
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

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

and

HKT Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6823)

PROPOSALS FOR

- (1) RE-ELECTION OF DIRECTORS;**
- (2) GENERAL MANDATE TO ISSUE SHARE STAPLED UNITS; AND**
- (3) TERMINATION OF EXISTING SHARE STAPLED UNITS OPTION SCHEME
AND ADOPTION OF NEW SHARE STAPLED UNITS OPTION SCHEME**

NOTICE OF ANNUAL GENERAL MEETING

Notice convening the AGM (as defined herein) to be held on Friday, May 7, 2021 at 10:00 a.m. at 14th Floor, PCCW Tower, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong is set out on pages 31 to 39 of this circular. Whether or not Holders of Share Stapled Units (as defined herein) 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 at the AGM (or any adjournment thereof) should they so desire.

In the interests of the health and safety of Holders of Share Stapled Units and other participants of the AGM, the Trustee-Manager and the Company will implement precautionary measures at the AGM including, without limitation:

- **compulsory body temperature screening;**
- **mandatory use of surgical face masks;**
- **anyone attending the AGM has to observe good personal hygiene at all times;**
- **appropriate social distancing and limitation on physical attendance in compliance with the relevant guidance and group gathering regulation as may be issued by the HKSAR Government from time to time; and**
- **NO distribution of corporate souvenirs or gift coupons and no refreshments will be served.**

Attendees are reminded that they should carefully consider the risks of attending the AGM, taking into account their own personal circumstances. Attendees who do not comply with any of the Trustee-Manager's and the Company's precautionary measures may be denied entry to the AGM venue, at the absolute discretion of the Company as permitted by law.

To safeguard the health and safety of Holders of Share Stapled Units, and in view of the limit on attendance and seating capacity as may be legally required, the Trustee-Manager and the Company strongly encourage Holders of Share Stapled Units **NOT** to attend the AGM in person, and advise Holders of Share Stapled Units to appoint the Chairman of the AGM or any Director or the Company Secretary of the Trustee-Manager and the Company as their proxy to vote according to their indicated voting instructions as an alternative to attending the AGM in person and view the live webcast of the AGM proceedings. The Trustee-Manager and the Company will continue to monitor the COVID-19 pandemic situation and may implement further procedures and measures at short notice. Holders of Share Stapled Units should check the Company's website (www.hkt.com) for updates on the AGM arrangements.

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DEFINITIONS

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

“Adoption Date”	the date on which the New Scheme is conditionally adopted by an ordinary resolution of Holders of Share Stapled Units at the AGM;
“AGM”	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 characterized as an annual general meeting of Holders of Share Stapled Units, which is to be held on Friday, May 7, 2021 at 10:00 a.m. at 14th Floor, PCCW Tower, Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong, as convened by the Trustee-Manager and the Company;
“Board”	collectively, the Trustee-Manager Board and the Company Board;
“close associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Company” or “HKT”	HKT Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability and registered as a non-Hong Kong company in Hong Kong and having its Share Stapled Units, jointly issued with the HKT Trust, listed on the main board of the Stock Exchange (stock code: 6823);
“Company Board”	the board of the Company Directors;
“Company Director(s)”	the director(s) of the Company;
“Company’s Articles”	the amended and restated articles of association of the Company adopted on November 7, 2011 as amended, supplemented, substituted or otherwise modified from time to time;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Convertible Instruments”	any options, warrants or similar rights for the subscription or issue of Share Stapled Units issued by 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 the exercise of any subscription (or similar), conversion or exchange rights under the terms and conditions of such Convertible Instruments;
“core connected person(s)”	has the meaning ascribed to it in the Listing Rules;

DEFINITIONS

“Director(s)”	collectively, the Trustee-Manager Director(s) and the Company Director(s);
“Eligible Participant(s)”	(a) any full-time or part-time employee of the Company and/or any of its Subsidiaries; (b) any director (including executive, non-executive and independent non-executive) of the Company and/or any of its Subsidiaries; and (c) any consultant or adviser (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 who, at the sole determination of the Board, has contributed or will contribute to the Company and/or any of its Subsidiaries;
“Existing Scheme”	the 2011-2021 Share Stapled Units option scheme conditionally adopted by the HKT Trust and the Company on November 7, 2011 and became effective upon listing of the Share Stapled Units on November 29, 2011;
“Group”	collectively, the HKT Trust, the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKT Trust”	a trust constituted on November 7, 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);
“Holders of Share Stapled Units”	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;
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	March 25, 2021, being the latest practicable date for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“New Scheme”	the new 2021-2031 Share Stapled Units option scheme proposed to be approved by the Holders of Share Stapled Units at the AGM, a summary of the principal terms of which is set out in Appendix 2 to this circular;
“Notice”	the notice of the AGM as set out on pages 31 to 39 of this circular;
“Option”	an option to subscribe for Share Stapled Units to be granted pursuant to the New Scheme;
“Ordinary Share(s)”	ordinary share(s) with a nominal value of HK\$0.0005 each in the share capital of the Company conferring the rights set out in the Company’s Articles;
“PCCW”	PCCW Limited, a company incorporated in Hong Kong with limited liability, which indirectly owned approximately 51.94% 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);
“Preference Share(s)”	preference share(s) with a nominal value of HK\$0.0005 each in the share capital of the Company conferring the rights set out in the Company’s Articles;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Share Stapled Unit(s)”	<p>the combination of the following securities or interests in securities which, subject to the provisions in the Trust Deed, can only be dealt with together and may not be dealt with individually or one without the others:</p> <ul style="list-style-type: none">(a) a Unit in the HKT Trust;(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(c) a specifically identified Preference Share Stapled (as defined in the Trust Deed) to the Unit;

DEFINITIONS

“Share Stapled Units Register”	the register of Holders of Share Stapled Units;
“Shareholders”	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;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary(ies)”	has the meaning ascribed to it in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time;
“Substantial Holder(s) of Share Stapled Units”	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;
“Trust Deed”	the trust deed dated November 7, 2011 constituting the HKT Trust entered into between the Trustee-Manager and the Company as amended, supplemented, substituted or otherwise modified from time to time;
“Trustee-Manager”	HKT Management Limited (a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of PCCW), in its capacity as the trustee-manager of the HKT Trust;
“Trustee-Manager Board”	the board of the Trustee-Manager Directors;
“Trustee-Manager Director(s)”	the director(s) of the Trustee-Manager;
“Unit”	an undivided interest in the HKT Trust, which confers the rights set out in the Trust Deed as being conferred by a Unit (whether in its own right or as a component of a Share Stapled Unit);
“Unitholders”	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
“%”	per cent.

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

HKT[®]

HKT Trust

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

and

HKT Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6823)

Executive Directors:

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

Non-Executive Directors:

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

Independent Non-Executive Directors:

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

Registered Office of the Company:

PO Box 309, Ugland 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

April 1, 2021

To the Holders of Share Stapled Units

Dear Sir or Madam,

PROPOSALS FOR

- (1) RE-ELECTION OF DIRECTORS;
(2) GENERAL MANDATE TO ISSUE SHARE STAPLED UNITS; AND
(3) TERMINATION OF EXISTING SHARE STAPLED UNITS OPTION SCHEME
AND ADOPTION OF NEW SHARE STAPLED UNITS OPTION SCHEME**

NOTICE OF ANNUAL GENERAL MEETING

LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

INTRODUCTION

At the AGM, the Notice of which is set out on pages 31 to 39 of this circular, resolutions will be proposed to:

- (a) re-elect directors of the Company and the Trustee-Manager;
- (b) grant the Directors a general mandate to issue Share Stapled Units; and
- (c) approve the termination of the Existing Scheme and the adoption of the New 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, Ms. Hui Hon Hing, Susanna, Professor Chang Hsin Kang, Mr. Sunil Varma and Ms. Frances Waikwun Wong shall retire from office of both the Company and the Trustee-Manager by rotation 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 has reviewed and assessed the annual confirmation of independence of each of the independent non-executive Directors and is of the view that all of them remain independent having regard to the independence criteria as set out in Rule 3.13 of the Listing Rules.

The Nomination Committee has also considered the nomination of Ms. Hui Hon Hing, Susanna, Professor Chang Hsin Kang, Mr. Sunil Varma and Ms. Frances Waikwun Wong for re-election at the AGM in accordance with the Company's Nomination Policy and Board Diversity Policy, based on a number of considerations (including, but not limited to, their respective perspectives, skills, knowledge and experience), and recommended them to stand for re-election at the AGM.

Professor Chang Hsin Kang, Mr. Sunil Varma and Ms. Frances Waikwun Wong, all the retiring independent non-executive Directors, 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 made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules.

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

LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

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 Professor Chang Hsin Kang and Mr. Sunil Varma have served on the Board for more than nine years, each of them continues to demonstrate his 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 and perspectives as well as devotion to the Group.

Based upon the review undertaken, the Nomination Committee is satisfied that Professor 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 Appendix 1 to this circular.

The Board, having considered the recommendation of the Nomination Committee, accepted the nomination by the Nomination Committee and also recommended all the above retiring Directors 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 Appendix 1 to this circular.

GENERAL MANDATE TO ISSUE SHARE STAPLED UNITS

An ordinary resolution will be proposed at the AGM to grant a general mandate to 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. Any exercise of the general mandate would be subject to any applicable provisions of the Listing Rules and the provisions of the Trust Deed and the Company's Articles.

The authority to be granted under the general mandate 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 general 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

LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

- (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.

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 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 7,575,742,334 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 resolution approving the mandate to issue new Share Stapled Units as referred to above, the maximum number of Share Stapled Units which may be issued pursuant to the mandate would be 1,515,148,466 (however the mandate would remain subject to the restrictions (a) and (b) above). As at the Latest Practicable Date, there is no plan for any issue of Share Stapled Units pursuant to the mandate.

TERMINATION OF EXISTING SCHEME AND ADOPTION OF NEW SCHEME

The Existing Scheme was conditionally adopted by the HKT Trust and the Company on November 7, 2011 for a term of 10 years and will expire on November 6, 2021. In view of the expiration of the Existing Scheme, an ordinary resolution will be proposed at the AGM to terminate the Existing Scheme and adopt the New Scheme, in each case, with effect from the date on which conditions (1) and (2) set forth below in relation to the adoption of the New Scheme are fulfilled. Following the termination of the Existing Scheme, no further options will be granted under such scheme, but in all other respects the provisions of the Existing Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of any options granted during the life of the Existing Scheme and remaining outstanding immediately prior to the termination of the Existing Scheme. Such outstanding options, if any, will continue to be valid and exercisable in accordance with the terms of the Existing Scheme.

The purpose of the New 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.

Rule 17.02(1)(a) of the Listing Rules requires a share option scheme of a listed issuer to be approved by the shareholders of the listed issuer in general meeting. Pursuant to Rule 17.01(4) of the Listing Rules, as the Trustee-Manager and the Company are subsidiaries of PCCW which is also listed on the Stock Exchange, the adoption of the New Scheme is also conditional upon the passing of an ordinary resolution for its approval by PCCW at an annual general meeting of its shareholders to be held on Friday, May 7, 2021.

LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

A summary of the principal terms of the New Scheme is set out in Appendix 2 to this circular. There is no material difference between the terms of the Existing Scheme and the New Scheme. A copy of the New Scheme will be available for inspection during normal business hours at the registered office of the Trustee-Manager and the principal place of business of the Company both at 39th Floor, PCCW Tower, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong, from the date of this circular up to the date of the AGM (both days inclusive).

The New Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, the rules of the New Scheme provide that the Board may determine, in its absolute discretion, such term(s) on the grant of an Option. The basis for determination of the subscription price is also specified in the rules of the New Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the values of the Trustee-Manager and the Company and encourage Eligible Participants to acquire proprietary interests in the HKT Trust and the Company.

The adoption of the New Scheme is conditional upon:

- (1) the Holders of Share Stapled Units passing an ordinary resolution at the AGM to approve and adopt the New Scheme and the termination of the Existing Scheme;
- (2) the shareholders of PCCW passing an ordinary resolution at a general meeting to approve the adoption of the New Scheme and the termination of the Existing Scheme by the Trustee-Manager and the Company; and
- (3) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Share Stapled Units to be issued pursuant to the exercise of Options to be granted under the New Scheme.

If condition (3) above is not satisfied within three months after the date on which conditions (1) and (2) are both fulfilled, the New Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Scheme. The Trustee-Manager and the Company currently have no option scheme in force other than the Existing Scheme.

Based on the 7,575,742,334 Share Stapled Units in issue as at the Latest Practicable Date and assuming that there is no change in the number of Share Stapled Units in issue before the AGM, the maximum number of Share Stapled Units that can be issued upon exercise of Options that may be granted under the proposed New Scheme, and any other share option scheme of the HKT Trust and HKT, is 757,574,233 Share Stapled Units, representing approximately 10% of the total number of Share Stapled Units in issue.

As at the Latest Practicable Date, no options have been granted under the Existing Scheme since its adoption. Further options may be granted in accordance with the rules of the Existing Scheme before the earlier of (1) the date of its termination and (2) the date of its expiration, as the Directors, in their discretion, consider fit. As at the Latest Practicable Date, there is no plan for any grant of options under the Existing Scheme nor the New Scheme.

LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

The Directors consider that it is not appropriate to state the value of all the Options that can be granted pursuant to the New Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Holders of Share Stapled Units, taking into account the number of variables which are crucial for the calculation of the Option value which have not been determined. Such variables include the subscription price, exercise period, any lockup period and performance targets which the Directors may set under the New Scheme and other relevant variables. In the premises, the Directors are of the view that the value of the Options depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical bases and speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the Options would not be meaningful and may be misleading to the Holders of Share Stapled Units in the circumstances. As at the Latest Practicable Date, no trustee has been appointed to administer the New Scheme. The Group does not at present intend to appoint a trustee to the New Scheme. None of the Directors is or will be a trustee of the New Scheme or has a direct or indirect interest in any such trustee.

Application has been made to the Stock Exchange for approval of the listing of, and permission to deal in, the Share Stapled Units that may be issued pursuant to the exercise of Options that may be granted under the New Scheme.

As at the Latest Practicable Date, no Holder of Share Stapled Units has a material interest in the termination of the Existing Scheme and the adoption of the New Scheme. As such, no Holder of Share Stapled Units is required to abstain from voting on the resolution in relation thereto.

AGM

The Notice convening the AGM is set out on pages 31 to 39 of 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 and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. Whether or not Holders of Share Stapled Units are able to attend the AGM, 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). Completion and return of the form of proxy shall not preclude Holders of Share Stapled Units from attending and voting in person 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.

LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

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** and the Company's website at **www.hkt.com/ir**.

LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE COMPANY BOARD

RECOMMENDATION

The Directors consider that the proposals for (1) the re-election of Directors; (2) the grant of the general mandate to issue Share Stapled Units; and (3) the termination of the Existing Scheme and the adoption of the New 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 Appendix 1 to this circular which sets out the biographical information of the Directors proposed to be re-elected at the AGM in accordance with the requirements of the Listing Rules and Appendix 2 which sets out the summary of the principal terms of the New 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 other 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, Ms. Hui Hon Hing, Susanna, Professor Chang Hsin Kang, Mr. Sunil Varma and Ms. Frances Waikwun Wong 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 2020 Annual Report of HKT Trust and HKT, there is no other information which is discloseable pursuant to any requirements set out in Rule 13.51(2) of the Listing Rules and there are no 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. Hui Hon Hing, Susanna, aged 56, is the Group Managing Director of HKT and the Trustee-Manager since September 2018. She has been an Executive Director of HKT and the Trustee-Manager since November 2011. She is a member of HKT's Executive Committee and holds directorships in various Group companies. She was the Group Chief Financial Officer of HKT from November 2011 to August 2018 primarily responsible for overseeing the financial matters of the Group. Ms. Hui is also the Group Chief Financial Officer and Executive Director of PCCW, a member of PCCW's Executive Committee, and an Executive Director of Pacific Century Premium Developments Limited (PCPD).

Ms. Hui joined Cable & Wireless HKT Limited (which was subsequently acquired by PCCW) in September 1999. Since then, she has served the PCCW Group in various capacities in the past 22 years, including as Director of Group Finance of the PCCW Group from September 2006 to April 2007, and the Director of Finance of the PCCW Group with responsibility for the telecommunications services sector and regulatory accounting. Ms. Hui was also the Chief Financial Officer of PCPD from July 2009 to November 2011.

Prior to joining Cable & Wireless HKT Limited, Ms. Hui was the chief financial officer of a listed company engaged in hotel and property investment and management.

Ms. Hui graduated with a bachelor's degree in social sciences from the University of Hong Kong with first class honours. She is a qualified accountant and a member of both the Hong Kong Institute of Certified Public Accountants and the American Institute of Certified Public Accountants.

Save as disclosed above, Ms. Hui 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.

Other than the positions disclosed above and any information set out in the 2020 Annual Report of HKT Trust and HKT, Ms. Hui 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. Hui had a personal interest in 3,862,498 Share Stapled Units and other interest in 780,458 Share Stapled Units, representing awards made to her which were subject to certain vesting conditions pursuant to the relevant award schemes of the Company and PCCW, namely the HKT Share Stapled Units Purchase Scheme and the Purchase

Scheme. Save as disclosed above, Ms. Hui 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 as at the latest Practicable Date.

Ms. Hui's service contract was novated from a subsidiary of PCCW to a subsidiary of the Company immediately prior to the listing of Share Stapled Units on the main board of the Stock Exchange. The contract is for a continuous term and either party can terminate the contract by giving to the other three months' notice in writing or payment of three months' salary in lieu of such notice. Pursuant to the terms of the service contract, Ms. Hui is entitled to an annual remuneration (excluding discretionary bonus) of HK\$9.42 million being the salaries, allowances and benefits in kind and HK\$0.56 million being the retirement scheme contributions from the Company. Ms. Hui will be entitled to a discretionary bonus as may be determined by the Remuneration Committee of the Company from time to time by reference to the then prevailing market conditions, the performance of the Company as well as her individual performance. Ms. Hui has entered into two letters of appointment as an Executive Director of the Company and the Trustee-Manager under which Ms. Hui is not entitled to any remuneration and 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. Professor Chang Hsin Kang, FREng, GBS, JP, aged 80, 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. Professor Chang was an Independent Non-Executive Director of PCCW from October 2000 to November 2011.

Professor Chang became an Honorary Professor of Beijing Foreign Studies University in 2005, an Honorary Professor of Peking University in 2006, an Honorary Professor of Tsinghua University in September 2007, and the Honorary President of China Institute of Our Hong Kong Foundation in 2017. 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.

Professor 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.

Professor 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.

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

Save as disclosed above, Professor Chang 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.

Other than the positions disclosed above and any information set out in the 2020 Annual Report of HKT Trust and HKT, Professor 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, Professor Chang 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 Professor Chang and the Company for acting as an Independent Non-Executive Director. Professor Chang has entered into a letter of appointment as an Independent Non-Executive Director of the Company under which Professor Chang is entitled to an annual director's fee of HK\$248,800. Such fee is determined with reference to his responsibilities with the Company and the Company's remuneration policy. Professor Chang has also entered into a separate letter of appointment as an Independent Non-Executive Director of the Trustee-Manager under which Professor Chang is not entitled to any remuneration. Professor 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.

3. Sunil Varma, aged 77, 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, specializing 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, organizational strengthening, efficiency improvement, process re-engineering and business systems. He is experienced in a cross-section of industries including financial services, information technology, energy, fertilizers and steel. He had previously conducted several large assignments for public sector organizations, funded by World Bank, Asian Development Bank and other multi-lateral funding agencies. Mr. Varma is 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 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.

Other than the positions disclosed above and any information set out in the 2020 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 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 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\$248,800 and an additional annual fee of HK\$124,400 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.

4. Frances Waikwun Wong, aged 59, 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 is also an Independent Non-Executive Director of Pacific Century Regional Developments Limited.

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, The Open University of Hong Kong 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 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.

Other than the positions disclosed above and any information set out in the 2020 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 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. 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\$248,800 and an additional annual fee of HK\$124,400 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.

The following is a summary of the principal terms of the New Scheme to be approved at the AGM. Such summary does not form, nor is it intended to be, part of the New Scheme, nor should it be taken as affecting the interpretation of the rules of the New Scheme. The Directors reserve the right at any time prior to the AGM to make such amendments to the New Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material aspects with the summary in this Appendix.

1. PURPOSE OF THE NEW SCHEME

The purpose of the New 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**”) 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.

No Options will be granted under the New Scheme unless the grant of such Options is in compliance with all the requirements of the Listing Rules.

2. TERMS OF THE NEW 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 paragraph (b) below, and subject to the other terms of the New Scheme summarized 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 tenth anniversary of the Adoption Date or after the New Scheme has been terminated in accordance with the provisions thereof. Upon acceptance of the offer, the date on which the Option is offered shall be deemed to be the date of grant of the relevant Option, except in determining the date of grant for the purpose of calculating the subscription price under paragraph (b) where paragraphs (c)(vi) and (d)(iii) apply.

The Trustee-Manager is not an Eligible Participant under the New Scheme.

The basis of eligibility of any Eligible Participant(s) 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(s), 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. The inclusion of such classes of Eligible Participants provides the Group with a more flexible means to encourage Eligible Participants to work towards enhancing the value of the Group for the benefit of the Group and Holders of Share Stapled Units as a whole.

(b) Price of Share Stapled Units

The subscription price for Share Stapled Units in respect of any particular Option granted under the New 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 quotation sheet on the date of 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 quotation sheets for the five (5) business days immediately preceding the date of offer of the Option and (iii) the nominal value of a Share Stapled Unit.

(c) Maximum number of Share Stapled Units

- (i) Notwithstanding any other provisions of the New Scheme, no Options may be granted under the New Scheme if the exercise of the Option may result in PCCW ceasing to hold at least 51% of the 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).
- (ii) 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 New 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 New Scheme if this will result in such limit being exceeded.
- (iii) Subject to the further limitation in (i) above, 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 New 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 paragraph (c)(iv) or (c)(vi) below. Any Options lapsed in accordance with the terms of the New 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.

- (iv) Subject to the further limitation in (i) above, the Board may seek approval by Holders of Share Stapled Units in general meeting to renew the Scheme Mandate Limit. However, the total number of Share Stapled Units which may be issued upon exercise of all Options to be granted under the New Scheme and any other share option schemes of the HKT Trust and the Company in these circumstances must not exceed 10% of the issued Share Stapled Units at the date of approval of the renewed limit (the “**Renewed Scheme Mandate Limit**”), as required by the Listing Rules.
- (v) In the event of a consolidation or subdivision of the Share Stapled Units occurring after the approval of Holders of Share Stapled Units in respect of the 10% limit pursuant to the Scheme Mandate Limit or the Renewed Scheme Mandate Limit (as the case may be) has been obtained, the maximum number of Share Stapled Units which may be issued upon exercise of all Options to be granted under the New Scheme and any other share option schemes of the HKT Trust and the Company under such 10% limit as a percentage of the total number of issued Share Stapled Units at the date immediately before and after such consolidation or subdivision, shall be the same.
- (vi) Unless approved by the Holders of Share Stapled Units in the manner set out in this paragraph (vi), the total number of Share Stapled Units issued and to be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding Options under the New 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 granted and to be granted to such Eligible Participant (including exercised, cancelled and outstanding Options under the New 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 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, disclosing the identity of the Eligible Participant, the number and the terms of the Options previously granted and to be granted and containing the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules. The number and terms (including the subscription price for Share Stapled Units) of the Options to be granted to such Eligible Participant must be fixed before Holders of Share Stapled Units’ approvals and the date of the meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price under paragraph (b) above.

(d) Restrictions on grant of Options

- (i) 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 during the period commencing one month immediately before the earlier of:
 - (1) 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
 - (2) the deadline for the HKT Trust and the Company to announce its annual results, interim results 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. For the avoidance of doubt, no Options may be granted during any period of delay in publishing a results announcement.
- (ii) 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 must be approved by all of the independent non-executive Directors (“INED(s)”) (excluding any INED who is the grantee of the Options).
- (iii) 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 upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total issued Share Stapled Units on the date of 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 taken on a poll in general meeting. In addition, the date of the meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price under paragraph (b) above. 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 must abstain from voting in such general meeting (except that any connected person may vote against the proposed grant provided that his/her intention to do so has been stated in the Holders of Share Stapled Units’ circular). A Holders of Share Stapled Units’ circular must be prepared and sent by the Trustee-Manager and the Company, containing (1) details of the number and terms (including the subscription price) of the Options to be granted to each Eligible Participant, which must be fixed before the Holders of Share Stapled Units’ meeting; (2) a recommendation from the INEDs (excluding a recommendation from the INEDs who are the grantees of the Options) to the independent Holders of Share Stapled Units as to voting; (3) the information required under Rules 17.02(2)(c) and (d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules; and (4) the information required under Rule 2.17 of the Listing Rules.

(e) Time of and restrictions on exercise of Option

An Option may be exercised in whole or in part in accordance with the terms of the New Scheme at any time during a period to be notified by the Board to each grantee, the expiry date of such period not to exceed ten (10) years from the date of grant of the Option.

There is no general requirement on the minimum period for which an Option must be held or the performance targets which must be achieved before an Option can be exercised under the terms of the New 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 targets to be achieved before such Options can be exercised as the Board may determine in its absolute discretion.

(f) Assignment

Options granted under the New Scheme must be personal to the grantee, which 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. 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 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 has become exercisable but not already exercised) within a period of twelve (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 paragraphs (k), (l) and (m) below occurs during such period, his/her personal representative(s) may exercise the Option pursuant to 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) suffer 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 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 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, 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 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 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 (3) 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 paragraphs (k), (l) and (m) below occurs during such period, he/she may exercise the Option pursuant to 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, 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, 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 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 endeavors 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 shall, notwithstanding any other terms on which his/her Options were granted, 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 (5) 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 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 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 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) Effects of alterations to share capital

In the event of any capitalization 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 or nominal amount of Share Stapled Units subject to the Options granted pursuant to the New Scheme so far as unexercised and/or the subscription price or any combination thereof, shall be adjusted in such manner as the auditors for the time being of the HKT Trust and the Company 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 be made on the basis that the grantee 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 capitalization 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 November 6, 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 capitalization issue, the auditors for the time being of the HKT Trust and the Company or an independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision 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 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 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 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 paragraph (e) above;
- (ii) the expiry of any of the applicable periods referred to paragraphs (g), (h), (j), (k), (l) or (m) above;
- (iii) subject to 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 paragraph (i) above;

- (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 Scheme.

(q) Period of the New Scheme

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

(r) Alteration to the New Scheme and the terms of Options granted under the New Scheme

All provisions of the New 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:

- (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;
- (ii) any alterations of the terms and conditions of the New Scheme which are of a material nature or any change to the terms of Options granted under the New Scheme (except where the alterations take effect automatically under the existing terms of the New Scheme); and
- (iii) any change to the authority of the Board in relation to any alteration to the terms of the New 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 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).

In respect of any meeting of the grantees which may be held for this purpose, all the provisions of the constitutional documents for the time being of the HKT Trust and the Company as to general meetings of Holders of Share Stapled Units shall *mutatis mutandis* apply as though the Options were a class of Share Stapled Units except that:

- (i) not less than seven (7) days' notice of such meeting shall be given;

- (ii) a quorum at any such meeting shall be two (2) grantees present in person or by proxy and holding Options entitling them to the issue of one-tenth in nominal value of all Share Stapled Units which would fall to be issued upon the exercise of all Options then outstanding unless there is only one grantee holding all Options then outstanding, in which case the quorum shall be one grantee;
- (iii) every grantee present in person or by proxy at any such meeting shall be entitled on show of hands to one vote, and on a poll, to one vote for each Share Stapled Unit to which he/she would be entitled upon exercise in full of his/her Options then outstanding;
- (iv) any grantee present in person or by proxy may demand a poll; and
- (v) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, not being less than seven (7) or more than fourteen (14) days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those grantees who are then present in person or by proxy shall form a quorum and at least seven (7) days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such notice shall state that those grantees who are then present in person or by proxy shall form a quorum.

Where there is any proposed change to the terms of any Options granted to a connected person of the HKT Trust and the Company who is also a Substantial Holder of Share Stapled Units or an INED or any of their respective associates (except where the change takes effect automatically under the existing terms of the New Scheme), then the proposed change must be subject to the approval of an ordinary resolution of Holders of Share Stapled Units taken on poll at a general meeting of the Holders of Share Stapled Units and to such other requirements of the Listing Rules. The connected person involved in such proposed change and all other core connected persons of the HKT Trust and the Company must abstain from voting on the resolution to approve the proposed change to be considered at such general meeting (except that any connected person or core connected person may vote against the proposed change provided that his/her intention to do so has been stated in the circular). A Holders of Share Stapled Units' circular must be prepared and sent by the Trustee-Manager and the Company explaining the proposed change and disclosing the original terms of the Options, and containing a recommendation from the INEDs (excluding an INED who is the holder of the Options which terms are to be changed) on whether or not to vote in favour of the proposed change and containing such other information required under the Listing Rules.

(s) Administration of the New Scheme

The New 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 Scheme.

(t) Termination of the New Scheme

The Holders of Share Stapled Units by ordinary resolution in general meeting of Holders of Share Stapled Units or by resolutions passed by the Board may at any time terminate the operation of the New Scheme and in such event no further Option shall be offered but the provisions of the New 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. Upon such termination, details of the Options granted, including Options exercised or outstanding shall be disclosed in the circular to Holders of Share Stapled Units seeking approval of the first new scheme to be established after such termination.

(u) Cancellation of Options

Subject to 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 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 Mandate Limit or the Renewed Scheme Mandate Limit.

Any reference to the “**Board**” above shall include a duly authorized committee of the Board.

3. MISCELLANEOUS

The New Scheme is conditional on:

- (a) the passing of the necessary resolutions by the Holders of Share Stapled Units in general meeting to (1) terminate the Existing Scheme and (2) approve and adopt the New Scheme, and to authorize the Board to grant Options under the New Scheme and to allot, issue and deal with the Share Stapled Units which may be issued pursuant to the exercise of Options to be granted under the New Scheme;
- (b) the passing of the necessary resolutions by shareholders of PCCW in general meeting to (1) terminate the Existing Scheme and (2) approve the adoption of the New Scheme by the Trustee-Manager and the Company; and
- (c) the Listing Committee granting (i) approval of the listing of, and permission to deal in, the Share Stapled Units which may be issued pursuant to the exercise of Options to be granted under the New Scheme, and (ii) if so required by the Stock Exchange, approval of the New Scheme and the grant of Options thereunder.

As at the Latest Practicable Date, no Option has been granted or agreed to be granted under the New Scheme.

Application has been made to the Listing Committee for the approval of the New Scheme and the subsequent granting of Options under the New Scheme and for the listing of, and permission to deal in, the Share Stapled Units which may be issued pursuant to the exercise of the Options to be granted under the New Scheme.

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HKT[®]

HKT Trust

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

and

HKT Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6823)

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 (the “**Trustee-Manager**”, in its capacity as the trustee-manager of the HKT Trust) and the Company, will be held on Friday, May 7, 2021 at 10:00 a.m. at 14th 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 December 31, 2020, the audited Financial Statements of the Trustee-Manager for the year ended December 31, 2020, 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 (as defined hereinafter) jointly issued by the HKT Trust and the Company, of 40.97 HK cents per Share Stapled Unit (after deduction of any operating expenses permissible under the Trust Deed (as defined hereinafter)), in respect of the year ended December 31, 2020 (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 40.97 HK cents per ordinary share, in respect of the same period).
3. To re-elect the Directors of the Company and the Trustee-Manager and authorize them to fix their remuneration.
4. To re-appoint Messrs PricewaterhouseCoopers as Auditor of the HKT Trust, the Company and the Trustee-Manager and authorize the Directors of the Company and the Trustee-Manager to fix their remuneration.

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Special Business

As special business, 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 amended and restated articles of association):

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 (as defined hereinafter) and the amended and restated articles of association of the Company, 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 and options which might require the exercise of such power after the end of the Relevant Period;
- (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 exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Share Stapled Units or rights to acquire Share Stapled Units; or

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- (iv) 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 amended and restated articles of association of the Company 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:

“**Trust Deed**” refers to the trust deed dated November 7, 2011 constituting the HKT Trust entered into between the Trustee-Manager and the Company as amended, supplemented, substituted or otherwise modified from time to time;

“**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 amended and restated articles of association of the Company 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;

“**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 recognized 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

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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) the 2021-2031 share stapled units option scheme of the HKT Trust and the Company (the “**Share Stapled Units Option Scheme**”), the rules of which are contained in the document marked “A” produced to this Meeting and for the purpose of identification signed by the Chairman, be and is hereby approved and adopted, subject to and conditional upon the passing of an ordinary resolution approving the adoption of the Share Stapled Units Option Scheme by the shareholders of PCCW Limited (“**PCCW**”) and the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of, and permission to deal in, the share stapled units of the HKT Trust and the Company (“**Share Stapled Units**”) to be issued pursuant to the exercise of options which may be granted thereunder, and the Directors be and are hereby authorized 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 effect to the Share Stapled Units Option Scheme including but without limitation:
 - (i) to administer and grant options to subscribe for Share Stapled Units under the Share Stapled Units Option Scheme;
 - (ii) to modify and/or amend the Share Stapled Units Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Stapled Units Option Scheme relating to modification and/or amendment;
 - (iii) to allot and issue from time to time such number of Share Stapled Units as may be required to be issued pursuant to the exercise of the options under the Share Stapled Units Option Scheme, provided always that (1) following the issue of any new Share Stapled Units, 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 (2) the total number of Share Stapled Units to be issued pursuant to the Share Stapled Units

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Option Scheme, when aggregated with any Share Stapled Units to be issued pursuant to any grants after the date of passing this Resolution under any other share stapled units option schemes of the HKT Trust and the Company, shall not exceed 10% of the issued Share Stapled Units as at the date of passing this Resolution, but the Trustee-Manager and the Company may seek approval of the holders of Share Stapled Units in general meeting for refreshing the 10% limit under the Share Stapled Units Option Scheme and the maximum number of Share Stapled Units which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Stapled Units Option Scheme and any other share option schemes of the HKT Trust and the Company shall not exceed 30% of the issued Share Stapled Units from time to time;

- (iv) to make application at the appropriate time or times to the Stock Exchange, and other stock exchanges upon which the issued Share Stapled Units may for the time being be listed, for listing of, and permission to deal in, any Share Stapled Units which may hereafter from time to time be issued pursuant to the exercise of the options under the Share Stapled Units Option Scheme; and
- (v) to consent, if he/she so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Stapled Units Option Scheme; and
- (b) subject to and conditional upon the Listing Committee of the Stock Exchange granting the relevant approval and permission referred to above, the existing 2011-2021 share stapled units option scheme of the HKT Trust and the Company which was adopted on November 7, 2011 be terminated with effect from the date on which the Listing Committee of the Stock Exchange grants such approval and permission.”

By order of the boards of
HKT Management Limited
and
HKT Limited
Bernadette M. Lomas

Group General Counsel and Company Secretary

Hong Kong, April 1, 2021

Registered Office of the Company:

PO Box 309, Ugland 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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Notes:

1. Any holder of Share Stapled Units entitled to attend and vote at the Annual General Meeting (or any adjournment thereof) (“AGM”) of the 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 amended and restated articles of association of the Company 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 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 Monday, May 3, 2021. 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 4:30 p.m. on Monday, May 3, 2021.
5. The record date for the proposed final distribution will be Friday, May 14, 2021. 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 Thursday, May 13, 2021 to Friday, May 14, 2021 (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 4:30 p.m. on Wednesday, May 12, 2021.

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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 amended and restated articles of association, 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 amended and restated articles of association; 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 amended and restated articles of association.
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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9. In the interests of the health and safety of holders of Share Stapled Units and other participants of the AGM, the Trustee-Manager and the Company will implement precautionary measures at the AGM including, without limitation:

- compulsory body temperature screening;
- mandatory use of surgical face masks;
- anyone attending the AGM has to observe good personal hygiene at all times;
- appropriate social distancing and limitation on physical attendance in compliance with the relevant guidance and group gathering regulation as may be issued by the HKSAR Government from time to time; and
- NO distribution of corporate souvenirs or gift coupons and no refreshments will be served.

Attendees are reminded that they should carefully consider the risks of attending the AGM, taking into account their own personal circumstances. Attendees who do not comply with any of the Trustee-Manager's and the Company's precautionary measures may be denied entry to the AGM venue, at the absolute discretion of the Company as permitted by law.

10. To safeguard the health and safety of holders of Share Stapled Units, and in view of the limit on attendance and seating capacity as may be legally required, the Trustee-Manager and the Company strongly encourage holders of Share Stapled Units NOT to attend the AGM in person, and advise holders of Share Stapled Units to appoint the Chairman of the AGM or any Director or the Company Secretary of the Trustee-Manager and the Company as their proxy to vote according to their indicated voting instructions as an alternative to attending the AGM in person and view the live webcast of the AGM proceedings.
11. The Trustee-Manager and the Company will continue to monitor the COVID-19 pandemic situation and may implement further procedures and measures at short notice. Holders of Share Stapled Units should check the Company's website (www.hkt.com) for updates on the AGM arrangements.
12. **Online webcast of AGM proceedings:** registered holders of Share Stapled Units not attending the AGM in person may join the AGM online as an observer to view the live webcast of the AGM proceedings through www.hkt.com/agm2021 and may send questions relevant to the proposed resolutions to HKT Trust and HKT from 9:00 a.m. on Monday, May 3, 2021 to 6:00 p.m. on Wednesday, May 5, 2021 via email at AGM2021@hkt.com. The Trustee-Manager and HKT 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. Registered holders of Share Stapled Units should note that joining the webcast will not be counted towards a quorum nor will they be able to cast their votes online. Log in details to the webcast will be posted to the registered holders of Share Stapled Units on or about April 1, 2021.
13. In view of the travelling restrictions imposed by various jurisdictions including Hong Kong to prevent the spread of COVID-19, certain Director(s) of the Trustee-Manager and the Company may attend the AGM through video conference or similar electronic means.

NOTICE OF AGM

14. 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** or to contact the Share Stapled Units Registrar by telephone on (852) 2862 8648 for arrangements of the AGM.
15. References to time and dates in this notice are to Hong Kong time and dates.
16. In the event of any inconsistency, the English version shall prevail.

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; Li Fushen; Zhu Keping and Srinivas Bangalore Gangaiah (aka BG Srinivas)

Independent Non-Executive Directors:

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

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** and the website of Hong Kong Exchanges and Clearing Limited at **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