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PCCW Limited

電訊盈科有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0008)

CHANGE OF GROUP MANAGING DIRECTOR

The Board of Directors (the "**Board**") of PCCW Limited (the "**Company**") announces that:

(1) Mr. Chan Ching Cheong, George ("**Mr. Chan**") has informed the Board that he intends to retire from the positions as Group Managing Director, Executive Director and Authorized Representative of the Company, with effect from a date on or around the expiry of his existing fixed 4-year term contract, which expires on 7 July 2014; and

(2) Mr. Srinivas Bangalore Gangaiah (also known as BG Srinivas) ("**Mr. Srinivas**") will be appointed as the Group Managing Director, an Executive Director and Authorized Representative of the Company, with effect from 14 July 2014.

Mr. Chan has confirmed that he is not aware of any matter relating to his retirement that needs to be brought to the attention of the shareholders of the Company. He has also confirmed that his retirement is in line with the completion of his fixed term contract and that he has no disagreement with the Board. The Board would like to express its gratitude to Mr. Chan for his contributions to the Company and offers its best wishes to him.

On 29 May 2014, the Company entered into a legally binding term sheet with Mr. Srinivas for his appointment as Group Managing Director of the Company ("**Appointment Agreement**"). The Appointment Agreement constitutes a service contract with the Company and provides that a more detailed definitive service contract will shortly be entered into with Mr. Srinivas on terms consistent with the Appointment Agreement.

Mr. Srinivas, aged 53, holds a degree in mechanical engineering from Bangalore University, India, and has participated in executive programs at Wharton Business School, US, and Indian Institute of Management Ahmedabad (IIMA), India. Prior to his agreeing to serve as the Group Managing Director of the Company, Mr. Srinivas has worked for the last 15 years with Infosys Group, where his last role was the President and Whole-time Director of Infosys Limited. He has also acted as Chairman of the board of Infosys Lodestone and a member of the board of Infosys Sweden. Prior to that, Mr. Srinivas worked for 14 years with Asea Brown Boveri Group, where

he held several leadership positions. Mr. Srinivas has been on the panel of judges for the European Business Awards (EBA) for three consecutive years and is a frequent speaker at academic institutions such as INSEAD and Saïd Business School, Oxford.

Other than as disclosed above, Mr. Srinivas has not held any other directorships in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas and does not hold any position with the Company or its subsidiaries. Mr. Srinivas is not related to any Directors, senior management or substantial or controlling shareholders of the Company.

The Appointment Agreement provides that, upon assuming the role of Group Managing Director, Mr. Srinivas will be entitled to a basic salary of approximately US$1.14 million (equivalent to approximately HK$8.84 million) per year, plus a housing allowance and a non-discretionary annual bonus of US$180,000 (equivalent to approximately HK$1.4 million). In addition, the Appointment Agreement provides that Mr. Srinivas will be entitled to performance related cash and share based compensation, subject to the achievement of performance targets. Performance related share based compensation would be in the form of share awards to be granted under the Company's Share Award Purchase Scheme (which relates to existing issued shares in the Company to be purchased by the Scheme Trustee), with the Company having the right to pay the cash equivalent in lieu of granting share awards.

Mr. Srinivas' emoluments have been determined with reference to his responsibilities, experience and qualifications and the Company's remuneration policies.

The Appointment Agreement provides that Mr. Srinivas' employment with the Company is terminable by either Mr. Srinivas or the Company giving 6 months' written notice; except that the Company has agreed that it will not terminate Mr. Srinivas' employment without "cause" prior to the first anniversary of his appointment. The Company has the right to terminate Mr. Srinivas' employment for "cause" without notice. Following his appointment as a Director, in accordance with the Company's Articles of Association, Mr. Srinivas will hold office as a Director until the next general meeting of the Company and will then stand for re-election at that meeting.

As at the date of this announcement, Mr. Srinivas is not interested in any shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Save for the information set out above, there is no other information to be disclosed pursuant to any of the requirements of the provisions of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of shareholders of the Company in relation to the appointment of Mr. Srinivas as the Group Managing Director.

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

Hong Kong, 29 May 2014

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