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## **HKT Trust**

*(a trust constituted on November 7, 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)**

### **ISSUE OF NEW SHARE STAPLED UNITS UNDER GENERAL MANDATE FOR GRANT OF AWARDS PURSUANT TO SHARE STAPLED UNITS AWARD SCHEME**

On February 12, 2020, the Boards have resolved to allot and issue 4,000,000 new SSUs to the Trustee for grant of Awards to Selected Employees by way of allotment of new SSUs pursuant to the Subscription Scheme and the General Mandate granted by the SSU Holders at the AGM held on May 9, 2019.

Pursuant to the SSU Award Schemes, the maximum aggregate number of SSUs that can be awarded under the Subscription Scheme and the Purchase Scheme is limited to 1% of the total number of SSUs in issue. The 4,000,000 new SSUs to be allotted to the Trustee represent approximately 0.05283% of the total number of SSUs in issue as at February 12, 2020 and approximately 0.05280% of the total number of SSUs in issue as enlarged after the allotment.

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The Company Board shall pay or cause to be paid an aggregate amount of HK\$47,440,000 from the Company's resources to fund the Trustee's subscription of the 4,000,000 new SSUs. Upon the allotment of the new SSUs, the Trustee shall hold such new SSUs on trust for the Selected Employees which shall be transferred to the Selected Employees at no cost, upon satisfaction of the relevant vesting conditions determined by the Company Board at the time of making the Awards.

The Trustee is not a connected person of the HKT Trust and HKT and is a third party independent of the Trustee-Manager and the Company. All of the Selected Employees to whom Awards may be granted under the Subscription Scheme in respect of the 4,000,000 new SSUs are/will be employees of the Group under the Subscription Scheme and none of them is a director or a substantial shareholder of the Company or the Trustee-Manager or any of the Company's subsidiaries as at the time of granting the Awards. The number of Selected Employees to whom Awards are/will be granted will be more than 10.

The new SSUs, when allotted and issued, shall rank pari passu among themselves and with the other SSUs in issue, with the right to receive all distributions the record date in respect of which is on or after the date of allotment of the new SSUs. While the Trustee holds the new SSUs on trust for the Selected Employees, the Trustee is not permitted to exercise any voting rights which may attach to the new SSUs in accordance with the SSU Award Schemes.

Application will be made by the Trustee-Manager and the Company to the Stock Exchange for approval of the listing of, and permission to deal in, the 4,000,000 new SSUs. Other than such approval to be granted by the Stock Exchange, the issuance of the 4,000,000 new SSUs is not subject to approval by the SSU Holders or any other conditions.

Further information relating to the new SSUs is set out below:

Securities to be issued: 4,000,000 new SSUs

Issue price (net): The 4,000,000 new SSUs shall be allotted to the Trustee for an aggregate consideration of HK\$47,440,000 (calculated by reference to the closing price of the SSUs of HK\$11.86 as quoted on the Stock Exchange on February 11, 2020, being the trading day preceding the date of this announcement), with the entire amount of consideration having been provided to the Trustee by the Company through the Trustee-Manager. Under the Subscription Scheme, the amount to be paid in respect of the subscription of new SSUs shall be provided by the Company through the Trustee-Manager to the Trustee and subsequently used by the Trustee to subscribe for the new SSUs

Fund to be raised: Nil

Reasons for the issue: To recognize the contributions made by the Selected Employees and to give incentives thereto in order to retain them for the continual operation and development of the Group

Identity of the allottee: Computershare Hong Kong Trustees Limited (or its nominee), being the independent Trustee appointed for the Company's SSU Award Schemes

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| Market price of the SSUs:                      | HK\$11.80, being the closing price of the SSUs as at February 12, 2020   |
| Fund raising activities in the past 12 months: | The Trustee-Manager and the Company have not engaged in any fund raising activities by any issue of equity securities in the 12 months immediately preceding the date of this announcement |

## DEFINITIONS

In this announcement, the following terms and expressions shall have the following meanings, unless the context otherwise requires:

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| “AGM”   | the annual general meeting of unitholders of the HKT Trust and of shareholders of the Company held on a combined basis as a single meeting characterized as an annual general meeting of SSU Holders              |
| “Award(s)”  | award(s) of SSUs by the Company Board pursuant to the SSU Award Schemes to Selected Employees   |
| “Boards”  | collectively, the board of directors of the Trustee-Manager and the board of directors of the Company   |
| “Company” or “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  |
| “Company Board”                                   | the board of directors of the Company, or such committee or sub-committee or person(s) delegated with the power and authority to administer the SSU Award Schemes   |
| “connected person(s)”                             | has the meaning ascribed to it in the Listing Rules   |
| “General Mandate”                                 | the general mandate granted by the SSU Holders at the AGM held on May 9, 2019 authorizing the Boards to allot and issue new SSUs not exceeding 20% of the total number of SSUs in issue as at the date of the AGM |
| “Group”   | collectively, the HKT Trust, the Company and its subsidiaries from time to time   |
| “HK\$”  | Hong Kong dollar(s), the lawful currency of Hong Kong   |
| “HKT Trust”                                       | a fixed single investment trust constituted on November 7, 2011 under the laws of Hong Kong pursuant to the Trust Deed and managed by the Trustee-Manager   |
| “Holders of Share Stapled Units” or “SSU Holders” | persons registered at the relevant time in the share stapled units register as holders of SSUs, including persons so registered as joint holders of SSUs  |

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| “Hong Kong”  | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Listing Rules”  | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited   |
| “Ordinary Share(s)”  | ordinary share(s) with a nominal value of HK\$0.0005 each in the share capital of the Company conferring the rights set out in the articles of association of the Company  |
| “PCCW”   | PCCW Limited, a company incorporated in Hong Kong with limited liability, which indirectly holds approximately 51.97% of the total number of SSUs in issue as at the date of this announcement, whose shares are 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)  |
| “Preference Share(s)”  | preference share(s) with a nominal value of HK\$0.0005 each in the share capital of the Company conferring the rights set out in the articles of association of the Company  |
| “Purchase Scheme”  | a SSU award scheme adopted by the Company in its present form or as amended from time to time in accordance with the provisions thereof whereby awards of SSUs may be made to Selected Employees, with such SSUs being purchased by the Trustee on the market  |
| “Selected Employees”   | eligible employees of the Group under the SSU Award Schemes whom the Company Board may, from time to time, at its absolute discretion, select for participation in the SSU Award Schemes   |
| “Share Stapled Unit(s)” or “SSU(s)”                            | <p>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:</p> <ul style="list-style-type: none"> <li>(a) a unit in the HKT Trust;</li> <li>(b) the beneficial interest in a specifically identified Ordinary Share linked (as defined in the Trust Deed) to the unit and held by the Trustee-Manager as legal owner in its capacity as trustee-manager of the HKT Trust; and</li> <li>(c) a specifically identified Preference Share stapled (as defined in the Trust Deed) to the unit</li> </ul> |
| “Share Stapled Units Award Scheme(s)” or “SSU Award Scheme(s)” | the Purchase Scheme and the Subscription Scheme  |

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|---------------------------|--|
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited  |
| “Subscription Scheme”     | a SSU award scheme adopted by the Company in its present form or as amended from time to time in accordance with the provisions thereof whereby awards of SSUs may be made to Selected Employees, with such SSUs being allotted and jointly issued by the HKT Trust and HKT to the Trustee who subscribes for and holds the SSUs on trust for the Selected Employees |
| “substantial shareholder” | has the meaning ascribed to it in the Listing Rules  |
| “Trust Deed”              | the trust deed dated November 7, 2011 constituting the HKT Trust entered into between the Trustee-Manager and the Company as amended, supplemented, substituted or otherwise modified from time to time  |
| “Trustee”                 | Computershare Hong Kong Trustees Limited, an independent trustee appointed for the SSU Award Schemes   |
| “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   |
| “%”                       | per cent   |

By order of the boards of  
**HKT Management Limited**  
and  
**HKT Limited**  
**Bernadette M. Lomas**  
*Group General Counsel and Company Secretary*

Hong Kong, February 12, 2020

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

*Executive Directors:*

Li Tzar Kai, Richard (*Executive Chairman*) and Hui Hon Hing, Susanna (*Group Managing Director*)

*Non-Executive Directors:*

Peter Anthony Allen; Chung Cho Yee, Mico; Li Fushen; Zhu Kebing and Srinivas Bangalore Gangaiah (aka BG Srinivas)

*Independent Non-Executive Directors:*

Professor Chang Hsin Kang, FREng, GBS, JP; Sunil Varma; Aman Mehta and Frances Waikwun Wong