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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your share stapled units in HKT Trust and HKT Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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# HKT<sup>®</sup>

## 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)**

### PROPOSALS FOR

- (1) RE-ELECTION OF DIRECTORS**
- (2) GENERAL MANDATES TO ISSUE AND BUY BACK  
SHARE STAPLED UNITS**
- (3) AMENDMENTS TO THE COMPANY'S ARTICLES AND THE TRUST DEED  
AND ADOPTION OF THE THIRD AMENDED AND RESTATED M&A**
- (4) ADOPTION OF NEW SHARE STAPLED UNIT AWARD SCHEME  
AND**
- (5) TERMINATION OF EXISTING SHARE STAPLED UNIT OPTION SCHEME  
AND ADOPTION OF NEW SHARE STAPLED UNIT OPTION SCHEME**

### NOTICE OF ANNUAL GENERAL MEETING

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Notice convening the AGM to be held as a hybrid meeting on Thursday, 30 May 2024 at 2pm at the principal meeting place at 12th Floor, PCCW Tower, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong is set out in this circular. Whether or not Holders of Share Stapled Units are able to attend the AGM, they are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the registrar for the share stapled units, Computershare Hong Kong Investor Services Limited, Investor Communications Centre, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event no later than 48 hours before the time appointed for holding the AGM (or any adjournment thereof). Completion and return of the form of proxy shall not preclude Holders of Share Stapled Units from attending and voting in person or by means of electronic facilities at the AGM (or any adjournment thereof) should they so desire.

The AGM will be held as a hybrid meeting. Holders of Share Stapled Units can attend, participate and vote at the AGM through online access by visiting the website – <https://meetings.computershare.com/HKTAGM2024> (the “Online Platform”). Holders of Share Stapled Units participating in the AGM through the Online Platform will be counted towards the quorum (subject to the Company's Articles) and they will be able to cast their votes and submit questions through the Online Platform. The Online Platform will be open for holders of Share Stapled Units to log in approximately 30 minutes prior to the commencement of the AGM and can be accessed from any location with internet connection by a smartphone, tablet device or computer. Holders of Share Stapled Units should allow ample time to check into the Online Platform to complete the related procedures. Please refer to the Online Meeting User Guide for the AGM at [http://www.hkt.com/aggm2024/Generic\\_User\\_Guide\\_Eng.pdf](http://www.hkt.com/aggm2024/Generic_User_Guide_Eng.pdf) for assistance. Login details for accessing the Online Platform will be posted to Holders of Share Stapled Units on or about 3 April 2024.

**Holders of Share Stapled Units attending the AGM through the Online Platform will be able to submit questions relevant to the proposed resolutions online during the AGM. Holders of Share Stapled Units can also send their questions to the Trustee-Manager and the Company by email at [AGM2024@hkt.com](mailto:AGM2024@hkt.com) from 9am on Friday, 24 May 2024 to 6pm on Tuesday, 28 May 2024. The Trustee-Manager and the Company may not be able to respond to all the questions, but will endeavour, where appropriate, to respond to such questions on the Company's website as soon as practicable after the AGM.**

Further details relating to attending the AGM through the Online Platform are set out below in this circular.

**There will be NO distribution of corporate souvenirs, food, beverages or any other item at the AGM.**

The Trustee-Manager and the Company may announce further updates (if any) on arrangements relating to the AGM on the Company's website at [www.hkt.com](http://www.hkt.com) and/or by way of an announcement as and when appropriate.

*To the extent that there are inconsistencies between the English version and the Chinese version of this circular, the English version shall prevail.*

3 April 2024

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## ATTENDING THE AGM THROUGH THE ONLINE PLATFORM

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For holders of Share Stapled Units who wish to attend, participate and vote at the AGM through online access, please visit the website – <https://meetings.computershare.com/HKTAGM2024> (the “**Online Platform**”). Holders of Share Stapled Units participating in the AGM through the Online Platform will be counted towards the quorum (subject to the Company’s Articles) and they will be able to cast their votes and submit questions through the Online Platform.

The Online Platform permits a “split vote” on a resolution, in other words, a holder of Share Stapled Units casting his/her votes through the Online Platform does not have to vote all of his/her Share Stapled Units in the same way (“**For**” or “**Against**”). In the case of a proxy, he/she can vote such number of Share Stapled Units in respect of which he/she has been appointed as a proxy. Votes cast through the Online Platform are irrevocable once the voting session at the AGM ends.

The Online Platform will be open for holders of Share Stapled Units to log in approximately 30 minutes prior to the commencement of the AGM and can be accessed from any location with internet connection by a smartphone, tablet device or computer. Holders of Share Stapled Units should allow ample time to check into the Online Platform to complete the related procedures. Please refer to the Online Meeting User Guide for the AGM at [http://www.hkt.com/agm2024/Generic\\_User\\_Guide\\_Eng.pdf](http://www.hkt.com/agm2024/Generic_User_Guide_Eng.pdf) for assistance.

### LOGIN DETAILS FOR HOLDERS OF SHARE STAPLED UNITS

Login details for accessing the Online Platform will be posted to Holders of Share Stapled Units on or about 3 April 2024.

### LOGIN DETAILS FOR NON-REGISTERED HOLDERS OF SHARE STAPLED UNITS

Non-registered holders of Share Stapled Units whose Share Stapled Units are deposited into and held via CCASS and who wish to attend, participate and vote at the AGM through the Online Platform should:

- (1) contact and instruct their banks, brokers, custodians, nominees or HKSCC Nominees Limited through which their Share Stapled Units are held (collectively, the “**Intermediary**”) to appoint themselves as proxy or corporate representative to attend and vote at the AGM; and
- (2) provide their email address to their Intermediary before the time limit required by the relevant Intermediary.

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## ATTENDING THE AGM THROUGH THE ONLINE PLATFORM

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Login details for accessing the Online Platform will be sent by the registrar for Share Stapled Units (the “**Share Stapled Units Registrar**”), Computershare Hong Kong Investor Services Limited, to the email address of the non-registered holders of Share Stapled Units provided by the Intermediary. Any non-registered holder of Share Stapled Units who has provided an email address through the relevant Intermediary for this purpose but has not received the login details by email by 2pm on Wednesday, 29 May 2024 should contact the Share Stapled Units Registrar for assistance. Without the login details, non-registered holders of Share Stapled Units will not be able to attend, participate and vote through the Online Platform. Non-registered holders of Share Stapled Units should therefore give clear and specific instructions to their Intermediary in respect of both (1) and (2) above.

### LOGIN DETAILS FOR PROXIES OR CORPORATE REPRESENTATIVES

Login details for accessing the Online Platform will be sent by the Share Stapled Units Registrar, Computershare Hong Kong Investor Services Limited, to the email address of the proxies provided to it in the relevant forms of proxy.

**Holders of Share Stapled Units should note that only one device is allowed in respect of each set of login details. Please keep the login details in safe custody for use at the AGM and do not disclose them to anyone else. Neither the Trustee-Manager/the Company nor their agents assume any obligation or liability whatsoever in connection with the transmission of the login details or any use of the login details for voting or otherwise.**

### QUESTIONS AT AND PRIOR TO THE AGM

Holders of Share Stapled Units attending the AGM through the Online Platform will be able to submit questions relevant to the proposed resolutions online during the AGM. Holders of Share Stapled Units can also send their questions to the Trustee-Manager and the Company by email at AGM2024@hkt.com from 9am on Friday, 24 May 2024 to 6pm on Tuesday, 28 May 2024.

The Trustee-Manager and the Company may not be able to respond to all the questions, but will endeavour, where appropriate, to respond to such questions on the Company’s website as soon as practicable after the AGM.

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## **ATTENDING THE AGM THROUGH THE ONLINE PLATFORM**

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### **APPOINTMENT OF PROXY IN ADVANCE OF THE AGM**

Holders of Share Stapled Units who wish to appoint a proxy to attend and vote at the AGM shall complete and return a form of proxy in accordance with the instructions herein. Holders of Share Stapled Units who wish their proxy to attend the AGM through the Online Platform MUST provide their proxy's email address in the space provided in the form of proxy. Completion and return of the form of proxy shall not preclude Holders of Share Stapled Units from attending and voting by means of electronic facilities at the AGM (or any adjournment thereof) should they so desire.

### **Submission of forms of proxy for Holders of Share Stapled Units**

A form of proxy for use at the AGM is enclosed with this circular. The form of proxy can also be downloaded from the Company's website at [www.hkt.com/ir](http://www.hkt.com/ir) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk).

Holders of Share Stapled Units are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Share Stapled Units Registrar, Computershare Hong Kong Investor Services Limited, Investor Communications Centre, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event no later than 48 hours before the time appointed for holding the AGM (or any adjournment thereof).

### **Appointment of proxy for non-registered holders of Share Stapled Units**

Non-registered holders of Share Stapled Units should contact their Intermediary as soon as possible for assistance in the appointment of proxy.

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## DEFINITIONS

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*In this circular and the appendices to it, the following expressions have the following meanings unless the context requires otherwise:*

“ <b>Adjusted Funds Flow</b> ”	has the meaning as set out in the Trust Deed and the Company’s Articles;
“ <b>Adoption Date (New Share Stapled Unit Award Scheme)</b> ”	the date on which the New Share Stapled Unit Award Scheme is adopted, which is expected to be the date of the AGM;
“ <b>Adoption Date (New Share Stapled Unit Option Scheme)</b> ”	the date on which the New Share Stapled Unit Option Scheme is adopted, which is expected to be the date of the AGM;
“ <b>AGM</b> ”	the annual general meeting of Unitholders of the HKT Trust and of Shareholders of the Company to be held on a combined basis as a single meeting characterised as an annual general meeting of Holders of Share Stapled Units, which is to be held as a hybrid meeting on Thursday, 30 May 2024 at 2pm at the principal meeting place at 12th Floor, PCCW Tower, Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong, as convened by the Trustee-Manager and the Company;
“ <b>Approving Body</b> ”	the Company Board, any committee or sub-committee of the Company Board and/or any person delegated with the power and authority to administer all or any aspects of the New Share Stapled Unit Award Scheme, provided always that there may be different Approving Bodies for different aspects of the New Share Stapled Unit Award Scheme;
“ <b>associate(s)</b> ”	has the meaning ascribed to it in the Listing Rules;
“ <b>associated company</b> ”	has the meaning ascribed to it in the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
“ <b>Auditors</b> ”	the HKT Trust’s and the Company’s auditors for the time being;
“ <b>Board</b> ”	collectively, the Trustee-Manager Board and the Company Board;

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## DEFINITIONS

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“ <b>business day</b> ”	has the meaning ascribed to it in the Listing Rules;
“ <b>Cause</b> ”	has the meaning given to it in the paragraph headed “12. VESTING CONDITIONS” in Appendix 5 to this circular;
“ <b>CCASS</b> ”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
“ <b>close associate(s)</b> ”	has the meaning ascribed to it in the Listing Rules;
“ <b>Company</b> ” or “ <b>HKT</b> ”	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 and having its Share Stapled Units, jointly issued with the HKT Trust, listed on the main board of the Stock Exchange (stock code: 6823);
“ <b>Company Board</b> ”	the board of the Company Directors;
“ <b>Company Director(s)</b> ”	the director(s) of the Company;
“ <b>Company’s Articles</b> ”	the second amended and restated memorandum and articles of association of the Company adopted on 13 May 2022 (as amended and restated from time to time);
“ <b>connected person(s)</b> ”	has the meaning ascribed to it in the Listing Rules;
“ <b>core connected person(s)</b> ”	has the meaning ascribed to it in the Listing Rules;
“ <b>Convertible Instruments</b> ”	any options, warrants or similar rights for the subscription or issue of Share Stapled Units issued by the HKT Trust and the Company and any securities issued by the Company or any subsidiaries of the Company which are convertible into or exchangeable for Share Stapled Units; any references to an issue of Share Stapled Units “ <b>pursuant to</b> ” any Convertible Instruments means an issue of Share Stapled Units pursuant to the exercise of any subscription (or similar), conversion or exchange rights under the terms and conditions of such Convertible Instruments;
“ <b>Director(s)</b> ”	collectively, the Trustee-Manager Director(s) and the Company Director(s);

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## DEFINITIONS

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<b>“Eligible Participants”</b>	in respect of (i) the New Share Stapled Unit Award Scheme, Employee Participants, Related Entity Participants and Service Providers and (ii) the New Share Stapled Unit Option Scheme, Employee Participants and Service Providers;
<b>“Employee Participants”</b>	directors and employees of any Group member (including persons who are granted options and/or awards under a Share Scheme as an inducement to enter into employment or service contracts with a Group member);
<b>“Excluded Person”</b>	any Eligible Participant who is resident in a place where the grant of an award and/or the vesting and transfer of Share Stapled Units pursuant to the terms of the New Share Stapled Unit Award Scheme is not permitted under the laws and/or regulations of such place or where in the view of the Approving Body or the trustee (as the case may be), compliance with applicable laws and/or regulations in such place makes it necessary or expedient to exclude such Eligible Participant;
<b>“Existing Share Stapled Unit Award Schemes”</b>	the Purchase Scheme and the Subscription Scheme;
<b>“Existing Share Stapled Unit Option Scheme”</b>	the share stapled units option scheme adopted by the Holders of Share Stapled Units and PCCW Shareholders at their annual general meetings held on 7 May 2021;
<b>“Grant Letter”</b>	has the meaning given to it in the paragraph headed “7. ACCEPTANCE OF AWARDS” in Appendix 5 to this circular;
<b>“Grant Share Stapled Units”</b>	has the meaning given to it in the paragraph headed “7. ACCEPTANCE OF AWARDS” in Appendix 5 to this circular;
<b>“Group”</b>	collectively, the HKT Trust, the Company and its subsidiaries;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;



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## DEFINITIONS

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<b>“HKT Trust”</b>	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 the Company, listed on the main board of the Stock Exchange (stock code: 6823);
<b>“Holders of Share Stapled Units”</b>	persons registered at the relevant time in the Share Stapled Units Register as holders of Share Stapled Units, including persons so registered as joint holders of Share Stapled Units;
<b>“holding company”</b>	has the meaning ascribed to it in the Listing Rules;
<b>“Hong Kong” or “HKSAR”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“INED(s)”</b>	the independent non-executive Director(s);
<b>“inside information”</b>	has the meaning ascribed to it in the Listing Rules;
<b>“Latest Practicable Date”</b>	25 March 2024, being the latest practicable date for ascertaining certain information for inclusion in this circular;
<b>“Listing Committee”</b>	the listing committee of the Stock Exchange;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
<b>“New Share Stapled Unit Award Scheme”</b>	the new share stapled unit award scheme of HKT Trust and the Company proposed to be approved and adopted by (i) Holders of Share Stapled Units at the AGM and (ii) PCCW Shareholders at the PCCW 2024 AGM, a summary of the principal terms of which is set out in Appendix 5 to this circular;
<b>“New Share Stapled Unit Option Scheme”</b>	the new share stapled unit option scheme of HKT Trust and the Company, based on the Existing Share Stapled Unit Option Scheme with the Proposed Amendments incorporated, and proposed to be approved and adopted by (i) Holders of Share Stapled Units at the AGM and (ii) PCCW Shareholders at the PCCW 2024 AGM, a summary of the principal terms of which is set out in Appendix 6 to this circular;

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## DEFINITIONS

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“ <b>Notice</b> ”	the notice of the AGM as set out in this circular;
“ <b>Ordinary Share(s)</b> ”	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 Company’s Articles;
“ <b>PCCW</b> ”	PCCW Limited, a company incorporated in Hong Kong with limited liability, which indirectly owned approximately 52.51% of the total number of Share Stapled Units in issue as at the Latest Practicable Date, 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);
“ <b>PCCW 2024 AGM</b> ”	the annual general meeting of PCCW to be held on Thursday, 30 May 2024 at 4pm;
“ <b>PCCW Shareholder(s)</b> ”	holder(s) of share(s) in the capital of PCCW, from time to time;
“ <b>Preference Share(s)</b> ”	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 Company’s Articles;
“ <b>Proposed Amendments</b> ”	amendments to the Existing Share Stapled Unit Option Scheme proposed to be incorporated in the New Share Stapled Unit Option Scheme, a summary of which is set out in the paragraph headed “TERMINATION OF EXISTING SHARE STAPLED UNIT OPTION SCHEME AND ADOPTION OF NEW SHARE STAPLED UNIT OPTION SCHEME – New Share Stapled Unit Option Scheme” in the “Letter from the Trustee-Manager Board and the Company Board” of this circular;
“ <b>Purchase Scheme</b> ”	the share stapled units award scheme adopted by the Company on 11 October 2011, the extension of the duration of which for a further term of 10 years commencing from 11 October 2021 was approved by the Company Board on 5 August 2021, which is funded by existing Share Stapled Units;

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## DEFINITIONS

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<b>“Related Entities”</b>	holding companies, fellow subsidiaries or associated companies of HKT Trust and the Company;
<b>“Related Entity Participants”</b>	directors and employees of any Related Entity;
<b>“Remuneration Committee”</b>	the remuneration committee of the Company Board;
<b>“Scheme Limit (New Share Stapled Unit Award Scheme)”</b>	has the meaning given to it in the paragraph headed “ADOPTION OF NEW SHARE STAPLED UNIT AWARD SCHEME – New Share Stapled Unit Award Scheme – Scheme Limit (New Share Stapled Unit Award Scheme) and Service Provider Sublimit (New Share Stapled Unit Award Scheme)” in the “Letter from the Trustee-Manager Board and the Company Board” of this circular;
<b>“Scheme Limit (New Share Stapled Unit Option Scheme)”</b>	has the meaning given to it in the paragraph headed “TERMINATION OF EXISTING SHARE STAPLED UNIT OPTION SCHEME AND ADOPTION OF NEW SHARE STAPLED UNIT OPTION SCHEME – New Share Stapled Unit Option Scheme” in the “Letter from the Trustee-Manager Board and the Company Board” of this circular;
<b>“Scheme Mandate Limit”</b>	has the meaning given to it in the paragraph headed “5. MAXIMUM NUMBER OF SHARE STAPLED UNITS” of Appendix 5 to this circular;
<b>“Selected Participants(s)”</b>	any Eligible Participant(s) selected by the Approving Body for participation in the New Share Stapled Unit Award Scheme;
<b>“Service Provider Sublimit (New Share Stapled Unit Award Scheme)”</b>	has the meaning given to it in the paragraph headed “ADOPTION OF NEW SHARE STAPLED UNIT AWARD SCHEME – New Share Stapled Unit Award Scheme – Scheme Limit (New Share Stapled Unit Award Scheme) and Service Provider Sublimit (New Share Stapled Unit Award Scheme)” in the “Letter from the Trustee-Manager Board and the Company Board” of this circular;

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## DEFINITIONS

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<b>“Service Provider Sublimit (New Share Stapled Unit Option Scheme)”</b>	has the meaning given to it in the paragraph headed “TERMINATION OF EXISTING SHARE STAPLED UNIT OPTION SCHEME AND ADOPTION OF NEW SHARE STAPLED UNIT OPTION SCHEME – New Share Stapled Unit Option Scheme” in the “Letter from the Trustee-Manager Board and the Company Board” of this circular;
<b>“Service Providers”</b>	persons who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group or which will contribute significantly to the growth of the Group’s financial or business performance, including independent contractors, consultants, agents, advisers and suppliers engaged to provide services in relation to research and development, marketing, innovation upgrading, strategic/commercial planning on corporate image, investor relations and core administrative functions, <i>excluding</i> placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and professional services providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity;
<b>“SFC”</b>	the Securities and Futures Commission of Hong Kong;
<b>“SFO”</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time);
<b>“Share Buy-back Code”</b>	the Code on Share Buy-backs (as amended, supplemented or otherwise modified from time to time);
<b>“Share Scheme”</b>	has the meaning given to it in the paragraph headed “5. MAXIMUM NUMBER OF SHARE STAPLED UNITS” of Appendix 5 to this circular;

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## DEFINITIONS

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<b>“Share Stapled Unit(s)”</b>	<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> <p>(a) a Unit in the HKT Trust;</p> <p>(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</p> <p>(c) a specifically identified Preference Share Stapled (as defined in the Trust Deed) to the Unit;</p>
<b>“Share Stapled Units Register”</b>	<p>the register of Holders of Share Stapled Units;</p>
<b>“Shareholders”</b>	<p>persons registered at the relevant time in the principal register of members of the Company maintained in the Cayman Islands or the Hong Kong branch register of members of the Company as the holders of Ordinary Shares and/or Preference Shares;</p>
<b>“Stock Exchange”</b>	<p>The Stock Exchange of Hong Kong Limited;</p>
<b>“Subscription Scheme”</b>	<p>the share stapled units award scheme adopted by the Company on 11 October 2011, the extension of the duration of which for a further term of 10 years commencing from 11 October 2021 was approved by the Company Board on 5 August 2021, which is funded by new Share Stapled Units;</p>
<b>“subsidiary”</b>	<p>has the meaning ascribed to it in the Listing Rules;</p>
<b>“Substantial Holder of Share Stapled Units”</b>	<p>any Holder of Share Stapled Units with an interest in Share Stapled Units constituting not less than 10% of all Share Stapled Units in issue;</p>
<b>“Takeovers Code”</b>	<p>the Code on Takeovers and Mergers (as amended, supplemented or otherwise modified from time to time);</p>
<b>“Third Amended and Restated M&amp;A”</b>	<p>the third amended and restated memorandum and articles of association of the Company;</p>

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## DEFINITIONS

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<b>“Trust Deed”</b>	the trust deed dated 7 November 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);
<b>“Trustee-Manager”</b>	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;
<b>“Trustee-Manager Board”</b>	the board of the Trustee-Manager Directors;
<b>“Trustee-Manager Director(s)”</b>	the director(s) of the Trustee-Manager;
<b>“Unit”</b>	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);
<b>“Unitholders”</b>	persons registered at the relevant time in the register of registered holders of Units as holders of Units and include, for the avoidance of doubt, persons holding Units as components of Share Stapled Units and registered in the Share Stapled Units Register as holders of the Share Stapled Units which include the Units; and
<b>“%”</b>	per cent.

References to time and dates in this circular are to Hong Kong time and dates.

**HKT**<sup>®</sup>

**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)**

*Executive Directors:*

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

*Registered Office of the Company:*

PO Box 309, Uglan House  
Grand Cayman, KY1-1104  
Cayman Islands

*Non-Executive Directors:*

Peter Anthony Allen  
Chung Cho Yee, Mico  
Tang Yongbo  
Wang Fang

*Registered Office of the*

*Trustee-Manager*

*Head Office and Principal Place of*

*Business of the Company*

*in Hong Kong:*

39th Floor, PCCW Tower  
Taikoo Place, 979 King's Road  
Quarry Bay, Hong Kong

*Independent Non-Executive Directors:*

Chang Hsin Kang  
Sunil Varma  
Aman Mehta  
Frances Waikwun Wong  
Charlene Dawes

3 April 2024

*To the Holders of Share Stapled Units*

Dear Sir or Madam

- PROPOSALS FOR**  
**(1) RE-ELECTION OF DIRECTORS**  
**(2) GENERAL MANDATES TO ISSUE AND BUY BACK**  
**SHARE STAPLED UNITS**  
**(3) AMENDMENTS TO THE COMPANY'S ARTICLES AND THE TRUST DEED**  
**AND ADOPTION OF THE THIRD AMENDED AND RESTATED M&A**  
**(4) ADOPTION OF NEW SHARE STAPLED UNIT AWARD SCHEME**  
**AND**  
**(5) TERMINATION OF EXISTING SHARE STAPLED UNIT OPTION SCHEME**  
**AND ADOPTION OF NEW SHARE STAPLED UNIT OPTION SCHEME**

**NOTICE OF ANNUAL GENERAL MEETING**

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## LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

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### INTRODUCTION

At the AGM, the Notice of which is set out in this circular, resolutions will be proposed to:

- (a) re-elect directors of the Company and the Trustee-Manager;
- (b) grant the Directors the general mandates to issue and buy back Share Stapled Units;
- (c) amend the Company's Articles and the Trust Deed and adopt the Third Amended and Restated M&A;
- (d) adopt the New Share Stapled Unit Award Scheme; and
- (e) terminate the Existing Share Stapled Unit Option Scheme and adopt the New Share Stapled Unit Option Scheme.

### RE-ELECTION OF DIRECTORS

Under the Trust Deed, the Trustee-Manager Directors must be the same individuals who serve as the Company Directors at the relevant time; no person shall serve as a director of the Trustee-Manager unless he also serves as a director of the Company at the same time; and the office of a director of the Trustee-Manager shall be vacated if the relevant person ceases to be a director of the Company. Those provisions are also contained in the articles of association of the Trustee-Manager. Accordingly, the retirement by rotation provisions are also applicable, indirectly, in relation to the Trustee-Manager Directors.

In accordance with the Company's Articles and the Trust Deed, Mr Tang Yongbo, Mr Chang Hsin Kang, Mr Sunil Varma, Ms Frances Waikwun Wong and Ms Charlene Dawes shall retire from office of both the Company and the Trustee-Manager at the AGM and, being eligible, offer themselves for re-election. The re-election of these retiring Directors will be individually voted on by the Holders of Share Stapled Units.

The Nomination Committee of the Company, chaired by an INED and comprising a majority of INEDs in compliance with the requirements of the Listing Rules, has reviewed and assessed the confirmation of independence of each of the INEDs and is of the view that all of them are independent having regard to the independence guidelines as set out in Rule 3.13 of the Listing Rules.

The Nomination Committee has also considered the nomination of Mr Tang Yongbo, Mr Chang Hsin Kang, Mr Sunil Varma, Ms Frances Waikwun Wong and Ms Charlene Dawes for re-election at the AGM in accordance with the Company's Nomination Policy and took into account the Company Board's composition, its size as well as various diversity aspects (including, but not limited to, their respective perspectives, skills, knowledge and experience) as set out in the Board Diversity Policy, and recommended them to stand for re-election at the AGM.



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## LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

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Mr Chang Hsin Kang, Mr Sunil Varma and Ms Frances Waikwun Wong, being retiring INEDs who will all have served for more than nine years by the time of the AGM, are seasoned and valued Directors and possess a broad range of commercial experience and substantial expertise in engineering or business and financial management. Each of them has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules.

Mr Chang Hsin Kang is a distinguished engineer and has extensive professional experience in engineering and science, as well as broad interest in culture.

Mr Sunil Varma has tremendous experience and expertise in finance, governance and risk management, which puts him in a strong position to providing invaluable insight to the supervision of the Group's strategy and performance.

Ms Frances Waikwun Wong has unique expertise in finance, governance, as well as people and culture, and contributes to the diversity of the Board.

Notwithstanding that Mr Chang Hsin Kang and Mr Sunil Varma have served on the Board for more than nine years, and that Ms Frances Waikwun Wong will have served on the Board for more than nine years at the date of the AGM, each of them continues to demonstrate his/her ability to exercise independence of judgement and provide a balanced and objective view in relation to the Company's affairs, as well as contribute to the Board with their in-depth knowledge and understanding of the Group's operations and businesses gained throughout the years, diversity of skills set and perspectives as well as devotion to the Group.

After taking into account all the factors for assessing independence as set out in Rule 3.13 of the Listing Rules and considering the respective confirmation of independence to the Trustee-Manager and the Company, and the relevant assessment by the Nomination Committee, the Company Board is of the view that each of Mr Chang Hsin Kang, Mr Sunil Varma and Ms Frances Waikwun Wong maintains his/her independence notwithstanding the length of his/her service and believes that his/her qualifications, skills, knowledge and experience will assist him/her to continue to provide valuable contributions to the Board, the HKT Trust and the Company and the Holders of Share Stapled Units as a whole. Since Mr Chang Hsin Kang, Mr Sunil Varma and Ms Frances Waikwun Wong will have served on the Board for more than nine years as of the date of the AGM, separate resolutions will be proposed for their respective re-election at the AGM.

Based upon the review undertaken, the Nomination Committee was satisfied that Mr Chang Hsin Kang, Mr Sunil Varma and Ms Frances Waikwun Wong are able to commit sufficient time to their roles and continue to act in an independent capacity and contribute to the diversity on the Board with their unique combination of experience and knowledge as further described in their biographies set out in the Appendix 1 to this circular.

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## LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

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The Company Board, having considered the recommendation of the Nomination Committee, accepted the nomination by the Nomination Committee and believes that the invaluable knowledge and experience of all the above retiring Directors in the businesses of the Group continue to be of significant benefit to HKT Trust and the Company. Accordingly, the Company Board recommended all of them to stand for re-election at the AGM.

Biographical information of the retiring Directors who are proposed to be re-elected at the AGM is set out in the Appendix 1 to this circular.

### GENERAL MANDATES TO ISSUE AND BUY BACK SHARE STAPLED UNITS

Ordinary resolutions will be proposed at the AGM relating to the following general mandates:

- (i) authorising the Directors to allot, issue and otherwise deal with additional Share Stapled Units (and securities or Convertible Instruments convertible into Share Stapled Units) not exceeding 20% of the aggregate number of Share Stapled Units in issue as at the date of passing of the resolution (the “**Issue Mandate**”). Any exercise of the Issue Mandate would be subject to any applicable provisions of the Listing Rules and the provisions of the Trust Deed and the Company’s Articles;
- (ii) subject to the approval of the Holders of Share Stapled Units of the proposed amendments to the Company’s Articles and the Trust Deed as further described in this circular, authorising the Directors to buy back Share Stapled Units not exceeding 10% of the aggregate number of Share Stapled Units in issue as at the date of passing of the resolution (the “**Buy-Back Mandate**”). Any exercise of the Buy-Back Mandate would be subject to any applicable provisions of the Listing Rules and the provisions of the Trust Deed and the Company’s Articles; and
- (iii) authorising the addition to the Issue Mandate of those Share Stapled Units bought back pursuant to the Buy-Back Mandate.

The authority to be granted under the general mandates as referred to above:

- (a) shall only be exercisable if and to the extent that following the issue of any new Share Stapled Units under the Issue Mandate, PCCW shall continue to hold not less than 51% of the aggregate number of Share Stapled Units (on a fully diluted basis, taking into account and assuming full exercise of all rights, options (including but not limited to any options issued under any Share Stapled Units option scheme) and other entitlements (in whatever nature or form) that may be exchanged or converted into or otherwise may result in further issuance or disposal of Share Stapled Units); and
- (b) shall only remain in effect until the conclusion of the next annual general meeting of the Holders of Share Stapled Units, or the expiration of the period within which such annual general meeting is required to be held, or until revoked, renewed or varied by an ordinary resolution of Holders of Share Stapled Units, whichever occurs first.

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## **LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD**

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Pursuant to Clause 5.4 of the Trust Deed, any other issue of, or any agreement (whether conditional or unconditional) to issue new Share Stapled Units or Convertible Instruments shall require specific prior approval by an ordinary resolution of Holders of Share Stapled Units, except that agreements to issue new Share Stapled Units which are conditional upon specific prior approval by ordinary resolution of Holders of Share Stapled Units may be entered into without first obtaining such prior approval. For the avoidance of doubt, ordinary resolution no. 5 as set out in the Notice would, upon passing by the Holders of Share Stapled Units, constitute a specific prior approval for this purpose.

As at the Latest Practicable Date, HKT Trust and the Company have a total number of 7,579,742,334 Share Stapled Units in issue. On the assumption that there is no variation to the Share Stapled Units issued by HKT Trust and the Company during the period from the Latest Practicable Date to the date of passing of the resolutions approving the mandates as referred to above, the maximum number of Share Stapled Units which may be issued pursuant to the Issue Mandate would be 1,515,948,466 and the maximum number of Share Stapled Units which may be bought back pursuant to the Buy-Back Mandate would be 757,974,233 Share Stapled Units, provided that both mandates would remain subject to restrictions (a) and (b) above.

As at the Latest Practicable Date, there is no plan for (i) any issue of Share Stapled Units pursuant to the Issue Mandate nor (ii) any buy-back of Share Stapled Units pursuant to the Buy-Back Mandate.

In accordance with the requirements of the Listing Rules, and in particular the rules regulating the buy-back of securities on the Stock Exchange, HKT Trust and the Company are required to send to Holders of Share Stapled Units an explanatory statement containing information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution to approve the Buy-Back Mandate. This explanatory statement is set out in Appendix 2 to this circular.

### **PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES AND THE TRUST DEED AND ADOPTION OF THE THIRD AMENDED AND RESTATED M&A**

Under the Trust Deed, except for the repurchase or redemption of the Preference Shares in accordance with the provisions of the Trust Deed and the Company's Articles, the Trustee-Manager is prohibited from repurchasing or redeeming any Share Stapled Units on behalf of the HKT Trust unless and until expressly permitted to do so by the relevant codes and guidelines issued by the SFC from time to time and only with the agreement of the Company and in circumstances where the Company repurchases or redeems the Ordinary Shares and the Preference Shares included in any Share Stapled Units to be repurchased or redeemed. The Company's Articles similarly provide that, except for the repurchase or redemption of the Preference Shares in accordance with the provisions of the Trust Deed and the Company's Articles, the Company shall not repurchase or redeem any shares otherwise than as components of Share Stapled Units and unless and until the Company is permitted to repurchase or redeem Share Stapled Units by relevant codes and guidelines issued by the SFC from time to time.

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## LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

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As the Trustee-Manager and the Company have been advised that the Share Buy-back Code would apply to the buy-backs of Share Stapled Units and that the SFC will not be issuing any other relevant codes and guidelines in this regard, the Trustee-Manager and the Company Board propose to make certain amendments to the Trust Deed and the Company's Articles to provide the flexibility for the Trustee-Manager to buy back Share Stapled Units on behalf of the HKT Trust and the Company in compliance with the terms of the Trust Deed, the Company's Articles and the relevant laws and regulations (including the Listing Rules and the Share Buy-back Code).

The stated intention of the Company Board is to declare and distribute 100% of the Group's annual Adjusted Funds Flow after adjusting for potential debt repayment, if required, for each financial year to the Trustee-Manager to fund cash distributions by the Trustee-Manager to Holders of Share Stapled Units. It is proposed that the definition of "Adjusted Funds Flow" in the Trust Deed and the Company's Articles be amended to permit the Adjusted Funds Flow to be used for, and for the Company Board to set aside amounts from the Adjusted Funds Flow for, any buy-back of Share Stapled Units made in accordance with the Trust Deed and the Company's Articles. **However, it remains the Company Board's current intention to declare and distribute 100% of the Group's annual Adjusted Funds Flow (after any adjustment, if required, as described above) as it has done in past financial years.**

Pursuant to Listing Rule 2.07 under the expansion of the paperless listing regime and electronic dissemination of corporate communications which came into effect on 31 December 2023, HKT Trust and the Company will adopt electronic dissemination of corporate communications. The Company and the Trustee-Manager propose to make certain housekeeping amendments to align the Company's Articles and the Trust Deed with the above changes to the Listing Rules.

HKT Trust and the Company also note the Stock Exchange's market consultation setting out proposals to introduce a treasury share regime. It is not clear under current applicable laws and regulations whether HKT Trust and the Company are permitted to hold repurchased Share Stapled Units in treasury. However, to provide flexibility in the event of any future changes to applicable laws and regulations clearly permitting the holding of Share Stapled Units in treasury, amendments are proposed to be made to the Company's Articles and the Trust Deed which will provide for repurchased Share Stapled Units to be held in treasury in accordance with such applicable laws and regulations. In respect of any Share Stapled Units which may be repurchased pursuant to any general mandate to buy back Share Stapled Units (which is granted at the AGM or thereafter, if any), the Company and the Trustee-Manager will cancel any Share Stapled Units which are repurchased until applicable laws and regulations at the relevant time permit the holding of Share Stapled Units in treasury.

As required by the Trust Deed, the Trustee-Manager will certify that, in its opinion, the proposed amendments to the Trust Deed are permitted under Clause 26(a) of the Trust Deed.

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## LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

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The proposed amendments to the Company's Articles and the proposed amendments to the Trust Deed are set out in Appendix 3 and Appendix 4 to this circular, respectively.

It is also proposed that the Company will adopt the Third Amended and Restated M&A which consolidates all proposed amendments to the Company's Articles.

The proposed amendments to the Company's Articles, the proposed amendments to the Trust Deed and the adoption of the Third Amended and Restated M&A will be subject to the approval by way of a special resolution (which shall serve as an extraordinary resolution of registered holders of units under the Trust Deed and as a special resolution of shareholders of the Company under the Company's Articles) at the AGM.

### **ADOPTION OF NEW SHARE STAPLED UNIT AWARD SCHEME**

#### **Existing Share Stapled Unit Award Schemes**

The Existing Share Stapled Unit Award Schemes were adopted by the Company before the amendments to Chapter 17 of the Listing Rules came into effect on 1 January 2023. In light of and to comply with such amendments, the HKT Trust and the Company propose to adopt the New Share Stapled Unit Award Scheme to replace the Existing Share Stapled Unit Award Schemes.

As at the Latest Practicable Date, there were 649,302 and 1,520,091 outstanding awards under the Purchase Scheme and the Subscription Scheme, respectively. The Existing Share Stapled Unit Award Schemes will remain valid and effective until all outstanding awards granted thereunder have vested, lapsed or been cancelled in accordance with the terms of the corresponding scheme. No further awards will, however, be granted under the Existing Share Stapled Unit Award Schemes after the AGM.

#### **New Share Stapled Unit Award Scheme**

The Board proposes to adopt the New Share Stapled Unit Award Scheme, which will be valid for a period of 10 years commencing from the Adoption Date (New Share Stapled Unit Award Scheme), subject to early termination by the Board.

#### ***Purpose of the New Share Stapled Unit Award Scheme***

The purposes of the New Share Stapled Unit Award Scheme are to:

- (i) recognise the contributions by certain Selected Participants with an opportunity to acquire a proprietary interest in the HKT Trust and the Company;
- (ii) give incentives to such individuals in order to encourage and retain them for the continual operation and development of the Group;
- (iii) provide additional incentives for such individuals to achieve performance goals;
- (iv) attract suitable personnel for further development of the Group; and

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## LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

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- (v) motivate the Selected Participants to maximise the value of the HKT Trust and the Company for the benefit of the Selected Participants, the HKT Trust and the Company,

with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Selected Participants directly with those of the Holders of Share Stapled Units through ownership of Share Stapled Units.

### *Scope of eligible participants*

Eligible participants of the New Share Stapled Unit Award Scheme comprise Employee Participants, Related Entity Participants and Service Providers.

In determining the eligibility of participants, the Approving Body will take into consideration matters including:

- (i) the present contribution and expected contribution of the participant to the Group's profits;
- (ii) the Group's general financial condition;
- (iii) the Group's overall business objectives and future development plan; and
- (iv) the participant's individual performance, time commitment to the Group, job responsibilities and function, and existing remuneration package.

In assessing the eligibility of Service Providers, the Approving Body will take into consideration the following additional criteria: (i) the expertise, qualifications and industry experience of the Service Provider, (ii) the length of relationship between the Service Provider and the Group, and (iii) the track record of the Service Provider in delivering quality services.

The Group maintains collaborative relationships with Related Entities and their personnel who have extensive industry experience relevant to the Group's business and offer support to the Group on its projects and/or business strategies. Such Related Entity Participants are valuable human resources and they may be involved in projects or other business engagements relating to or having connection with the Group's businesses from time to time. Given the foregoing, the HKT Trust and the Company consider that it is important to recognise any such contribution of these Related Entity Participants. By including the Related Entity Participants in the New Share Stapled Unit Award Scheme, the HKT Trust and the Company can incentivise them in order to strengthen their loyalty to the Group and also to facilitate better collaboration between the Related Entity Participants and the Group.

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## LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

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The Group also regularly engages the services of certain contractors, consultants, agents, advisers and suppliers who have substantial expertise and experience in their respective fields that are relevant to the ordinary course of business of the Group. These Service Providers provide support to the Group's daily operations spanning across investment and strategic planning, business administration and legal and secretarial functions, and their services impact on the Group's results of operations.

The HKT Trust and the Company are of the view that their track record is attributable, in part, to the high and consistent calibre of services provided by Related Entity Participants and Service Providers. No Share Stapled Units have been granted to Related Entity Participants and Service Providers under the Existing Share Stapled Unit Award Schemes since their adoption and up to and including the Latest Practicable Date, as they were not participants thereunder.

After taking into account of the above, the HKT Trust and the Company believe that Related Entity Participants and Service Providers are a valuable resource and that it is important to reward their contribution to the performance of and to reinforce their commitment to the Group. Therefore, they are included as Eligible Participants under the New Share Stapled Unit Award Scheme to incentivise them to contribute to the development and performance of the Group and to reward them for doing so. The Board takes the view that extending share incentives to the Related Entity Participants and Service Providers would be in the HKT Trust's and the Company's interest, as a means of incentivising them to help drive the continued success of the Group.

Based on the above, the Directors (including the INEDs) are of the view that (i) inclusion of Related Entity Participants and Service Providers as eligible participants under the New Share Stapled Unit Award Scheme is in line with the Group's business needs, the purpose of the New Share Stapled Unit Award Scheme and the long-term interests of the HKT Trust, the Company and the Holders of Share Stapled Units as a whole, and (ii) the selection criteria for determining the eligibility of Related Entity Participants and Service Providers align with the purpose of the New Share Stapled Unit Award Scheme.

### ***Scheme Limit (New Share Stapled Unit Award Scheme) and Service Provider Sublimit (New Share Stapled Unit Award Scheme)***

The total number of new Share Stapled Units which may be awarded under the New Share Stapled Unit Award Scheme shall be no more than 10% of the total number of Share Stapled Units in issue as at the Adoption Date (New Share Stapled Unit Award Scheme), subject to the Scheme Mandate Limit (the "**Scheme Limit (New Share Stapled Unit Award Scheme)**").

Within the Scheme Limit (New Share Stapled Unit Award Scheme), the total number of new Share Stapled Units which may be awarded to Service Providers shall be no more than 0.5% of the total number of Share Stapled Units in issue as at the Adoption Date (New Share Stapled Unit Award Scheme) ("**Service Provider Sublimit (New Share Stapled Unit Award Scheme)**").



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## LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

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As at the Latest Practicable Date, there were 7,579,742,334 Share Stapled Units in issue. Assuming there is no change to the number of issued Share Stapled Units between the Latest Practicable Date and the Adoption Date (New Share Stapled Unit Award Scheme), the Scheme Limit (New Share Stapled Unit Award Scheme) will be 757,974,233 Share Stapled Units and the Service Provider Sublimit (New Share Stapled Unit Award Scheme) will be 37,898,711 Share Stapled Units, in each case subject to the Scheme Mandate Limit.

The Service Provider Sublimit (New Share Stapled Unit Award Scheme) has been determined with reference to (i) the potential dilution effect arising from awards made to Service Providers; (ii) a balance between achieving the purpose of the New Share Stapled Unit Award Scheme and protecting Holders of Share Stapled Units from the said dilution effect; (iii) the extent of usage of services provided (and to be provided) by Service Providers to the Group; (iv) the expected contribution of Service Providers to the Group's future development; and (v) current settlement arrangements with Service Providers. The Board considers that the Service Provider Sublimit (New Share Stapled Unit Award Scheme) is appropriate and reasonable in the circumstances, and allows the Group to reward appropriate persons who deliver services with equity incentives (in lieu of cash).

There is no limit on the number of existing Share Stapled Units which may be awarded to Selected Participants under the New Share Stapled Unit Award Scheme.

### *Vesting period*

A minimum vesting period of 12 months applies to all awards that are made under the New Share Stapled Unit Award Scheme save that in specified circumstances, the Approving Body may apply a shorter vesting period for awards to Employee Participants. See the paragraph headed "9. VESTING SCHEDULE" in Appendix 5 to this circular for details.

In the interest of practicality and to fully achieve the purpose of the New Share Stapled Unit Award Scheme, the Board and the Remuneration Committee are of the view that (i) there are certain instances where a strict 12-month vesting requirement would be impractical or be unfair to the Selected Participant, (ii) flexibility should be reserved to the Trustee-Manager and the Company so that they can offer a competitive remuneration package to attract talent or permit accelerated vesting of awards that are made to exceptional performers, and (iii) the Trustee-Manager and the Company should be free to formulate their own retention strategies in response to changing market conditions, including the ability to impose performance- in lieu of time-based vesting conditions. Accordingly, the Board and the Remuneration Committee consider that it would be appropriate and in line with the purpose of the New Share Stapled Unit Award Scheme to apply a shorter vesting period in the circumstances stipulated under the paragraph headed "9. VESTING SCHEDULE" in Appendix 5 to this circular.



***Performance targets***

Vesting of awards may be subject to performance targets being met, as determined by the Approving Body. Performance targets may comprise a combination of key performance indicators (such as business unit revenue and EBITDA targets, productivity gain targets, target improvements in net promoter scores) to be attained, and may vary among Selected Participants having regard to their role, length of employment or service, duties and responsibilities and the time of the grant.

The rules of the New Share Stapled Unit Award Scheme do not prescribe any specific performance target(s) that must be met before the vesting of an award. If the Approving Body were to apply performance target(s) to an award, it may make reference to factors such as (i) results and performance of the Group, (ii) for an Employee Participant, the key performance indicators (such as business unit revenue and EBITDA targets, productivity gain targets, target improvements in net promoter scores) of the individual or the department and/or business unit to which he belongs and for other Eligible Participants, their contribution to the financial and operating results of the Group, and (iii) individual position or annual appraisal results of and other factors relevant to the Selected Participant.

The Board and the Remuneration Committee are of the view that flexibility around performance targets should be reserved to the Approving Body on each grant occasion, as each individual Selected Participant will be assessed against different parameters, which aligns with the purpose of the New Share Stapled Unit Award Scheme. For the avoidance of doubt, performance targets will not apply to award(s) which may be made to INEDs.

***Voting rights of the trustee of the New Share Stapled Unit Award Scheme***

A trustee will be appointed to administer the New Share Stapled Unit Award Scheme. The trustee must abstain from voting unvested Share Stapled Units on matters that require approval from the Holders of Share Stapled Units under the Listing Rules unless otherwise required by law to vote, in accordance with the beneficial owner's direction where such a direction is given.

***Conditions to the New Share Stapled Unit Award Scheme***

Adoption of the New Share Stapled Unit Award Scheme is conditional upon:

- (i) the passing of resolution no. 9(a) through (c) as set out in the Notice, by Holders of Share Stapled Units at the AGM;
- (ii) the passing of resolution(s) approving the adoption of the New Share Stapled Unit Award Scheme by PCCW Shareholders at the PCCW 2024 AGM; and
- (iii) the Listing Committee granting the approval for the listing of, and permission to deal in, Share Stapled Unit(s) which may be issued in respect of awards that are made under the New Share Stapled Unit Award Scheme.

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## LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

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### *Other information*

No purchase price is payable by Selected Participants upon acceptance or vesting of awards made under the New Share Stapled Unit Award Scheme. There is no clawback mechanism to recover or withhold awards that have been made to Selected Participants.

The trustee who will be engaged to administer the New Share Stapled Unit Award Scheme, subject to the adoption of the scheme, will be independent of the HKT Trust, the Company and their connected persons. None of the Directors will be, or have an interest in, the trustee of the New Share Stapled Unit Award Scheme.

A summary of the principal terms of the New Share Stapled Unit Award Scheme is set out in Appendix 5 to this circular. A copy of the New Share Stapled Unit Award Scheme document will be made available for inspection at the AGM and published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.hkt.com/ir](http://www.hkt.com/ir) for a period of not less than 14 days before the date of the AGM.

Application will be made to the Listing Committee for the approval of the listing of, and permission to deal in, Share Stapled Unit(s) which may be issued in respect of awards that are made under the New Share Stapled Unit Award Scheme.

As at the Latest Practicable Date, no Holder of Share Stapled Units had a material interest in the proposed adoption of the New Share Stapled Unit Award Scheme. Accordingly, no Holder of Share Stapled Units is required to abstain from voting on resolution no. 9(a) through (c) as set out in the Notice.

### **TERMINATION OF EXISTING SHARE STAPLED UNIT OPTION SCHEME AND ADOPTION OF NEW SHARE STAPLED UNIT OPTION SCHEME**

#### **Existing Share Stapled Unit Option Scheme**

The Existing Share Stapled Unit Option Scheme was adopted by the Holders of Share Stapled Units and PCCW Shareholders at their annual general meetings held on 7 May 2021, before the amendments to Chapter 17 of the Listing Rules came into effect on 1 January 2023. In light of and to comply with such amendments, the HKT Trust and the Company propose to terminate the Existing Share Stapled Unit Option Scheme and adopt the New Share Stapled Unit Option Scheme, with the Proposed Amendments incorporated, to replace the Existing Share Stapled Unit Option Scheme.

As at the Latest Practicable Date, there were no outstanding options under the Existing Share Stapled Unit Option Scheme. Since its adoption, no options had been granted under the Existing Share Stapled Unit Option Scheme, and no options are expected to be granted thereunder prior to the termination of the Existing Share Stapled Unit Option Scheme and adoption of the New Share Stapled Unit Option Scheme.

### **New Share Stapled Unit Option Scheme**

The Board proposes to adopt the New Share Stapled Unit Option Scheme, which will be valid for a period of 10 years commencing from the Adoption Date (New Share Stapled Unit Option Scheme), subject to early termination by Holders of Share Stapled Units in general meeting or the Board.

The purpose of the New Share Stapled Unit Option Scheme is to enable the HKT Trust and the Company, acting jointly by mutual agreement between them, to grant options to Eligible Participants as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Eligible Participants.

The terms of the New Share Stapled Unit Option Scheme will be based on the Existing Share Stapled Unit Option Scheme, with the Proposed Amendments incorporated. A key summary of the Proposed Amendments is as follows:

- (i) to revise the definition of “Eligible Participant(s)” to include only Employee Participants and Service Providers;
- (ii) to set a new scheme limit, such that the total number of new Share Stapled Units which may be issued pursuant to the exercise of options granted under the New Share Stapled Unit Option Scheme must not exceed 10% of the total number of Share Stapled Units in issue as at the Adoption Date (New Share Stapled Unit Option Scheme), subject to the Scheme Mandate Limit (the “**Scheme Limit (New Share Stapled Unit Option Scheme)**”);
- (iii) to set a new sublimit within the Scheme Limit (New Share Stapled Unit Option Scheme), such that the total number of new Share Stapled Units which may be issued pursuant to the exercise of options granted to Service Providers must not exceed 0.5% of the total number of Share Stapled Units in issue as at the Adoption Date (New Share Stapled Unit Option Scheme) (the “**Service Provider Sublimit (New Share Stapled Unit Option Scheme)**”);
- (iv) to impose a minimum vesting period of 12 months on options granted under the New Share Stapled Unit Option Scheme, save as otherwise provided for under the rules of the New Share Stapled Unit Option Scheme (such as set out in the paragraph headed “2.(k) Rights on a general offer or a scheme of arrangement (if permitted)” in Appendix 6 to this circular in respect of Employee Participants only); and
- (v) to set the term of the New Share Stapled Unit Option Scheme such that it is valid and effective for a period of 10 years commencing from the Adoption Date (New Share Stapled Unit Option Scheme), subject to early termination by Holders of Share Stapled Units in general meeting or the Board.

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## LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

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As at the Latest Practicable Date, there were 7,579,742,334 Share Stapled Units in issue. Assuming there is no change to the number of issued Share Stapled Units between the Latest Practicable Date and the Adoption Date (New Share Stapled Unit Option Scheme), the Scheme Limit (New Share Stapled Unit Option Scheme) will be 757,974,233 Share Stapled Units and the Service Provider Sublimit (New Share Stapled Unit Option Scheme) will be 37,898,711 Share Stapled Units, in each case subject to the Scheme Mandate Limit.

The Service Provider Sublimit (New Share Stapled Unit Option Scheme) has been determined with reference to (i) the potential dilution effect arising from options granted (and to be granted) to Service Providers; (ii) a balance between achieving the purpose of the New Share Stapled Unit Option Scheme and protecting Holders of Share Stapled Units from the said dilution effect; (iii) the extent of usage of services provided (and to be provided) by Service Providers to the Group; (iv) the expected contribution of Service Providers to the Group's future development; and (v) current settlement arrangements with Service Providers. The Board considers that the Service Provider Sublimit (New Share Stapled Unit Option Scheme) is appropriate and reasonable in the circumstances, and allows the Group to reward appropriate persons who deliver services with equity incentives (in lieu of cash).

There is no clawback mechanism to recover or withhold options that have been granted to Eligible Participants. The rules of the New Share Stapled Unit Option Scheme do not prescribe any specific performance target(s) that must be met before an option can be exercised. If the Board were to apply performance target(s) to a grant of options, it may make reference to factors such as (i) results and performance of the Group; (ii) for an Employee Participant, the key performance indicators (such as business unit revenue and EBITDA targets, productivity gain targets, target improvements in net promoter scores) of the individual or the department and/or business unit to which he belongs and for Service Providers, their contribution to the financial and operating results of the Group; and (iii) individual position or annual appraisal results of and other factors relevant to the Eligible Participant.

Adoption of the New Share Stapled Unit Option Scheme is conditional upon:

- (i) the passing of resolution no. 10(a) through (c) as set out in the Notice, by Holders of Share Stapled Units at the AGM;
- (ii) the passing of resolution(s) approving the termination of the Existing Share Stapled Unit Option Scheme and the adoption of the New Share Stapled Unit Option Scheme by PCCW Shareholders at the PCCW 2024 AGM; and
- (iii) the Listing Committee granting the approval for the listing of, and permission to deal in, Share Stapled Unit(s) which may be issued pursuant to the exercise of options granted under the New Share Stapled Unit Option Scheme.

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## LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

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A summary of the principal terms of the New Share Stapled Unit Option Scheme is set out in Appendix 6 to this circular. A copy of the New Share Stapled Unit Option Scheme document will be made available for inspection at the AGM and published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.hkt.com/ir](http://www.hkt.com/ir) for a period of not less than 14 days before the date of the AGM.

Application will be made to the Listing Committee for the approval of the listing of, and permission to deal in, Share Stapled Unit(s) which may be issued pursuant to the exercise of options granted under the New Share Stapled Unit Option Scheme.

As at the Latest Practicable Date, no Holder of Share Stapled Units had a material interest in the proposed termination of the Existing Share Stapled Unit Option Scheme and adoption of the New Share Stapled Unit Option Scheme. Accordingly, no Holder of Share Stapled Units is required to abstain from voting on resolution no. 10(a) through (c) as set out in the Notice.

Save for the Existing Share Stapled Unit Award Schemes and the Existing Share Stapled Unit Option Scheme, the HKT Trust and the Company have no other share stapled unit schemes.

### AGM

The Notice convening the AGM is set out in this circular. A form of proxy for use at the AGM is enclosed. The form of proxy can also be downloaded from the Company's website at [www.hkt.com/ir](http://www.hkt.com/ir) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk). Whether or not Holders of Share Stapled Units are able to attend the AGM, they are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Share Stapled Units Registrar, Computershare Hong Kong Investor Services Limited, Investor Communications Centre, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event no later than 48 hours before the time appointed for holding the AGM (or any adjournment thereof). Completion and return of the form of proxy shall not preclude Holders of Share Stapled Units from attending and voting in person or by means of electronic facilities at the AGM (or any adjournment thereof) should they so desire.

Each Share Stapled Unit comprises:

- (a) a Unit in the HKT Trust;
- (b) one voting Preference Share in the Company, which is Stapled (as defined in the Trust Deed) to the Unit; and
- (c) the beneficial interest in one specifically identified voting Ordinary Share in the Company which is held by the Trustee-Manager upon and subject to the terms and conditions of the Trust Deed and Linked (as defined in the Trust Deed) to the Unit.

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## LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

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Under the Trust Deed and the Company's Articles, the number of Ordinary Shares and Preference Shares of the Company in issue must be the same at all times and must also, in each case, be equal to the number of Units of the HKT Trust in issue; and each of them is equal to the number of Share Stapled Units in issue.

Each resolution proposed to approve a matter to be considered by the Holders of Share Stapled Units at the AGM shall serve as both a resolution of Unitholders of the HKT Trust and a resolution of Shareholders of the Company.

The form of proxy provided to Holders of Share Stapled Units for use at the AGM, and the form of voting paper to be used at the AGM, are, in each case, a single composite form. The effect of completing a form of proxy or voting paper (as the case may be) indicating a vote either for or against a resolution of Holders of Share Stapled Units to be proposed at the AGM shall be the vote cast in respect of the relevant Share Stapled Units and shall constitute:

- (a) a vote of the Units which are components of the relevant Share Stapled Units, in respect of the resolution of Unitholders under the Trust Deed;
- (b) a vote of the Preference Shares which are components of the relevant Share Stapled Units, in respect of the resolution of Shareholders of the Company under the Company's Articles; and
- (c) an instruction to the Trustee-Manager to vote the Ordinary Shares held by the Trustee-Manager which are also components of the relevant Share Stapled Units, in respect of the resolution of Shareholders of the Company under the Company's Articles.

In respect of each individual Share Stapled Unit, the voting rights conferred by the Unit, the Preference Share and the interest in an Ordinary Share which are components of the relevant Share Stapled Unit can only be exercised in the same way (either for or against) in respect of a resolution of Holders of Share Stapled Units to be proposed at the AGM; and completion of a form of proxy or voting paper in respect of a Share Stapled Unit will have that effect, as described in the paragraph immediately above.

The Trustee-Manager will not exercise any voting rights in respect of a resolution proposed at the AGM conferred by those Ordinary Shares held by the Trustee-Manager which are components of Share Stapled Units in respect of which no voting rights are exercised by the holders of those Share Stapled Units in respect of the relevant resolution at the AGM.

Pursuant to Rule 13.39(4) of the Listing Rules, Article 13.6 of the Company's Articles and paragraph 3.4 of Schedule 1 of the Trust Deed, the Chairman of the AGM will put each of the proposed resolutions set out in the Notice to be voted on by way of a poll. After the conclusion of the AGM, the results of the poll will be published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.hkt.com/ir](http://www.hkt.com/ir).

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## LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

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### RECOMMENDATION

The Directors consider that the re-election of Directors, the grant of the general mandates to issue and buy back Share Stapled Units, the proposed amendments to the Company's Articles and the Trust Deed and adoption of the Third Amended and Restated M&A, the adoption of New Share Stapled Unit Award Scheme, and the termination of Existing Share Stapled Unit Option Scheme and adoption of New Share Stapled Unit Option Scheme, are all in the best interests of the HKT Trust, the Company and the Holders of Share Stapled Units as a whole. Accordingly, the Directors recommend all Holders of Share Stapled Units to vote in favour of all the resolutions to be proposed at the AGM.

### FURTHER INFORMATION

Your attention is drawn to the Appendices to this circular which set out the biographical information of the Directors proposed to be re-elected at the AGM in accordance with the requirements of the Listing Rules, an explanatory statement on the proposed general mandate for the buy-back of Share Stapled Units, the proposed amendments to the Company's Articles, the proposed amendments to the Trust Deed, a summary of the principal terms of the New Share Stapled Unit Award Scheme and a summary of the principal terms of the New Share Stapled Unit Option Scheme.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the HKT Trust, the Trustee Manager and the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully

For and on behalf of the boards of

**HKT Management Limited**

and

**HKT Limited**

**Hui Hon Hing, Susanna**

*Group Managing Director*



*Under the Trust Deed, the Trustee-Manager Directors must be the same individuals who serve as the Company Directors at the relevant time. Accordingly, the retirement by rotation provisions are also applicable, indirectly, in relation to the Trustee-Manager Directors. In accordance with the Company's Articles and the Trust Deed, Mr Tang Yongbo, Mr Chang Hsin Kang, Mr Sunil Varma, Ms Frances Waikwun Wong and Ms Charlene Dawes will offer themselves for re-election at the AGM. Their biographical information is set out below to enable Holders of Share Stapled Units to make an informed decision on their re-election. Save for the information disclosed below and in the 2023 Annual Report of HKT Trust and HKT, there is no other information that is required to be disclosed pursuant to any requirements set out in Rule 13.51(2) of the Listing Rules and there are no other matters concerning the Directors proposed to be re-elected that need to be brought to the attention of the Holders of Share Stapled Units and the Shareholders of the Company.*

**1. Tang Yongbo**, aged 50, was appointed a Non-Executive Director of HKT and the Trustee-Manager in August 2023. He is a member of HKT's Remuneration Committee, Nomination Committee and Executive Committee. Mr Tang became a Non-Executive Director and the Deputy Chairman of the board of directors of PCCW in August 2023. He is a member of PCCW's Executive Committee.

Mr Tang is a vice general manager of China United Network Communications Group Company Limited, a senior vice president of China United Network Communications Limited, a senior vice president of China Unicom (Hong Kong) Limited, and a director and a senior vice president of China United Network Communications Corporation Limited. In addition, he serves as a non-executive director of China Tower Corporation Limited and China Communications Services Corporation Limited.

Mr Tang was a deputy general manager and a general manager of Hunan Branch of China Unicom, and a general manager of marketing department of China United Network Communications Group Company Limited. He was a deputy to the 13th National People's Congress.

Mr Tang received a master's degree in Business Administration from Central South University. He has extensive experience in management and the telecommunications industry.

Save as disclosed above, Mr Tang did not hold 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 did not hold any position in the Trustee-Manager and the Company or other members of the Group.



Other than the positions disclosed above and any information set out in the 2023 Annual Report of HKT Trust and HKT, Mr Tang is not related to any Directors or senior management of the Company and the Trustee-Manager, or substantial or controlling holders of Share Stapled Units and of Ordinary Shares and Preference Shares in the Company. As at the Latest Practicable Date, Mr Tang did not have any interests or short positions in the Share Stapled Units or underlying Share Stapled Units or shares and underlying shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between Mr Tang and the Company for acting as a Non-Executive Director. Mr Tang has entered into a letter of appointment as a Non-Executive Director of the Company under which Mr Tang is entitled to an annual director's fee of HK\$256,300. Such fee is determined with reference to his responsibilities with the Company and the Company's remuneration policy. Mr Tang has also entered into a separate letter of appointment as a Non-Executive Director of the Trustee-Manager under which Mr Tang is not entitled to any remuneration. Mr Tang is subject to retirement by rotation at least once every three years and re-election at the annual general meetings of HKT Trust and the Company pursuant to the Company's Articles and the Trust Deed.

**2. Chang Hsin Kang**, aged 83, was appointed an Independent Non-Executive Director of HKT and the Trustee-Manager in November 2011. He is the Chairman of HKT's Regulatory Compliance Committee, a member of HKT's Audit Committee, Remuneration Committee and Nomination Committee, and a member of the Trustee-Manager's Audit Committee. Mr Chang was an Independent Non-Executive Director of PCCW from October 2000 to November 2011.

Mr Chang became an Honorary Professor of Peking University in 2006 and an Honorary Professor of Tsinghua University in September 2007. He was the President and University Professor of City University of Hong Kong from 1996 to 2007. Prior to that, he was the Dean of the School of Engineering at the University of Pittsburgh in the United States from 1994 to 1996, Founding Dean of the School of Engineering at Hong Kong University of Science and Technology from 1990 to 1994 and the Chairperson of the Department of Biomedical Engineering at the University of Southern California in the United States from 1985 to 1990.

Mr Chang is a Foreign Member of the Royal Academy of Engineering of the United Kingdom, a Member of International Eurasian Academy of Sciences; and Chevalier dans l'Ordre National de la Légion d'Honneur as well as Commandeur dans l'Ordre des Palmes Académiques of France. He was appointed Justice of the Peace in July 1999 and awarded the Gold Bauhinia Star by the Hong Kong Government in July 2002.

Mr Chang obtained his bachelor's degree in civil engineering from the National Taiwan University, a master's degree in structural engineering from Stanford University in the United States and a doctorate in biomedical engineering from Northwestern University in the United States.

Mr Chang was an Independent Non-Executive Director of Hang Lung Properties Limited, Hon Kwok Land Investment Company, Limited, Brightoil Petroleum (Holdings) Limited and Nanyang Commercial Bank, Limited.

Save as disclosed above, Mr Chang did not hold 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 did not hold any position in the Trustee-Manager and the Company or other members of the Group.

Other than the positions disclosed above and any information set out in the 2023 Annual Report of HKT Trust and HKT, Mr Chang is not related to any Directors or senior management of the Company and the Trustee-Manager, or substantial or controlling holders of Share Stapled Units and of Ordinary Shares and Preference Shares in the Company. As at the Latest Practicable Date, Mr Chang did not have any interests or short positions in the Share Stapled Units or underlying Share Stapled Units or shares and underlying shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between Mr Chang and the Company for acting as an Independent Non-Executive Director. Mr Chang has entered into a letter of appointment as an Independent Non-Executive Director of the Company under which Mr Chang is entitled to an annual director's fee of HK\$256,300. Such fee is determined with reference to his responsibilities with the Company and the Company's remuneration policy. Mr Chang has also entered into a separate letter of appointment as an Independent Non-Executive Director of the Trustee-Manager under which Mr Chang is not entitled to any remuneration. Mr Chang is subject to retirement by rotation at least once every three years and re-election at the annual general meetings of HKT Trust and the Company pursuant to the Company's Articles and the Trust Deed.

Mr Chang has confirmed that (a) he is independent having regard to each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (b) he has no past or present financial or other interest in the business of the Company, the Trustee-Manager, or their respective subsidiaries or any connection with any core connected persons of the Trustee-Manager and the Company; and (c) there are no other factors that may affect his independence.

**3. Sunil Varma**, aged 80, was appointed an Independent Non-Executive Director of HKT and the Trustee-Manager in November 2011. He is also the Chairman of both HKT's Audit Committee and the Trustee-Manager's Audit Committee and a member of HKT's Nomination Committee, Remuneration Committee and Regulatory Compliance Committee.

Mr Varma is a certified chartered accountant as well as a cost and management accountant. He has extensive working experience of over 40 years including with Price Waterhouse Management Consultants and the IBM Consulting Group, specialising in management and business-problem consulting. He was the partner responsible for establishing and developing the Price Waterhouse consulting practice in Indonesia and was the Head of the Price Waterhouse consulting practice in Hong Kong until 1994. Mr Varma was the Vice President and Principal responsible for the IBM Consulting Group in India between 1996 and 1998. He was the Interim Chief Financial Officer and Managing Director of Asia Online, Ltd. from 1999 to 2000 and was the Interim Chief Financial Officer of HCL – Perot Systems in India in 2003.

Mr Varma had previously worked in a number of countries in Africa and the Asia Pacific region including Australia, India, Indonesia, Hong Kong, Thailand and the PRC. He advised large multinationals as well as domestic companies in the areas of corporate governance, financial management, organisational strengthening, efficiency improvement, process re-engineering and business systems. He is experienced in a cross-section of industries including financial services, information technology, energy, fertilisers and steel. He had previously conducted several large assignments for public sector organisations, funded by World Bank, Asian Development Bank and other multi-lateral funding agencies. Mr Varma was a Lead Independent Director, the Chairman of Audit Committee and a member of various committees of Dr. Lal PathLabs Limited in India.

Mr Varma obtained his Bachelor of Arts degree in mathematics and economics from Panjab University in July 1962. He has been an Associate member of the Institute of Chartered Accountants of India since August 1966 and a Fellow since June 1972, and an associate member of the Institute of Cost and Management Accountants of India since September 1975.

Save as disclosed above, Mr Varma did not hold 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 did not hold any position in the Trustee-Manager and the Company or other members of the Group.

Other than the positions disclosed above and any information set out in the 2023 Annual Report of HKT Trust and HKT, Mr Varma is not related to any Directors or senior management of the Company and the Trustee-Manager, or substantial or controlling holders of Share Stapled Units and of Ordinary Shares and Preference Shares in the Company. As at the Latest Practicable Date, Mr Varma did not have any interests or short positions in the Share Stapled Units or underlying Share Stapled Units or shares and underlying shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between Mr Varma and the Company for acting as an Independent Non-Executive Director. Mr Varma has entered into a letter of appointment as an Independent Non-Executive Director of the Company under which Mr Varma is entitled to an annual director's fee of HK\$256,300 and an additional annual fee of HK\$128,200 as the Chairman of the Audit Committee. Such fees are determined with reference to his responsibilities with the Company and the Company's remuneration policy. Mr Varma has also entered into a separate letter of appointment as an Independent Non-Executive Director of the Trustee-Manager under which Mr Varma is not entitled to any remuneration. Mr Varma is subject to retirement by rotation at least once every three years and re-election at the annual general meetings of HKT Trust and the Company pursuant to the Company's Articles and the Trust Deed.

Mr Varma has confirmed that (a) he is independent having regard to each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (b) he has no past or present financial or other interest in the business of the Company, the Trustee-Manager, or their respective subsidiaries or any connection with any core connected persons of the Trustee-Manager and the Company; and (c) there are no other factors that may affect his independence.

**4. Frances Waikwun Wong**, aged 62, was appointed an Independent Non-Executive Director of HKT and the Trustee-Manager in May 2015. She is the Chairwoman of HKT's Remuneration Committee. Ms Wong has been an Independent Non-Executive Director of PCCW since March 2012 and is the Chairwoman of the Regulatory Compliance Committee and a member of the Nomination Committee and the Remuneration Committee of the board of directors of PCCW. She was an Independent Non-Executive Director of Pacific Century Regional Developments Limited from June 2013 to April 2023.

Ms Wong is currently a financial advisor of Good Harbour Finance Limited. She began her career as a management consultant at McKinsey & Company in the United States. Ms Wong returned to Hong Kong and joined the Hutchison Whampoa group of companies in 1988, taking on various positions. She was managing director of Weatherite Manufacturing Limited, an air conditioning manufacturer. Later, Ms Wong became chief executive officer of Metro Broadcast Corporation Limited. Eventually, she became chief financial officer of Star TV, Asia's first satellite television company. After leaving the Hutchison Whampoa Group, she became group chief financial officer for the Pacific Century Group. After she resigned from the Pacific Century Group, she founded the Independent Schools Foundation in Hong Kong in 2000.

Ms Wong was educated in the United States at Stanford University where she received a Bachelor of Science degree. She holds a Master of Science degree from the Massachusetts Institute of Technology. Ms Wong was a member of the Central Policy Unit, the Government of the Hong Kong Special Administrative Region (think tank). She has served on many educational boards including the Canadian International School of Hong Kong, Hong Kong Metropolitan University and was a member of the Joint Committee on Student Finance of Student Financial Assistance Agency.

Save as disclosed above, Ms Wong did not hold 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 did not hold any position in the Trustee-Manager and the Company or other members of the Group.

Other than the positions disclosed above and any information set out in the 2023 Annual Report of HKT Trust and HKT, Ms Wong is not related to any Directors or senior management of the Company and the Trustee-Manager, or substantial or controlling holders of Share Stapled Units and of Ordinary Shares and Preference Shares in the Company. As at the Latest Practicable Date, Ms Wong did not have any interests or short positions in the Share Stapled Units or underlying Share Stapled Units or shares and underlying shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between Ms Wong and the Company for acting as an Independent Non-Executive Director. Ms Wong has entered into a letter of appointment as an Independent Non-Executive Director of the Company under which Ms Wong is entitled to an annual director's fee of HK\$256,300 and an additional annual fee of HK\$128,200 as the Chairwoman of the Remuneration Committee. Such fees are determined with reference to her responsibilities with the Company and the Company's remuneration policy. Ms Wong has also entered into a separate letter of appointment as an Independent Non-Executive Director of the Trustee-Manager under which Ms Wong is not entitled to any remuneration. Ms Wong is subject to retirement by rotation at least once every three years and re-election at the annual general meetings of HKT Trust and the Company pursuant to the Company's Articles and the Trust Deed.

Ms Wong has confirmed that (a) she is independent having regard to each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (b) she has no past or present financial or other interest in the business of the Company, the Trustee-Manager, or their respective subsidiaries or any connection with any core connected persons of the Trustee-Manager and the Company; and (c) there are no other factors that may affect her independence.

**5. Ms Charlene Dawes**, aged 44, was appointed an Independent Non-Executive Director of HKT and the Trustee-Manager in February 2024. She has been an Independent Non-Executive Director of Pacific Century Regional Developments Limited since December 2022. She is the founding owner and Managing Director of Tastings Group Limited, a food and beverage management company operating Michelin-starred restaurants, World's 50 Best bars and ready-to-drink cocktail brands. Ms Dawes completed her Wine and Spirit Education Trust (WSET) Level 3 Certification in 2011. She is an established beverage judge in Hong Kong for various competitions and events including the renowned yearly Cathay Hong Kong International Wine & Spirit Competition.

Ms Dawes obtained her Bachelor of Arts degree from Pepperdine University in the United States of America, majoring in International Studies and a minor in Marketing.

Ms Dawes is an Associate Member of the Singapore Institute of Directors. She is also a Mentor under The Women's Foundation Mentoring Programme for Women Leaders.

Save as disclosed above, Ms Dawes did not hold 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 did not hold any position in the Trustee-Manager and the Company or other members of the Group.

Other than the positions disclosed above and any information set out in the 2023 Annual Report of HKT Trust and HKT, Ms Dawes is not related to any Directors or senior management of the Company and the Trustee-Manager, or substantial or controlling holders of Share Stapled Units and of Ordinary Shares and Preference Shares in the Company. As at the Latest Practicable Date, Ms Dawes did not have any interest in the Share Stapled Units or underlying Share Stapled Units or shares and underlying shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between Ms Dawes and the Company for acting as an Independent Non-Executive Director. Ms Dawes has entered into a letter of appointment as an Independent Non-Executive Director of the Company under which Ms Dawes is entitled to an annual director's fee of HK\$256,300. Such fee is determined with reference to her responsibilities with the Company and the Company's remuneration policy. Ms Dawes has also entered into a separate letter of appointment as an Independent Non-Executive Director of the Trustee-Manager under which Ms Dawes is not entitled to any remuneration. Ms Dawes is subject to retirement by rotation at least once every three years and re-election at the annual general meetings of HKT Trust and the Company pursuant to the Company's Articles and the Trust Deed.

Ms Dawes has confirmed that (a) she is independent having regard to each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (b) she has no past or present financial or other interest in the business of the Company, the Trustee-Manager, or their respective subsidiaries or any connection with any core connected persons of the Trustee-Manager and the Company; and (c) there are no other factors that may affect her independence.

*The following is the explanatory statement required to be sent to the Holders of Share Stapled Units under the Listing Rules in connection with the proposed Buy-Back Mandate.*

## **1. LISTING RULES REQUIREMENT FOR BUY-BACK OF SECURITIES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to buy back their securities (which shall include, where the context permits, shares of all classes and securities which carry a right to subscribe or purchase shares, of a company, and shall include warrants) on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

### **(a) Shareholders' approval**

All on-market securities buy-backs on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval in relation to specific transactions.

### **(b) Source of funds**

Buy-backs must be funded out of funds which are legally available for the purpose in accordance with the company's constitutional documents and the laws of the jurisdiction in which the company is incorporated.

## **2. ISSUED SHARE STAPLED UNITS**

As at the Latest Practicable Date, HKT Trust and the Company had a total of 7,579,742,334 Share Stapled Units in issue. Subject to (a) the passing of special resolution no. 8 as set out in the Notice (to approve the amendments to the Company's Articles and the Trust Deed to permit the buy-back of Share Stapled Units) and (b) the passing of ordinary resolution no. 6 as set out in the Notice (to approve the Buy-Back Mandate), the Directors would be allowed to buy back a maximum of 757,974,233 Share Stapled Units on the assumption that there is no variation to the Share Stapled Units issued by the HKT Trust and the Company during the period from the Latest Practicable Date to the date of passing of the resolution approving the Buy-Back Mandate.

## **3. REASONS FOR THE BUY-BACK**

The Directors believe that it is in the best interests of HKT Trust, the Company and the Holders of Share Stapled Units as a whole to seek a general authority from the Holders of Share Stapled Units to enable HKT Trust and the Company to buy back Share Stapled Units in the market. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or the earnings per Share Stapled Unit and will only be made when the Directors believe that such buy-backs will benefit the HKT Trust, the Company and the Holders of Share Stapled Units as a whole.



#### 4. FUNDING OF AND IMPACT OF BUY-BACK

Buy-backs of Share Stapled Units pursuant to the Buy-Back Mandate would be financed entirely from the Company's available cash flow or working capital and other funding facilities. Any buy-backs will only be funded out of funds of the Company legally available for the purpose in accordance with the Trust Deed, the Company's Articles and the laws of Hong Kong and the Cayman Islands.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited financial statements) in the event that the Buy-Back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Buy-Back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 5. PRICES OF SHARE STAPLED UNITS

The highest and lowest prices at which the Share Stapled Units have traded on the Stock Exchange during each of the previous 12 months up to the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2023</b>		
March	10.60	10.12
April	10.80	10.08
May	10.44	9.96
June	10.04	8.95
July	9.45	9.04
August	9.24	8.16
September	8.58	8.10
October	8.38	7.91
November	8.49	8.01
December	9.38	8.23
<b>2024</b>		
January	9.65	9.01
February	9.58	9.08
March (up to the Latest Practicable Date)	9.49	9.00



## 6. DISCLOSURE OF INTERESTS

The Directors will exercise the Buy-Back Mandate in accordance with the terms of the Trust Deed, the Company's Articles and the relevant laws and regulations (including the Listing Rules and the Share Buy-back Code).

If as a result of a buy-back of Share Stapled Units, a Holder of Share Stapled Unit's proportionate interest in the voting rights of the Share Stapled Units increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a Holder of Share Stapled Units, or group of Holders of Share Stapled Units acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interest of the Holders of Share Stapled Units, could obtain or consolidate control of HKT Trust and the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

The Directors do not intend to exercise the Buy-Back Mandate to such an extent as would result in a Holder of Share Stapled Units, or group of Holders of Share Stapled Units acting in concert, becoming obliged to make a mandatory general offer under Rule 26 of the Takeovers Code and, accordingly, it is not anticipated that purchases of Share Stapled Units under the Buy-Back Mandate will give rise to any consequences under the Takeovers Code.

As at the Latest Practicable Date, PCCW is deemed under the SFO to be interested in an aggregate of 3,979,780,681 Share Stapled Units, representing approximately 52.51% of the total number of Share Stapled Units then in issue.

If the Directors were to exercise the Buy-Back Mandate in full, then (assuming the number of Share Stapled Units in which PCCW are interested as at the Latest Practicable Date remains the same) the aggregate percentage holding of Share Stapled Units of PCCW would be increased to approximately 58.34% of the total number of Share Stapled Units in issue. The Directors are not aware of any consequences in relation to PCCW which may give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of an exercise of the Buy-Back Mandate.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), presently intend to sell any Share Stapled Units to HKT Trust, the Company or its subsidiaries under the Buy-Back Mandate in the event that the Buy-Back Mandate is approved by the Holders of Share Stapled Units.

No core connected persons (as defined in the Listing Rules) of HKT Trust and the Company have notified the Trustee-Manager and the Company that they have any present intention to sell any Share Stapled Units, or that they have undertaken not to sell any Share Stapled Units held by them, to HKT Trust and the Company in the event that the Buy-Back Mandate is approved by the Holders of Share Stapled Units.

**7. SHARE BUY-BACKS MADE BY HKT TRUST AND THE COMPANY**

HKT Trust and the Company have not bought back any of Share Stapled Units (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

HKT Trust and the Company confirm that neither this explanatory statement nor the proposed Buy-back Mandate has any unusual features.

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## APPENDIX 3 PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES

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Details of the proposed amendments to the Company's Articles are set out below:

1. The definition of "Adjusted Funds Flow" in Article 2.2 of the Company's Articles is to be amended as follows:

**"Adjusted Funds Flow"** shall mean the Group's EBITDA, less capital expenditures, customer acquisition costs and licence fees paid, taxes paid, finance costs and interest expense paid, and adjusted for interest income received and changes in working capital. The Adjusted Funds Flow may be used by the Group for debt repayment **and the repurchase of shares in accordance with Article 3.19.**

2. Article 3.19 of the Company's Articles is to be deleted in its entirety and is to be replaced with the following new Article 3.19:

~~3.19 Except for the repurchase or redemption of the Preference Shares in accordance with the provisions of the Trust Deed and these Articles, the Company shall not repurchase or redeem any shares otherwise than as components of Share Stapled Units and unless and until the Company is permitted to repurchase or redeem Share Stapled Units by relevant codes and guidelines issued by the SFC from time to time. Thereafter, for as long as the Trust Deed remains in force and except for the repurchase or redemption of the Preference Shares in accordance with the provisions of the Trust Deed and these Articles, the Company may only repurchase or redeem Shares as components of Share Stapled Units repurchased or redeemed and only to the extent permitted by, and in accordance with the provisions of, Relevant Laws and Regulations and any applicable codes and guidelines as may be issued by the SFC from time to time.~~

**3.19 (a) Subject to the provisions of the Act, the Memorandum of Association of the Company, these Articles and the Relevant Laws and Regulations, the Company shall have the power to purchase or otherwise acquire its own shares and such power shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it in its absolute discretion thinks fit and any determination by the Board of the manner of purchase shall be deemed authorised by these Articles for the purposes of the Act.**

**(b) For so long as the Trust Deed remains in force and except for the repurchase or redemption of the Preference Shares in accordance with the provisions of the Trust Deed and these Articles, the Company may only repurchase or redeem shares as components of Share Stapled Units repurchased or redeemed and in accordance with the provisions of the Relevant Laws and Regulations.**

- (c) The Company is authorised to make payments in respect of the purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Act.
- (d) Any shares repurchased by the Company may either be (i) treated as cancelled or (ii) classified as treasury shares until such shares are either cancelled or transferred, in each case in accordance with the provisions of these Articles and the Relevant Laws and Regulations.
- (e) Subject to compliance with the Listing Rules and the rules and regulations of any other competent regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.
- (f) The Board may accept the surrender for no consideration of any fully paid share.

3. Article 24.7 of the Company's Articles is to be amended as follows:

24.7 As reflected in a resolution of the Board passed on the date of adoption of these Articles, it is the current intention, as at the date of adoption of these Articles, of the Board to declare and distribute 100% of the Group's Annual Adjusted Funds Flow after adjusting for potential debt repayment, if required, **and any amounts set aside by the Board for any repurchase of shares pursuant to Article 3.19** for each financial year to the Trustee-Manager to fund distributions in respect of the Units to be made by the Trustee-Manager. It is currently, as at the date of adoption of these Articles, the intention of the Board that the Company will declare and make distributions to the Trust on a semi-annual basis, with the interim and final distributions in respect of a full financial year being equal, in aggregate, to 100% of the Group's Annual Adjusted Funds Flow in respect of the relevant financial year, after adjusting for potential debt repayment, if required, **and any amounts set aside by the Board for any repurchase of shares pursuant to Article 3.19** in respect of that financial year. The respective proportions of the aggregate annual distribution to be paid as an interim distribution and a final distribution shall be determined by the Board in its discretion; and the amount of the interim distribution need not be equal to the amount of the Group's Adjusted Funds Flow (after adjusting for potential debt repayment, if required, **and any amounts set aside by the Board for any repurchase of shares pursuant to Article 3.19**) in respect of the first six months of the financial year (or other period in respect of which the distribution is made) or proportionate to the Annual Adjusted Funds Flow (after adjusting for potential debt repayment, if required, **and any amounts set aside by the Board for any repurchase of shares pursuant to Article 3.19**) in respect of the relevant financial year.

4. Article 24.8 of the Company's Articles is to be amended as follows:

24.8 The statement in Article 24.7 of the Board's current intention, as at the date of adoption of these Articles, to declare and distribute 100% of the Group's Annual Adjusted Funds Flow, after adjusting for potential debt repayment, if required, **and any amounts set aside by the Board for any repurchase of shares pursuant to Article 3.19** in respect of each financial year, to the Trustee-Manager to fund distributions in respect of the Units is a distribution policy only and a statement of the Board's current intention, as at the date of adoption of these Articles, only. It is not a legally binding obligation of the Company and is subject to change (and, for the avoidance of doubt, any such change to the distribution policy would not constitute or require an alteration or amendment of the Articles; but, for as long as the Trust Deed remains in force, would need to be notified to the Stock Exchange and announced under clause 14.3 of the Trust Deed). Nor is it guaranteed by any person. The form, frequency and amount of future distributions (if any) in respect of Share Stapled Units will depend on the earnings, financial position and results of operations of the Group, as well as contractual restrictions (including compliance with financial undertakings imposed under the Group's loan facilities agreements), provisions of applicable laws and regulations and other factors including but not limited to funding requirements with reference to the prevailing business environment and operations, and expansion plans, other capital management considerations, the overall stability of distributions and prevailing industry practice.

5. Article 30.1 of the Company's Articles is to be amended as follows:

30.1 Except as otherwise provided in these Articles, any notice or document (**including any "corporate communication" and "actionable corporate communication" within the meaning ascribed thereto under the Listing Rules**) may be served by the Company and **subject to compliance with the Listing Rules** any notices may be served by the Board on any member either **personally or** by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register, or by leaving it at his registered address as appearing in the register, or, to the extent permitted by the Listing Rules and Relevant Laws and Regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company's Website provided that the Company has obtained either (a) the member's prior express positive confirmation in writing or (b) the member's deemed **or implied** consent, in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the Register of Members and notice so given shall be sufficient notice to all the joint holders.

Details of the proposed amendments to the Trust Deed are set out below:

1. The definition of “Adjusted Funds Flow” in Clause 1.1 of the Trust Deed is to be amended as follows:

“**Adjusted Funds Flow**” means the Group’s EBITDA, less capital expenditures, customer acquisition costs and licence fees paid, taxes paid, finance costs and interest expense paid, and adjusted for interest income received and changes in working capital. The Adjusted Funds Flow may be used by the Group for debt repayment **and the repurchase of Share Stapled Units in accordance with Clause 5.11;**

2. Clause 5.11(b) of the Trust Deed is to be deleted in its entirety and is to be replaced with the following amendments:

~~(b) Except for the repurchase or redemption of the Preference Shares in accordance with the provisions of this Deed and the Articles, the Trustee-Manager shall not repurchase or redeem any Share Stapled Units on behalf of the Trust unless and until expressly permitted to do so by the relevant codes and guidelines issued by the SFC from time to time. Thereafter, the Trustee-Manager may repurchase or redeem Share Stapled Units but only to the extent permitted by, and in accordance with the provisions of, Relevant Laws and Regulations and any applicable codes and guidelines as may be issued by the SFC from time to time; and only with the agreement of the Company and in circumstances where the Company repurchases or redeems the Ordinary Shares and the Preference Shares included in any Share Stapled Units to be repurchased or redeemed.~~

**(b) Subject to the Relevant Laws and Regulations, the Trustee-Manager shall have the power to purchase or otherwise acquire any Share Stapled Units on behalf of the Trust and such power shall be exercisable by the Trustee-Manager in such manner, upon such terms and subject to such conditions as it in its absolute discretion thinks fit and any determination by the Trustee-Manager of the manner of purchase shall be deemed authorised by this Deed.**

**(c) The Trustee-Manager may only repurchase or redeem Share Stapled Units in accordance with the Relevant Laws and Regulations and only with the agreement of the Company and in circumstances where the Company repurchases or redeems the Ordinary Shares and the Preference Shares included in any Share Stapled Units to be repurchased or redeemed.**

**(d) The Trustee-Manager is authorised to make payments in respect of the purchase of the Share Stapled Units out of the Trust Property and otherwise in accordance with the Relevant Laws and Regulations.**

- (e) Any Share Stapled Units repurchased by the Trustee-Manager may either be (i) treated as cancelled or (ii) classified as held in treasury until such Share Stapled Units are either cancelled or transferred, in each case in accordance with the provisions of this Deed, the Articles and the Relevant Laws and Regulations.
- (f) The Trustee-Manager may accept the surrender for no consideration of any fully paid Share Stapled Unit.
3. Clause 14.1(c) of the Trust Deed is to be amended as follows:
- (c) It is the current intention, as at the date of this Deed, of the board of directors of the Company to declare and distribute 100% of the Group's Annual Adjusted Funds Flow after adjusting for potential debt repayment, if required, and any amounts set aside for any repurchase of Share Stapled Units pursuant to Clause 5.11 for each Financial Year to the Trustee-Manager to fund Distributions in respect of the Share Stapled Units to be made by the Trustee-Manager. It is currently, as at the date of this Deed, the intention of the board of directors of the Company that the Company will declare and make distributions to the Trust on a semi-annual basis, with the interim and final distributions in respect of a full Financial Year being equal, in aggregate, to 100% of the Group's Annual Adjusted Funds Flow in respect of the relevant Financial Year, after adjusting for potential debt repayment, if required, and any amounts set aside for any repurchase of Share Stapled Units pursuant to Clause 5.11 in respect of that Financial Year. The respective proportions of the aggregate annual Distribution to be paid as an interim Distribution and a final Distribution shall be determined by the board of directors of the Company in its discretion; and the amount of the interim distribution need not be equal to the amount of the Group's Adjusted Funds Flow (after adjusting for potential debt repayment, if required, and any amounts set aside for any repurchase of Share Stapled Units pursuant to Clause 5.11) in respect of the first six months of the Financial Year (or other period in respect of which the Distribution is made) or proportionate to the Annual Adjusted Funds Flow (after adjusting for potential debt repayment, if required, and any amounts set aside for any repurchase of Share Stapled Units pursuant to Clause 5.11) in respect of the relevant Financial Year.

4. Clause 14.1(e) of the Trust Deed is to be amended as follows:

- (e) The statement of the Company's current intention, as at the date of this Deed, to declare and distribute 100% of the Group's Annual Adjusted Funds Flow, after adjusting for potential debt repayment, if required, **and any amounts set aside for any repurchase of Share Stapled Units pursuant to Clause 5.11** in respect of each Financial Year, to the Trustee-Manager to fund Distributions in respect of the Share Stapled Units is a distribution policy only and a statement of the Company's current intention, as at the date of this Deed, only. It is not a legally binding obligation of the Company, the Trustee-Manager or the Trust and is subject to change (and, for the avoidance of doubt, any such change to the distribution policy would not constitute or require a modification, amendment, alteration or addition to this Deed; but would need to be notified to the Stock Exchange and announced under Clause 14.3). Nor is it guaranteed by any person. The form, frequency and amount of future Distributions (if any) in respect of Share Stapled Units will depend on the earnings, financial position and results of operations of the Group, as well as contractual restrictions (including limitations on borrowings by the Trustee-Manager under this Deed and compliance with financial undertakings imposed under the Group's loan facilities agreements), provisions of applicable laws and regulations and other factors including but not limited to funding requirements with reference to the prevailing business environment and operations, and expansion plans, other capital management considerations, the overall stability of distributions and prevailing industry practice.



5. Clause 20.6 of the Trust Deed is to be amended as follows:

#### 20.6 Service

Any notice or document (including any “corporate communication” and “actionable corporate communication” within the meaning ascribed thereto under the Listing Rules) required to be served upon a Registered Holder of a Share Stapled Unit or a Registered Holder of a Unit shall be deemed to have been duly given (i) if sent by post to or left at his address as appearing in the Share Stapled Units Register or the Units Register, as the case may be, or in the case of Joint Registered Holders of Share Stapled Units or Joint Registered Holders of Units, to the joint holder whose name stands first in the relevant Register or (ii) where it is sent by electronic means (which shall be in accordance with the applicable requirements of the Listing Rules and the Hong Kong Stock Exchange and Relevant Laws and Regulations), if transmitted to any electronic number or address or website supplied by the Registered Holder of Share Stapled Units or the Registered Holder of Units (as the case may be) (or in the case of joint holders, by the joint holder whose name stands first in the relevant Register) or by placing it on the website of the Trust or the Company provided that the Trustee-Manager and the Company have obtained either (a) the Register Holder of Share Stapled Units’ or the Register Holder of Units’ prior express positive confirmation in writing or (b) the Registered Holder of Share Stapled Units’ or the Registered Holder of Units’ deemed or implied consent, in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. Except as otherwise required by the applicable provisions of the Listing Rules or the requirements of the Hong Kong Stock Exchange from time to time, any notice or document so served by post shall be deemed to have been served on the day following that on which it is put into a post office situated within Hong Kong, and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly pre-paid, addressed and put into such post office (and a certificate in writing signed by the Secretary or other person appointed by the Trustee-Manager that the envelope or wrapper containing the notice or document was so addressed pre-paid and put into such post office shall be conclusive evidence thereof); any notice or document delivered or left at the registered address of a Registered Holder of Share Stapled Units or a Registered Holder of Units (as the case may be) otherwise than by post shall be deemed to have been served on the day it was so delivered or left; any notice given by electronic means shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the applicable provisions of the Listing Rules, the requirements of the Hong Kong Stock Exchange or any Relevant Laws and Regulations.

*The following is a summary of the principal terms of the New Share Stapled Unit Award Scheme proposed to be adopted at the AGM. It does not form part of, nor is it intended to be part of, the rules of the New Share Stapled Unit Award Scheme.*

## **1. PURPOSE OF THE SCHEME**

The objectives of the New Share Stapled Unit Award Scheme are to:

- (i) recognise the contributions by certain Selected Participants with an opportunity to acquire a proprietary interest in the HKT Trust and the Company;
- (ii) give incentives to such individuals in order to encourage and retain them for the continual operation and development of the Group;
- (iii) provide additional incentives for such individuals to achieve performance goals;
- (iv) attract suitable personnel for further development of the Group; and
- (v) motivate the Selected Participants to maximise the value of the HKT Trust and the Company for the benefit of the Selected Participants, the HKT Trust and the Company,

with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Selected Participants directly with those of the Holders of Share Stapled Units through ownership of Share Stapled Units.

## **2. WHO MAY JOIN AND CRITERIA FOR DETERMINING ELIGIBILITY**

Subject to the rules of the New Share Stapled Unit Award Scheme, the Approving Body may, in its absolute discretion, grant awards to any Eligible Participant (other than an Excluded Person) and determine the number of Share Stapled Units to be granted.

In determining the eligibility of Eligible Participants, the Approving Body will take into consideration matters including:

- (i) the present contribution and expected contribution of the Selected Participant to the Group's profits;
- (ii) the Group's general financial condition;
- (iii) the Group's overall business objectives and future development plan; and
- (iv) the Selected Participant's individual performance, time commitment to the Group, job responsibilities and function, and existing remuneration package.

In assessing the eligibility of Service Providers, the Approving Body will take into consideration the following additional criteria: (i) the expertise, qualifications and industry experience of the Service Provider, (ii) the length of relationship between the Service Provider and the Group, and (iii) the track record of the Service Provider in delivering quality services.

### 3. ADMINISTRATION

The New Share Stapled Unit Award Scheme is subject to the administration of the Approving Body and the trustee. The decision of the Approving Body and the trustee regarding the administration and operation of the New Share Stapled Unit Award Scheme will be final and binding on all parties.

### 4. PURCHASE AND SUBSCRIPTION OF SHARE STAPLED UNITS

The Approving Body may, in its absolute discretion, notify the trustee from time to time to purchase Share Stapled Units on the Stock Exchange before any Eligible Participant is selected to be a Selected Participant for an award in respect of such Share Stapled Units, and to hold the same for any award for future Selected Participants to be determined by the Approving Body (together with other Share Stapled Units made available to and held under the trust from time to time, the “**Trustee Share Stapled Units**”).

The Approving Body may, in its absolute discretion, at any time after taking into account the number of Trustee Share Stapled Units held by the trustee, cause to be paid the Trustee Share Stapled Units Purchase Amount into the trust bank account to enable the trustee to purchase Share Stapled Units for the purpose of granting awards under the New Share Stapled Unit Award Scheme. The “**Trustee Share Stapled Units Purchase Amount**” is the sum of (X) the total purchase price of the Share Stapled Units to be purchased on the Stock Exchange and to be held as Trustee Share Stapled Units and (Y) the related purchase expenses.

The Approving Body may, in its absolute discretion, at any time after the date of grant of an award, cause to be paid the Award Grant Amount into the trust bank account for the purchase and/or subscription of Grant Share Stapled Units in respect of the award. The “**Award Grant Amount**” is the sum of (X) (a) the closing price of the Share Stapled Units as quoted on the Stock Exchange as at the date of grant (or any other date as may be determined by the Approving Body) multiplied by the number of Grant Share Stapled Units comprised in the award granted to the Selected Participant (where Share Stapled Units for the award are to be purchased on the Stock Exchange) or (b) a nominal amount per Share Stapled Unit (as directed by the Approving Body) multiplied by the number of new Share Stapled Units to be jointly issued by the HKT Trust and the Company as Grant Share Stapled Units comprised in the award granted to the Selected Participant (where new Share Stapled Units for the award are to be jointly issued by the HKT Trust and the Company) and (Y) the related purchase or subscription expenses.

In respect of the purchase of Share Stapled Units on the Stock Exchange to be used as Grant Share Stapled Units under an award or to be held as Trustee Share Stapled Units for future grants, at any time after the date of grant (where Share Stapled Units are purchased for an award) or as instructed by the Approving Body (where Share Stapled Units are purchased to be held as Trustee Share Stapled Units), the trustee will apply the Award Grant Amount and Trustee Share Stapled Units Purchase Amount, respectively, towards the purchase of Share Stapled Units on the Stock Exchange.

In respect of the subscription of new Share Stapled Units to be jointly issued by the HKT Trust and the Company for awards, at any time after the date of grant, the trustee will apply the Award Grant Amount towards the subscription of Share Stapled Units at a nominal amount per Share Stapled Unit as directed by the Approving Body.

## 5. MAXIMUM NUMBER OF SHARE STAPLED UNITS

The total number of new Share Stapled Units which may be awarded under the New Share Stapled Unit Award Scheme shall be no more than 10% of the total number of Share Stapled Units in issue as at the Adoption Date (New Share Stapled Unit Award Scheme), subject to the Scheme Mandate Limit.

Within the Scheme Limit (New Share Stapled Unit Award Scheme), the total number of new Share Stapled Units which may be awarded to Service Providers shall be no more than 0.5% of the total number of Share Stapled Units in issue as at the Adoption Date (New Share Stapled Unit Award Scheme).

As at the Latest Practicable Date, there were 7,579,742,334 Share Stapled Units in issue. Assuming there is no change to the number of issued Share Stapled Units between the Latest Practicable Date and the Adoption Date (New Share Stapled Unit Award Scheme), the Scheme Limit (New Share Stapled Unit Award Scheme) will be 757,974,233 Share Stapled Units and the Service Provider Sublimit (New Share Stapled Unit Award Scheme) will be 37,898,711 Share Stapled Units, in each case subject to the Scheme Mandate Limit.

There is no limit on the number of existing Share Stapled Units which may be awarded to Selected Participants under the New Share Stapled Unit Award Scheme.

The total number of new Share Stapled Units which may be issued in respect of all options and awards granted and to be granted under the New Share Stapled Unit Award Scheme and all other scheme(s) of the HKT Trust and the Company (each a “**Share Scheme**”) which are funded by the issue of new Share Stapled Units, must not exceed 10% of the total number of Share Stapled Units in issue as at the date of approval by Holders of Share Stapled Units and (for so long as the Company remains a principal subsidiary of PCCW) PCCW Shareholders of the Share Scheme or a refreshment of the scheme mandate under the Share Scheme, whichever is later (the “**Scheme Mandate Limit**”).

No award may be granted to any one Eligible Participant such that the total number of Share Stapled Units issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the corresponding scheme) in the 12-month period up to and including the date of the latest grant exceeds in aggregate 1% of the total issued Share Stapled Units, unless the grant is separately approved by Holders of Share Stapled Units and (for so long as the Company remains a principal subsidiary of PCCW) PCCW Shareholders, in general meeting, with such grantee and his close associates (or associates, if the grantee is a connected person) abstaining from voting.

## **6. GRANT OF AWARDS TO CONNECTED PERSONS**

Any grant of awards of new Share Stapled Units to a Director, chief executive of the Trustee-Manager or the Company or Substantial Holder of Share Stapled Units, or any of their respective associates, or to a director, chief executive or substantial shareholder of PCCW, or any of their respective associates, must be approved by the INEDs (excluding any INED who is the prospective grantee) and, if required by the Listing Rules, the independent non-executive directors of PCCW (excluding any independent non-executive director of PCCW who is the prospective grantee).

Where awards of new Share Stapled Units are proposed to be granted under the New Share Stapled Unit Award Scheme to a Director (other than an INED) or chief executive of the Trustee-Manager or the Company or any of their respective associates, and the proposed grant of awards would result in the Share Stapled Units issued and to be issued in respect of all awards involving the issue of new Share Stapled Units (regardless of whether such awards are granted under the New Share Stapled Unit Award Scheme or another Share Scheme, but excluding any awards lapsed in accordance with the terms of the corresponding scheme) granted to such person in the 12-month period up to and including the date of grant of such awards representing in aggregate over 0.1% of the total issued Share Stapled Units, the proposed grant of awards must be approved by Holders of Share Stapled Units and (for so long as the Company remains a principal subsidiary of PCCW and if required by the Listing Rules) where (a) the prospective grantee is both a Director (other than an INED) or chief executive of the Trustee-Manager or the Company and a director (other than an independent non-executive director) or chief executive of PCCW, or any of their respective associates; or (b) the prospective grantee is not a Director or chief executive of the Trustee-Manager or the Company but is a director (other than independent non-executive director) or chief executive of PCCW, or any of their respective associates; or (c) the Listing Rules so require, by PCCW Shareholders, in general meeting.

Where awards of new Share Stapled Units under the New Share Stapled Unit Award Scheme and/or options over new Share Stapled Units under any share scheme that may be adopted by the HKT Trust and the Company are proposed to be granted to an INED or a Substantial Holder of Share Stapled Units or any of their respective associates, and the proposed grant of awards and/or options would result in the Share Stapled Units issued and to be issued in respect of all (i) options and (ii) awards involving the issue of new Share Stapled Units (regardless of whether such options and awards are granted under the New Share Stapled Unit Award Scheme or another Share Scheme, but excluding any options and awards lapsed in accordance with the terms of the corresponding scheme) granted to such person in the 12-month period up to and including the date of grant of such awards representing in aggregate over 0.1% of the total issued Share Stapled Units, the proposed grant of awards and/or options must be approved by Holders of Share Stapled Units and (for so long as the Company remains a principal subsidiary of PCCW and if required by the Listing Rules) where (a) the prospective grantee is both an INED and an independent non-executive director of PCCW or a Substantial Holder of Share Stapled Units and a substantial shareholder of PCCW, or any of their respective associates; or (b) the prospective grantee is not an INED but is an independent non-executive director of PCCW or not a Substantial Holder of Share Stapled Units but is a substantial shareholder of PCCW, or any of their respective associates; or (c) the Listing Rules so require, by PCCW Shareholders, in general meeting.

## 7. ACCEPTANCE OF AWARDS

After the Approving Body has selected an Eligible Participant (other than an Excluded Person) to be a Selected Participant and determined the number of Share Stapled Units to be granted (the “**Grant Share Stapled Units**”) to the Selected Participant, it will notify the Selected Participant about the details of the award in writing by way of a grant letter (the “**Grant Letter**”).

Upon receipt of the Grant Letter, the Selected Participant is required to confirm his acceptance of the award by returning to the Trustee-Manager and the Company a notice of acceptance duly executed by him within 28 days after the date of grant (the “**Acceptance Period**”). If any Selected Participant fails to return the notice of acceptance to the Trustee-Manager and the Company before the expiration of the Acceptance Period, the award will be deemed not to have taken effect and automatically lapses forthwith on the day following the last day of the Acceptance Period. No purchase price is payable by Selected Participants upon acceptance or vesting of awards made under the New Share Stapled Unit Award Scheme.

**8. CONDITIONS OF AWARDS**

The Approving Body is entitled to impose any conditions (including, without limitation, a period of continued service with the Group after the date of grant) as it deems appropriate with respect to the entitlement of the Selected Participant to an award, and the Approving Body will inform the Selected Participant by way of the Grant Letter of, among other things, the number of Grant Share Stapled Units, the terms, conditions (e.g. performance conditions) (if any), restrictions (if any) and vesting schedule of his award.

There is no clawback mechanism to recover or withhold awards that have been made to Selected Participants.

**9. VESTING SCHEDULE**

The vesting period of an award of Share Stapled Units must be at least 12 months, except that the Approving Body may in its absolute discretion apply a shorter vesting period to awards granted to Employee Participants in the following circumstances:

- (i) grants with performance-based vesting conditions provided in the New Share Stapled Unit Award Scheme or as specified in the Grant Letter in lieu of time-based vesting criteria;
- (ii) grants of awards that are made in batches during a year due to administrative or compliance requirements which may be subject to any changes made to the applicable laws, regulations and rules in the jurisdictions which the Selected Participants and the Group are subject to and not connected with the performance of the relevant Selected Participant, including awards that should have been granted earlier if not for such administrative or compliance requirements but had to wait for subsequent batch, in which case the vesting period may be shortened to reflect the time from which the awards would have been granted if not for such administrative or compliance requirements;
- (iii) grants with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of 12 months, or where the awards may vest by several batches with the first batch to vest within 12 months of the date of grant and the last batch to vest 12 months after the date of grant;
- (iv) grants with a total vesting and holding period of more than 12 months; and
- (v) in the circumstances set out in paragraphs 13 and 14 below.



**10. PERFORMANCE TARGETS**

Vesting of awards may be subject to performance targets being met, as determined by the Approving Body. Performance targets may comprise a combination of key performance indicators (such as business unit revenue and EBITDA targets, productivity gain targets, target improvements in net promoter scores) to be attained, and may vary among Selected Participants having regard to their role, length of employment or service, duties and responsibilities and the time of the grant.

For the avoidance of doubt, performance targets will not apply to award(s) which may be made to INEDs.

**11. RESTRICTIONS AND LIMITATIONS**

An award is personal to the Selected Participant and is neither assignable nor transferable, unless a waiver has been granted by the Stock Exchange.

No award may be granted by the Approving Body to any Selected Participant, no Share Stapled Units may be issued or allotted under the New Share Stapled Unit Award Scheme and no instructions to acquire any Share Stapled Units may be given to the trustee where dealings in the Share Stapled Units are prohibited under the Listing Rules and/or applicable laws from time to time. Without limiting the generality of the foregoing, no such grant or issue or allotment is to be made and such instruction is to be given:

- (i) where the Trustee-Manager and/or the Company have information that must be disclosed under Rule 13.09 of the Listing Rules or where the Trustee-Manager and/or the Company reasonably believe there is inside information which must be disclosed under Part XIVA of the SFO, until (and including) the trading date after such inside information has been published on the websites of the Stock Exchange and the Company; or
- (ii) after any inside information in relation to the HKT Trust's and the Company's securities has occurred or has become the subject of a decision, until such inside information has been published; or
- (iii) during the period commencing one month immediately before the earlier of (a) the date of a meeting of the Board (as such date is first notified to the Stock Exchange) for the approval of the HKT Trust's and the Company's results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules) and (b) the deadline for the HKT Trust and the Company to publish their annual, interim or quarterly results announcement for any such period, and ending on the date of such announcement; or



- (iv) (in relation to a grantee or prospective grantee who is a Director) during (a) the period of 60 days immediately preceding the publication date of the HKT Trust's and the Company's annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results, and (b) the period of 30 days immediately preceding the publication date of the HKT Trust's and the Company's quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results; or
- (v) in any other circumstances where dealings by a Selected Participant (including a Director) are prohibited under the Listing Rules, the SFO or other applicable laws or regulations or where the requisite approval from applicable regulatory authorities has not been granted.

No award of Share Stapled Units may be made or announced and, no issue or allotment of Share Stapled Units pursuant to the New Share Stapled Unit Award Scheme may be made, for a period of 30 days after any purchase by the HKT Trust and the Company of Share Stapled Units whether on the Stock Exchange or otherwise, unless with the prior approval of the Stock Exchange.

## 12. VESTING CONDITIONS

Vesting of awards is subject to (i) satisfaction of the vesting condition(s), if any, attached to the award as stipulated in the Grant Letter and (ii) the Selected Participant remaining at all times after the date of grant and on the date of vesting, an Eligible Participant.

Without prejudice to the generality of the foregoing, a Selected Participant ceases to be an Eligible Participant if:

- (i) his employment or service with the Group or a Related Entity (as the case may be) has been terminated for Cause. "Cause" means:
  - (a) dishonesty or serious misconduct, whether or not in connection with his employment or service; wilful disobedience or non-compliance with the terms of his employment or service contract with, or any lawful orders or instructions given by, a Group member or Related Entity (as applicable); or
  - (b) incompetence or negligence in the performance of his duties; or
  - (c) doing anything which, in the conclusive opinion of the Approving Body, adversely affects his ability to perform his duties properly or would or might bring a Group member or Related Entity into disrepute; or

- (ii) he has been summarily dismissed by a Group member or Related Entity; or
- (iii) he has been convicted for any criminal offence involving his integrity or honesty; or
- (iv) he has been charged, convicted or held liable for any offence under the securities laws in Hong Kong or any other applicable laws or regulations in force from time to time; or
- (v) he could no longer contribute to the growth and development of the Group by reason of cessation of his relations with the Group or by any other reason whatsoever.

### 13. LAPSE OF AWARDS

If prior to or on the date of vesting in respect of an award, (i) the Selected Participant ceases to be an Eligible Participant, (ii) the Selected Participant dies, or (iii) an order for the winding-up of the HKT Trust and/or the Company is made or a resolution is passed for the voluntary winding-up of the HKT Trust and/or the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the HKT Trust or the Company (as the case may be) pass to a successor company), the award will automatically lapse forthwith and the underlying Share Stapled Units will not vest on the date of vesting.

If prior to or on the date of vesting in respect of an award, the Selected Participant's employment or service with a Group member or Related Entity is terminated by reason of retirement or permanent physical/mental disablement, the award will automatically lapse forthwith, except that the Approving Body may in its absolute discretion decide to vest all or part of the award by notice to the Selected Participant subject to compliance with the Listing Rules.

### 14. RIGHTS UPON CHANGE IN CONTROL

If an offer by way of takeover, merger, scheme of arrangement or otherwise is made to all Holders of Share Stapled Units (or all such Holders of Share Stapled Units other than the offeror, any person controlled by the offeror and any person acting in concert with the offeror) and such offer becomes or is declared unconditional prior to or on the date of vesting in respect of an award, the award will immediately vest on the date on which the offer becomes or is declared unconditional, *provided that* no event of Cause has occurred in relation to the Selected Participant and subject to compliance with the Listing Rules.

**15. REORGANISATION OF CAPITAL STRUCTURE**

In the event of any alteration in the capital structure of the HKT Trust or the Company while any award remains unvested, such as capitalisation issue, rights issue or subdivision or consolidation of Share Stapled Units or reduction of share capital of the Company and Units, the Approving Body will determine (if appropriate) and make alterations (if any) to the number of Share Stapled Units underlying the award so far as unvested.

Any such alteration must give a Selected Participant the same proportion of the equity capital as that to which that person was previously entitled but no such adjustments may be made to the extent that a Share Stapled Unit would be issued at less than its nominal value (if any). In respect of any such adjustments, other than any made on a capitalisation issue, HKT's Auditors or an independent financial adviser engaged by the HKT Trust and the Company for this purpose must confirm to the Directors in writing that the adjustments satisfy the requirements set out in the Listing Rules.

**16. RANKING OF SHARE STAPLED UNITS**

The Share Stapled Units purchased or issued pursuant to the New Share Stapled Unit Award Scheme will be subject to all the provisions of the Company's Articles and the Trust Deed for the time being in force and will rank *pari passu* in all respects with other Share Stapled Units in issue on the date they are transferred to the Selected Participant and accordingly, will entitle the holders to the same voting, dividend, transfer and other rights (including those arising on liquidation of the HKT Trust and the Company) as the existing fully paid Share Stapled Units in issue on the date on which they are transferred upon vesting of an award.

**17. PERIOD OF THE SCHEME**

The New Share Stapled Unit Award Scheme will be valid and effective for a period of 10 years commencing on the Adoption Date (New Share Stapled Unit Award Scheme), subject to early termination by the Board.

**18. AMENDMENT AND TERMINATION**

Any (i) alterations to the terms and conditions of the New Share Stapled Unit Award Scheme which are of a material nature; (ii) alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Selected Participants or prospective Selected Participants; and (iii) change to the authority of the Directors or scheme administrators to alter the terms of the New Share Stapled Unit Award Scheme, must be approved by Holders of Share Stapled Units and (for so long as the Company remains a principal subsidiary of PCCW) PCCW Shareholders, in general meeting.

Save for the foregoing amendments, the New Share Stapled Unit Award Scheme may be amended in any respect by a resolution of the Board provided that no such amendment may operate to affect adversely any subsisting rights of any Selected Participant under the New Share Stapled Unit Award Scheme unless: (i) the written consent of the Selected Participant is obtained or (ii) with the sanction of a special resolution passed at a meeting of all Selected Participants.

Any proposed amendment to the terms of an award already granted to a Selected Participant must be approved by the Approving Body, the Remuneration Committee, the INEDs, the Holders of Share Stapled Units and/or PCCW Shareholders (as the case may be), if the initial grant of the award was approved by the Approving Body, the Remuneration Committee, the INEDs, the Holders of Share Stapled Units and/or PCCW Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Share Stapled Unit Award Scheme.

The Board may at any time terminate the operation of the New Share Stapled Unit Award Scheme prior to the 10th anniversary of its adoption, provided that such termination does not affect any subsisting rights of any Selected Participant and in such event, the Approving Body will notify the trustee in writing of the early termination. The trustee will, within 21 business days of receiving the notice of termination (or such longer time as the trustee and the Approving Body may agree from time to time) and subject to instructions from the Approving Body, treat as vested all awards which as at the date of such notice are unvested and have not lapsed pursuant to the rules of the New Share Stapled Unit Award Scheme, subject to paragraph 9(v) above and compliance with the Listing Rules.

## **19. CANCELLATION**

An award that has not vested may be cancelled by the Approving Body with the consent of the Selected Participant.

For the avoidance of doubt, where the Approving Body cancels awards granted to a Selected Participant and makes a new grant to the same Selected Participant, such new grant may only be made within the available Scheme Limit (New Share Stapled Unit Award Scheme) and if applicable, the Service Provider Sublimit (New Share Stapled Unit Award Scheme), and the Scheme Mandate Limit. Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Limit (New Share Stapled Unit Award Scheme) and if applicable, the Service Provider Sublimit (New Share Stapled Unit Award Scheme), and the Scheme Mandate Limit.

*The following is a summary of the principal terms of the New Share Stapled Unit Option Scheme (texts shown in strikethrough denote deletions and in underline denote additions, to the principal terms of the Existing Share Stapled Unit Option Scheme for illustration purposes only) proposed to be adopted at the AGM. It does not form part of, nor is it intended to be part of, the rules of the New Share Stapled Unit Option Scheme.*

## 1. PURPOSE OF THE SCHEME

The purpose of the New Share Stapled Unit Option Scheme is to enable the HKT Trust and the Company, acting jointly by mutual agreement between them, to grant options to ~~full-time or part-time employees, directors (including executive, non-executive or independent non-executive) and any consultants or advisers (whether professional or otherwise and whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid), distributor, contractor, supplier, service provider, agent, customer and/or business partner of the Company and/or any of its subsidiaries (the “Eligible Participants”)~~ Eligible Participants as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Eligible Participants.

## 2. TERMS OF THE SCHEME

### (a) Who may join

The Board may, at its absolute discretion, offer the Eligible Participants, options to subscribe for such number of Share Stapled Units as the Board may determine at a subscription price determined in accordance with sub-paragraph (b) below, and subject to the other terms of the New Share Stapled Unit Option Scheme summarised below.

An offer of grant of an option shall remain open for acceptance by the Eligible Participant concerned for such period as determined by the Board, which period shall not be more than 14 days from the date of the offer, provided that no such offer shall be open for acceptance after the 10th anniversary of the adoption date or after the New Share Stapled Unit Option Scheme has been terminated in accordance with the provisions thereof. No consideration is payable by the grantee on acceptance of an option.

The basis of eligibility of any Eligible Participant for the grant of any option shall be determined by the Board from time to time, based on who, in the opinion of the Directors, has contributed or will contribute to the development and growth of the Group. When determining the eligibility of any Eligible Participant, the Board will take into account such factors as the Board may at its discretion consider appropriate on a case-by-case basis, including each Eligible Participant’s contribution or future contribution to the Group and the Group’s need to develop, retain, motivate or otherwise maintain the business relationship with the Eligible Participant. In assessing the eligibility of a Service Provider, the Board may take into consideration specific criteria including:

- (i) the expertise, qualifications and industry experience of the Service Provider;

- (ii) the length of relationship between the Service Provider and the Group; and
- (iii) the track record of the Service Provider in delivering quality services.

**(b) Price of Share Stapled Units**

The subscription price for Share Stapled Units in respect of any particular option granted under the New Share Stapled Unit Option Scheme shall be such price as the Board shall determine, provided that such price shall not be less than the highest of (i) the closing price per Share Stapled Unit on the main board as stated in the Stock Exchange's daily quotations sheet on the proposed date of grant offer of the option, which must be a business day, (ii) the average closing price per Share Stapled Unit on the main board as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the proposed date of grant offer of the option, and (iii) the nominal value of a Share Stapled Unit.

**(c) Maximum number of Share Stapled Units**

The total number of new Share Stapled Units which may be issued pursuant to the exercise of options granted under the New Share Stapled Unit Option Scheme must not exceed 10% of the total number of Share Stapled Units in issue as at the Adoption Date (New Share Stapled Unit Option Scheme), subject to the Scheme Mandate Limit.

Within the Scheme Limit (New Share Stapled Unit Option Scheme), the total number of new Share Stapled Units which may be issued pursuant to the exercise of options granted to Service Providers must not exceed 0.5% of the total number of Share Stapled Units in issue as at the Adoption Date (New Share Stapled Unit Option Scheme).

As at the Latest Practicable Date, there were 7,579,742,334 Share Stapled Units in issue. Assuming there is no change to the number of issued Share Stapled Units between the Latest Practicable Date and the Adoption Date (New Share Stapled Unit Option Scheme), the Scheme Limit (New Share Stapled Unit Option Scheme) will be 757,974,233 Share Stapled Units and the Service Provider Sublimit (New Share Stapled Unit Option Scheme) will be 37,898,711 Share Stapled Units, in each case subject to the Scheme Mandate Limit.

The total number of new Share Stapled Units which may be issued in respect of all options and awards granted and to be granted under the New Share Stapled Unit Option Scheme and all other Share Scheme(s) which are funded by the issue of new Share Stapled Units, must not exceed the Scheme Mandate Limit.

Notwithstanding any other provisions of the New Share Stapled Unit Option Scheme, no option may be granted under the New Share Stapled Unit Option Scheme if the exercise of the option may result in PCCW ceasing to hold at least 51% of the total number of Share Stapled Units in issue (on a fully diluted basis assuming full conversion or exercise of all outstanding options and other rights of subscription, conversion and exchange for Share Stapled Units).

~~In addition, as prescribed by the Listing Rules, the maximum aggregate number of Share Stapled Units which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Existing Share Stapled Unit Option Scheme and any other share option schemes of the HKT Trust and the Company must not exceed 30% of the issued Share Stapled Units from time to time. No options may be granted under the Existing Share Stapled Unit Option Scheme if this will result in such limit being exceeded.~~

~~Subject to the limitation set forth in the Existing Share Stapled Unit Option Scheme, as required by the Listing Rules, the total number of Share Stapled Units which may be issued upon exercise of all options to be granted under the Existing Share Stapled Unit Option Scheme and any other share option schemes of the HKT Trust and the Company must not, in aggregate, exceed 10% of the issued Share Stapled Units as at the adoption date (the “**Scheme Mandate Limit**”) unless the approval of Holders of Share Stapled Units has been obtained pursuant to terms of the Existing Share Stapled Unit Option Scheme. Any options lapsed in accordance with the terms of the Existing Share Stapled Unit Option Scheme or any other share option scheme of the HKT Trust and the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit.~~

Unless approved by the Holders of Share Stapled Units and (for so long as the Company remains a principal subsidiary of PCCW) PCCW Shareholders in the manner set out in this paragraph, the total number of Share Stapled Units issued and to be issued upon exercise of options and/or awards involving new Share Stapled Units granted (whether under the New Share Stapled Unit Option Scheme or another Share Scheme) to each Eligible Participant (including both exercised and outstanding options under the Existing Share Stapled Unit Option Scheme) (excluding options and/or awards lapsed in accordance with the terms of the corresponding scheme) in any 12-month period must not exceed 1% of the issued Share Stapled Units. Where any further grant of options to an Eligible Participant would result in the total number of Share Stapled Units issued and to be issued upon exercise of all options and/or awards involving new Share Stapled Units granted and to be granted (whether under the New Share Stapled Unit Option Scheme or another Share Scheme) to such Eligible Participant (including exercised, cancelled and outstanding options under the Existing Share Stapled Unit Option Scheme) (excluding options and/or awards lapsed in accordance with the terms of the corresponding scheme) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the issued Share Stapled Units as at the date of such further grant, such further grant must be subject to the separate approval of an ordinary resolution of Holders of Share Stapled Units and (for so long as the Company remains a principal subsidiary of PCCW) PCCW Shareholders in general meeting, with such Eligible Participant and his/her close associates (or his/her associates if the Eligible Participant is a connected person) abstaining from voting. A circular must be sent to the Holders of Share Stapled Units and if applicable, PCCW Shareholders, containing all the terms required under the Listing Rules.



**(d) Restrictions on grant of options**

No offer or grant of an option shall be made after inside information has come to the knowledge of the Trustee-Manager and/or the Company, until and including the trading day after such inside information has been announced in accordance with the relevant requirements of the Listing Rules and, in particular, no Eligible Participant shall be granted an option:

- (i) during the period commencing one month immediately before the earlier of: (a) the date of meeting of the Board (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the annual results, the interim results or the quarterly or any other interim period results of the HKT Trust and the Company (whether or not required under the Listing Rules); and (b) the deadline for the HKT Trust and the Company to announce ~~its~~ their annual results; or interim results under the Listing Rules, or quarterly results under the Listing Rules or any other interim period results (whether or not required under the Listing Rules), and ending on the date of announcement for such results; or
- (ii) (in relation to a grantee or prospective grantee who is a Director) during (a) the period of 60 days immediately preceding the publication date of the HKT Trust's and the Company's annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results, and (b) the period of 30 days immediately preceding the publication date of the HKT Trust's and the Company's quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

For the avoidance of doubt, no options may be granted during any period of delay in publishing a results announcement.

Any grant of options to a Director, a chief executive of the Trustee-Manager or the Company or a Substantial Holder of Share Stapled Units, or any of their respective associates, or to a director, chief executive or substantial shareholder of PCCW, or any of their respective associates, must be approved by all of the INEDs (excluding any INED who is the grantee of the options) and, if required by the Listing Rules, the independent non-executive directors of PCCW (excluding any independent non-executive director of PCCW who is the grantee of the options).



Where options are proposed to be granted to a Substantial Holder of Share Stapled Units or an INED or any of their respective associates, and the proposed grant of options would result in the total number of Share Stapled Units issued and to be issued in respect upon exercise of all options and awards already granted and to be granted (including options exercised, cancelled and outstanding) (whether under the New Share Stapled Unit Option Scheme or another Share Scheme, but excluding options and/or awards lapsed in accordance with the terms of the corresponding scheme) to such person in the 12-month period up to and including the proposed date of such grant representing in aggregate over 0.1% of the total issued Share Stapled Units on the proposed date of grant offer and having an aggregate value, based on the closing price of the Share Stapled Units on the date of each grant, in excess of HK\$5 million, such further grant of options must be subject to the approval of an ordinary resolution of Holders of Share Stapled Units and (for so long as the Company remains a principal subsidiary of PCCW and if required by the Listing Rules) where (a) the prospective grantee is both an INED and an independent non-executive director of PCCW or a Substantial Holder of Share Stapled Units and a substantial shareholder of PCCW, or any of their respective associates; or (b) the prospective grantee is not an INED but is an independent non-executive director of PCCW or not a Substantial Holder of Share Stapled Units but is a substantial shareholder of PCCW, or any of their respective associates; or (c) the Listing Rules so require, of PCCW Shareholders, taken on a poll in general meeting. The connected person involved in such proposed grant, the grantee and, his/her associates, and all other core connected persons of the HKT Trust and the Company (and, if applicable, PCCW) must abstain from voting in such general meeting (except that any such connected person may vote against the proposed grant provided that his/her/its intention to do so has been stated in the circular to Holders of Share Stapled Units and, if applicable, PCCW Shareholders).

**(e) Time of and restrictions on exercise of options**

An option may be exercised in whole or in part in accordance with the terms of the New Share Stapled Unit Option Scheme at any time during a period to be notified by the Board to each grantee, provided that the expiry date of such period shall not to exceed 10 years from the date of grant of the option.

An option must be held for at least 12 months before it can be exercised, except as provided for in sub-paragraph (k) below in respect of Employee Participants only.

There are is no general requirement on the minimum period for which an option must be held or the performance target(s) which must be achieved before an option can be exercised under the terms of the New Share Stapled Unit Option Scheme. However, the Board may offer to grant any options subject to such terms and conditions in relation to the minimum period of the options to be held and/or the performance target(s) to be achieved before such options can be exercised as the Board may determine in its absolute discretion. Performance targets may comprise a combination of key performance indicators (such as business unit revenue and EBITDA targets, productivity gain targets, target improvements in net promoter scores).

There is no clawback mechanism to recover or withhold options that have been granted to Eligible Participants.

**(f) Assignment**

Options granted under the New Share Stapled Unit Option Scheme must be personal to the grantee, who shall not sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option or attempt so to do, unless a waiver has been granted by the Stock Exchange. Any breach of the foregoing by the grantee shall entitle the Trustee-Manager and the Company to cancel any option granted to such grantee (to the extent not already exercised).

**(g) Rights on cessation of employment by death**

If the grantee of an option (being an individual) ceases to be an Eligible Participant by reason of death and none of the events set out in sub-paragraph (i) below which would be a ground for the termination of his/her employment, directorship, appointment or engagement arises, his/her personal representative(s) may exercise the option up to the entitlement of the grantee as at the date of death (to the extent ~~which such option~~ has become exercisable but not already exercised) within a period of 12 months from the date of death (or such longer period as the Board may determine or, if any of the events referred to in sub-paragraphs (k), (l) and (m) below occurs during such period, his/her personal representative(s) may exercise the option pursuant to sub-paragraphs (k), (l) and (m) below within such period), failing which the option will lapse.

**(h) Right on winding up of, or material changes in, the grantee**

If a grantee (being a corporation):

- (i) commences winding up by whatever means, whether voluntarily or not; or
- (ii) suffers a change in its constitution, management, directors, shareholding or beneficial ownership which in the opinion of the Board is material,

the option (to the extent not already exercised) shall lapse on the date of the commencement of winding up of the grantee or on the date of notification by the Trustee-Manager and the Company that the said change in constitution, management, directors, shareholding or beneficial ownership is material, as the case may be, and not be exercisable unless the Board otherwise determines in which event the option (or such remaining part thereof) shall be exercisable within such period (not being less than 12 months from its date of grant) as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the grantee's option has lapsed by reason of material change in the constitution, management, directors, shareholding or beneficial ownership as aforesaid shall be final and conclusive.

**(i) Rights on dismissal of the grantee**

If the grantee of an option ceases to be an Eligible Participant by reason of the termination of his/her employment, directorship, appointment or engagement on any one or more of the grounds that he/she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his/her debts or has become insolvent or has made any arrangements or composition with his/her creditors generally, or has breached or failed to comply with any provisions of the relevant service contract, letter of appointment or other contracts or agreements of the grantee with ~~the Company or the relevant subsidiary of the Company~~ Group member for the employment, appointment or engagement, or has been convicted of any criminal offence involving his/her integrity or honesty or on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the service contract or letter of appointment or other contract or agreement for employment, appointment or engagement of the grantee with ~~the Company or the relevant subsidiary of the Company~~ Group member, his/her option (to the extent not already exercised) will lapse and not be exercisable on the date of termination of his/her employment, directorship, appointment or engagement.

A resolution of the Board or the board of directors or governing body of the relevant ~~subsidiary of the Company~~ Group member to the effect that the employment, directorship, appointment or engagement of a grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph (i) shall be conclusive.

**(j) Right on cessation of eligibility for other reasons**

If the grantee of an option ceases to be an Eligible Participant for any other reason, the grantee may exercise the option up to his/her entitlement at the date of cessation (to the extent which has become exercisable but has not already been exercised) within three months following the date of such cessation (or such longer period as the Board may determine or, if any of the events referred to in sub-paragraphs (k), (l) and (m) below occurs during such period, he/she may exercise the option pursuant to sub-paragraphs (k), (l) and (m) below within such period), failing which the option will lapse.

The date of cessation as aforesaid shall be the last working day with ~~the Company or the relevant subsidiary~~ Group member, whether salary or compensation is paid in lieu of notice or not, or the last date of office or appointment as director, or the last date of appointment or engagement as consultant or adviser to ~~the Company or the relevant subsidiary~~ Group member, as the case may be, in the event of which, the date of cessation as determined by a resolution of the Board or the board of directors or governing body of the relevant ~~subsidiary of the Company~~ Group member shall be conclusive.

**(k) Rights on a general offer or a scheme of arrangement (if permitted)**

If a general or partial offer, whether by way of take-over offer, share buy-back offer, or otherwise in like manner is made to all the Holders of Share Stapled Units, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror or if there is proposed a scheme of arrangement, the Trustee-Manager and the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, with appropriate changes; and assuming that they will become, by the exercise in full of the options granted to them (whether or not they have then become exercisable), Holders of Share Stapled Units.

If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Holders of Share Stapled Units, a grantee who is an Employee Participant shall, notwithstanding any other terms on which his/her options were granted but subject to compliance with the Listing Rules, be entitled to exercise his/her option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Trustee-Manager and the Company in exercise of his/her option at any time up to the close of such offer (or any revised offer) or the record date for entitlements under a scheme of arrangement. Subject to the above, an option (to the extent not already exercised) will lapse automatically on the date on which such offer (or, as the case may be, revised offer) closes or the record date for entitlements under a scheme of arrangement.

**(l) Rights on winding up**

In the event that a notice is given to the Holders of Share Stapled Units to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the HKT Trust and/or the Company, the Trustee-Manager and the Company shall on the same date as they despatch such notice of the proposed general meeting to each Holder of Share Stapled Units, give notice thereof to the grantee (or his/her personal representatives), who may, by notice in writing to the Trustee-Manager or the Company, as the case may be, (such notice to be received by the Trustee-Manager or the Company, as the case may be, not later than five business days prior to the proposed general meeting) accompanied by a remittance/payment for the full amount of the aggregate subscription price for the Share Stapled Units in respect of which the notice is given, exercise the option (to the extent which it has become exercisable but has not been already exercised) either to its full extent or to the extent specified in such notice and the Trustee-Manager and the Company shall, as soon as possible and in any event no later than the business day immediately prior to the date of the proposed general meeting, allot and issue such number of Share Stapled Units to the grantee which falls to be issued on such exercise, credited as fully paid up and register the grantee as holder thereof. Any options shall, to the extent they have not been so exercised, lapse and determine.

**(m) Rights on compromise or arrangement**

If, pursuant to the Cayman Islands companies law or other applicable law, a compromise or scheme of arrangement between the Company and its members and/or creditors is proposed for the purpose of or in connection with the reconstruction of the Company or its amalgamation with any other company or companies, the Trustee-Manager and/or the Company shall give notice thereof to all grantees (or to their personal representatives) on the same day as it gives notice to the members or creditors of the Company summoning a meeting to consider such a compromise or scheme of arrangement. Upon receipt of the notice, the grantee may, during the period commencing on the date of the notice and ending on the earlier of:

- (i) the date two calendar months thereafter; and
- (ii) the date on which such compromise or arrangement is sanctioned by the court,

exercise his/her option (to the extent it has become exercisable but has not already been exercised), conditional upon the compromise or arrangement being sanctioned by the court and becoming effective. The Company may require the grantee to transfer or otherwise deal with the Share Stapled Units issued as a result of the exercise of the options in these circumstances so as to place the grantee in the same position as nearly would have been the case had such Share Stapled Units been subject to the compromise or arrangement.

Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been so exercised, lapse and determine. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court), the rights of grantees to exercise their respective options shall with effect from the date of the making of the final decision of the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the New Share Stapled Unit Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the HKT Trust, the Trustee-Manager, the Company or any of its subsidiaries or any of their respective officers for any loss or damage sustained by any grantee as a result of the aforesaid suspension.

**(n) Effect of alterations to share capital**

In the event of any capitalisation of profits or reserves, rights issue or other similar offer of securities to Holders of Share Stapled Units, consolidation, subdivision, or reduction of the share capital of the Company or the Units in the HKT Trust in accordance with legal requirements and the requirements of the Stock Exchange (other than an issue of Share Stapled Units as consideration in respect of a transaction to which the HKT Trust, the Company and/or any of its subsidiaries is a party), the number of, or nominal value (if any applicable) representing, the amount of Share Stapled Units subject to the options granted pursuant to the New Share Stapled Unit Option Scheme so far as unexercised and/or the subscription price or any combination thereof, shall be adjusted in such manner as the Auditors or an independent financial adviser to be appointed by the HKT Trust and the Company for such purpose shall certify in writing to the Board to be in their opinion fair and reasonable, provided always that:

- (i) no such alterations shall be made the effect of which would be to enable any Share Stapled Unit to be issued at less than its nominal value;
- (ii) such adjustments shall give be made on the basis that the grantee the same proportion of the equity capital, rounded to the nearest Share Stapled Unit, as that to which that person was previously entitled but no such adjustments may be made to the extent that a Share Stapled Unit would be issued at less than its nominal value (if any) shall have as nearly as possible the same proportion of the issued Share Stapled Units to which the grantee was entitled before such adjustments; and
- (iii) notwithstanding (ii) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, ~~open offer~~ or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per Share Stapled Unit figures,

and in each case, any adjustment must be made in compliance with the Listing Rules (including Chapter 17 thereof), the supplementary guidance issued on 6 November 2020 and any further guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, the Auditors or an independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules or the relevant guidance or interpretation thereof.

**(o) Ranking of Share Stapled Units**

The Share Stapled Units to be issued and allotted upon the exercise of options granted under the New Share Stapled Unit Option Scheme will be subject to all the provisions of the Trust Deed and the Company's Articles for the time being in force and will rank *pari passu* in all respects with the fully paid Share Stapled Units in issue on the date on which Share Stapled Units are allotted to the grantee (or his/her personal representative(s)) (the "**Allotment Date**") and accordingly, will entitle the holders to the same voting, dividend, transfer and other rights (including those arising on liquidation of the HKT Trust and the Company) as the existing fully paid Share Stapled Units in issue on the Allotment Date which, for the avoidance of doubt, include the right to participate in all dividends or other distributions declared, paid or made on or after the Allotment Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor is before the Allotment Date.

**(p) Lapse of an option**

The right to exercise an option shall lapse automatically (to the extent not already exercised) immediately upon the earliest of:

- (i) the expiry of the period referred to in sub-paragraph (e) above;
- (ii) the expiry of any of the applicable periods referred to in sub-paragraphs (g), (h), (j), (k), (l) or (m) above;
- (iii) subject to sub-paragraph (l) above, the date of the commencement of the winding-up of the HKT Trust or the Company, as the case may be;
- (iv) the date on which the grantee ceases to be an Eligible Participant by reason of the termination of his/her employment, directorship, appointment or engagement referred to in sub-paragraph (i) above; and
- (v) the date on which the grantee sells, transfers, charges, mortgages, encumbers or creates any interest in favour of any third party over or in relation to any option or attempts to do so in breach of the New Share Stapled Unit Option Scheme.



**(q) Period of the New Share Stapled Unit Option Scheme**

Subject to the fulfilment of the conditions of the New Share Stapled Unit Option Scheme ~~and the early termination by an ordinary resolution in general meeting of Holders of Share Stapled Units or resolutions of the Board, the New Share Stapled Unit Option Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date (New Share Stapled Unit Option Scheme), after which period no further options will be offered or granted but the provisions of the New Share Stapled Unit Option Scheme shall remain in full force and effect in all other respects with respect to options granted during the life of the New Share Stapled Unit Option Scheme.~~

**(r) Alteration to the New Share Stapled Unit Option Scheme and the terms of options granted under the New Share Stapled Unit Option Scheme**

All provisions of the New Share Stapled Unit Option Scheme may, subject to the Listing Rules, be altered from time to time in any respect by a resolution of the Board save that the following alterations shall require the prior sanction of an ordinary resolution in general meeting of Holders of Share Stapled Units and (for so long as the Company remains a principal subsidiary of PCCW) of PCCW Shareholders:

- (i) any alterations of the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the grantee or the Eligible Participants (as the case may be);
- (ii) any alterations of the terms and conditions of the New Share Stapled Unit Option Scheme which are of a material nature ~~or any change to the terms of options granted under the Existing Share Stapled Unit Option Scheme (except where the alterations take effect automatically under the existing terms of the Existing Share Stapled Unit Option Scheme);~~ and
- (iii) any change to the authority of the Board or scheme administrators in relation to any alteration to the terms of the New Share Stapled Unit Option Scheme.

Any change to the terms of options granted under the New Share Stapled Unit Option Scheme shall not be effective unless approved by the Board, the Remuneration Committee, the INEDs, the Holders of Share Stapled Units and/or PCCW Shareholders (as the case may be), if the initial grant of the option was approved by the Board, the Remuneration Committee, the INEDs, the Holders of Share Stapled Units and/or PCCW Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the New Share Stapled Unit Option Scheme.



No such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the grantees as would be required of the Holders of Share Stapled Units under the Trust Deed for the time being for a variation of the rights attached to the Share Stapled Units.

Any amended terms of the New Share Stapled Unit Option Scheme or options shall still comply with the relevant requirements of Chapter 17 of the Listing Rules (subject to such waiver as may be granted by the Stock Exchange from time to time).

**(s) Administration of the New Share Stapled Unit Option Scheme**

The New Share Stapled Unit Option Scheme shall be administered by the Board. Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise as the Board may determine in its absolute discretion, provided that such terms and conditions shall not be inconsistent with any other terms and conditions of the New Share Stapled Unit Option Scheme.

**(t) Termination of the New Share Stapled Unit Option Scheme**

The Holders of Share Stapled Units by ordinary resolution in general meeting or the Board may at any time terminate the operation of the New Share Stapled Unit Option Scheme and in such event no further options shall be offered but the provisions of the New Share Stapled Unit Option Scheme shall remain in full force and effect in all other respects in respect of any options granted prior thereto but not yet exercised at the time of termination.

**(u) Cancellation of options**

Subject to sub-paragraph (f) above, any cancellation of options granted but not exercised shall be approved by the Board. Cancelled options may be re-issued after such cancellation has been approved, provided that re-issued options shall only be granted in compliance with the terms of the New Share Stapled Unit Option Scheme and the requirements of the Listing Rules, and provided further that new options may be issued to a grantee in place of his/her cancelled options only if there are available unissued options (excluding the cancelled options) within the Scheme Limit (New Share Stapled Unit Option Scheme) and if applicable, the Service Provider Sublimit (New Share Stapled Unit Option Scheme) ~~–scheme mandate limit.~~

Any reference to the “**Board**” in this Appendix 6 shall include a duly authorised committee of the Board.

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## NOTICE OF AGM

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**HKT**<sup>®</sup>

**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)**

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Unitholders of the HKT Trust and Shareholders of HKT Limited (the “**Company**”), as convened by HKT Management Limited (in its capacity as the trustee-manager of the HKT Trust) (the “**Trustee-Manager**”) and the Company, will be held as a hybrid meeting on Thursday, 30 May 2024 at 2pm at the principal meeting place at 12th Floor, PCCW Tower, Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong, for the following purposes:

#### **Ordinary Business**

1. To receive and adopt the audited Consolidated Financial Statements of the HKT Trust and the Company for the year ended 31 December 2023, the audited Financial Statements of the Trustee-Manager for the year ended 31 December 2023, the Combined Report of the Directors and the Independent Auditor’s Reports.
2. To declare a final distribution by the HKT Trust in respect of the Share Stapled Units jointly issued by the HKT Trust and the Company, of 44.44 HK cents per Share Stapled Unit (after deduction of any operating expenses permissible under the Trust Deed), in respect of the year ended 31 December 2023 (and in order to enable the HKT Trust to pay that distribution, to declare a final dividend by the Company in respect of the ordinary shares in the Company held by the Trustee-Manager, of 44.44 HK cents per ordinary share, in respect of the same period).
3.
  - (a) To re-elect Mr Tang Yongbo as a non-executive Director of the Company and the Trustee-Manager;
  - (b) To re-elect Mr Chang Hsin Kang as an independent non-executive Director of the Company and the Trustee-Manager;
  - (c) To re-elect Mr Sunil Varma as an independent non-executive Director of the Company and the Trustee-Manager;
  - (d) To re-elect Ms Frances Waikwun Wong as an independent non-executive Director of the Company and the Trustee-Manager;

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## NOTICE OF AGM

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- (e) To re-elect Ms Charlene Dawes as an independent non-executive Director of the Company and the Trustee-Manager; and
  - (f) To authorise the Directors of the Company and the Trustee-Manager to fix their remuneration.
4. To re-appoint Messrs PricewaterhouseCoopers as Auditor of the HKT Trust, the Company and the Trustee-Manager and authorise the Directors of the Company and the Trustee-Manager to fix their remuneration.

### Special Business

To consider and, if thought fit, pass with or without amendments, the following resolutions as the ordinary resolutions of holders of share stapled units (which shall serve as ordinary resolutions of registered holders of units under the Trust Deed (as defined hereafter) and as ordinary resolutions of shareholders of the Company under the Company's Articles (as defined hereafter):

### ORDINARY RESOLUTIONS

5. **“THAT:**
- (a) subject to paragraphs (b) and (c) of this Resolution and any applicable provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Listing Rules”**) and the provisions of the trust deed constituting the HKT Trust (as amended, supplemented, substituted or otherwise modified from time to time) (the **“Trust Deed”**) and the memorandum and articles of association of the Company (as amended and restated from time to time) (the **“Company's Articles”**), the Directors of the Company and the Trustee-Manager be and are hereby granted an unconditional general mandate to allot, issue and deal with additional ordinary shares and preference shares in the Company and additional units in the HKT Trust, to be jointly issued by the HKT Trust and the Company in the form of share stapled units (**“Share Stapled Units”**) in accordance with the provisions of the Trust Deed, and to allot, issue or grant securities or convertible instruments convertible into Share Stapled Units or similar rights to subscribe for Share Stapled Units or such securities or convertible instruments and to make or grant offers, agreements and options in respect thereof;
  - (b) such mandate shall not extend beyond the Relevant Period (as defined hereinafter) save that the Directors of the Company and the Trustee-Manager may during the Relevant Period make or grant offers, agreements, rights and options which might require the exercise of such power after the end of the Relevant Period;

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## NOTICE OF AGM

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- (c) the aggregate number of Share Stapled Units allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors of the Company and the Trustee-Manager pursuant to paragraph (a) above, otherwise than pursuant to:
- (i) a Rights Issue (as defined hereinafter);
  - (ii) the exercise of rights of subscription for Share Stapled Units or conversion into Share Stapled Units under the terms of any securities issued by the Company and the Trustee-Manager;
  - (iii) the issue of Share Stapled Units under any Share Stapled Unit option scheme, Share Stapled Unit award scheme, or other similar arrangement for the time being adopted for the grant or issue to officers and/or employees of and/or other eligible participants specified by the Company and/or any of its subsidiaries of Share Stapled Units or rights to acquire Share Stapled Units; or
  - (iv) any scrip dividend or similar arrangement providing for the allotment of Share Stapled Units in lieu of the whole or part of a distribution in respect of the Share Stapled Units in accordance with the Company's Articles and the Trust Deed;

shall not exceed 20% of the aggregate number of Share Stapled Units in issue as at the date of passing of this Resolution (and the aggregate numbers of units in the HKT Trust and shares in the Company allotted or agreed conditionally to be allotted as components of Share Stapled Units, otherwise than pursuant to any of (i) to (iv) above, shall not exceed 20% of the aggregate number of units or shares (as the case may be) in issue as at the date of passing this Resolution); and

- (d) for the purpose of this Resolution:

**“Relevant Period”** means the period from the passing of this Resolution up to:

- (i) the conclusion of the next annual general meeting(s) of the HKT Trust and the Company;
- (ii) the expiration of the period within which the next annual general meeting(s) of the HKT Trust and the Company is required by any applicable law or the Company's Articles and/or the Trust Deed to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the holders of Share Stapled Units in general meeting,

whichever is the earliest;

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## NOTICE OF AGM

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“**Rights Issue**” means an offer of Share Stapled Units and/or Convertible Instruments (as defined hereinafter) to all existing holders of Share Stapled Units on a pro rata basis and an offer of Share Stapled Units and/or Convertible Instruments shall be considered and deemed to be made on a pro rata basis notwithstanding that (1) the Trustee-Manager and the Company acting jointly may, after making due enquiry regarding the applicable jurisdiction, determine that Share Stapled Units and/or Convertible Instruments are not to be offered to persons whose addresses are outside Hong Kong, and/or that the Share Stapled Units and/or Convertible Instruments shall be offered on a basis, or containing such other terms, providing for any such other exclusions or adjustments determined by the Trustee-Manager and the Company acting jointly, if the Trustee-Manager and the Company by mutual agreement between them consider such exclusions or adjustments to be necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws, or under the requirements of any recognised regulatory body or stock exchange, of any territory or jurisdiction outside Hong Kong and/or (2) where and to the extent that holders of Share Stapled Units do not accept any offer of Share Stapled Units and/or Convertible Instruments within the applicable period for acceptance (as determined by the Trustee-Manager and the Company acting jointly by mutual agreement between them), such Share Stapled Units and/or Convertible Instruments may be offered or made available to, and taken up by, other persons as determined by the Trustee-Manager and the Company acting jointly by mutual agreement between them, subject to compliance with the relevant laws and regulations (including the applicable Listing Rules); and

“**Convertible Instruments**” means any options, warrants or similar rights for the subscription or issue of Share Stapled Units issued by the HKT Trust and the Company and any securities issued by the Company or any subsidiaries of the Company which are convertible into or exchangeable for Share Stapled Units; any references to an issue of Share Stapled Units “**pursuant to**” any Convertible Instruments means an issue of Share Stapled Units pursuant to exercise of any subscription (or similar), conversion or exchange rights under the terms and conditions of such Convertible Instruments.”

6. “**THAT:**

- (a) subject to the passing of Ordinary Resolution No. 8 set out in the notice of this meeting and subject to paragraphs (b) and (c) of this Resolution and any applicable provisions of the Listing Rules and the provisions of the Trust Deed and the Company’s Articles, the Directors of the Company and the Trustee-Manager be and are hereby granted an unconditional general mandate to buy back Share Stapled Units;
- (b) such mandate shall not extend beyond the Relevant Period (as defined hereinafter);

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## NOTICE OF AGM

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- (c) the aggregate number of Share Stapled Units which may be bought back by the Directors of the Company and the Trustee-Manager pursuant to paragraph (a) of this Resolution shall not exceed 10% of the aggregate number of Share Stapled Units in issue as at the date of passing of this Resolution; and
- (d) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution up to:

- (i) the conclusion of the next annual general meeting(s) of the HKT Trust and the Company;
- (ii) the expiration of the period within which the next annual general meeting(s) of the HKT Trust and the Company is required by any applicable law or the Company’s Articles and/or the Trust Deed to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the holders of Share Stapled Units in general meeting,

whichever is the earliest.”

- 7. “**THAT** subject to the passing of Ordinary Resolution No. 6 set out in the notice of this meeting, the aggregate number of Share Stapled Units that may be allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors of the Company and the Trustee-Manager pursuant to and in accordance with the mandate granted under Ordinary Resolution No. 5 set out in the notice of this meeting be and is hereby increased and extended by the addition of the aggregate number of Share Stapled Units which may be bought back by the HKT Trust and the Company pursuant to and in accordance with the mandate granted under Ordinary Resolution No. 6 set out in the notice of this meeting, provided that such amount shall not exceed 10% of the aggregate number of Share Stapled Units in issue as at the date of the passing of this Resolution.”

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## NOTICE OF AGM

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8. To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution of holders of Share Stapled Units (which shall serve as an extraordinary resolution of registered holders of units under the Trust Deed and as a special resolution of shareholders of the Company under the Company's Articles):

### SPECIAL RESOLUTION

**“THAT:**

- (a) the proposed amendments to the Company's Articles, the details of which are set out in Appendix 3 to the circular of HKT Trust and the Company dated 3 April 2024, be and are hereby approved;
- (b) the proposed amendments to the Trust Deed, the details of which are set out in Appendix 4 to the circular of HKT Trust and the Company dated 3 April 2024, be and are hereby approved; and
- (c) the third amended and restated memorandum and articles of association of the Company (the **“Third Amended and Restated M&A”**), which contains all the proposed amendments to the second amended and restated memorandum and articles of association of the Company (a copy of which has been produced to this meeting marked **“A”** and initialled by a Director of the Company and the Trustee-Manager for the purpose of identification) be and is hereby approved and adopted in substitution for and to the exclusion of the existing second amended and restated memorandum and articles of association of the Company with immediate effect.”



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## NOTICE OF AGM

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To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of holders of Share Stapled Units (which shall serve as ordinary resolutions of registered holders of units under the Trust Deed and as ordinary resolutions of shareholders of the Company under the Company's Articles):

### ORDINARY RESOLUTIONS

9. **“THAT:**

- (a) subject to and conditional upon (i) the Listing Committee granting the approval for the listing of, and permission to deal in, Share Stapled Unit(s) which may be issued pursuant to awards that are granted under the New Share Stapled Unit Award Scheme (a copy of the rules of which is produced to this meeting marked “B” and initialled by a Director of the Company and the Trustee-Manager for the purpose of identification) and (ii) the passing of resolution(s) approving the adoption of the New Share Stapled Unit Award Scheme by PCCW Shareholders at the PCCW 2024 AGM, the New Share Stapled Unit Award Scheme be and is hereby approved and adopted and that any one of the Directors or the company secretary of the Company and the Trustee-Manager be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Stapled Unit Award Scheme;
- (b) the Scheme Limit (New Share Stapled Unit Award Scheme), being 10% of the total number of Share Stapled Units in issue as at the Adoption Date (New Share Stapled Unit Award Scheme) subject to the Scheme Mandate Limit, be and is hereby approved and adopted; and
- (c) the Service Provider Sublimit (New Share Stapled Unit Award Scheme), being 0.5% of the total number of Share Stapled Units in issue as at the Adoption Date (New Share Stapled Unit Award Scheme) subject to the Scheme Mandate Limit, be and is hereby approved and adopted.”

10. **“THAT:**

- (a) subject to and conditional upon (i) the Listing Committee granting the approval for the listing of, and permission to deal in, Share Stapled Unit(s) which may be issued pursuant to the exercise of options granted under the New Share Stapled Unit Option Scheme (a copy of the rules of which is produced to this meeting marked “C” and initialled by a Director of the Company and the Trustee-Manager for the purpose of identification) and (ii) the passing of resolution(s) approving the termination of the Existing Share Stapled Unit Option Scheme and the adoption of the New Share Stapled Unit Option Scheme by PCCW Shareholders at the PCCW 2024 AGM,
  - (i) the Existing Share Stapled Unit Option Scheme be terminated with effect from the Adoption Date (New Share Stapled Unit Option Scheme); and

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## NOTICE OF AGM

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- (ii) the New Share Stapled Unit Option Scheme be and is hereby approved and adopted and that any one of the Directors or the company secretary of the Company and the Trustee-Manager be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Stapled Unit Option Scheme;
- (b) the Scheme Limit (New Share Stapled Unit Option Scheme), being 10% of the total number of Share Stapled Units in issue as at the Adoption Date (New Share Stapled Unit Option Scheme) subject to the Scheme Mandate Limit, be and is hereby approved and adopted; and
- (c) the Service Provider Sublimit (New Share Stapled Unit Option Scheme), being 0.5% of the total number of Share Stapled Units in issue as at the Adoption Date (New Share Stapled Unit Option Scheme) subject to the Scheme Mandate Limit, be and is hereby approved and adopted.”

By order of the boards of  
**HKT Management Limited**  
and  
**HKT Limited**  
**Cheung Hok Chee, Vanessa**  
*Group General Counsel and Company Secretary*

Hong Kong, 3 April 2024

*Registered Office of the Company:*

PO Box 309, Uglan House  
Grand Cayman, KY1-1104  
Cayman Islands

*Registered Office of the Trustee-Manager*

*Head Office and Principal Place of Business of the Company in Hong Kong:*

39th Floor, PCCW Tower  
Taikoo Place, 979 King's Road  
Quarry Bay, Hong Kong

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## NOTICE OF AGM

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*Notes:*

1. Any holder of Share Stapled Units entitled to attend and vote at the Annual General Meeting (or any adjournment thereof) (“AGM”) of HKT Trust and the Company is entitled to appoint another person as his/her proxy to attend and, on a poll, vote instead of him/her in accordance with the Company’s Articles and the Trust Deed. A proxy need not be a holder of Share Stapled Units. A holder of Share Stapled Units may appoint more than one proxy to attend on the same occasion.
2. Where there are joint registered holders of any Share Stapled Unit, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such Share Stapled Unit as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the AGM personally or by proxy, one of the holders so present whose name stands first on the register of the registered holders of Share Stapled Units in respect of such Share Stapled Unit shall alone be entitled to vote in respect thereof.
3. The form of proxy and the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of such power of attorney or authority) must be deposited with the registrar for the Share Stapled Units (the “**Share Stapled Units Registrar**”), Computershare Hong Kong Investor Services Limited, Investor Communications Centre, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong no later than 48 hours before the time appointed for holding the AGM, otherwise the form of proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude holders of Share Stapled Units from attending and voting in person or by means of electronic facilities at the AGM should they so desire.
4. The record date for determining the entitlement of the holders of Share Stapled Units to attend and vote at the AGM will be Friday, 24 May 2024. All transfers of Share Stapled Units accompanied by the relevant certificates in respect of the Share Stapled Units must be lodged with the Share Stapled Units Registrar, Computershare Hong Kong Investor Services Limited, Transfer Office, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, for registration no later than 4.30pm on Friday, 24 May 2024.
5. The record date for the proposed final distribution will be Thursday, 6 June 2024. The register of registered holders of Share Stapled Units, the register of holders of units, the principal and Hong Kong branch registers of members of the Company and the register of beneficial interests as maintained by the Trustee-Manager and the Company in accordance with the provisions of the Trust Deed will all be closed from Wednesday, 5 June 2024 to Thursday, 6 June 2024 (both days inclusive), in order to determine entitlements to the proposed final distribution. During such period, no transfer of Share Stapled Units will be effected. In order to qualify for the proposed final distribution in relation to agenda item no. 2 in this notice, all transfers of Share Stapled Units accompanied by the relevant certificates in respect of the Share Stapled Units must be lodged with the Share Stapled Units Registrar, Computershare Hong Kong Investor Services Limited, Transfer Office, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, for registration no later than 4.30pm on Tuesday, 4 June 2024.

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## NOTICE OF AGM

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6. Each Share Stapled Unit comprises:
- (a) a unit in the HKT Trust;
  - (b) one voting preference share in the Company, which is Stapled (as defined in the Trust Deed) to the unit; and
  - (c) the beneficial interest in one specifically identified voting ordinary share in the Company which is held by the Trustee-Manager upon and subject to the terms and conditions of the Trust Deed and Linked (as defined in the Trust Deed) to the unit.

Under the Trust Deed and the Company's Articles, the number of ordinary shares and preference shares of the Company in issue must be the same at all times and must also, in each case, be equal to the number of units of the HKT Trust in issue; and each of them is equal to the number of Share Stapled Units in issue.

7. The AGM is convened as a combined meeting of unitholders of the HKT Trust and of shareholders of the Company. Each resolution proposed to approve a matter to be considered by the holders of Share Stapled Units at the AGM shall serve as both a resolution of unitholders of the HKT Trust and a resolution of shareholders of the Company.

The form of proxy provided to holders of Share Stapled Units for use at the AGM, and the form of voting paper to be used at the AGM are, in each case, a single composite form. The effect of completing a form of proxy or voting paper (as the case may be) indicating a vote either for or against a resolution of holders of Share Stapled Units to be proposed at the AGM shall be the vote cast in respect of the relevant Share Stapled Units and shall constitute:

- (a) a vote of the units which are components of the relevant Share Stapled Units, in respect of the resolution of unitholders of the HKT Trust under the Trust Deed;
  - (b) a vote of the preference shares which are components of the relevant Share Stapled Units, in respect of the resolution of shareholders of the Company under the Company's Articles; and
  - (c) an instruction to the Trustee-Manager to vote the ordinary shares held by the Trustee-Manager which are also components of the relevant Share Stapled Units, in respect of the resolution of shareholders of the Company under the Company's Articles.
8. In respect of each individual Share Stapled Unit, the voting rights conferred by the unit, the preference share and the interest in an ordinary share which are components of the relevant Share Stapled Unit can only be exercised in the same way (either for or against) in respect of a resolution of holders of Share Stapled Units to be proposed at the AGM; and completion of a form of proxy or voting paper in respect of a Share Stapled Unit will have that effect, as described in note 7 above.

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## NOTICE OF AGM

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9. **Online Platform of AGM proceedings:** Holders of Share Stapled Units can attend, participate and vote at the AGM through online access by visiting the website – <https://meetings.computershare.com/HKTAGM2024> (the “**Online Platform**”). Holders of Share Stapled Units participating in the AGM through the Online Platform will be counted towards the quorum (subject to the Company’s Articles) and they will be able to cast their votes and submit questions through the Online Platform. The Online Platform will be open for holders of Share Stapled Units to log in approximately 30 minutes prior to the commencement of the AGM and can be accessed from any location with internet connection by a smartphone, tablet device or computer. Holders of Share Stapled Units should allow ample time to check into the Online Platform to complete the related procedures. Please refer to the Online Meeting User Guide for the AGM at [http://www.hkt.com/agm2024/Generic\\_User\\_Guide\\_Eng.pdf](http://www.hkt.com/agm2024/Generic_User_Guide_Eng.pdf) for assistance. Login details for accessing the Online Platform will be posted to Holders of Share Stapled Units on or about 3 April 2024. Further details relating to attending the AGM through the Online Platform are set out in the circular of HKT Trust and the Company dated 3 April 2024 of which this notice forms part.
10. **Questions at and prior to the AGM:** Holders of Share Stapled Units attending the AGM through the Online Platform will be able to submit questions relevant to the proposed resolutions online during the AGM. Holders of Share Stapled Units can also send their questions to the Trustee-Manager and the Company by email at [AGM2024@hkt.com](mailto:AGM2024@hkt.com) from 9am on Friday, 24 May 2024 to 6pm on Tuesday, 28 May 2024. The Trustee-Manager and the Company may not be able to respond to all the questions, but will endeavour, where appropriate, to respond to such questions on the Company’s website as soon as practicable after the AGM.
11. The Trustee-Manager and the Company may announce further updates (if any) on arrangements relating to the AGM on the Company’s website at [www.hkt.com](http://www.hkt.com) and/or by way of an announcement as and when appropriate.
12. In the event that a typhoon signal no. 8 or above is hoisted or a black rainstorm warning signal is in force on the day of the AGM, holders of Share Stapled Units are suggested to visit the Company’s website at [www.hkt.com](http://www.hkt.com) or to contact the Share Stapled Units Registrar by telephone at +852 2862 8648 for arrangements of the AGM.
13. Unless otherwise specified, capitalised terms used in this notice shall have the same meaning as ascribed to them in the circular of HKT Trust and Company dated 3 April 2024 of which this notice forms part.
14. References to time and dates in this notice are to Hong Kong time and dates.
15. In the event of any inconsistency between the English version and the Chinese version of this notice, the English version shall prevail.

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## NOTICE OF AGM

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As at the date of this notice, 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; Tang Yongbo and Wang Fang

*Independent Non-Executive Directors:*

Chang Hsin Kang; Sunil Varma; Aman Mehta, Frances Waikwun Wong and Charlene Dawes

## **Electronic Communications**

This circular in both English and Chinese is now available in printed form from the Company, the Trustee-Manager and the Share Stapled Units Registrar, and in accessible format on the Company's website at [www.hkt.com/ir](http://www.hkt.com/ir) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk).

Holders of Share Stapled Units who have chosen (or are deemed to have agreed) to receive this circular using electronic means through the Company's website and who, for any reason, have difficulty in receiving or gaining access to this circular will promptly, upon request in writing or by email to the Share Stapled Units Registrar, be sent this circular in printed form, free of charge.

Holders of Share Stapled Units may change their choice of language and/or means of receipt of future corporate communications of HKT Trust and the Company, and the Trustee-Manager at any time, free of charge, by reasonable prior notice in writing or by email to the Share Stapled Units Registrar at:

To: HKT Limited

and HKT Management Limited (in its capacity as the trustee-manager of the HKT Trust)  
c/o Share Stapled Units Registrar  
Computershare Hong Kong Investor Services Limited  
Investor Communications Centre  
17M Floor, Hopewell Centre  
183 Queen's Road East  
Wan Chai, Hong Kong

Fax: +852 2865 0990

Email: [hkt@computershare.com.hk](mailto:hkt@computershare.com.hk)