"	The Hongkong and Shanghai Banking Corporation Limited, a registered institution as defined in the SFO and registered to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), as amended or supplemented from time to time;
"Joint Underwriters" (in alphabetical order)	Citigroup, Deutsche Bank, Goldman Sachs, HSBC, Morgan Stanley and Standard Chartered;
"Last Trading Day"	12 June 2014, being the last completed Stock Exchange Trading Day immediately prior to the publication of this announcement;
"Latest Acceptance Date"	the latest date for acceptance of, and payment for, Rights Share Stapled Units, which is expected to be on Tuesday, 15 July 2014 (or such other date to be agreed in writing between the Trustee-Manager, HKT and the Joint Underwriters);
"Latest Time for Termination"	4:30 p.m. on the Business Day immediately following the Latest Acceptance Date, which is expected to be on Wednesday, 16 July 2014;
"Listing Agreement"	the listing agreement dated 28 November 2011 entered into between the Trustee-Manager, HKT and the Stock Exchange;

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Long Stop Date"	Friday, 25 July 2014 (or such later date as the Joint Underwriters may agree);
"Morgan Stanley"	Morgan Stanley & Co. International Plc;
"Non-Qualifying Holder(s) of Share Stapled Units"	those Holder(s) of Share Stapled Units whose registered address(es) as shown on the Share Stapled Units Register at 5:00 p.m. on the Record Date is/are in any of the Excluded Jurisdictions and Holder(s) of Share Stapled Units and beneficial owner(s) of Share Stapled Units who is/are otherwise known to the HKT Trust and HKT to be resident in any of the Excluded Jurisdictions, except for those Holder(s) of Share Stapled Units or beneficial owner(s) of Share Stapled Units who fulfil, to the satisfaction of the HKT Trust and HKT, certain requirements to enable them to take up their rights under the Rights Issue;
"Ordinary Shares"	ordinary shares with a nominal value of HK$0.0005 each in the share capital of HKT conferring the rights set out in the HKT's amended and restated articles of association;
"Overseas Holder(s) of Share Stapled Units"	those Holder(s) of Share Stapled Units whose name(s) appear on the Share Stapled Units Register at 5:00 p.m. on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong and Holder(s) of Share Stapled Units and beneficial owner(s) of Share Stapled Units at that time who is/are otherwise known to the HKT Trust and HKT to be resident in a place(s) outside Hong Kong;
"PAL(s)"	the provisional allotment letter(s) to be issued in connection with the Rights Issue;
"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: 0008) and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the United States of America (ticker: PCCWY);
"PCCW's Undertaking"	the irrevocable undertaking dated 13 June 2014 given by PCCW in favour of the HKT Trust, HKT and the Joint Underwriters as described in this announcement;
"Preference Shares"	preference shares with a nominal value of HK$0.0005 each in the share capital of HKT conferring the rights set out in HKT's amended and restated articles of association;

"Proposed Subscription"	the full acceptance by PCCW or its subsidiaries (including but not limited to CAS) (as applicable) of all the Rights Share Stapled Units provisionally allotted to them in accordance with the terms of PCCW's Undertaking;
"Prospectus"	a prospectus to be issued by the HKT Trust and HKT in relation to the Rights Issue;
"Qualifying Holder(s) of Share Stapled Units"	those Holder(s) of Share Stapled Units, other than the Non-Qualifying Holders of Share Stapled Units, whose name(s) appear on the Share Stapled Units Register at 5:00 p.m. on the Record Date;
"Record Date"	the date by reference to which entitlements to participate in the Rights Issue are to be determined, which is now expected to be Friday, 27 June 2014 (or such other date to be agreed in writing between the Trustee Manager, HKT and the Joint Underwriters);
"Register of Beneficial Interests"	the register of beneficial interests in the Ordinary Shares which are registered in the Register of Members in the name of the Trustee-Manager in its capacity as trustee-manager of the HKT Trust, as maintained in accordance with the provisions of the Trust Deed;
"Register of Members"	the principal register of members of HKT maintained in the Cayman Islands;
"Registers"	the Share Stapled Units Register, the Units Register, the Register of Members, the Hong Kong Branch Register of Members and the Register of Beneficial Interests, collectively, and "Register" means any of them;
"Rights Issue"	the issue, by way of rights, of 18 Rights Share Stapled Units for every 100 Existing Share Stapled Units at the Rights Subscription Price, payable in full on acceptance;
"Rights Issue Documents"	the Prospectus and PAL;
"Rights Share Stapled Unit(s)"	new Share Stapled Unit(s) to be allotted and issued by way of rights to Qualifying Holders of Share Stapled Units;
"Rights Subscription Price"	the subscription price of HK$6.84 per Rights Share Stapled Unit;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time;

"Share Stapled Unit"	the combination of the following securities or interests in securities which, subject to the provisions in the Trust Deed, can only be dealt with together and may not be dealt with individually or one without the others: (a) a Unit; (b) the beneficial interest in a specifically identified Ordinary Share linked to the Unit and held by the Trustee-Manager as legal owner in its capacity as trustee-manager of the HKT Trust; and (c) a specifically identified Preference Share stapled to the Unit;
"Share Stapled Units Register"	the register of registered Holders of Share Stapled Units as maintained in accordance with the provisions of the Trust Deed;
"Share Stapled Units Registrar"	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong;
"Standard Chartered"	Standard Chartered Securities (Hong Kong) Limited, a registered institution as defined in the SFO and registered to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Trading Day"	a day on which the Stock Exchange is open for trading;
"Trust Deed"	the trust deed dated 7 November 2011 constituting the HKT Trust entered into between the Trustee-Manager and HKT, as amended from time to time;
"Trustee-Manager"	HKT Management Limited (a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of PCCW), in its capacity as the trustee-manager of the HKT Trust;
"Underwriting Agreement"	the underwriting agreement dated 13 June 2014 entered into between the Trustee-Manager, HKT and the Joint Underwriters in relation to the Rights Issue;

"Underwritten Rights Share Stapled Units"	the Rights Share Stapled Units, other than the aggregate of (1) 728,498,849 Rights Share Stapled Units, to be subscribed (or procured to be subscribed) by CAS pursuant to PCCW's Undertaking (which PCCW has undertaken to procure subscription for); and (2) any additional Rights Share Stapled Units provisionally allotted to PCCW or its subsidiaries (including, but not limited to, CAS) in respect of any further Share Stapled Units acquired by PCCW or its subsidiaries (including, but not limited to, CAS) on or before 5:00 p.m. on the Record Date (which PCCW has undertaken to subscribe for or procure subscription for), underwritten by the Joint Underwriters subject to the terms and conditions of the Underwriting Agreement, being 426,512,693 Rights Share Stapled Units (assuming no additional Share Stapled Units are acquired by PCCW or its subsidiaries prior to the Record Date and that no irrevocable undertaking(s) other than PCCW's Undertaking are received prior to the Record Date);
"Unit"	an undivided interest in the HKT Trust, which confers the rights set out in the Trust Deed as being conferred by a Unit (whether in its own right or as a component of a Share Stapled Unit);
"Units Register"	the register of registered holders of Units as maintained in accordance with the provisions of the Trust Deed;
"US" or "United States"	United States of America (including its territories and dependencies, any state in the US and the District of Columbia);
"US Securities Act"	US Securities Act of 1933, as amended;
"US$"	United States dollar(s), the lawful currency of the US; and
"%"	per cent.

By order of the boards of
HKT Management Limited
and
HKT Limited
Philana WY Poon
Group General Counsel and Company Secretary

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

Hong Kong, 13 June 2014

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US$1.00 = HK$7.80. Percentages and figures expressed have been rounded.

As at the date of this announcement, the directors of the Trustee-Manager and HKT are as follows:

Executive Directors:
Li Tzar Kai, Richard (Executive Chairman); Alexander Anthony Arena (Group Managing Director) and Hui Hon Hing, Susanna (Group Chief Financial Officer)

Non-Executive Directors:
Peter Anthony Allen; Chung Cho Yee, Mico; Lu Yimin and Li Fushen

Independent Non-Executive Directors:
Professor Chang Hsin Kang, FREng, GBS, JP; The Hon Raymond George Hardenbergh Seitz; Sunil Varma and Aman Mehta

As at the date of this announcement, the directors of PCCW 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